

**SANLORENZO**

**Sanlorenzo S.p.A.**

Registered office in via Armezzone 3, Ameglia (SP) – Share capital €34,594,172 fully paid-in  
Company Register of Riviere di Liguria – Imperia La Spezia Savona and tax code: 00142240464

[www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)

Traditional administration and control system

**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP  
STRUCTURES FOR THE FINANCIAL YEAR 2021**

**(drafted pursuant to Article 123-bis of Italian Legislative Decree 58/1998)**

**Approved by the Board of Directors on 10 March 2022**

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## GLOSSARY

<b>Code / CG Code</b>	The Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.
<b>Civil Code / c.c.</b>	The Italian Civil Code.
<b>Committee/ CG Committee/ Corporate Governance Committee</b>	The Italian Committee for the Corporate Governance of Listed Companies, promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.
<b>Board / Board of Directors</b>	The Issuer's Board of Directors.
<b>Issuer or Sanlorenzo or Company</b>	The issuer of securities to which the Report refers is Sanlorenzo S.p.A., a joint-stock company under Italian law, with registered office in Ameglia (SP), Via Armezzone 3, Italy, enrolled in the Register of Companies of Riviera di Liguria - Imperia La Spezia Savona, tax code and registration number 00142240464, VAT number 01109160117, subscribed and fully paid-in share capital of €34,594,172.
<b>Year</b>	The year to which the Report refers is therefore 2021.
<b>Consob Issuers' Regulations</b>	The Regulations issued by Consob with Resolution No. 11971 of 1999 (as subsequently amended) regarding issuers.
<b>Consob Market Regulations</b>	The Regulations issued by Consob with Resolution No. 20249 of 2017 (as amended) on markets.
<b>Consob Related Parties Regulations</b>	The Regulations issued by Consob with Resolution No. 17221 of 12 March 2010 (as subsequently amended) on related party transactions.
<b>Report</b>	The report on corporate governance and ownership structures for the year that the Company prepared pursuant to Article 123- <i>bis</i> of the TUF.
<b>Remuneration Report</b>	The report on the policy regarding remuneration and fees paid, which companies are required to draw up and publish pursuant to Article 123- <i>ter</i> of the TUF and 84- <i>quater</i> of the Consob Issuers' Regulations.
<b>Consolidated Law on Finance (Testo Unico della Finanza) / TUF</b>	Italian Legislative Decree No. 58 of 24 February 1998.

Unless otherwise specified, the definitions shall also be understood as being recalled by reference as in the CG Code relating to **directors, executive directors** (*see Q. Def. (1) and Q. Def. (2)*), **independent directors, significant shareholder, chief executive officer (CEO), board of directors, control body, business plan, concentrated ownership company, large company, sustainable success, and top management.**

## 1. ISSUER PROFILE

Sanlorenzo is a company listed on the Euronext Milan market organised and managed by Borsa Italiana, Euronext STAR Milan segment, since 10 December 2019.

Sanlorenzo is a global operator leader in the luxury yachting sector, specialised in the design, production and sale of made-to-measure yachts, superyachts and sport utility yachts, which are fitted out and customised according to the needs and desires of exclusive customers.

Sanlorenzo is also active in offering services dedicated to customers, including training at the Sanlorenzo Academy of the crew members, as well as maintenance, restyling and refitting of the Sanlorenzo yachts.

Sanlorenzo is the world's leading brand in terms of the volume of yachts between 30 and 40 metres in length delivered between 2009 and 2019, with a market share of 18% (figures updated to October 2019); the market share is calculated based on 90 yachts delivered by Sanlorenzo compared to the 489 total in the sector. Source: The Superyacht Times, November 2019.

Sanlorenzo is also the second largest shipbuilding group in the world and the largest shipyard operating under a single brand in terms of yachts over 24 metres (117 yachts) and total length of production (4,159 metres) registered in backlog at 31 December 2021 (Source: Global Order Book 2022, Showboats International).

For Sanlorenzo, the Corporate Governance system plays a central role in the company's strategy and operations, in order to pursue sustainable success and create long-term value to the benefit of shareholders, and to sustain the relationship of trust with the relevant stakeholders, in accordance with the principles of responsibility that inspire the Company.

Sanlorenzo adhered to the Code and adapted its own corporate governance system to the provisions of the same Code, which were innovative compared to the previous Corporate Governance Code, to which it also adhered, by means of a series of resolutions adopted by the Board of Directors on 16 March 2021, subject to the favourable opinion of the competent committees set up within the Board of Directors, of which it will provide specific information later on in the Report.

The Sanlorenzo Corporate Governance system relating to the year described in the Report, and resulting under the Company's By-laws currently in force (“**By-laws**”), is in line with the recommendations contained in the Code, except as specified below in the Report.

Sanlorenzo is organised according to the traditional administration and control model as per Articles 2380-*bis* et seq. of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

Within the Board of Directors, the Nomination Committee, the Remuneration Committee and the Control, Risks and Sustainability Committee have been set up, all with proposing and advisory functions in accordance with the recommendations of the Code, as well as and the Related Party Transactions Committee pursuant to the Consob Related Parties Regulations and the Procedure for related party transactions adopted by the Company, in compliance with the Regulation (“**Related Parties Procedure**”).

The Board of Directors has the role of leading the Issuer with the aim of pursuing its sustainable success, and therefore the creation of long-term value for the benefit of the shareholders, taking into account the interests of the other relevant stakeholders, since among other things (i) it defines the strategies of the Company of the Group, as specifically indicated in Section 4.1 of the Report, (ii) it approves the remuneration policy of the Company, whose purpose is to contribute to the sustainable success of the Company (on this point, reference should be made to Section 8 of the Report), and (iii) it adopted a control and risk management system consistent with the strategies of the Issuer (on this point, reference should be made to Section 9 of the Report).

Sanlorenzo has published on a mandatory basis the non-financial statement on a consolidated basis pursuant to Italian Legislative Decree No. 254/2016, which can be found on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the Section “Responsible Development/Non-financial Statement”.

Sanlorenzo does not fall within the definition of SME pursuant to Article 1, paragraph 1, letter *w-quater.1*) of the TUF and Article 2-ter of the Consob Issuers' Regulations.

Sanlorenzo does not fall within the Code's definition of a “large company”. Despite this, the Company did not make use of the flexibility options provided for in (i) Recommendation 5, third paragraph of the Code (on this point, please refer to Section 4.7 of the Report), (ii) Recommendation 5, last paragraph of the Code (on this point, please refer to Section 4.8 of the Report), (iii) Recommendation 16 of the Code (on this point, please refer to Section 9.2 of the Report), (iv) Recommendation 17, first paragraph of the Code (on this point, please refer to Section 6 of the Report) and (v) Recommendation 22, second paragraph of the Code (on this point, please refer to Section 7.1 of the Report). Conversely, the Company used the flexibility options set forth in (i) Recommendation 15 of the Code (on this point, please refer to Section 4.2 of the Report) and (ii) Recommendation 24 of the Code (on this point, please refer to Section 4.2 of the Report).

Sanlorenzo falls within the Code's definition of a “concentrated ownership company”. Notwithstanding the foregoing, the Company has not used the flexibility options set forth in (i) Recommendation 16 of the Code (on this point, please refer to Section 7.2 of the Report) and (ii) Recommendation 23 of the Code (on this point, please refer to Section 4.3 of the Report).

## 2. INFORMATION ON THE OWNERSHIP STRUCTURES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, OF THE TUF) AS AT 31 DECEMBER 2021

### a) Structure of the share capital (as per Article 123-bis, paragraph 1, letter a) of the TUF)

The share capital of Sanlorenzo fully subscribed and paid-in as at the date of the Report (10 March 2022, as resulting from the certificate pursuant to Article 2444 of the Italian Civil Code filed with the Register of Companies of Riviera di Liguria - Imperia La Spezia Savona on 28 February 2022) amounts to €34,594,172, divided into 34,594,172 ordinary shares without par value, as follows:

SHARE CAPITAL STRUCTURE				
Type	Number of shares	Number of voting rights	Listed	Rights and obligations
Ordinary shares	34,594,172 <sup>(*)(**)</sup>	55,431,300	Euronext STAR Milan	All Issuer's shares grant equity and administrative rights as provided for by applicable legal provisions and by the By-laws; in particular, each share grants the right to one vote at ordinary and extraordinary meetings of the Issuer, except for those shares which have obtained increased voting rights in compliance with Article 6 of the By-laws.

\* of which 58,666 treasury shares at 28 February 2022, unchanged from 31 December 2021.

\*\* of which 20,837,128 with increased voting rights at 28 February 2022, unchanged from 31 December 2021.

As at 31 December 2021, the Company's share capital amounted to €34,539,268, fully paid-in, and consisted of 34,539,268 ordinary shares, increased compared to 31 December 2020 due to the subscription of the capital increase to service the 2020 Stock Option Plan for 39,268 shares in December 2021. The share capital was subsequently increased also in 2022 and, as at 28 February 2022 (date on which the certification pursuant to Article 2444 of Italian Civil Code was filed with the Riviera di Liguria – Imperia La Spezia Savona), it consists of 34,594,172 shares.

On 21 April 2020, the Extraordinary Shareholders' Meeting of Sanlorenzo resolved to approve a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum of 884,615 ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan approved on the same date by the Ordinary Shareholders' Meeting ("**2020 Stock Option Plan**"), all under the terms and conditions set out in the resolution itself. The details of said resolution on capital increase and on the 2020 Stock Option Plan are available on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "Corporate Governance/Shareholders' Meeting/Ordinary and Extraordinary Shareholders' Meeting of 21 April 2020" Section.

Sanlorenzo has not issued any other financial instruments giving the right to subscribe for newly issued shares.

On 24 September 2020, the Company initiated the share buy-back program based on the authorisation resolution approved by the Shareholders' Meeting on 31 August 2020. As a result of share purchases since the inception of the program, as of the date of the Report (10 March 2022), the Company hold 58,666 treasury shares, whose right to vote is suspended pursuant to Article 2357-ter of the Italian Civil Code, unchanged from 31 December 2021, representing 0.170% of its subscribed and paid-in share capital. In accordance with the

terms of the above resolution, the share buy-back program terminated on 28 February 2022. The details of said share buy-back resolution are available on the Issuer's website in the "Corporate Governance/Shareholders' Meeting/Ordinary Shareholders' Meeting of 31 August 2020" Section.

### **Share-based incentive plans (stock options)**

The Ordinary Shareholders' Meeting of 21 April 2020 has resolved, among other things, to approve the 2020 Stock Option Plan reserved for executive directors, general managers, managers with strategic responsibilities and employees with permanent employment contracts and at least as employees of the Company and its directly or indirectly controlled companies, pursuant to Article 114-*bis* of the TUF, to be implemented through the free assignment of option rights valid for the subscription of ordinary shares of the Company.

The related information document, drawn up pursuant to Article 84-*bis* of the Consob Issuers' Regulation and in compliance with Annex 3A) of the same, is available, also for consultation, on the Issuer's website in the "Corporate Governance/Shareholders' Meeting/Ordinary and Extraordinary Shareholders' Meeting of 21 April 2020" Section.

### **b) Restrictions on the transfer of securities (pursuant to Article 123-*bis*, paragraph 1, letter b) of the TUF)**

The purchase and transfer of Sanlorenzo shares are not subject to statutory restrictions.

As part of the agreements entered into by top managers, the following should be noted.

On 25 October 2019, Carla Demaria (executive director of Sanlorenzo and chief executive officer of the subsidiary Bluegame S.r.l.) signed a unilateral three-year commitment to Massimo Perotti (Chairman of the Board of Directors, chief executive officer and controlling shareholder) whereby she undertook, among other things, not to transfer the Company shares held by her, with the sole exception of the possibility of transferring 20% of her shares once 365 days have elapsed from the start of trading (10 December 2019). By letter dated 16 December 2020, Carla Demaria extended the undertaken commitment until 10 December 2023; in the period from 10 December 2022 to 10 December 2023, Carla Demaria will have the option to transfer an additional 30% of the shares held by her.

Ferruccio Rossi and Tommaso Vincenzi (managers with strategic responsibilities) signed a unilateral three-year commitment to Massimo Perotti on 28 October 2019 whereby they undertook, among other things, not to transfer the shares held by them, with the sole exception of the possibility of transferring 20% of their shares once 365 days have elapsed from the start of trading (10 December 2019). By letters of respectively 28 and 16 December 2020, Ferruccio Rossi and Tommaso Vincenzi extended the commitment undertaken until 10 December 2023; in the period from 10 December 2022 to 10 December 2023, Ferruccio Rossi and Tommaso Vincenzi will have the possibility to transfer an additional 20% of the shares held by them.

On 28 October 2019, Marco Viti (executive director and strategic manager of Sanlorenzo) also signed a three-year commitment whereby he undertook, among other things, not to transfer the Company shares held by him, with the sole exception of the possibility of transferring 10% of his shares once 365 days have elapsed from the start of trading (10 December 2019).

### **c) Significant equity investments in the share capital (pursuant to Article 123-*bis*, paragraph 1, letter c) of the TUF)**

At the date of the Report (10 March 2022), shareholders who hold, directly or indirectly, equity investments of more than 3% of the share capital (and/or a number of voting rights in excess of 3% of the total amount of



voting rights), through pyramid structures or cross-shareholdings, as the Company evinces from the communications made pursuant to Article 120 of the TUF and other information held by the Company, are shown in the table below.

SIGNIFICANT EQUITY INVESTMENTS IN CAPITAL			
Declarant	Direct shareholder	Share % of ordinary share capital	Share % of voting capital
Massimo Perotti (statement disclosed on 22 January 2020 and updated with transactions executed and disclosed pursuant to the Internal Dealing Procedure)	Holding Happy Life S.r.l.	60.5%	75.0%

#### **d) Securities that grant special rights (pursuant to Article 123-bis, paragraph 1, letter d) of the TUF)**

At the date of the Report, there are no securities conferring special rights of control.

Moreover, as an exception to the principle according to which each ordinary share provides the right to one vote, Article 6 of the By-laws provides that two votes are attributed to each share belonging to the same person for a continuous period of at least 24 months from the date of registration in a special list updated quarterly and kept by the Company (the “**List**”). Article 6.15 of the By-laws also provides, pursuant to Article 127-*quinquies*, paragraph 7, of the TUF, that, with regard to shares existing prior to the measure of admission to trading on the Mercato Telematico Azionario, today Euronext Milan, for which a request is made, for the purpose of accruing the period of continuous possession necessary for the increase in voting, the possession accrued prior to that time and therefore prior to the date of registration in the List and subject to the request for registration is also taken into account.

With the regulation adopted by the Board of Directors on 24 October 2019, the Company defined the rules for the registration, maintenance and updating of the List and the criteria for maintaining the List, which was established at the same time. These regulations are published on the Issuer's website in the “Corporate Governance/Increased vote” Section, together with the “Application form for inclusion in the list for the assignment of the increased vote”.

In accordance with the provisions of the By-laws, the increase in voting rights is also taken into account for the determination of the constitutive and resolution quorums that make reference to capital rates, but has no effect on the rights, other than voting rights, due and exercisable by virtue of the possession of certain capital rates etc., inter alia, for the determination of the rates of capital required for the submission of lists for the election of corporate bodies, for the exercise of liability actions pursuant to Article 2393-*bis* of the Italian Civil Code and for the appeal, for whatever reason, of shareholders' resolutions.

As of 31 December 2021, there were 20,837,128 shares with vested voting rights; the amount is unchanged as of the date of this Report; voting rights total 55,431,300 (of which 13,757,044 with no increased voting rights and 41,674,256 with increased voting rights).

The list of shareholders who, as at the date of this Report, asked to be included in the list for the right to benefit from the increased vote for a stake higher than 3% of the share capital, as well as the list of shareholders holding more than 3% of the total amount of voting rights who obtained the increased voting right and the total number of their voting rights, are published on the Issuer's website in “Corporate Governance/Increased Vote” Section.

**e) Employee shareholding: mechanism for exercising voting rights (pursuant to Article 123-bis, paragraph 1, letter e), of the TUF)**

At the date of the Report, there are no employee shareholding systems that provide for voting mechanisms whereby voting rights are not exercised by employees.

**f) Restrictions on voting rights (pursuant to Article 123-bis, paragraph 1, letter f) of the TUF)**

At the date of the Report there are no restrictions on voting rights.

**g) Shareholders' agreements (pursuant to Article 123-bis, paragraph 1, letter g) of the TUF)**

Agreements between shareholders pursuant to Article 123-bis, paragraph 1, letter g) of the TUF and described in Section 2.b) above are not subject to the publication requirements of Article 122 of the TUF. The Issuer is not aware of any further agreements between shareholders pursuant to Article 123-bis, paragraph 1, letter g) of the TUF.

**h) Change of control clauses (pursuant to Article 123-bis, paragraph 1, letter h) of the TUF) and statutory provisions on takeover bids (pursuant to Article 104, paragraph 1-ter, and 104-bis, paragraph 1, of the TUF)**

**Change of control clauses**

At the Date of the Report, Sanlorenzo is a party to the loan agreements subject to change of control clauses, summarised in the table below.

<i>(€'000)</i>	<b>Outstanding capital at 31 December 2021</b>
Banco BPM – Unsecured loan €10m 30.06.26	9,474
Banco BPM – Mortgage loan €7.41m 31.12.30	5,874
Banco BPM – Mortgage loan €814k 31.12.30	645
Banco di Sardegna – Unsecured loan €5m 30.09.25	3,762
BPER – Unsecured loan €5m 30.09.25	3,762
Cassa Depositi e Prestiti – Unsecured loan €10m 31.12.26	7,143
Crédit Agricole Carispezia – Mortgage loan €15m due 29.11.26	7,921
Creval – Unsecured loan €7m 05.07.23	2,510
Deutsche Bank – Unsecured loan €7.5m 31.03.23	1,875
Intesa Sanpaolo – Unsecured loan €20m 30.06.26	20,000
MPS – Unsecured loan €6m 31.12.23	2,400
UniCredit – Unsecured loan €10m 30.06.26	9,474
UniCredit – Unsecured loan €6m 30.09.25	5,625
UniCredit – Unsecured loan €8.25m 31.12.22	3,000
<b>Total financial payables subject to change of control clause (Sanlorenzo S.p.A.)</b>	<b>83,465</b>

At the date of the Report, Bluegame Srl, 100% owned by Sanlorenzo, and Sanlorenzo of the Americas LLC, 90% owned by Sanlorenzo, are parties to the following loan agreements, subject to change of control clauses.

<i>(€'000)</i>	<b>Outstanding capital at 31 December 2021</b>
UniCredit – Unsecured loan €4.5m 30.09.25 (Bluegame S.r.l.)	4,219
Intesa Sanpaolo – Uncommitted credit facility of \$10m (Sanlorenzo of the Americas LLC)	1,426
<b>Total financial payables subject to change of control clause (subsidiaries)</b>	<b>5,645</b>
<b>Total financial payables subject to change of control clause (Sanlorenzo Group)</b>	<b>89,110</b>

## Statutory provisions on takeover bids

The Issuer's By-laws do not derogate from the provisions on the passivity rule provided for by Article 104, paragraphs 1 and 1-*bis* of the TUF and do not provide for the application of the neutralisation rules provided for by Article 104-*bis*, paragraphs 2 and 3 of the TUF.

### **i) Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to Article 123-*bis*, paragraph 1, letter m) of the TUF)**

There are no proxies for share capital increases pursuant to Article 2443 of the Italian Civil Code or for the issue of equity instruments.

The Ordinary Shareholders' Meeting of 31 August 2020 reviewed and approved the proposal to authorise the purchase and disposal of the Company's ordinary shares, pursuant to the combined provisions of Articles 2357 and 2357-*ter* of the Italian Civil Code, as well as Article 132 of TUF and related implementing provisions.

The authorisation to purchase treasury shares was resolved for the 18 (eighteen) month period from the date of the related authorisation by the Ordinary Shareholders' Meeting of 31 August 2020 and thus by 28 February 2022.

The authorisation to purchase and dispose of treasury shares aimed to grant to the Board of Directors the right to purchase and dispose of treasury shares, in compliance with applicable regulations, for the purposes of (including the purposes contemplated in market practices):

- (i) to operate on the market from a medium- and long-term investment perspective; and/or
- (ii) to use excess liquidity; and/or
- (iii) to optimise the share capital structure; and/or
- (iv) to have a "securities portfolio" to use - in any way, including but not limited to, in addition to the sale, through exchange, contribution and any other non-cash disposal - as part of extraordinary transactions of interest of Sanlorenzo, including, but not limited to, exchanges of equity investments, acquisitions, mergers, spin-offs, capital transactions, other corporate and/or financial transactions; and/or
- (v) to dispose of shares to be used for any future management stock incentive plans approved by the Company.

The authorisation approved by the Ordinary Shareholders' Meeting entailed the right to purchase, in one or more transactions and to a freely determinable extent - from time to time - by resolution of the Board of Directors, a maximum number of ordinary shares of the Company, without par value, equal to 3,450,000 (i.e. 10% of the subscribed and paid-in share capital as of today), without prejudice to compliance with the maximum limit set forth in Article 2357, paragraph 3, of the Italian Civil Code.

In compliance with Article 2357, paragraph 1 of the Italian Civil Code, the purchases could have been made exclusively within the limits of the distributable profits and the available reserves resulting from the last approved financial statements (including interim statement) and may concern exclusively shares fully paid up.

The authorisation entailed the right of the Board of Directors to dispose of the shares in the portfolio at any time and to a freely determinable extent, in one or more transactions, even before having exhausted the quantity of treasury shares that can be purchased.

The authorisation also entailed the right of the Board of Directors to repurchase the shares after their possible disposal, provided that the limits of the law and the maximum limit of the purchase authorisation established above are respected.

Within the expiry date, the Board of Directors could make the purchases in one or more occasions and at any time, to the extent and time frame freely determined in compliance with the applicable regulations, with the timing and as gradually as deemed appropriate in the interest of Sanlorenzo.

The authorisation to dispose of treasury shares has no time limits.

The issued authorisation stipulated that the purchases of treasury shares might occur - in compliance with any applicable regulations – at a price that did not deviate upward or downward from 10% above or below the reference price recorded on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the session prior to each individual transaction.

The sale or disposal of treasury shares may be carried out:

- (i) if carried out in cash, at a price not below 10% of the reference price recorded on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the trading session prior to each individual transaction;
- (ii) if carried out – in any way, including, but not limited to, in addition to the sale, through exchange, contribution and any other non-cash disposal deed – as part of extraordinary transactions of interest of Sanlorenzo, including, by way of example but not limited to, exchange of equity investments, acquisitions, mergers, spin-offs, capital transactions, other corporate and/or financial transactions, according to the economic terms that will be determined by the Board of Directors based on the nature and characteristics of the transaction, also taking into account the market performance of the Sanlorenzo share and the best interest of the Company;
- (iii) as regards the shares to be used for the management's stock incentive plans, according to the terms and conditions indicated in the regulations of said plans.

The purchase transactions had to be carried out in such a way as to allow the respect of the equal treatment of the shareholders in compliance with the provisions of Article 132 of the TUF, Article 144-*bis* of the Consob Issuers' Regulations and all other regulations in force, as well as, insofar as applicable, by permitted market practices.

The shares to be used for any management stock incentive plans may be assigned according to the methods and terms set forth in the regulations of the relative plans.

The disposals of the shares can be carried out at any time and to a freely determinable extent, in one or more transactions and even before the quantity of treasury shares that can be purchased has been exhausted; it will also be possible to repurchase the shares after their disposal, provided that the limits of the law and the maximum limit of the purchase authorisation as indicated above are respected.

The disposal may take place in the manner deemed most appropriate by the Board of Directors in the interest of the Company, on and off the stock exchange, and in any case in compliance with the regulations in force and, where applicable, with the market practices permitted from time to time.

As at 28 February 2022, the date of conclusion of the share buy-back program, Sanlorenzo holds a total of 58,666 treasury shares, equal to 0.170% of the share capital, unchanged from 31 December 2021.

For any other detail concerning authorisation for the share buy-back program resolved by the Shareholders' Meeting of 31 August 2020, please see the Explanatory Report of the Board of Directors drawn up and published in accordance with law also on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "Corporate Governance/Shareholders' Meeting/Ordinary Shareholders' Meeting of 31 August 2020" section.

The Ordinary Shareholders' Meeting is convened on 28 April 2022 (first call) and on 29 April 2022 (second call) to resolve on the new authorisation for the purchase of treasury shares (refer to the report on the sixth item on the agenda of this shareholders' meeting disclosed pursuant to Article 125-ter of the TUF for detailed information).

## **j) Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)**

Despite the fact that Article 2497-*sexies* of the Italian Civil Code states that "*it is presumed, unless there is evidence to the contrary, that the activity of management and coordination of companies is exercised by the company or entity required to consolidate their financial statements or which in any case controls them pursuant to Article 2359 of the Italian Civil Code*", Holding Happy Life S.r.l. ("**HHL**"), a controlling shareholder of the Company, does not perform management and coordination activities with respect to the Company.

The Issuer operates under conditions of corporate and entrepreneurial autonomy with respect to its holding company HHL and there is no activity typically involving management and coordination pursuant to Articles 2497 et seq. of the Italian Civil Code.

By way of example and not exhaustive:

- the Issuer independently prepares and executes its own and the Group's strategic, industrial, financial and/or budget plans;
- the Issuer operates in full negotiating autonomy with respect to the conduct of relationships with customers and suppliers without any interference from HHL;
- the Issuer does not receive any assistance or financial coordination from HHL;
- the Issuer does not receive, and is in no way subject to, any financial or credit guidelines or instructions from HHL;
- the Issuer is not subject to any regulations or policies imposed by HHL; and
- there are no acts, resolutions or communications by HHL that would reasonably suggest that the Issuer's decisions are the result of a taxation -related and overriding intention of the holding company, limiting HHL to the exercise of administrative and property rights arising from its shareholder status, such as, for example, the exercise of voting rights at Shareholders' Meetings and the collection of dividends.

Hence, transactions with HHL are limited to the normal exercise by HHL of the administrative and property rights inherent in its shareholder status (such as voting at shareholders' meetings and collection of dividends).

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It is specified that:

- the information required by Article 123-*bis*, paragraph 1, letter i) of the TUF on the "*agreements between the company and the directors, members of the management or supervisory board, which provide for*

*compensation in the event of resignation or dismissal without just cause or if their employment relationship ceases following a takeover bid*” are contained in the Report on the remuneration policy and on compensations paid, posted pursuant to Article 123-ter of the TUF on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the Remuneration Report Section (Section **8.1**).

- The information required by Article 123-bis, paragraph 1, letter l) of the TUF with regard to the “*rules applicable to the appointment and replacement of directors, members of the management or supervisory board, as well as to the amendment of the By-laws, if different from the laws and regulations applicable on a supplementary basis*” is illustrated in the section of the Report dedicated to the Board of Directors (Section **4.2**).
- The information required by Article 123-bis, paragraph 1, letter l), second part of the TUF (“*the rules applicable ... to the amendment of the By-laws, if different from the laws and regulations applicable in addition*”) is explained in the section of the Report dedicated to the Shareholders' Meeting (Section **13**).

### **3. COMPLIANCE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER A), FIRST PART, OF THE TUF)**

Sanlorenzo has adhered to the CG Code, which is accessible to the public on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

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Sanlorenzo and its subsidiaries are not subject to non-Italian legal provisions that affect the Company's corporate governance structure.

## 4. BOARD OF DIRECTORS

### 4.1 Role of the Board of Directors

The Board of Directors plays a central role within the company's organisation and is responsible for the functions and responsibility for strategic and organisational policies of the Company, as well as for verifying the existence of the necessary controls to monitor the performance of the same and the companies belonging to the Sanlorenzo Group.

Pursuant to Article 15 of the By-laws, the Board of Directors is vested with the broadest powers for the management of the Issuer. By virtue of the same provision of the By-laws, the Board of Directors is also attributed, pursuant to Article 2365 of the Italian Civil Code, the power, which cannot be delegated but which may in any case be remitted to the Shareholders' Meeting, over the following potential resolutions:

- (i) mergers and demergers in the cases provided for by law;
- (ii) the establishment or abolition of secondary offices;
- (iii) details as to which of the Directors represent the Company, without prejudice to the provisions of Article 18 of the By-laws, which states that the Chairperson of the Board of Directors, in the event of objective impediment, the Deputy Chairperson of the Board of Directors (if appointed), the Chief Executive Officers and those to whom special assignments are assigned, and the latter within the limits of the powers and duties conferred by the Board of Directors, shall be entitled to represent the Company legally before third parties and in court.
- (iv) reduction of capital in the event of withdrawal of Shareholders;
- (v) adaptations of the Staff Regulations to regulatory provisions;
- (vi) the transfer of the Issuer's registered office within the national territory.

On 16 March 2021, the Board of Directors, in accordance with Principle XI and Recommendation 11 of the CG Code, with the favourable opinion of the Nomination Committee and the Board of Statutory Auditors, adopted regulations governing the role, organisation and operating procedures of the Board of Directors ("**Regulation of the Board of Directors**").

The Regulation of the Board of Directors, which can be consulted on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "Corporate Governance/Board of Directors" section, consists of 14 Articles and does not derogate from or amend the applicable provisions of the law or the By-laws, which prevail in the event of any conflict.

Pursuant to Articles 2.2 and 3.1 of the Regulation of the Board of Directors and in accordance with Principles I, II, III and IV of the CG Code, the Board guides the Company by pursuing its sustainable success and, consistent with this, defines the strategies of the Company and its Parent Group and monitors their implementation; the Board of Directors defines the corporate governance system that is most suitable for the structure and conduct of the Company's business and for the pursuit of its strategies; it assesses the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries and promotes dialogue with the shareholders and other stakeholders that are important for the Company.

In particular, in accordance with Recommendations 1, 2 and 3 of the CG Code, the Board of Directors is expressly reserved the following by the Regulation of the Board of Directors:

- examination and approval of the business plan of the Issuer and the Group it heads, also based on the analysis of the issues that are relevant for the generation of long-term value (in compliance with



Recommendation 1, letter a) of the CG Code). The Board of Directors adopted the business plan by resolution on 24 October 2019 at the time of the listing;

- periodic monitoring of the implementation of the business plan, as well as assessment of the general operating performance, periodically comparing the results achieved with those planned (in accordance with Recommendation 1, letter b) of the CG Code). At the meeting of 10 March 2022, the Board of Directors verified how the Group had demonstrated great ability to pursue results, even during the long pandemic phase, and how the objectives set out in the 2020-2022 business plan had been exceeded in the year, and in particular how Net Revenues New Yachts were 6.2% higher than planned, Adjusted EBITDA 0.6% higher and the Net Financial Position 41.0% higher;
- definition of the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments all elements that may be relevant for the Issuer's sustainable success (in compliance with Recommendation 1, c of the CG Code). At the meeting of 10 March 2022, the Board, after receiving the favourable opinion of the Control, Risks and Sustainability Committee of 9 March 2022 and the Board of Statutory Auditors, endorsed the assessment of the chief executive officer and director in charge of establishing and maintaining the internal control and risk management system, Massimo Perotti, who confirmed that during the year, the different generic and specific natures of risk of the Company were assessed and the level of risk compatible with the strategic objectives also in light of the organisational structure of the Company itself, and that for the actions put in place all the relevant elements were assessed with a view to the sustainable success of the Company;
- definition of the Issuer's corporate governance system and the structure of the Group to which it belongs (in compliance with Recommendation 1, letter d), first part of the CG Code). The Issuer defined its corporate governance system with effectiveness subject to the Start of Trading (on 10 December 2019) by means of a resolution dated 24 October 2019 and confirmed on 23 December 2019; moreover, the Company - taking into account the autonomy spaces offered by the legal system - adjusted its corporate governance system to the provisions of the CG Code, where innovative compared to those of the previous Corporate Governance Code, by means of resolutions adopted by the Board of Directors on 16 March 2021, subject to the favourable opinion of the competent committees set up within the Board of Directors;
- assessment of the adequacy of the organisational, administrative and accounting structure of the Issuer and its subsidiaries with strategic importance, with particular reference to the internal audit and risk management system (in compliance with Recommendation 1, d, second part of the CG Code). The Board assesses at least on an annual basis this adequacy; during the year, also with regard to the adjustment of its organisational structure to the provisions contained in the CG Code, the Board carried out a new assessment of its own structure and, having acknowledged the information periodically provided by the delegated bodies and the reports by the Chairman of the Control, Risks and Sustainability Committee, unanimously confirmed that the organisational, administrative and accounting structure of the Company is adequate, effective and actually functioning, also acknowledging that at present there are no strategic subsidiaries. The same assessment was made during the Board of Directors of 10 March 2022. Refer to Section 9 of the Report for detailed information on this issue.
- resolution on the transactions of the Issuer and its subsidiaries that have a significant impact on the Issuer's strategic, economic, equity or financial position, by setting out the general criteria to identify significant transactions (in compliance with Recommendation 1, letter e) of the CG Code). More specifically, during the year, the main Issuer's transactions and investments were submitted to the Board for assessment and approval, after having been duly examined and informed;
- adoption - upon proposal of the Chairman and chief executive officer - of a procedure for the internal handling and disclosure to the outside world of documents and information concerning the Issuer, with

particular reference to privileged information (in compliance with Recommendation 1, letter f) of the CG Code). Refer to Section 5 of the Report for detailed information on this issue.

In accordance with Recommendation 3 of the CG Code, the Board also adopted the Policy for Managing Dialogue with General Shareholders. Refer to Section 12 of the Report for detailed information on this issue.

The Board of Directors is also responsible for establishing an organisational, administrative and accounting structure appropriate to the size and nature of the Company, including in relation to the timely detection of the crisis of the company and the loss of the going concern, verifying its adequacy.

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On 24 October 2019, the Board of Directors decided to reserve for its exclusive jurisdiction and not to delegate to the Board of Directors, in addition to all matters that, pursuant to the law and the By-laws, cannot be delegated and those that the Corporate Governance Code then applicable assigned to the collective jurisdiction of the Board of Directors, including the assessment of the adequacy of the internal control and risk management system as well as its effectiveness, the most important decisions from an economic and strategic point of view and in terms of structural impact on management, or functional to the exercise of the monitoring and guidance activities of the Company and the companies that are part of the Group. In particular, these involve the following matters:

- (i) approval of the annual budget, business plan and amendments to the same;
- (ii) making investments for amounts in excess of €500,000 per individual transaction and in any case for overall amounts in excess of €2,000,000 for each financial year;
- (iii) purchase, sale and in any event deeds of tangible and intangible assets for amounts in excess of €250,000 per individual transaction and in any case for overall amounts in excess of €1,000,000 for each financial year;
- (iv) hiring, non-disciplinary dismissal and executive compensation;
- (v) sale, contribution, purchase, lease (assets or liabilities) and in any event deeds of companies or business units;
- (vi) sale, contribution, purchase and in any event deeds of shareholdings and participation in the formation of companies;
- (vii) participation in joint ventures, consortia, associations or temporary groupings of companies;
- (viii) sale, contribution, purchase or in any event deed other than the rental of real estate;
- (ix) taking out medium/long-term loans (over 18 months' duration) in any form for amounts in excess of €250,000 per transaction and in any case for overall amounts in excess of €1,000,000 for each financial year;
- (x) granting of real or personal guarantees in favour of third parties in any form whatsoever in excess of €150,000 per individual transaction and in any case for overall amounts in excess of €500,000 for each financial year, with the exception of intercompany guarantees and guarantees granted in favour of the Company's customers against the payment of advances and/or work as a guarantee and/or for the purchase of engines to be installed on boats, which can be delegated without limits of amount;
- (xi) litigation transactions for amounts in excess of €1,000,000 for each financial year;
- (xii) conferment of powers on the Company's representative to attend the shareholders' meetings of the investee companies, if they decide on matters that cannot be delegated as described above.

It has also been established that all the authority and powers necessary to carry out any transaction and any deed of administration of the Company included in the annual budget approved by the Board of Directors may

be delegated, which therefore will not need to be approved again by the Board of Directors since they have already been approved in advance by the Board.

Without prejudice to the aforesaid limits of amounts for matters that cannot be delegated, the Board has not established further general criteria for identifying transactions that have a significant strategic, economic, equity or financial importance for the Company, as it considers it more appropriate to assess the significance of the transactions carried out from time to time.

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During the year, the Board of Directors adapted the Company's corporate governance system to the new provisions of the CG Code and did not deem it necessary or appropriate to draw up reasoned proposals to be submitted to the Shareholders' Meeting for the definition of a corporate governance system more suited to the Company's needs.

For detailed information regarding additional powers to the Board regarding:

- (i) appointment, refer to Section **4.2** of the Report;
- (ii) composition, refer to Section **4.3** of the Report;
- (iii) operation, refer to Section **4.4** of the Report;
- (iv) self-assessment, refer to Section **7.1** of the Report;
- (v) remuneration policy, refer to Section **8** of the Report;
- (vi) internal control and risk management system, refer to Section **9** of the Report.

## **4.2 Appointment and replacement (pursuant to Article 123-bis, paragraph 1, letter l) of the TUF)**

The By-laws provide the list voting mechanism for the appointment of the members of the Board of Directors (and the Board of Statutory Auditors), with provisions aimed at allowing the appointment of minority representatives to these corporate bodies.

Pursuant to Article 12.1 of the By-laws, the Company is managed by a Board of Directors consisting of between 7 (seven) and 15 (fifteen) members. The Ordinary Shareholders' Meeting that appoints the Directors determines the number of members of the Board of Directors within these limits and the duration of their term of office, in any case not exceeding three financial years and expiring on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office. If the Shareholders' Meeting does not establish the duration of the directors' term of office, it is understood to be 3 (three) financial years.

The methods of appointment of the Board of Directors are governed by Article 147-ter of the Consolidated Law on Finance, by Article 144-quater of the Consob Issuers' Regulations and Articles 12 and 13 of the By-laws. Directors must meet the requirements of the law and are eligible for re-election. If the requirements are not met, the director is removed. Without prejudice to the applicability of the provisions of the law and the By-laws with regard to gender balance, a minimum number of directors corresponding to the minimum number required by law must meet the independence requirements laid down by law. The failure to meet the independence requirement must be immediately notified to the Board of Directors and, in any case, shall result in the forfeiture of office of the director, unless, and except otherwise required by law, the requirements are still met by a number of directors corresponding to the minimum number of directors required by law to meet the independence requirements.

Directors are appointed by the Shareholders' Meeting on the basis of lists of candidates, listed by sequential number, presented by the shareholders and in any case in compliance with the provisions of the law and the

By-laws occasionally in force, including with regard to gender balance and the appointment of independent directors.

Lists that present a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that at least two fifth (rounded up in any case) of the candidates belong to the least represented gender and must indicate which candidates meet the independence requirements established by the regulations occasionally in force.

The lists, signed by those who submit them, are filed at the Company's registered office, available to anyone who so requests, at least 25 (twenty-five) days before the date set for the Shareholders' Meeting called to resolve on the appointment of directors. The lists are in any case also subject to the further forms of advertising and filing prescribed by law.

Each shareholder, shareholders who are parties to a shareholders' agreement relevant pursuant to Article 122 of the TUF and the holding company, subsidiaries and those subject to joint control pursuant to Article 93 of the TUF, may not submit or participate in the submission, not even through a third party or trust company, of more than one list; each candidate may appear on only one list under penalty of ineligibility.

The By-Laws provides that only shareholders who, alone or together with other shareholders, hold shares representing at least 2.5% of the share capital, or such other percentage as may be established by mandatory provisions, are entitled to submit lists. In this regard, it should be noted that the Consob, in compliance with the provisions of Article 144-*septies*, paragraph 1 of the Consob Issuers' Regulations, established, by Executive Resolution no. 60 of 28 January 2022 of the Head of the Corporate Governance Division, that the shareholding in the share capital required for the presentation of lists of candidates for the election of the Company's governing bodies is equal to 1%.

The By-laws do not provide for the filing of a list by the outgoing Board of Directors.

The lists must be accompanied by (i) information relating to the identity of the shareholders who have submitted the lists, with an indication of the percentage of the total shareholding held; (ii) a declaration by which each candidate accepts their candidacy and certifies, under their own responsibility, that there are no grounds for ineligibility and incompatibility, as well as the existence of the requisites prescribed for the office; (iii) the curriculum vitae of each candidate containing exhaustive information on their personal and professional characteristics, with an indication, if applicable, of their suitability to qualify as independent.

In addition, the appropriate certification issued by an authorised intermediary in accordance with the law must be filed, within the deadline required by law for the publication of the lists by the Company, proving the ownership, at the time the list is filed with the Company, of the number of shares necessary for the presentation of the list. Failure to comply with the above provisions shall result in the list being considered as not having been submitted.

Each person entitled to vote may only vote for one list. Each shareholder, shareholders who are parties to a shareholders' agreement relevant to Article 122 of the TUF and the holding company, the subsidiaries and those subject to joint control pursuant to Article 93 of the TUF may not vote on different lists.

At the end of the vote:

- (i) all the directors to be elected, except for one, are taken from the list that obtained the highest number of votes and are elected in the order in which they are listed on the list;
- (ii) the remaining director is drawn from, and elected from, the minority list that is not connected in any way, not even indirectly, with those who submitted or voted for the list that obtained the highest number of votes, and that obtained the second highest number of votes, in the person of the first candidate on the list itself.

If the minority list referred to in point (ii) has not obtained a percentage of votes equal to at least half of the percentage required by the By-laws for the presentation of lists, all the directors to be elected shall be taken from the list with the highest number of votes referred to in point (i).

If two or more lists have received the same number of votes, a new vote shall be taken. In the event of further parity between the lists put to the vote, the list submitted by shareholders with the largest shareholding or, alternatively in the event of parity of ownership, by the largest number of shareholders, shall prevail and be considered as the list with the highest number of votes.

If only one list is submitted, the Shareholders' Meeting shall vote on it and, if it obtains the favourable vote of the majority required by law for the resolutions of the Shareholders' Meeting, all the members of the Board of Directors shall be taken from that list, subject to compliance with the provisions of the law and the By-laws regarding the balance between genders and the provisions of the law and the By-laws regarding the appointment of independent directors.

If, at the end of the vote, the minimum number of directors meeting the independence requirements provided for by the By-laws and the law is not appointed, the non-independent candidate elected last in numerical order from the list that received the highest number of votes is excluded and the next non-elected candidate in numerical order who meets the independence requirements taken from the same list as the excluded candidate is appointed to replace them, or, failing that, the first candidate meeting the independence requirements in numerical order not elected from the other lists, according to the number of votes obtained by each list. This replacement procedure takes place until the Board of Directors is made up of the minimum number of directors who meet the independence requirements established by the By-laws and the law. Finally, if this procedure does not ensure the result indicated above, the replacement is made by a resolution passed by the Shareholders' Meeting by relative majority, after the submission of candidates who meet the independence requirements.

If, at the end of the vote, the composition of the Board of Directors is not ensured in accordance with the provisions of law and the By-laws with regard to gender balance, the candidate of the most represented gender elected last in numerical order on the list that received the highest number of votes is excluded and the first candidate of the less represented gender elected in numerical order drawn from the same list as the excluded candidate is appointed in its place, or, failing this, the first candidate of the less represented gender elected in numerical order drawn from the other lists, according to the number of votes obtained by each list. This replacement procedure takes place until such time as the composition of the Board of Directors complies with the provisions of the law and the By-laws with regard to gender balance. Finally, if this procedure does not ensure the result indicated above, the replacement is made by a resolution passed by the Shareholders' Meeting by relative majority, after the submission of candidates belonging to the less represented gender.

If no list is presented, or if the only list presented does not obtain the favourable vote of the majority required by law for the resolutions of the Shareholders' Meeting, or if the result of the list vote is that the number of directors elected is lower than that established by the Shareholders' Meeting, the Shareholders' Meeting resolves to appoint the missing directors with the majorities required by law, without observing the list voting procedure, without prejudice to compliance with the provisions of the law and the By-laws regarding gender balance and the appointment of independent directors.

If during the financial year one or more directors leave office, provided that the majority is still made up of directors appointed by the Shareholders' Meeting, the procedure is carried out in accordance with Article 2386 of the Italian Civil Code, subject to compliance with the law in force from time to time concerning the balance between genders and the appointment of independent directors; for the appointment by the Shareholders' Meeting of the members of the Board of Directors who replace those who have left office, the legal majorities apply. If the majority of the directors appointed by the Shareholders' Meeting are no longer in office, the entire Board of Directors is deemed to have resigned and the Shareholders' Meeting must be convened without delay by the directors remaining in office to reconstitute it.

If the number of directors has been determined by the Shareholders' Meeting to be lower than the maximum number provided for in the By-laws, the Shareholders' Meeting itself may increase the number of directors during the term of office of the Board of Directors within the maximum limit provided for in the By-laws; in this case, the legal majorities shall apply for the appointment of new members of the Board of Directors.

The By-laws do not provide for independence, honourableness or professionalism requirements other than those established for Auditors pursuant to Article 148 of the TUF in order to be appointed as Director.

The Issuer is not subject to rules on the composition of the Board of Directors other than the TUF.

Refer to Section 7 of the Report for information on the role of the Board of Directors and Board committees in the self-assessment processes and the appointment and succession of directors.

Using the flexibility option permitted by Recommendation 24 of the Code, because Sanlorenzo is not a large company, the Board of Directors has not established a plan for the succession of the chief executive officer and executive directors and has not determined that adequate procedures are in place for the succession of top management.

### **4.3 Composition (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis) of the TUF)**

In compliance with Principle V of the CG Code, the Board of Directors is composed of executive and non-executive directors, all of whom have the professionalism and expertise which are adequate to the tasks assigned to them. In compliance with Principle VI of the CG Code, the number and expertise of the non-executive directors are such as to ensure that they have significant weight in the taking of board resolutions and to ensure effective monitoring of management, and a significant component of the non-executive directors is independent.

The Board of Directors currently in office was appointed before the introduction of the list voting mechanism and will remain in office until the Shareholders' Meeting called to approve the Company's financial statements for the year ending 31 December 2021, that will be held on 28 April 2022 (first call) or on 29 April 2022 (second call). The provisions on list voting contained in the By-laws will apply only as from the next renewal of the Board of Directors.

The Board of Directors currently in office was appointed in two progressive stages:

- (i) on 24 June 2019, the Ordinary Shareholders' Meeting appointed a Board of Directors consisting of five members (Massimo Perotti, Marco Viti, Carla Demaria, Paolo Olivieri, Cecilia Maria Perotti and Cesare Perotti);
- (ii) on 24 October 2019, the Ordinary Shareholders' Meeting – effective at the date of the start of trading – has extended the number of directors to nine and, having announced the resignation of director Cesare Perotti on the same date, subject to the start of trading, integrated the composition of the Board of Directors, appointing – again with effect subject to the date of the start of trading and in compliance with applicable regulations on the subject of independent directors – four new members, in the persons of Pietro Gussalli Beretta, Silvia Merlo, Licia Mattioli, Leonardo Luca Etro.

The new directors therefore took office on 10 December 2019 and will remain in office until the Board of Directors' term of office expires with the Shareholders' Meeting for approval of the financial statements as at 31 December 2021.

At the date of the Report (10 March 2022), the Board of Directors is therefore composed of 9 (nine) members as indicated in the table below:



Name and surname	Position	Place and date of birth	Date of appointment
Massimo Perotti	Chairman and Chief Executive Officer	Turin, 26/10/1960	24/06/2019
Marco Viti	Executive Director	Pietrasanta (LU), 12/9/1957	24/06/2019
Carla Demaria	Executive Director	Venaria Reale (TO), 13/5/1959	24/06/2019
Paolo Olivieri	Deputy Chairman – Non-executive Director	Turin, 24/10/1961	24/06/2019
Cecilia Maria Perotti	Non-executive Director	Turin, 25/01/1993	24/06/2019
Pietro Gussalli Beretta	Independent Director	Brescia, 28/2/1962	24/10/2019 (*)
Silvia Merlo	Independent Director	Cuneo, 28/7/1968	24/10/2019 (*)
Licia Mattioli	Independent Director	Naples, 10/6/1967	24/10/2019 (*)
Leonardo Luca Etro	Independent Director	Milan, 22/6/1978	24/10/2019 (*)

(\*) The appointment became effective on 10 December 2019.

The curricula vitae of the Issuer's directors are deposited at the Company's registered office and can be consulted on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the “Governance/Corporate Governance System/Board of Directors” section.

With regard to the main professional skills and characteristics of each director, it should be noted that:

- Massimo Perotti, Marco Viti and Carla Demaria have specific managerial skills in the nautical sector;
- Paolo Olivieri has a background in economics, works in the field of financial markets and he has specific knowledge and experience in financial matters;
- Cecilia Maria Perotti is an architect;
- Pietro Gussalli Beretta, Silvia Merlo and Licia Mattioli have managerial and entrepreneurial skills and experience in governance systems;
- Silvia Merlo also has specific expertise and experience in accounting and finance and in the field of remuneration policies;
- Licia Mattioli also has specific expertise in the legal field;
- Leonardo Luca Etro is a professor of corporate finance and business valuation and he has specific expertise and experience in accounting and financial matters.

For further information on the composition of the Board of Directors, also with specific reference to the seniority in office since the first appointment, reference should be made to Table 2 in the Appendix.

At the end of the financial year, no member of the Board of Directors has ceased to hold office and there have been no changes in its composition.

The Company considers that the number, expertise, authority and availability of time of non-executive directors must be such as to guarantee that their judgement can have a significant weight in the board decisions.

### Diversity criteria and policies

As set forth in Section 4.1 above, the By-laws provide, also in accordance with the recommendations of the CG Code, that the provisions on gender balance in the composition of the Board of Directors also apply after renewals. Hence, the law makes it mandatory to ensure the presence of the less represented gender and also

provides that the Company does not exercise the right to apply the lower threshold of representation of the less represented gender for the first renewal. Moreover, the composition of the Board of Directors, at the date of the start of trading (10 December 2019) and at the date of this Report, is already in compliance with the provisions of Article 147-ter, paragraph 1-ter of the TUF (also as amended by the 2020 Budget Law) and the By-laws on gender balance.

In compliance with Principle VII and Recommendation 8 of the CG Code, on 16 March 2021, the Board of Directors, with the favourable opinion of the Control, Risks and Sustainability Committee, the Nomination Committee and the Board of Statutory Auditors, resolved that the provisions of the By-laws on gender diversity with regard to the composition of corporate bodies are sufficient and adequate, and, in relation to the need for the composition of corporate bodies to be diversified also with regard to age, professionalism and experience criteria and in view of the Company's ownership structures and the absence of any provisions in the By-laws allowing the Board of Directors to submit lists for the election of directors, resolved to encourage the implementation of said criteria by making shareholders aware of the need to do so in the letter to address to them pursuant to Article 4, recommendation 23 of the CG Code. On the meeting of 10 March 2022, subject to the favourable opinion of the Nomination Committee met on 7 March 2022, the Board of Directors' has thus approved, in view of its renewal, the guidelines on the quantitative and qualitative composition of the corporate bodies considered optimal, taking into account the results of the self-assessment, including the need to submit lists that reflect this need for diversity, as well as to apply said criteria in case of co-option of its members (the "Guidelines").

The Issuer believes that the current composition of the Board of Directors is such as to respect gender, age and educational and professional background, in compliance with the main objective to ensure adequate expertise and professionalism of its members, in compliance with Principle VII of the CG Code.

In particular, the Board of Directors in office at the end of the financial year and from the date of admission to listing (10 December 2019) is composed of 5 male and 4 female members.

The Board of Directors is also characterised by the age diversity of its members, given that the age of the directors is between 29 and 64, and by the seniority of office, of over 10 years for two directors, of over 8 years for one director, of 4 years for one director and of three years for five directors.

Among the members of the Board there are managers of the Company who have been operating for years in the same sector in which the Company is active and who have acquired a rich competence, also internationally, in the luxury yachting sector and independent directors with also experience in listed companies.

The training and professional path of the directors currently in office guarantees a balanced combination of profiles and experience within the administrative body suitable to ensure the proper performance of the functions assigned to it.

Although it is not required to do so, Sanlorenzo being a company with concentrated ownership, in adherence to Recommendation 23 of the CG Code, the Board of Directors of 10 March 2022 also expressed, in view of its renewal, the Guidelines, taking into account the results of the self-assessment, in particular noting the adequacy of the size and composition of the Board of Directors and its Committees, taking into account, among other things, the skills and experience of its members.

At the same time, the Board of Directors has required those who submit a list containing more than half of the members to be elected to provide adequate information, in the documentation submitted for the filing of the list, on the compliance of the list with the Guidelines expressed by the Board of Directors, also with regard to diversity criteria, and to indicate their candidate for the office of Chairperson of the Board of Directors, whose appointment takes place according to the procedures set out in the By-laws, and therefore not taking advantage of the option not to express such guidelines. The Guidelines are published on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "Corporate Governance/Shareholders' Meeting/Ordinary and Extraordinary Shareholders' Meeting of 21 April 2020" Section and also included in the Report of the Board



of Directors pursuant to Article 125-ter of the TUF with regard to the third item on the agenda of the Ordinary Shareholders' Meeting called for 28 April 2022, on first call, and for 29 April 2022, on second call.

By resolution of 16 March 2021, the Board of Directors, with the favourable opinion of the Control, Risks and Sustainability Committee and the Board of Statutory Auditors, also approved the Measures to promote equal treatment and opportunities between genders in the corporate organisation (“**Measures for gender equality**”), drafted in implementation of Recommendation 8 of the CG Code and available on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the “Corporate Governance/Corporate documents/Documents and procedures” Section.

Through the Measures for gender equality, the Company is committed to offering equal work opportunities and professional advancement to all employees on the basis of their specific professional qualifications and performance capabilities, without any discrimination and ensuring the possibility to report unlawful conduct; recognises meritocracy and the values of inclusion; is committed to guaranteeing an ethical and equal management of human resources in the selection, safety and full respect of the right to health, dignity, diversity and inclusion, ensuring the theoretical and technical training, enhancement and professional and personal growth of individuals; recognises the value of work-life balance and is committed to developing programs and initiatives for reconciliation (leave, social and welfare supervision, smart working, permits); is committed to carrying out training sessions to raise awareness of the value of differences, gender equality, inclusive language. Disciplinary sanctions have been imposed on offenders in accordance with Article 7 of the Workers' Statute, the applicable CCNL and the Company's disciplinary code. The Human Resources function is called upon to promote and monitor the application of the measures adopted by the Company and to report to the Board of Directors at least annually.

During the meeting of 10 March 2022, the Board of Directors monitored the concrete implementation of the Measures for Gender Equality, noting that during the year, subject to evaluation of the Control, Risks and Sustainability Committee, the document was disseminated throughout the corporate organisation and specific training sessions were carried out involving over 130 resources and agreed to continue the Measures for gender equality implementation.

### **Maximum number of positions held in other companies**

A list of the positions held by the Company's Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance companies or companies of significant size is included in the Table of assignments at the end of this Report.

Using the flexibility option allowed by Recommendation 15 of the CG Code, since Sanlorenzo is not a large company, the Board of Directors has not expressed its guidance as to the maximum number of positions on boards of directors or boards of auditors in other listed or large companies that can be considered compatible with effective performance as a director of the Company.

The Shareholders' Meeting of 24 October 2019 in any case urged all directors to devote the necessary time to the profitable performance of their duties, regardless of the positions held in other listed companies, being well aware of the responsibilities inherent in the office held, and to carry out their duties with full knowledge of the facts and independently, pursuing the objective of creating value for shareholders in the medium-long term and making their own choices with free appreciation, in the interest of the Company and the generality of shareholders. All directors in that forum have declared their commitment to do so. The reminder of these duties was reiterated at the Board meetings of 13 March 2020 and 16 March 2021; on the latter occasion, having taken note of Recommendation 15 of the CG Code, which does not require the Board of Directors to express its opinion on the limit to the number of management and control positions held by directors in other companies, the Board of Directors once again recalled the duties of each director to assess in advance at the

time of accepting the office in the Company, as well as during the term of office, and independently of the limits set by the provisions of law and regulations concerning the accumulation of offices, the ability to carry out the tasks assigned with due attention and effectiveness, taking into particular consideration the overall commitment required by the offices held outside the Sanlorenzo Group.

#### **4.4 Functioning of the Board of Directors (pursuant to Article 123-bis, paragraph 2, letter d) of the TUF)**

The Regulation of the Board of Directors, adopted by the Issuer in compliance with the CG Code, governs, among other things, the functioning of the Board of Directors.

In particular, with regard to the procedures for taking minutes of the meetings (Article 8), the Regulation of the Board of Directors provides that the minutes of the Board's meetings shall be made available to all Directors and Auditors, so that they can take note of their contents, by the first subsequent meeting of the Board and shall be recorded in the book of meetings and resolutions of the Board by the competent corporate bodies.

With regard to the management of information to directors (Article 6), the Regulation of the Board of Directors provides that, for the discussion of the documents on the agenda, the Chairperson makes available to the directors and auditors the supporting documents containing the information needed to allow them to express their opinion on the issues on the agenda in an informed manner, by uploading them as far in advance as possible of the date of the Board meeting onto an IT platform to which access is reserved to the persons concerned, organised and managed by the Company in such a way as to guarantee the confidentiality of the information and documents uploaded. Each interested party can access the single section of its competence using personal authentication credentials. Access can be granted on a read-only basis, without the possibility of editing the uploaded documents. Documentation is normally made available to directors and auditors no later than the second day prior to the day set for the meeting, except in cases of urgency where documentation is made available with less notice. It is permissible for documentation to be made available at the meeting rather than in advance due to particular urgency or confidentiality. In any case, the possibility of adequate and timely in-depth analysis during the meeting remains firm. In no case may failure to comply with the deadlines for making the documentation available in advance be cause for postponing the resolutions on the items on the agenda or for challenging the resolutions passed by the Board. The Chairperson, also with the help of the Manager in charge of preparing the company's financial reports, checks that the information is regularly made available to the Directors and Auditors. Whenever possible, the Directors and Auditors are notified in advance of the uploading of the documentation on the IT platform, or of the fact that the Chairperson deems it appropriate, with regard to the content of the subject and the related resolution, that the information documentation is provided directly during the meeting, it being understood that it is the responsibility of each person concerned to check the available documentation. Supporting documentation distributed to directors and auditors is kept on file with the Board of Directors.

Moreover, pursuant to Article 11 of the Regulation of the Board of Directors, the Directors and Auditors are required to keep confidential the documents, news, information and data acquired in the performance of their duties, even after their term of office has expired, without prejudice to the obligations imposed by the law, the judicial or supervisory authorities; they must refrain from seeking and using confidential information for purposes that are not consistent with their duties and are required to comply with the regulations on market abuse and the procedures adopted by the Company for the internal management and public disclosure of significant and confidential information. The same obligations also apply to the persons invited to take part in Board meetings, in any case without prejudice to any further obligation of confidentiality imposed on them pursuant to any applicable legislation, including professional legislation, or pursuant to specific confidentiality agreements to which they are party.

As positively ascertained by the Board of Directors on 10 March 2022, subject to the favourable opinion of the Control, Risks and Sustainability Committee and including the outcome of the self-assessment process, during the year, the Company complied with the Regulation of the Board of Directors and, in particular, the procedures described above relating to the timeliness and adequacy of the information provided to the directors.

The meetings of the Board of Directors are normally attended by the members of the Board of Directors and the Board of Statutory Auditors, the Manager in charge of preparing the company's financial reports and the chief financial officer and the permanent secretary, as well as the Company's Managers in charge of the functions to which refer to the topics discussed from time to time by the Board, so that they can provide the most appropriate and detailed information and clarifications to the Directors and Statutory Auditors during the meetings.

General information on the activities of the Board of Directors and the availability of time provided by each director is shown in Table 2 at the end of the Report, to which reference should be made.

The average length of Board meetings during the Year was 2 hours and fifteen minutes.

The meetings scheduled for the Board of Directors for the current year are five, of which at the date of the Report (10 March 2022), two have already been held on 3 February 2022 and 10 March 2022.

Article 10 of the Regulation of the Board of Directors governs the internal committees of the Board of Directors, establishing the Risk and Sustainability Control Committee, the Nomination Committee and the Remuneration Committee, their tasks and the methods of appointing their members and delegating the definition of their specific functions to the related regulations, approved by the Board of Directors; as indicated in Section 6, the regulations of the Committees govern their operating procedures in a manner similar to the Regulation of the Board of Directors, referred to as the default regulation. Also pursuant to Article 10 of the Regulation of the Board of Directors and as indicated in Section 10, the members of the Committee for Related Party Transactions are appointed by the Board of Directors in accordance with the provisions of the law, the Consob Related Party Regulations and the Related Party Procedure, which also regulates the functioning of this Committee in a manner similar to the Regulations of the Board of Directors, the rules of which are referred to as the default rules.

#### **4.5 Role of the Chairperson of the Board of Directors**

The Company's Ordinary Shareholders' Meeting of 24 June 2019, when appointing the Board of Directors, appointed Massimo Perotti as Chairman of the Board of Directors, who also holds the position of chief executive officer.

The Chairperson of the Board of Directors is vested with the powers provided for by law and the By-laws with regard to the functioning of the corporate bodies, the legal representation of the Company as regards third parties, the calling of and smooth and orderly functioning of the meetings of the Board of Directors, and of the Shareholders' Meeting.

In accordance with Principle X of the CG Code, pursuant to Article 4 of the Regulation of the Board of Directors, regardless of whether receiving management authority or being the chief executive officer, the Chairperson serves as a liaison between the executive directors and the non-executive directors and oversees the effective functioning of the board proceedings. In particular, the Chairperson, with the help of the Secretary, ensures:

- a. that the pre-meeting disclosure and additional information provided at meetings is adequate to allow the Directors to act in an informed manner in carrying out their role;

- b. that the activity of the board committees with investigative, proposing and advisory functions is coordinated with the activity of the Board;
- c. that the Company's and Group's managers, who are responsible for the relevant corporate departments according to the subject matter, attend the Board's meetings, also at the request of individual directors, in order to provide any necessary information on the items on the agenda; the invitation to attend the Board's meetings is the responsibility of the Chairperson pursuant to Article 17.4 of the By-laws, and the persons invited are in any case bound to observe the same confidentiality obligations as those provided for directors and auditors;
- d. that the induction process for directors and statutory auditors is conducted regularly;
- e. the adequacy and transparency of the board's self-assessment process.

The Chairman, also as Issuer's chief executive officer, has duly implemented the above. In particular, during the year, the latter actively played the role of coordination between the executive directors and the non-executive directors, ensuring the constant reporting of the delegated bodies to the entire Board of Directors on the operating performance and the main activities, as well as by supervising and reviewing the information and documents made available to the Board of Directors before each meeting (see Section 4.6 of the Report).

The Chairman also effectively coordinated the activities of the Committees with those of the Board, ensuring that the Board was constantly updated on the outcome of the meetings, including by calling on the respective chairs during the meetings. Similarly, it was constantly ensured that the managers of the Issuer and its Group companies - who are responsible for the corporate departments according to the subject on the agenda - attended the Board's meetings, so that they could provide detailed information on the issues dealt with (see Section 4.6 of the Report).

During the Year, the Chairman also took care of the participation of the members of the Board of Directors and the Board of Statutory Auditors, as well as of some managers with strategic responsibilities, in a specific induction session held on 10 December 2021, also by means of teleconferencing, due to the current health emergency, concerning, after an introduction by the Secretary of the Board of Directors, an update by the Issuer's lawyers specialised in this field, on (i) the changes introduced with regard to the regulation of transactions with Related Parties by Consob Resolution no. 21624/2020 and to the related impacts on the Related Parties Procedure, (ii) the regulations on market disclosures and internal dealing, (iii) the regulations applicable to the election of the members of the Board of Directors and the Board of Statutory Auditors, also in view of the forthcoming expiry of the Issuer's corporate bodies (iv) the policies for the dialogue with the market and engagement, also in light of the recently adopted Policy for the management of the dialogue with the generality of shareholders; and (v) the regulations on gender equality, also with regard to remuneration, also in light of the recently adopted Measures for gender equality. The induction session also focused on the issue of environmental sustainability, with a speech by a Company manager.

Refer to Section 7.1 of the Report for the self-assessment process.

In view of the fact that the Policy for managing the dialogue with all shareholders was adopted by the Company for the first time on 16 March 2021 and that the year was the period of first application of the same, the Chairperson informed the Board of the development and significant contents of the dialogue held with all shareholders during the meeting of 10 March 2022, undertaking for the future to provide such information at the first useful opportunity and therefore approximately on a quarterly basis, on the occasion of the approval of the financial results.

## Secretary of the Board of Directors

Pursuant to Article 14.3 of the By-laws, the Board of Directors, upon the proposal of the Chairperson, may appoint (and dismiss) its own permanent Secretary, even outside the Board of Directors itself; in the absence of appointment of the permanent secretary or in the event of unavailability thereof, the secretary shall be appointed by the Chairperson on the occasion of each Board meeting and limited to the same.

By resolution of the Board of Directors dated 24 October 2019, taken effective as of the date of commencement of trading (10 December 2019), the Board of Directors appointed Professor and Lawyer Toti S. Musumeci as Permanent Secretary.

In compliance with Recommendation 18 of the CG Code, the Regulation of the Board of Directors expressly governs the professionalism requirements and the duties assigned to the Secretary.

In particular, pursuant to the Regulation of the Board of Directors, the Secretary is permanently appointed by the Board, upon proposal of the Chairperson, in accordance with Article 14 of the By-laws; the latter must meet the requirements of integrity for appointment as director of the Company, as well as adequate professionalism and significant experience in the legal and corporate field; compliance with these requirements is assessed by the Board upon appointment of the permanent Secretary pursuant to Article 14 of the By-laws, or by the Chairperson upon appointment of the non-permanent Secretary of each Committee meeting. The Secretary supports the activities of the Chairperson and provides impartial assistance and legal advice to the Board on any aspect relevant to the proper functioning of the corporate governance system.

Also in compliance with Recommendation 12 of the CG Code, during the year, the Secretary supported the activities of the Chairman of the Board of Directors in order to enable the proper functioning of the Company's corporate governance system, in particular by assisting the Chairman in coordinating the provision to directors of the information and documents subject to discussion during Board meetings, assisted the Chairman in coordinating the activities of the Board Committees of which the Secretary is also permanent secretary, with the activities of the Board and the interventions of the managers in charge of the corporate departments responsible for presenting the results of their activities to the Board of Directors, the collection of the results of the self-assessment process and supported the Chairman in organising the induction session of 10 December 2021, as described in Section 4.5 above.

## 4.6 Executive directors

### Chief Executive Officers

Pursuant to Article 14.4 of the By-laws, the Board of Directors may delegate – in compliance with the procedures and limits established by law and determining the content, limits and any procedures for the exercise of the delegation – its powers to one or more of its members and to an executive committee composed of some of its members. If an executive committee is appointed, the Board of Directors shall determine the rules governing its operation. In any case, the delegated powers include the power to grant, within the scope of the powers received, delegations of individual acts or categories of acts to third parties, with the right to sub-delegate.

In addition to the afore-mentioned powers granted to the Chairman (as outlined in the following paragraph of this Section), identified as chief executive officer, the Board of Directors of 24 October 2019 has given management powers to Marco Viti as Chief Executive Officer of the Company, in particular authority and powers in the management of the production and sales process of boats produced and/or marketed by the Company, to be exercised independently and in compliance with the annual budget and the general guidelines and criteria approved by the Board of Directors and within the limits, including the amount, established by the



Board of Directors. In any case, the delegation does not include (i) the powers reserved by law and the By-laws to the collective competence of the Board of Directors and in any case (ii) the powers that the Board of Directors of 24 October 2019 established that remain reserved to its own competence (as reported in Section 4.1 above). On the same date, Marco Viti was appointed by the same Board of Directors as “employer” pursuant to and for the purposes of Italian Legislative Decree 81/2008, as amended, with conferment of the related powers and delegations and Board Member with internal responsibility for the implementation by the Company of the measures to adapt to the new provisions of GDPR, granting the relevant powers and delegations.

As Executive Director, Marco Viti is also responsible for the legal representation of the Company before third parties and in court, and for the use of the Company's signature within the limits of the powers granted, in accordance with Article 18 of the By-laws.

On 24 October 2019, the Board of Directors has also granted powers to Carla Demaria, in particular conferring on her authority and powers in the management of boat charter activities and the construction and/or management of tourist harbours and other maritime works of tourist interest, as well as the construction and/or management of works for accommodation, hospitality and assistance for pleasure navigation in tourist harbours and all those installations and infrastructures that contribute to complete the services of tourist harbours for boat charter activities, as well as training and updating in the field of design, construction, production and marketing of boats, pleasure ships and naval units, including the “Sanlorenzo Academy”, to be exercised independently and in compliance with the annual budget and the general guidelines and criteria approved by the Board of Directors and in compliance with the limits, including the amount, established by the Board of Directors. In any case, the delegation does not include (i) the powers reserved by law and the By-laws to the collective competence of the Board of Directors and in any case (ii) the powers that the Board of Directors of 24 October 2019 established that remain reserved to its own competence (as reported in Section 4.1 above).

As Executive Director, Carla Demaria is also responsible for the legal representation of the Company before third parties and in court, and for the use of the Company's signature within the limits of the powers granted, in accordance with Article 18 of the By-laws.

Carla Demaria is also the chief executive officer of the subsidiary Bluegame S.r.l.

## **Chairman of the Board of Directors**

The Chairman of the Board of Directors is the Company's controlling shareholder.

The Chairman of the Board of Directors was delegated by the Board of Directors on 24 October 2019 all the authority and powers necessary to carry out any transaction and any deed of ordinary and extraordinary administration of the Company, including the execution of resolutions of the Board of Directors, with the power to sub-delegate, to be exercised autonomously and in compliance with the annual budget and the general guidelines and criteria approved by the Board of Directors, with the exception of (i) the powers reserved by law and the By-laws to the collective competence of the Board of Directors and (ii) the powers that the Board of Directors of 24 October 2019 established, which remain reserved to its own competence (as reported in Section 4.1 above).

Therefore, the Chairman of the Board of Directors is the chief executive officer, as also determined by the Board of Directors on 16 March 2021 in accordance with Recommendation 4 of the CG Code.

In the opinion of the Board of Directors, the co-holding of offices with Massimo Perotti is justified by the Company's organisational structure, as resolved on 16 March 2021, as well as by the professionalism and experience of Massimo Perotti and the importance of his activities for the Company. For these reasons, the

Company decided, in continuity with the past, to confirm the position of Chief Executive Officer of the Chairman of the Board of Directors, Massimo Perotti.

In view of the concentration of the offices of Chairman of the Board of Directors and chief executive officer on Massimo Perotti, in compliance with Recommendations 13 and 14 of the CG Code, the Board of Directors appointed independent director Pietro Gussalli Beretta as lead independent director (see Section 4.7 below).

### **Executive Committee**

At the date of this Report, no Executive Committee has been established.

### **Disclosure of information to the Board of Directors by board members/delegated bodies**

In accordance with Article 17.7 of the By-laws and Article 150 of the TUF, the delegated bodies report to the Board of Directors and the Board of Statutory Auditors – and in the absence of delegated bodies, the directors report to the Board of Statutory Auditors – at the meetings of the Board of Directors and at least every three months, as established by the Board of Directors at the time of conferral of powers, on the activities carried out, on the general performance of operations and the foreseeable evolution, on transactions of major economic, financial and equity importance, or in any case of greater significance in terms of their size and characteristics, carried out by the Company and its subsidiaries, with particular regard to transactions in which the directors have an interest of their own or as third parties or which are influenced by the person exercising management and coordination activities, if any. The Board of Statutory Auditors may also be informed, for reasons of timeliness, directly or at meetings of the Executive Committee, if appointed.

In accordance with Article 17.7 of the By-laws, on the occasion of the meetings and at least every three months, or at the frequency established by the Board of Directors at the time the powers are delegated, the Board of Directors and the Board of Statutory Auditors shall be informed on the activities carried out, on the general performance of operations and their foreseeable evolution, and on the most significant economic transactions, financial and equity transactions, or in any case of greater importance due to their size and characteristics, carried out by the Company and its subsidiaries, with particular regard to transactions in which the directors have an interest of their own or third parties or which are influenced by the person exercising management and coordination activities, if any. The Board of Statutory Auditors may also be informed, for reasons of timeliness, directly or at meetings of the Executive Committee, if appointed.

During the year, the Board met on nine occasions, during which the chief executive officers reported frequently and continuously to the Board, pursuant to Article 2381 of the Italian Civil Code, on the management of corporate activities, also with regard to the evolution of the nautical market on a global scale, the investment trend and the organisational structure of the various corporate functions.

The Board assesses the general performance of operations on a quarterly basis, taking into account, in particular, the information received from the chief executive officers; during the financial year, this assessment was made at the Board meeting held on 16 March 2021, 4 May 2021, 7 July 2021, 13 September 2021 and 4 November 2021. The same assessment was made at the 10 March 2022 Board Meeting.

### **Other executive directors**

In addition to the Chairman and Chief Executive Officer, Massimo Perotti, the Executive Director Marco Viti and the Executive Director Carla Demaria, there are no other executive directors.

## 4.7 Independent Directors and Lead Independent Director

### Independent Directors

In compliance with the recommendations contained in Articles 2 and 3 of the CG Code and in compliance with the provisions contained in Article 12.4 of the By-laws, four Independent Directors in the persons of Pietro Gussalli Beretta, Silvia Merlo, Licia Mattioli and Leonardo Luca Etro are members of the Board of Directors, in office at the date of this Report, who, in their declaration of acceptance of the position of directors of the Company and certification of the requirements for taking office, indicated that they meet the independence requirements prescribed by the combined provisions of Articles 147-ter, paragraph 4 and 148, paragraph 3, of the TUF and Article 3 of the Corporate Governance Code, in force at the time of their appointment. The Chairperson of the Board is not independent.

During the year, the Board of Directors defined the quantitative and qualitative criteria for assessing the significance of the circumstances relevant in accordance with Recommendation 7, letters c) and d) of the CG Code for the purpose of assessing the independence of directors. More specifically, on 16 March 2021, the Board - with the favourable opinion of the Nomination Committee and the Board of Statutory Auditors - set the amount of €30,000 per year as the parameter for the significance of business relations, pursuant to the said letter c) of Recommendation 7 of the CG Code, specifying that the same applies to both direct and indirect commercial, financial or professional relations, and the amount of €30,000 per year as the parameter for the significance of additional remunerations, pursuant to the said letter d) of Recommendation 7 of the CG Code; instead, it did not consider it appropriate to set further parameters, considering preferable, without prejudice to the above-mentioned limits, that any relations or remuneration may be assessed on a case-by-case basis by the Board of Directors;

On 24 October 2019 and 23 December 2019, the Issuer's Board of Directors carried out, on the basis of the curricula vitae and declarations of the candidates, its assessment of the existence of the independence requirements of directors qualified as such provided by the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF and the Corporate Governance Code in force at that date. On the same dates, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of its members.

During the year, this assessment was carried out during the Board meeting held on 16 March 2021, also with specific reference to the independence requirements set out by the CG Code with regard to the materiality parameters pursuant to Recommendation 7, letters c) and d) of the CG Code mentioned above, and was carried out again during the Board of Directors meeting held on 10 March 2022; on all the above occasions, the Board of Statutory Auditors successfully verified the correct application of the assessment criteria and procedures adopted by the Board for this assessment.

Each independent director has provided all information necessary or helpful to the Board's assessments.

In making the foregoing assessments, in adherence to Recommendation 6 of the CG Code, the Board has considered all available information (particularly that provided by the directors being assessed) and has assessed all circumstances that impair independence as identified by the TUF and the CG Code, applying all the criteria set out in Recommendation 7 of the CG Code with respect to director independence.

The Company's independent directors also qualify as such under the CG Code.

The Company believes that an adequate number of independent Directors was identified with respect to the Company's needs and the functioning of the Board of Directors, as well as for the purposes of the composition of the Committees described in Sections 7 and 9 of the Report, having, inter alia, a number of independent Directors greater than one-third of the members of the Board of Directors, in application of Recommendation



5, third paragraph of the Code, although not applicable to the Company but only to large companies with concentrated ownership.

Although they were not elected through list voting, since the appointment of the Board of Directors in office took place before the Company's listing, the independent directors, upon accepting their candidacy and office, undertook to maintain compliance with the said independence requirements throughout their term of office, and in any case to promptly inform the Chairperson of the Board of Directors and the Chairperson of the Board of Statutory Auditors of any circumstances and/or situations that might compromise their independence.

During the Year, the Company did not announce the outcome of the assessments by means of a press release to the market, as there were no changes compared to what was stated in the prospectus published in view of the start of trading (10 December 2019) and having joined the CG Code by resolution of the Board of Directors of 16 March 2021. In accordance with Recommendations 6, 9 and 10 of the CG Code, in the current year the Issuer will announce the outcome of the assessments of the significance of the reports following the Shareholders' Meeting convened for 28 April 2022 (first call) and 29 April 2022 (second call) also for the renewal of the corporate bodies.

### **Lead independent director**

The lead independent director of the Company is the Independent Director Pietro Gussalli Beretta, appointed by a resolution of the Board of Directors dated 24 October 2019, effective as of the date of commencement of negotiations (10 December 2019), confirmed on 23 December 2019 and in accordance with the recommendations set forth in the Articles 2.C.4. and 2.C.5 of the Corporate Governance Code, at the time in force, conferring the powers and functions established by the Corporate Governance Code.

The appointment of the lead independent director complies with Recommendations 13 and 14 of the CG Code, and falls under Recommendation 13, letter a) due to the fact that the Chairman of the Board of Directors is also the chief executive officer.

The Rules of the Board of Directors regulate the powers and functions of the lead independent director in Article 9, in accordance with the provisions of the CG Code itself.

In particular, pursuant to Article 9 of the Regulation of the Board of Directors the lead independent director represents a point of reference and coordination of the requests and contributions of the non-executive directors and, in particular, of the independent directors, and convenes and coordinates the meetings, at least annually, of the independent directors only. The lead independent director collaborates with the Chairperson in order to ensure that the directors receive complete and timely information flows and to define the initiatives aimed at enabling the directors and auditors to have a better knowledge of the Company, the Group and, in general, the dynamics of the company, and promotes the annual evaluation of the Board of Directors.

During the year, upon invitation by the lead independent director, the independent directors met in the absence of the other directors on 15 March 2021 and, as at the date of the Report, again on 10 March 2022; during the above-mentioned meetings, the independent directors verified the existence of the independence requirements in light of the Recommendations of the CG Code. These meetings were held in dedicated and separate sessions and in the absence of the other directors. The independent directors therefore meet once a year, in the absence of the other directors, applying Recommendation 5, last paragraph of the Code, although not applicable to the Company but only to large companies.

During the year, the lead independent director (who is also the Chairman of the Nomination Committee) also coordinated the self-assessment process.

## 5. PROCESSING OF CORPORATE INFORMATION

With reference to the management of inside information, the Issuer's Board of Directors has adopted the initiatives and/or procedures described below in brief, in order to monitor the access and circulation of inside information before its disclosure to the public, as well as to ensure compliance with the obligations provided for by law and regulations.

### **Procedure for the internal management of Relevant and Inside Information and public disclosure of Inside Information**

The Company has adopted, upon resolutions issued at the meeting of the Board of Directors held on 24 October 2019:

- (i) in accordance with the provisions of Article 1, 1.C.1. letter j) of the Corporate Governance Code, at the time in force, effective from the date of submission to Borsa Italiana, of the request for admission to trading (27 November 2019), the Procedure for internal management of relevant and inside information and public disclosure of inside information, aimed at ensuring transparency towards the market and adequate preventive measures against market abuse and insider dealing, drawn up with the assistance of the Company's advisors, also in compliance with the recommendation 1, letter f of the CG Code;
- (ii) effective from the date of submission to Borsa Italiana of the request for admission to trading (27 November 2019), the Procedure for managing the relevant information list and the insider list;
- (iii) effective from the trading start date (10 December 2019), an internal dealing procedure in accordance with Community and national rules on transactions carried out by persons exercising administrative, control or management functions (so-called internal dealing) and market abuse. In particular, this procedure is aimed at regulating the information obligations and conduct to be observed by relevant persons, relevant shareholders, closely associated persons and the Company in order to ensure specific, timely and correct transparency of information on transactions with the public and the competent authorities.

During the year, the procedures referred to in points (i) and (ii) were supplemented by a resolution issued by the Board of Directors on 16 March 2021 through the establishment of a register referring to Relevant Information (“Relevant Information List”), with the aim of tracing the phases leading up to the publication of privileged information by identifying and monitoring those types of information that the Company deems relevant.

The Procedure for internal management of relevant and inside information and public disclosure of inside information, and the Procedure for managing the relevant information list and the insider list, as supplemented with resolution issued by the Board of Directors on 16 March 2021, as indicated above can be consulted on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the “ Corporate Governance/Documents and Procedures” Section. The internal dealing procedure can be consulted on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the “ Corporate Governance/Internal Dealing” Section.

## **6. COMMITTEES WITHIN THE BOARD (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETT. D), OF THE TUF)**

Pursuant to Article 14.6 of the By-laws, the Board of Directors may establish committees, determining their composition, tasks and rules governing their operation.

The Board's Regulation expressly provides (Article 10) that the Board of Directors of the Company shall establish among its members the Control, Risks and Sustainability Committee – with the task of supporting the Board's assessments and decisions regarding the internal audit and risk management system and the approval of periodic financial and non-financial reports, as well as regarding sustainability –, the Nomination Committee – which has to support the Board in identifying the best composition of the Board and its committees, as well as in the self-assessment process – and the Remuneration Committee – which has to support the Board's assessments and decisions with regard to the remuneration policy for directors holding specific offices and for managers with strategic responsibilities.

By resolutions passed on 24 October 2019 with effect subject to the start of trading of the Company's shares on the Euronext Milan market (which occurred on 10 December 2019) and confirmed on 23 December 2019, the Board of Directors has resolved:

- (i) the establishment of the Nomination Committee and the approval of the regulation for its internal functioning;
- (ii) the establishment of the Remuneration Committee and the approval of the regulation for its internal functioning;
- (iii) the establishment of the Control, Risks and Sustainability Committee and the approval of the regulation for its internal functioning; and
- (iv) in compliance with Consob Regulation No. 17221 of 12 March 2010 in the text in force at the time, and in accordance with Article 2391-bis of the Italian Civil Code, the establishment of the Related-Party Transactions Committee.

Upon the resolutions issued by the Board of Directors of the Company in the same meeting, the members of the Control, Risks and Sustainability Committee are: Leonardo Luca Etro, as Chairman and Silvia Merlo and Cecilia Maria Perotti, that the members of the Remuneration Committee are Silvia Merlo, as Chairperson and Paolo Olivieri and Leonardo Luca Etro, that the members of the Nomination Committee are Pietro Gussalli Beretta, as Chairman and Licia Mattioli and Paolo Olivieri, and that the members of the Related-Party Transactions Committee are Licia Mattioli, as Chairperson and Silvia Merlo and Pietro Gussalli Beretta.

After receiving the favourable opinion of the respective Committees, by resolution of 16 March 2021, the Board of Directors resolved to adopt appropriate amendments to the regulations of these Committees in order to adapt them and make them compliant with the provisions of the CG Code; the regulation of the Remuneration Committee was further specified by resolution of 10 March 2022 of the Board of Directors, taken after receiving the favourable opinion of the Committee itself. The Regulations are published on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the “Corporate Governance/Internal Committees” Section. The establishment of the Committees, carried out in compliance with the recommendations of the Corporate Governance Code in force at the time, complies with the provisions of the CG Code (in particular, to its Recommendations 16 and 17) and has been determined by giving priority to the expertise and experience of its members).

The Company has appointed a Nomination Committee, and therefore despite being a concentrated ownership company has not used the flexibility option granted by Recommendation 16, last paragraph of the Code to assign the functions of this Committee to the Board of Directors.

The Company has appointed a Control, Risks and Sustainability Committee, and therefore although it is not a large company it has not taken advantage of the option granted by Recommendation 16, fourth paragraph of the CG Code to assign the functions of this Committee to the Board of Directors.

The Board of Directors has determined the composition of its internal committees by avoiding an excessive concentration of offices in this area, and therefore, although it is not a large company, it has also applied Recommendation 17, first paragraph of the CG Code.

Pursuant to the Board's Regulation, the Committees' functions are of an investigative, proposing and advisory nature and are defined in their respective regulations, which are approved by the Board of Directors; the appointment and revocation of the members of the committees are carried out by the Board, according to the provisions contained in their respective regulations and, in any case, giving priority to the expertise and experience of their members. The functions that the CG Code attributes to the Committees it recommends have not been distributed differently and/or merged with and/or reserved for the Board of Directors; however, the Control, Risks and Sustainability Committee has, in addition to the functions indicated in the Code, also functions relating to sustainability (for which reference should be made to Section 9.2 of the Report). For a specific description of the functions, tasks, resources and activities, reference should be made to the following Sections of this Report; as regards the Committee for Related Party Transactions, reference should be made to Section 10 of the Report.

The regulations of the Committees also govern the requirements for being part of and chairing them, in any case in compliance with the applicable provisions of the CG Code, as well as the operating procedures and prerogatives of each committee.

The Regulations of the Board of Directors, in addition to providing for the setting up of the Control, Risks and Sustainability Committee, the Nomination Committee and the Remuneration Committee, delegate to the regulations of each Committee the rules for the functioning of the same; the regulations of the Committees, and the Related Parties Procedure as regards the Related Parties Committee, govern the rules for the functioning of the same in a manner similar to the Regulation of the Board of Directors, also as regards the information provided to the directors, referred to as the default regulations.

The Related-Party Transactions Committee is appointed by the Board in compliance with the provisions set out by law, by the Consob Related Parties Regulation and by the Procedure for transactions with related parties adopted by the Company in compliance with said regulation, which also regulates the functioning of this committee.

As positively ascertained by the respective Committees on 7, 9 and 10 March 2022, including at the end of the self-assessment process, during the year, the Company complied with the Regulation of the Committees, and the Procedure governing related party transactions concerning the Related Party Committee, and, in particular, the procedures described above relating to the timeliness and adequacy of the information provided to the directors.

### **Additional committees (other than those required by regulation or recommended by the CG Code)**

At the Date of this Report, no committees other than those recommended by the CG Code (Principle XI and Recommendation 16) or required by the Consob Related Parties Regulations have been established.

## 7. DIRECTOR SELF-ASSESSMENT AND SUCCESSION - NOMINATION COMMITTEE

### 7.1 Director self-assessment and succession

The Board periodically assesses the effectiveness of its activities and the contribution made by its individual members by carrying out a detailed self-assessment process on an annual basis, also in compliance with Principle XIV and Recommendations 19, 21 and 22 of the CG Code, coordinated by the Director Pietro Gussalli Beretta, lead independent director and Chairman of the Nomination Committee, after having consulted the Chairman of the Board of Directors and chief executive officer and the Nomination Committee, with the assistance of the Secretary of the Board of Directors. Although Recommendation 22 of the CG Code allows it to be carried out every three years as the Company is a large company, also in view of best practices, the Regulation of the Board of Directors provides for the self-assessment process to be carried out annually; the Company has instead decided to make use of the flexibility option of not assessing the involvement of an independent expert, other than the Secretary of the Board of Directors, in carrying out the self-assessment.

With reference to the year, the Board, on the basis of a specific questionnaire divided into different areas of investigation and with the possibility of expressing comments and proposals, carried out the self-assessment process, already carried out with reference to previous years, on the size, composition (including the number and role of independent directors) and on the functioning of the Board itself and its Committees, the results of which were analysed in the Nomination Committee of 7 March 2022 and presented during the meeting of the Board of Directors held on 10 March 2022.

The self-assessment process was coordinated by the Director Pietro Gussalli Beretta, lead independent director and Chairman of the Nomination Committee, in consultation with the Chairman of the Board of Directors and chief executive officer, with the assistance of the Secretary to the Board of Directors.

In carrying out the process, the lead independent director and Chairman of the Nomination Committee considered, among other things, the recommendations contained in the annual communication of the Chairperson of the Corporate Governance Committee, as well as the provisions of the CG Code.

The process, in which all the directors were involved, was developed through a questionnaire, completed anonymously, including, among other things, questions involving:

- (i) the size, expertise and composition of the Board, including diversity profiles, as well as the remuneration for its members;
- (ii) the frequency of Board meetings, the attendance of directors, the involvement in the approval of the strategic plans, the number of independent directors, the duration of meetings, the timely availability of preparatory documentation for Board meetings, the adequacy of the time devoted to discussions, an overview of the corporate structure and presentations by management, attention to situations of conflict of interest, completeness of minutes, effective interaction with the Board of Statutory Auditors and the implementation of resolutions passed;
- (iii) the size, composition and functioning of the committees within the Board of Directors;
- (iv) the support of the Committees, communication between the Board, Managing Directors and senior management, Corporate Governance and Risk Governance.

On the result of the self-assessment, it is noted that the directors have expressed positive assessments or utmost satisfaction for the composition, experience and function of all the members of the Board of Directors and its Committees, as well as for the communications between the directors, also in relation to the timeliness and

comprehensibility of the information for advising in compliance with the Board of Directors Regulation, for communications with the Board of Statutory Auditors and with management and for attention to governance.

In particular, a positive opinion was expressed with regard to the composition of the Board, its functioning, the powers assigned to the Directors and the characteristics of the members of the Committees. Full satisfaction was also expressed on the adequacy of the time of transmission of the preparatory documentation, on the duration of the meetings and on remuneration, with some lines of improvement suggested by two directors. Likewise, full satisfaction was expressed with regard to the view of the activities and functions organised in the Company and the frequency of reports and presentations by management on access to information, as well as risk assessment and audit system.

Full satisfaction was also expressed on the work carried out within the Board, also in relation to the approval of strategic plans and situations of conflict of interest.

There were no negative opinions on any of the questions asked to the directors in the questionnaire, nor were there any proposals for improvement.

In addition, the Board members were asked to give their opinion on the quantitative and qualitative composition of the Board of Directors, with a view to its renewal. All the directors agree with the advisability of moderately increasing the number of members taking into account the current size of the Company and the functions assigned by the CG Code, with the exception of one director who considers the current number of members to be already adequate even in view of the renewal. All the directors expressed their utmost satisfaction with the qualitative composition of the Board, also in view of the renewal. The Board of Directors took into account of these assessments for the purposes of the guidelines (on this point, please refer to Section 4.3 of the Report).

On 16 March 2021, the Board took note of the content of Principle XIII of the CG Code, according to which the Board shall ensure, to the extent of its competence, that the process of appointment and succession of directors is transparent and functional in order to achieve the optimal composition of the management body; however, in view of the fact that Recommendation 24 of the CG Code only requires large companies to prepare a succession plan for the chief executive officer and executive directors, on the proposal of the Chairperson and having heard the similar opinion of the Nomination Committee and in the absence of any objection from the Board of Statutory Auditors, it adhered to the flexibility option granted and resolved not to express this orientation and not to prepare a succession plan.

During the meeting held on 10 March 2022, in view of its upcoming renewal and in compliance with Recommendation 23 of the CG Code - although not directly applicable to the Issuer, since Sanlorenzo is a company with concentrated ownership - the Board of Directors - following the favourable opinion of the Nomination Committee that met on 7 March 2022 - (i) expressed the Guidelines on its quantitative and qualitative composition, which is deemed optimal, taking into account the results of its self-assessment, in particular with regard to the adequacy of the size and composition of the Board of Directors and its Committees, having taken into account, among other things, the skills and experience of its members (on this point, please refer to Section 4.3 of the Report) and (ii) therefore requested those who will submit a list containing a number of candidates higher than half of the members to be elected to provide adequate information, in the documentation submitted for the filing of the list, about the compliance of the list with the guideline expressed by the Board (also with reference to the diversity criteria set out in Principle VII and Recommendation 8 of the CG Code), as well as to indicate the candidate for the office of Chairperson of the Board (Recommendation 23).



## 7.2 Nomination Committee

The Company has established and appointed the Nomination Committee and approved the related regulation (as last supplemented by a resolution of the Board of Directors on 16 March 2021, after the Nomination Committee met on 15 March 2021, to bring it into line with the recommendations of the CG Code, and which can be found and consulted on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "Corporate Governance/Internal Committees" Section), and therefore despite being a company with concentrated ownership, it has not taken advantage of the option granted by Recommendation 16 of the Code to assign the functions of this Committee to the Board of Directors.

### **Composition and functioning of the Nomination Committee (pursuant to Article 123-bis, paragraph 2, letter d), TUF)**

In accordance with Recommendations 7 and 20 of the CG Code, the Company's Nomination Committee shall consist of three directors, at least two of whom shall be independent directors and the chairperson of the Committee shall be selected from among the independent directors.

The meetings of the Nomination Committee are chaired by its Chairperson or, in the absence or impediment thereof, by the member chosen by those present and minutes are taken; the minutes are drawn up and signed by the Chairperson of the meeting and the Secretary; the Chairperson of the Committee reports to the Board on the Committee's activities; the Committee's regulation provides that the Chairperson of the Board of Statutory Auditors, or an Auditor designated by the latter, attends the Committee's meetings, without prejudice to the right of each Auditor to participate; the Committee's regulations govern its functioning in a manner similar to the Regulation of the Board of Directors, also with regard to the information provided to the Directors, which is referred to as the default rule.

In compliance with the resolutions issued by the Board of Directors on 24 October 2019, with effect subject to the start of trading (10 December 2019) and confirmed on 23 December 2019, the members of the Nomination Committee are the independent director Pietro Gussalli Beretta (as Chairman), the independent director Licia Mattioli and the non-executive director Paolo Olivieri as members of the Nomination Committee. There have been no changes in the composition of the Committee since its appointment, not even as of year-end. Refer to [Table 3](#) in the Appendix for additional information.

During the year, the Committee met once, on 15 March 2021, in the presence by teleconference of all its members, the Chairperson of the Board of Statutory Auditors and one Standing Auditor, the manager in charge of preparing the company's financial reports and the Company's legal and tax advisors, all at the invitation of the Chairperson of the Committee, in agreement with the Chairperson of the Board of Directors, to whom the outline of the minutes of the meetings, drawn up by the secretary on behalf of the Chairperson of the Committee, is sent in advance (see Recommendation 17 of the CG Code). The meeting lasted thirty minutes.

The meeting scheduled for the year 2022 for the Nomination Committees was already held on 7 March 2022.

The frequency and participation in the meetings of the Nomination Committee are indicated in [Table 3](#) at the end of this Report, to which reference is made.

### **Functions of the Nomination Committee**

Pursuant to the related regulation, the Nomination Committee has the task to support the Board of Directors - with investigative, proposal and advisory functions - in identifying the best composition of the Board of Directors and its committees, as well as in the self-assessment process, and in particular

- (i) in the self-assessment of the board of directors and its committees (see Recommendations 12, letter e) and 19, letter a) of the CG Code). See Section 7.1 of the Report for more information;
- (ii) in defining the optimal composition of the Board of Directors and its committees, also expressing opinions on the professional figures whose presence on the board is deemed appropriate, as well as on the possible maximum number of positions as director or statutory auditor in other companies listed on regulated markets (including foreign markets) and in financial, banking or insurance companies of significant size that may be considered compatible with the effective performance of the office of director of the Company and on any authorisations granted to directors to operate in derogation of the non-competition clause in Article 2390 of the Italian Civil Code (see Recommendation 19, letter b) of the CG Code);
- (iii) in identifying director candidates in the event of co-option (Recommendation 19, letter c) of the CG Code);
- (iv) if this option is provided for by the Company's By-laws - which is not the case at present - in the possible presentation of a list by the outgoing Board of Directors, to be carried out according to methods that ensure its formation and transparent presentation (Recommendation 19, letter d) of the CG Code);
- (v) in the preparation, updating and implementation of any succession plan for the chief executive officer and other executive directors (Recommendation 19, letter e) of the CG Code).

The Nomination Committee also carries out the additional tasks assigned to it by the Board of Directors and current legislation.

During the meeting held on 15 March 2021, the Committee approved the report on the self-assessment of the directors, expressed a favourable opinion with respect to the significant parameters pursuant to Recommendation 7, letters c) and d) of the CG Code as set forth by the Chairman of the Committee following prior discussion with the Chairman of the Board of Directors (on which reference should be made to Section 4.5 above), resolved to deem sufficient and adequate the statutory provisions on gender diversity in relation to the composition of the corporate bodies, to express a favourable opinion with regard to the diversity criteria for the composition of the management and control bodies and the instrument for their implementation set out by the Chairman of the Committee, following prior discussion with the Chairman of the Board of Directors, and expressed a favourable opinion that no limits should be set to the offices held by directors on the management and control bodies of other companies, without prejudice to the duties of each director, and that a succession plan for the chief executive officer and the executive directors, as proposed by the Chairman of the Board of Directors, would not be drawn up, also bearing in mind that the CG Code Recommendations for the latter two are aimed at large companies and that Sanlorenzo does not qualify as such, and finally resolved to propose that the Board of Directors approve the updated text of the Committee's Regulation, updated in accordance with the provisions of the CG Code.

In order to carry out its functions and duties, the Nomination Committee has the right to access the necessary information and corporate functions and may make use, within the limits of the budget approved by the Board of Directors, of external consultants who are not in situations that compromise their independence; it is the task of the Committee to verify in advance that the external consultant is not in situations that compromise their independence of judgement, including in light of any services that they provide to the human resources department, directors or managers with strategic responsibilities of the Company.

On 16 March 2021, the Board of Directors set the annual budget available to the Nomination Committee in the year at €10,000. On 10 March 2022, the Board of Directors confirmed the same annual budget for 2022.



## 8. REMUNERATION OF DIRECTORS - REMUNERATION COMMITTEE

### 8.1 Remuneration of Directors

For all information regarding the remuneration of directors, please refer to the Report on remuneration and compensations paid, prepared pursuant to Article 123-ter of the TUF, available at the registered office and on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)), in the “Corporate Governance” Section.

### 8.2 Remuneration Committee

The Board of Directors established and appointed the Remuneration Committee, approving the related regulations, first supplemented by a resolution of the Board of Directors on 16 March 2021, after the compliant proposal of the Remuneration Committee meeting on 15 March 2021, to bring it into line with the recommendations of the CG Code, and lastly by a resolution of the Board of Directors on 10 March 2022, after the compliant proposal of the Remuneration Committee meeting on 9 March 2022.

#### **Composition and functioning of the Remuneration Committee (pursuant to Article 123-bis, paragraph 2, letter d), TUF)**

In accordance with Recommendation 26 of the CG Code, the Remuneration Committee of the Company must consist of three directors, all of whom must be non-executive directors, at least two of whom must be independent. In accordance with the relevant regulation, also in compliance with Recommendation 26 of the CG Code, at least one member of the Committee must have adequate experience in financial matters or remuneration policies; the related assessment is delegated to the Board of Directors at the time of appointment. The Chairperson of the Remuneration Committee is chosen from among the independent directors.

The meetings of the Remuneration Committee are chaired by its Chairperson or, in the absence or impediment thereof, by the member chosen by those present and minutes are taken; the minutes are drawn up and signed by the Chairperson of the meeting and the Secretary; the Chairperson of the Committee reports to the Board on the Committee's activities; the Committee's regulation provides that the Chairperson of the Board of Statutory Auditors, or an Auditor designated by the latter, attends the Committee's meetings, without prejudice to the right of each Auditor to participate; the Committee's regulations govern its functioning in a manner similar to the Regulation of the Board of Directors, also with regard to the information provided to the Directors, which is referred to as the default rule. No Director may take part in the meetings of the Remuneration Committee where proposals are made to the Board of Directors regarding their remuneration.

By resolution issued by the Board of Directors on 24 October 2019, with effect subject to the start of trading (10 December 2019) and confirmed on 23 December 2019, the members of the Remuneration Committee are the independent director Silvia Merlo (as Chairperson of the Committee), the independent director Leonardo Luca Etro and the non-executive director Paolo Olivieri as members of the Nomination Committee. There have been no changes in the composition of the Committee since its appointment, not even as of year-end. Refer to [Table 3](#) in the Appendix for additional information.

Upon appointment, the Board of Directors also verified that Leonardo Luca Etro possesses adequate knowledge and experience in accounting and financial matters, that Silvia Merlo possesses adequate knowledge and experience in accounting and financial matters and risk management, as well as remuneration policies and that Paolo Olivieri possesses adequate knowledge and experience in financial matters. This assessment was carried out again and confirmed by the Board of Directors on 23 December 2019.

During the year, the Remuneration Committee met seven times, on 15 March, 21 April, 4 May, 6 July, 10 September, 2 November and 9 December, in the presence by teleconference of all its members and all the members of the Board of Statutory Auditors, the manager in charge of preparing the company's financial reports and the Company's legal and tax advisors, all at the invitation of the Chairperson of the Committee, in agreement with the Chairman of the Board of Directors, to whom the outline of the minutes of the meetings, drawn up by the secretary at the request of the Chairperson of the Committee, is sent in advance (see Recommendation 17 of the CG Code). The average duration of the meetings was approximately twenty minutes.

The number of meetings scheduled for the Remuneration Committee for the current year is at least three, two of which were already held on 2 February 2022 and 9 March 2022.

The frequency and participation in the meetings of the Remuneration Committee are shown in Table 2 at the end of this Report, to which reference is made.

### **Functions of the Remuneration Committee**

Pursuant to the related regulation, the Remuneration Committee has the task to support - through investigative, proposal and advisory functions - the assessments and decisions made by the Board of Directors concerning the remuneration policy for directors holding specific offices and for managers with strategic responsibilities. In carrying out its above-mentioned functions, the Remuneration Committee, in particular in coordination with the other corporate bodies involved from time to time:

- (i) assists the Board of Directors in preparing the policy for the remuneration of directors, general managers and managers with strategic responsibilities (see Recommendation 25, letter a) of the CG Code);
- (ii) submits proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other directors holding particular positions as well as on the setting of performance objectives related to the variable component of such remuneration (see Recommendation 25, letter b) of the CG Code);
- (iii) monitors the actual application of the remuneration policy and verifies, in particular, the actual achievement of the performance objectives (see Recommendation 25, letter c) of the CG Code);
- (iv) periodically assesses the adequacy and overall consistency of the remuneration policy for directors and top management (see Recommendation 25, letter d) of the CG Code);
- (v) examines in advance the annual report on the remuneration policy and remuneration paid to be made available to the public for the Annual General Meeting;
- (vi) formulates opinions or proposals to the Board of Directors on any share-based remuneration plans or other financial instruments for directors, managers with strategic responsibilities, employees and collaborators;
- (vii) formulates opinions or proposals to the Board of Directors on any monetary incentive remuneration plans for managers with strategic responsibilities;
- (viii) carries out the additional tasks assigned to it by the Board of Directors and by current regulations.

During the year, the main activities carried out by the Remuneration Committee concerned the examination of the Company's 2021 Remuneration Policy and the Report on the policy regarding remuneration and fees paid submitted to the vote of the Ordinary Shareholders' Meeting of 21 April 2021, as well as the expression of the opinions within its competence concerning the assignment of options relating to the 2020 Stock Option Plan and the remuneration, fixed and variable, of executive directors and managers with strategic responsibilities.

The details of the 2020 Stock Option Plan are available in the Issuer's website in the "Corporate Governance/Shareholders Meeting/Ordinary and Extraordinary Shareholders' Meeting of 21 April 2021" Section.

For all information regarding the remuneration of the Directors and the managers with strategic responsibilities, please refer to the Report on remuneration and compensations paid, prepared pursuant to Article 123-ter of the TUF, available at the registered office and on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)), in the "Corporate Governance/Meeting/Ordinary Shareholders' Meeting of 28 April 2022" Section.

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In order to carry out its functions and duties, the Remuneration Committee may make use, at the Company's expense and within the limits of the budget approved by the Board of Directors, of external consultants who are not in situations that compromise their independence; it is the task of the Committee to verify in advance that the external consultant is not in situations that compromise their independence of judgement, including in light of any services that they provide to the human resources department, directors or managers with strategic responsibilities of the Company.

In order to carry out its functions and duties, the Remuneration Committee has access to the necessary information and company functions and for the purpose of obtaining information on market practices regarding remuneration policies.

The Remuneration Committee reports annually to the Board of Directors on the manner in which it exercises its functions; furthermore, at least the Chairperson of the Committee or another member of the Committee designated by the Chairperson attends the Annual General Meeting.

On 16 March 2021, the Board of Directors set the annual budget available to the Remuneration Committee in the year at €20,000. On 10 March 2022, the Board of Directors confirmed the same annual budget for 2022.

## 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL AND RISK COMMITTEE

As part of the Internal Control and Risk Management System, the Board of Directors is responsible for defining the guidelines for the internal control and risk management system. The Board of Directors is also responsible, inter alia, to define, approve and verify the internal control and risk management system (“**ICRMS**”) which is understood to be a set of processes designed to monitor the efficiency of corporate operations, the reliability of all information (including financial information), compliance with laws and regulations and the safeguarding of corporate assets.

By resolution of 24 October 2019, with effect subject to the start of trading (10 December 2019), the Board of Directors has adopted the Guidelines for the internal control and risk management system (the “**Guidelines**”), about which the Control, Risks and Sustainability Committee has expressed favourable opinion on 12 February 2020.

During the year, subject to the favourable opinion of the Control, Risks and Sustainability Committee which met on 15 March 2021, the Board of Directors on 16 March 2021 has confirmed the Guidelines also in light of the Principles and Recommendations of the CG Code. Subject to the favourable opinion of the Control, Risks and Sustainability Committee which met on 9 March 2022, the Board of Directors on 10 March 2022 confirmed its assessment of adequacy and effectiveness of the Guidelines.

The Guidelines set out, on the one hand, the general principles according to which the management of the main risks of the Company and the Group is conducted and, on the other hand, the methods of coordination between the parties involved, in order to maximise the effectiveness and efficiency of the ICRMS itself, consisting of a set of rules, procedures and organisational structures designed to contribute proactively, through an appropriate process of identification, measurement, management and monitoring of the main risks, to safeguarding the Company's assets. The ICRMS, in line with the corporate strategies defined by the Board of Directors, must also guarantee the reliability, accuracy and reliability of the information provided to the corporate bodies and the market and, more generally, compliance with current laws and regulations.

The Guidelines are composed of a first part dedicated to the references and general principles of the ICRMS and its architecture, and a second part dedicated to the identification of the subjects involved in the System. In particular, the ICRMS involves, each for its own competences, the following subjects:

- Board of Directors, which plays a role of guidance and assessment of the adequacy of the ICRMS, identifying, among other things, the Control, Risks and Sustainability Committee, to which are assigned the advisory and proposing functions in relation to the ICRMS provided for by the CG Code and the director in charge of the establishment and maintenance of the internal control and risk management system (the “**Appointed Director for ICRMS**”); in accordance with Recommendation 32 of the CG Code, the Appointed Director for the ICRMS is chief executive officer Massimo Perotti;
- the Board of Statutory Auditors which carries out the duties assigned to it by the law and the By-laws;
- the Company's Supervisory Body established pursuant to Legislative Decree 231/2001;
- Managers responsible for the first level of control of the system who, depending on the tasks entrusted to them in the company organisation, ensure the effective functioning of the ICRMS, as part of their responsibility for achieving objectives;
- the Manager in charge of preparing the company's financial reports;
- the Risk Management, whose main figure is the Risk Manager, appointed by the Board of Directors;
- the internal audit function.

The third section of the Guidelines is thus dedicated to the identification of the methods of implementation of the ICRMS and therefore to the identification of the risk management phases, which are the identification of the risk areas, including through numerical evaluation criteria, the treatment and monitoring of the risk, as well as the identification of the methods for verifying the effectiveness of the ICRMS and the coordination and collaboration of the parties involved in the system.

The periodic verification of the adequacy and effective functioning, and its possible revision, are an essential part of the structure of the ICRMS, in order to allow for its full and correct effectiveness. This periodic review is the responsibility of the Board of Directors, assisted by the Control, Risks and Sustainability Committee and the Appointed Director of the ICRMS.

In carrying out this review, the Board of Directors shall be responsible not only to verify the existence and implementation within the Company of an ICRMS, but also to periodically carry out a detailed examination of the structure of the System itself, its suitability and its effective and concrete functioning.

To this end, the Board of Directors will receive and examine the reports prepared by the Internal Audit Manager, already examined in advance by the Control, Risks and Sustainability Committee and the Appointed Director of the ICRMS, in order to verify whether the structure of the System in place in the Company is adequate and concretely effective in pursuing objectives and whether any weaknesses reported imply the need to improve the same system.

During the year, the Board of Directors also approved the 2021 audit plan and the 2021-2023 three-year audit plan on 16 March 2021, subject to the favourable opinion of the Control, Risks and Sustainability Committee held on 15 March 2021 and with the favourable opinion of the Board of Statutory Auditors. On 10 March 2022, the Board of Directors approved the 2022 audit plan, subject to the favourable opinion of the Control, Risks and Sustainability Committee that met on 9 March 2022 and with the favourable opinion of the Board of Statutory Auditors.

On 16 March 2021, the Board of Directors expressed its own assessment of the adequacy of the internal control and risk management system adopted by the Company (since Sanlorenzo does not have any strategic subsidiaries) with regard to the characteristics of the business and the risk profile assumed, after hearing the favourable opinion of the Control, Risks and Sustainability Committee held on 15 March 2021 and with the favourable opinion of the Board of Statutory Auditors. The same assessment was carried out by the Board of Directors on 10 March 2022, subject to the favourable opinion of the Control, Risks and Sustainability Committee which met on 9 March 2022, and with the favourable opinion of the Board of Statutory Auditors.

## **9.1 Chief executive officer**

With the entry into force of the CG Code and related adhesion thereto by the Company, the Chairman of the Board of Directors and Chief Executive Officer, Massimo Perotti, is the person in charge of establishing and maintaining the internal control and risk management system, in compliance with the provisions set forth in Recommendation 32, letter b) of the CG Code, as confirmed by the Board of Directors on 16 March 2021.

During the year, the chief executive officer:

- (i) identified the main corporate risks, taking into account the features of the activities carried out by the Issuer and its subsidiaries, and submitted them to the examination of the Board of Directors on 10 March 2022, during which the nature and the level of risk compatible with the strategic objectives of the Company were defined (in compliance with Recommendation 34, letter a) of the CG Code);
- (ii) implemented the Guidelines defined by the Board, designing, implementing and managing the internal audit and risk management system and constantly checking its adequacy and effectiveness, as well as

adapting it to the dynamics of the operating conditions and the legislative and regulatory framework (in compliance with Recommendation 34, letter b) of the CG Code);

- (iii) entrusted the internal audit function with the task of carrying out checks on specific operational areas and on compliance with internal rules and procedures in the performance of corporate transactions (especially as regards the management of contracts and subcontracts), while at the same time informing the Chairperson of the Control, Risks and Sustainability Committee and the Chairman of the Board of Statutory Auditors (in compliance with Recommendation 34, letter c) of the CG Code);
- (iv) promptly reported to the Control, Risks and Sustainability Committee on problems and critical issues (especially as regards the management of contracts and subcontracts) that had emerged in the course of its activities or of which it had in any case become aware, so that the Committee could take the appropriate initiatives (in compliance with Recommendation 34, letter d) of the CG Code).

## **9.2 Control, Risks and Sustainability Committee**

The Board of Directors set up the Control, Risks and Sustainability Committee, approving the related regulation (lastly integrated by resolution of the Board of Directors on 16 March 2021, following the compliant proposal of the Control, Risks and Sustainability Committee which met on 15 March 2021, in order to adjust it to the recommendations of the CG Code, and which can be found and consulted on the Issuer's website in the Section "Corporate Governance/Internal Committees"); although the Company is not a large company, it has therefore not taken advantage of the option granted by Recommendation 16 of the Code to assign the functions of this Committee to the Board of Directors.

### **Composition and operation of the Control, Risks and Sustainability Committee (pursuant to Article 123-bis, paragraph 2, letter d) of the TUF)**

In accordance with Recommendation 35 of the CG Code, the Company's Control, Risks and Sustainability Committee must be composed of three directors, at least two of whom must be independent and at least one member must have adequate knowledge and experience in accounting and finance or risk management; the relevant assessment is referred to the Board of Directors at the time of appointment. The Chairperson of the Control, Risks and Sustainability Committee is chosen from among the independent directors.

The meetings of the Control, Risks and Sustainability Committee are chaired by its Chairperson or, in the absence or impediment thereof, by the member chosen by those present and minutes are taken; the minutes are drawn up and signed by the Chairperson of the meeting and the Secretary; the Chairperson of the Committee reports to the Board on the Committee's activities; the Committee's regulation provides that the Chairperson of the Board of Statutory Auditors, or an Auditor designated by the latter, attends the Committee's meetings, without prejudice to the right of each Auditor to participate; the Committee's regulations govern its functioning in a manner similar to the Regulation of the Board of Directors, also with regard to the information provided to the Directors, which is referred to as the default rule.

By resolution issued by the Board of Directors of 24 October 2019, with effect subject to the start of trading (10 December 2019) and confirmed on 23 December 2019, the members of the Committee are: the independent director Leonardo Luca Etro, as Chairman of the Committee, the independent director Silvia Merlo and the non-executive director Cecilia Maria Perotti. There have been no changes in the composition of the Committee since its appointment, not even as of year-end. Refer to Table 3 in the Appendix for additional information.

Upon appointment, the Board of Directors also verified that Leonardo Luca Etro and Silvia Merlo possess adequate knowledge and experience in accounting and finance. This assessment was carried out again and confirmed by the Board of Directors on 23 December 2019. The Board of Directors believes, as ascertained at



the meeting of 10 March 2022 with the favourable opinion of the Board of Statutory Auditors, that in accordance with Recommendation 25 of the CG, the Control, Risks and Sustainability Committee as a whole possesses adequate expertise in the business sector in which the Company operates, which is functional to assess the related risks.

During the Year, the Control, Risks and Sustainability Committee met seven times, on 22 February, 15 March, 21 April, 4 May, 6 July, 10 September and 3 November 2021, in the presence by teleconference of all its members and the members of the Board of Statutory Auditors, the Manager in charge of preparing the company's financial reports, the Company's legal and tax advisors, the Chairmann of the Supervisory Board and representatives of the corporate functions from time to time competent for the subject matter dealt with, all at the invitation of the Chairman of the Committee, in agreement with the Chairman of the Board of Directors, to whom the outline of the minutes of the meetings, drawn up by the secretary at the request of the Chairman of the Committee, is sent in advance (see Recommendation 17 of the CG Code). The meetings had an average duration of forty-two minutes.

The frequency and participation in the meetings of the Control, Risks and Sustainability Committee are shown in [Table 3](#) at the end of the Report, to which reference is made.

The number of meetings scheduled for the Control, Risks and Sustainability Committee for the current year is at least four of which two were already held on 2 February 2022 and 9 March 2022.

### **Functions attributed to the Control, Risks and Sustainability Committee**

Pursuant to the related regulation, the Control, Risks and Sustainability Committee has the task of supporting, with investigative, proposition and advisory functions, the assessments and decisions made by the Board of Directors [\(i\)](#) concerning the internal audit and risk management system and the approval of the periodic financial and non-financial reports, as well as [\(ii\)](#) concerning sustainability.

The Control, Risks and Sustainability Committee, in particular and in compliance with the Recommendations of the CG Code, assists the Board of Directors, coordinating with the other corporate bodies involved from time to time:

- (i) in defining the guidelines for the internal control and risk management system, so that the main risks relating to the Company and its subsidiaries are correctly identified, adequately measured, managed and monitored, and in the assessment of their effectiveness, at least annually;
- (ii) in verifying, periodically and at least every six months, the adequacy and effectiveness of the internal control and risk management system with respect to the characteristics of the Company and the risk profile assumed, as well as its effectiveness;
- (iii) in the periodic approval, at least once a year, of the work plan prepared by the head of internal audit, having consulted the control body and the chief executive officer;
- (iv) in assessing the appropriateness of adopting measures to ensure effectiveness and impartiality of judgement and in verifying that they have adequate professionalism and resources;
- (v) in the process of appointing the supervisory board provided for by Italian Legislative Decree no. 231/2001;
- (vi) in assessing, after consulting the supervisory board, the results set out by the statutory auditor in the letter of suggestions, if any, and in the additional report addressed to the supervisory board;
- (vii) in the description, in the corporate governance report, of the main characteristics of the internal control and risk management system and the manner in which it is coordinated between the parties involved, and in the expression of the assessment of the adequacy of the internal control and risk management system;

- (viii) in appointing and dismissing the Internal Audit Manager and in ensuring that they are provided with adequate resources to carry out their duties, or in entrusting the internal audit function, as a whole or by operating segments, to a person external to the Company, which must have adequate requisites of professionalism, independence and organisation;
- (ix) in defining the remuneration of the head of the internal audit function, or of the party external to the Issuer entrusted with the internal audit function, as a whole or by operating segments, consistently with company policies.

In exercising its functions as described above and in assisting the Board of Directors, the Control, Risks and Sustainability Committee, in particular:

- (i) evaluates, after consulting the Financial Reporting Manager, the statutory auditor and the board of statutory auditors, the correct use of the accounting principles and their uniformity for the purposes of preparing the consolidated financial statements;
- (ii) assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- (iii) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- (iv) expresses opinions on specific aspects concerning the identification of the main corporate risks and supports the assessments and decisions of the Board of Directors concerning the management of risks deriving from prejudicial facts of which the latter has become aware;
- (v) examines the periodic reports and those of particular importance prepared by the internal audit function;
- (vi) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit function;
- (vii) may request the internal audit function to carry out checks on specific operational areas, informing the Chairperson of the Board of Statutory Auditors accordingly;
- (viii) reports to the Board of Directors, at least when the annual and half-yearly financial reports are approved, on the activities carried out and on the adequacy of the internal control and risk management system;
- (ix) supports, with adequate preliminary investigation activities, the assessments and decisions of the Board of Directors relating to the management of risks deriving from prejudicial facts of which the Board of Directors has become aware;
- (x) expresses its opinion on all resolutions of the Board of Directors concerning the internal control system and risk management and internal audit;
- (xi) carries out the additional tasks assigned to it by the Board of Directors and by current regulations.

During the year, the main activities carried out by the Control, Risks and Sustainability Committee concerned the examination of the periodic audit reports and the audit reports on contracts and subcontracts prepared by the internal audit department; the examination of the 2021-2023 three-year Audit Plan and the 2021 Audit Plan prepared by the head of the internal audit department, on which it expressed a favourable opinion; the examination of the periodic reports on the activities carried out by the Supervisory Board and the update of the organisation model pursuant to Italian Legislative Decree 231/2001; assessments of the adequacy of the Company's organisational, administrative and accounting structure and of the adequacy of the internal control and risk management system and the methods of coordination between the parties involved in it and the Guidelines; verification of the results of the Company's Impairment Test procedure for 2020; examination of the draft financial statements as at 31 December 2020, the consolidated financial statements as at 31 December 2020, the report on operations and the proposal for the allocation of profit, the correct application of the

accounting standards and their uniformity for the purposes of the report on the consolidated financial statements and compliance with the administrative and accounting procedures by the Manager in charge; examination of the non-financial statement pursuant to Italian Legislative Decree 254/2016 relating to 2020 and review and discussion of the preparatory activities for the 2021 DNF; review of the information flows procedure; review of the diversity criteria for the composition of the governing and supervisory boards and measures to promote equal treatment and opportunities between genders within the corporate organisation; review of the guidance for 2021.

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In order to carry out its functions and duties, the Control, Risks and Sustainability Committee has the right to access the necessary information and company functions and may make use, at the Company's expense and within the limits of the budget approved by the Board of Directors, of external consultants who do not find themselves in situations that compromise their independence; it is the Committee's task to verify in advance that the external consultant does not find themselves in situations that may compromise their independent judgement.

On 16 March 2021, the Board of Directors confirmed the annual budget available to the Control, Risks and Sustainability Committee in the year as €50,000. On 10 March 2022, the Board of Directors confirmed the same annual budget for 2022.

### 9.3 Internal audit manager

By resolution of 9 December 2020, taken following the favourable opinion expressed by the Control, Risks and Sustainability Committee which met on 4 December 2020, the Board of Directors resolved, with effect from 1 January 2021, to approve the internalisation of the internal audit function, previously entrusted to an external company, and to appoint Marco Lucchesi, Finance Manager and employee since 1 January 2004, as head of the internal audit function, as the person responsible for verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the Board in line with Recommendations 32, letter d) and 33, letter b) of the CG Code, with specific skills in internal audit.

When appointing the head of the internal audit function:

- (i) in compliance with Recommendation 33, letter b) of the CG Code, the Board of Directors (i) confirmed the remuneration thereof in line with corporate policies and (ii) ensured that the latter has adequate resources to carry out the tasks, by approving the allocation of an annual expenditure budget of €30,000 which may be freely and autonomously used, in addition to the right to make use of the collaboration of GLM Consulting S.a.s. for activities relating to the technical, environmental and safety area, providing free and direct access is provided to all information useful to carry out the assignment and also identifying the internal resources of the Company whose collaboration may be used;
- (ii) in compliance with Recommendation 36 of the CG Code, the Board of Directors has also established that Marco Lucchesi shall carry out the duties relating to the function of head of internal audit on a full-time basis, shall not be responsible for any operational area and shall report hierarchically to the Board of Directors

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In accordance with Recommendation 33, letter c) of the CG Code, the Board of Directors approved the work plan prepared by the head of the internal audit department, having consulted the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the chief executive officer, at its meeting of 16 March 2021.

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During the Year, the head of the internal audit function:

- (i) in compliance with Recommendation 36, letter a) of the CG Code, verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan, approved by the Board of Directors on 16 March 2021, subject to the favourable opinion of the Control, Risks and Sustainability Committee and the Board of Statutory Auditors, based on a structured process of analysis and prioritisation of the main risks;
- (ii) in compliance with Recommendations 36, letter b) and letter d) of the CG Code, it prepared periodic six-monthly reports containing adequate information on its activities, on the methods used to manage risks and on compliance with the plans defined to contain them, as well as an assessment of the suitability of the internal control and risk management system, and transmitted them to the Chairpersons of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the Board of Directors and chief executive officer;
- (iii) in compliance with Recommendations 36, letter c) and letter d) of the CG Code, it prepared timely reports on events of particular importance (especially regarding the issue of the management of contracts and subcontracts) and sent them to the Chairmen of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and to the Chairman Board of Directors and Chief Executive Officer;
- (iv) in adherence to Recommendation 36, letter e) of the CG Code, verified, as part of the audit plan, the reliability of information systems including accounting systems.

In accordance with the indications of the three-year audit plan approved by the Board of Directors on 16 March 2021, subject to the favourable opinion of the Control, Risks and Sustainability Committee and the Board of Statutory Auditors, during the year, the head of the internal audit function carried out checks on three corporate areas identified as sensitive areas.

As part of the area governed by Italian Law 262 of 2005 “Provisions for the protection of savings and the regulation of financial markets”, the internal audit function carried out checks on the processes of the Assets Cycle, the Liabilities Cycle, the Production and Inventories Cycle, the Finance Cycle, the Investments and Fixed Assets Cycle, the Periodic Account Closure Cycle, the Taxes Cycle and the Personnel Cycle.

During the Year, the scope of the checks was also extended to the subsidiary Sanlorenzo of the Americas LLC, for which the Assets Cycle, the Liabilities Cycle and the Periodic Accounting Closure Cycle were audited.

Within the Information Communication Technology area, checks were carried out on Data Security (Physical Security) and System Operation (Back-up Management).

As regards the area that includes the issues of Corporate Compliance, Health and Safety, Environment and Quality, checks were carried out on waste management, on the accident phenomenon, on the documentation required by the General Contract Specifications for access to production sites by contractors and subcontractors, on Related Party Transactions, on the activities of the Product Improvement Committee (CMP) and on Quality Booklets.

At the request of the chief executive officer, the Risk and Sustainability Control Committee, the Board of Statutory Auditors and the Supervisory Board, specific checks were also carried out, especially regarding the management of tenders and subcontracts.

## 9.4 Organisation model pursuant to Italian Legislative Decree 231/2001

The Company has adopted an organisation, management and control model pursuant to Italian Legislative Decree 8 June 2001, no. 231 (“**Legislative Decree 231/2001**”) governing the administrative liability of legal entities, companies and associations, including those without legal personality (“**231 Model**”).

The 231 Model is divided, as required by law, into a general section and special sections, containing a description of the types of underlying offences; in particular, the 231 Model consists of the following:

- a General Section illustrating the contents of the Decree, the function of the Organisation and Management Model, the tasks of the Supervisory Body, the disciplinary system and, in general, the principles, logic and structure of the Model itself;
- the individual Special Sections that refer to the specific types of offences that may potentially be committed within Sanlorenzo and in particular: Offences in relations with Public Administrations, Offences related to health and safety at work, Environmental Offences, Corporate Offences, Information Technology Offences, Offences related to illegal exploitation of the workforce and irregular employment, Offences related to market abuse, taxation and smuggling. Within the Special Sections, the so-called sensitive company activities and processes are identified as they are potentially exposed to the risk of verification of crimes, as well as the control principles and measures adopted by the Company to prevent this risk;
- the annexes referred to in the individual sections of the Model (e.g. organisation charts and operating procedures, Health and Safety and Environmental Management Systems, etc.).

In order to ensure the effective application of Model 231, the Company has identified a Supervisory Body, composed of Maurizio Bortolotto (professional expert in the field of administrative liability of entities, associated with crime), of Mr. Maurizio Ferrero (Chartered Accountant and Statutory Auditor, expert in corporate, tax and financial market law, as well as former standing auditor of the Company) and of Mr. Gianluca Magrini (professional expert in occupational safety and hygiene and environmental protection). The collective composition, characterised by high-profile professionals from outside the Company, is in line with the best practices on the subject, guaranteeing the total autonomy and independence of the Supervisory Board. For this reason, as well as because of the added value represented by having more than one control subject whose collaboration can contribute to the efficiency of the internal control system, the Company considered it preferable not to assign the functions of the Supervisory Board to the Board of Statutory Auditors; the Board of Directors also did not consider it necessary to appoint a member of the Board of Statutory Auditors or a non-executive director or the holder of the Company's control functions to the Supervisory Board. At the Board of Directors' meeting of 9 November 2019, the Board of Statutory Auditors expressed its opinion on the composition of the Supervisory Board, by stating to share the reasons, as summarised above, that led the Board of Directors not to assign the functions of the Supervisory Board to the Board of Statutory Auditors, as well as to believe that the aforementioned members of the Supervisory Board have adequate professionalism and competence to hold the position.

The 231 Model is completed by the Code of Ethics, which summarises the fundamental ethical values to which the Company is inspired and to which all employees and external collaborators must adhere in the performance of the tasks entrusted to them, and the Information Flow Procedure to the Supervisory Body regulates, among other things, the whistleblowing procedure.

During the year, the Board of Directors, on 7 July 2021, following the favourable opinions of the Control, Risks and Sustainability Committee, which met on the same date, and of the Board of Statutory Auditors, approved the integration and updating of the 231 Model pursuant to Legislative Decree 231/2011, also in light of the new offences on taxation and smuggling.

With a resolution of 4 December 2020, the Board of Directors of Bluegame Srl, a strategic subsidiary of the Issuer, resolved to adopt its own organisation model pursuant to Legislative Decree 231/2011, appointed the

supervisory board in the persons of Lawyer Carola Boggio Marzet (criminal lawyer and expert in the field of the administrative responsibility of entities), Chairperson, and Mr. Gianluca Magrini.

The Board of Directors of the Company, on 16 March 2021, approved the Flows Procedure as revised in light of the recent integration of the special part of the organisational model and on the basis of the new company organisation.

The General Part of the Model 231 and the Sanlorenzo Code of Ethics are available on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the “Corporate Governance/Model 231 and Code of Ethics” Section.

## 9.5 Auditing firm

On 23 November 2019 the Shareholders' Meeting resolved, with effect subject to the commencement of negotiations (10 December 2019), to grant a mandate to BDO Italia S.p.A. to audit the Company's accounts for nine financial years, in accordance with the provisions of Articles 13 and 17 of Italian Legislative Decree No. 39 of 27 January 2010.

During the year, the independent auditors did not send any letters of recommendation; on 30 March 2021, the independent auditors prepared an additional report addressed to the Board of Statutory Auditors, which did not highlight any critical issues.

## 9.6 Manager in charge of preparing the company's financial reports and other corporate roles and functions

Article 19 of the By-laws reserves the right to the Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, to appoint and dismiss the Manager in charge of preparing the company's financial reports (“**Manager in charge**”), pursuant to Article 154-*bis* of the TUF, and to determine the related remuneration. In addition to the requirements of good repute prescribed by current legislation for those who perform administrative and management functions, the Financial Reporting Manager must also possess the professional requirements characterised by specific competence in administrative and accounting matters of listed companies. This expertise, to be ascertained by the Board of Directors, must be acquired through work experience in positions of adequate responsibility for an appropriate period of time.

In compliance with the resolutions issued by the Board of Directors on 24 October 2019, with effect subject to the start of trading (10 December 2019), on which the Control, Risks and Sustainability Committee has expressed favourable opinion at the meeting held on 23 December 2019, and as confirmed at the same date by the Board of Directors, Mr. Attilio Bruzzese, chief financial officer of the Company, is the Manager in charge of the Company, holding the powers referred to in Article 154-*bis* of the TUF and in particular the duties and functions provided for by applicable legislation and with the following powers:

- (i) free access to any information considered relevant for the performance of duties, both within the Company and within the Group companies, with the power to inspect all the documentation relating to the preparation of the Company and Group accounting documents and with the power to request clarifications and explanations to all those involved in the process of formation of the accounting data of the Company and Group;
- (ii) participating as an auditor in meetings of the Board of Directors;
- (iii) communicating with the Control, Risks and Sustainability Committee;
- (iv) communicating with the internal audit manager, including for the execution of specific controls;



- (v) approving and reviewing company procedures and organisational processes, when they have an impact on the process of preparing financial statements, consolidated financial statements and other documents subject to certification in accordance with applicable regulations;
- (vi) being involved in the procedures for the adoption, implementation and updating of information systems that have an impact on the collection of accounting data or otherwise relevant to the process of preparing the financial statements, the consolidated financial statements and other documents subject to certification in accordance with applicable regulations;
- (vii) using information systems that have an impact on the collection of accounting data or in any case are relevant in the process of preparing the financial statements, the consolidated financial statements and other documents subject to certification in accordance with applicable regulations;
- (viii) organising an adequate corporate structure within the scope of their functions, using internal resources and, where necessary and within the limits of the budget set by the Board of Directors, in outsourcing;
- (ix) autonomous spending power within the limits of the annual budget approved by the Board of Directors.

The annual budget available to Attilio Bruzzese as Manager in charge is set at €50,000; this annual remuneration as Manager in charge in accordance with Article 154-*bis* of the TUF is to be considered as included in the annual remuneration received by him as an executive of the Company.

During the year, in relation to Recommendation 33, letter d) of the CG Code, the Board of Directors, as ascertained in the meeting of 10 March 2022 after receiving the favourable opinion of the Control, Risks and Sustainability Committee and the Board of Statutory Auditors, did not consider it necessary to adopt measures to ensure the effectiveness and impartiality of judgement of the corporate functions involved in controls, as it considered the safeguards and governance structure in place to be adequate; the Board of Directors also verified that the corporate functions involved in controls have adequate professionalism and resources.

## **9.7 Coordination between the parties involved in the internal control and risk management system**

In accordance with the guidelines, the Risk Manager is the figure responsible for coordinating and managing the entire process. He reports directly to the Appointed Director and guarantee the correct application of the company risk management methods and require, where necessary, adequate reserves or insurance coverage.

In compliance with the resolution issued by the Board of Directors on 24 October 2019, Michele Passerai is the Risk Manager of the Company, with the task of supervising the risk management function, as described in the Guidelines for the internal control and risk management system.

The role of the Risk Manager is to:

- (i) ensure the definition of the methodologies and tools functional to Sanlorenzo's risk management process to identify, assess and monitor the main risks;
- (ii) ensure the risk assessment and monitoring of the main risks, supporting management in identifying, assessing and treating risks;
- (iii) prepare the work plan and periodic reporting to the Appointed Director of the ICRMS and the Control, Risks and Sustainability Committee in relation to risk assessment and monitoring activities.

The Risk Manager draws up a summary of the activities carried out and the main business risks identified, assessed and monitored at least once a year. The findings of these reports shall be submitted to the ICRMS Director.

In particular, in 2021, the following main activities were carried out: update of flow charts, in line with the evolution of corporate processes, and related risk control matrix; start of the process of extension of the risk

control matrix to Sanlorenzo of the Americas LLC and Bluegame S.r.l.; specific activities such as the preparation of the Hurricane Plan for the United States, start of the activities for the preparation of the business continuity plan.

During the year, the Board of Directors on 16 March 2021, having received the favourable opinion of the Control, Risks and Sustainability Committee on 15 March 2021 and the Board of Statutory Auditors, expressed, pursuant to Article 6 of the CG Code, an opinion on the adequacy of the methods of coordination between the various parties involved in the internal control and risk management system. The same assessment was made by the Board of Directors on 10 March 2022, subject to the approval of the Control, Risks and Sustainability Committee on 9 March 2022 and the Board of Statutory Auditors.

On 16 March 2021, subject to the approval of the Control, Risks and Sustainability Committee on 15 March 2021 and the Board of Statutory Auditors, the Board of Directors approved the updated text of the Information Flow Procedure.

The Board of Statutory Auditors and the Control, Risks and Sustainability Committee promptly exchange information relevant to the performance of their respective duties, in compliance with Recommendation 37 of the CG Code, and during the year, all members of the Board of Statutory Auditors took part in the works of the Control, Risks and Sustainability Committee, since the relevant Regulations provide for this right (see Section 9.2 of the Report). Meetings dedicated to specific issues (such as contracts and subcontracts) were also held, at which both members of the Board of Statutory Auditors and members of the Control, Risks and Sustainability Committee were present.

## 10. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

Pursuant to Article 23 of the By-laws, the Company approves transactions with related parties in accordance with the provisions of the law and regulations in force and the procedures adopted in this regard.

The Related Parties Procedure adopted by the Company pursuant to the Consob Related Parties Regulation and in force at the date of the Report was approved by the Board of Directors on 4 May 2021, subject to the favourable opinion of the Related Parties Committee meeting on the same date, and is a revision of the previous version of the Procedure (approved in draft by the Board of Directors on 24 October 2019 with effect conditional on the start of negotiations and in final form by the Board of Directors on 23 December 2019, subject to the favourable opinion of the Related Party Transactions Committee) in light of the amendments made to the Consob Related Parties Regulation by Consob Resolution 21624/2020.

On 10 March 2022, subject to the favourable opinion of the Related Parties Committee which met on the same date, the Board of Directors approved a further integration of the Related Parties Procedure, inserting specific rules applicable to Transactions of Greater Significance (as defined in the Related Parties Procedure itself in compliance with the Consob Related Parties Regulation), since in the meantime, the Company has lost both the status of minor company and that of newly listed company; the thus updated version of the Related Parties Procedure will enter into force on 1 April 2022.

The Related Parties Procedure can be consulted on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "Corporate Governance/Internal Committees" Section.

### **Related-Party Transactions Committee**

The Related Parties Procedure provides for the establishment of the Committee for Transactions with Related Parties (the "Related-Party Transactions Committee") and regulates its operation.

The Committee is necessarily composed of three independent directors.

The work of the Related Parties Committee shall be coordinated by its Chairperson and minutes shall be taken and signed by the Chairperson of the meeting and the Secretary. The Chairperson informs the Board of Directors and the Board of Statutory Auditors at the first meeting held after the Committee's completion; the Chairperson of the Committee reports to the Board on the Committee's activities; the Related Parties Procedure provides that the Chairperson of the Board of Statutory Auditors, or an Auditor designated by the latter, attends the Committee's meetings, without prejudice to the right of each Auditor to attend; the Related Parties Procedure governs the rules of operation of the Committee in a manner similar to the Regulation of the Board of Directors, also with regard to the information provided to the Directors, referred to as the default rule.

The Related Parties Committee performs the functions and tasks provided for by the Related Parties Procedure, by the Consob Related Parties Regulation and by the regulations in force. In particular, it shall render a non-binding written opinion on Related Parties Transactions, in which it shall express considerations on the Company's interest in carrying out each specific Related Parties Transaction, on the substantial correctness of the relevant conditions and on the convenience of the same for the Company; any appraisals or fairness opinions or legal opinions provided to the Related Parties Committee by independent experts shall be annexed to the opinion. Until 31 March 2022, this rule is applicable to both Transactions of Lesser Significance and Transactions of Greater Significance (as defined in the Related Parties Procedure itself in compliance with the Consob Related Parties Regulation), whereas, as a consequence of the revision of the Related Parties Procedure resolved on 10 March 2022 as mentioned above as from 1 April 2022, the same will be applicable only to

Transactions of Lesser Significance, because for Transactions of Greater Significance the opinion of the Related Parties Committee will be binding and therefore if not positive it will not allow the execution of the Transaction of Greater Significance.

In carrying out its functions, the Related-Party Transactions Committee has the right to access the information and corporate functions necessary to carry out its duties as well as to make use of independent external consultants, for which a limit of €20,000 per transaction is set. From 1 April 2022, the expenditure limit for Transactions of Greater Significance will be €30,000.

In compliance with the resolution issued by the Board of Directors' meeting of 24 October 2019, with effect subject to the start of trading (10 December 2019) and confirmed on 23 December 2019, the members of the Related-Party Transactions Committee are the independent directors Licia Mattioli, as Chairperson and Silvia Merlo and Pietro Gussalli Beretta. There have been no changes in the composition of the Committee since its appointment, not even as of year-end. Refer to [Table 3](#) in the Appendix for additional information.

During the year, the Related Parties Committee met eight times, on 22 February, 15 March, 4 May, 7 July, 30 July, 10 September, 3 November and 8 December 2021, in the presence by teleconference of all its members and the members of the Board of Statutory Auditors, the Manager in charge of preparing the company's financial reports, the Company's legal and tax advisors, the Chairman of the Supervisory Board and representatives of the corporate functions from time to time competent for the subject matter dealt with, all at the invitation of the Chairperson of the Committee. The meetings had an average duration of thirty-three minutes.

During the year, the main activities carried out by the Related Parties Committee concerned the examination and expression of opinions on transactions with related parties, as well as the determination of the remuneration of executive directors and managers with strategic responsibilities.

The number of meetings scheduled for the Control, Risks and Sustainability Committee for the current year is at least four, of which one already held on 10 March 2022.

The Board of Directors of 4 May 2021, in adapting the Related Parties Procedure to the amendments made to the Consob Related Parties Regulation by Consob Resolution 21624/2020, provided for the establishment of the Related Parties Register, governed by Article 4 of the Related Parties Procedure, as a measure to facilitate the identification and adequate management of situations in which a director has an interest on own behalf or on behalf of third parties. The Related Parties Procedure also envisages, in compliance with the Consob Related Parties Regulation as amended by Consob Resolution 21624/2020, that in relation to transactions with related parties pertaining to the Board of Directors in which one or more of the directors have an interest, on their own behalf or on behalf of third parties, that conflicts with that of the Company, during the related vote the latter must comply with the provisions of Article 2391 of the Italian Civil Code and in any case abstain from the resolution, also assessing on a case-by-case basis whether to leave the meeting.

## 11. BOARD OF STATUTORY AUDITORS

### 11.1 Appointment and replacement

Pursuant to Article 20 of the By-laws, the Ordinary Meeting elects the Board of Statutory Auditors, consisting of 3 (three) standing members and 2 (two) alternate members. Auditors are eligible for re-election.

Article 21 of the By-laws governs the appointment and replacement of auditors. In particular, the appointment of standing and alternate auditors is made by the Shareholders' Meeting on the basis of lists of candidates submitted by the shareholders and in any case in compliance with the provisions of the law and the By-laws with regard to gender balance. Within the lists, candidates must be listed in sequential numbering and it must be indicated whether each candidacy concerns the office of standing auditor or alternate auditor. Lists presenting a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, in accordance with the pro tempore rules on gender balance both for the candidates for the office of standing auditor and for the candidates for the office of alternate auditor: as a result, a standing auditor and an alternate auditor must belong to the least represented gender. The lists must be disclosed and signed by those who submit them and be filed at the Company's registered office, available to anyone who so requests, at least 25 (twenty-five) days before the date set for the Shareholders' Meeting. The lists are in any case also subject to the further forms of advertising and filing prescribed by law.

Each shareholder, shareholders who are parties to a shareholders' agreement relevant pursuant to Article 122 of the TUF and the holding company, subsidiaries and those subject to joint control pursuant to Article 93 of the TUF, may not submit or participate in the submission, not even through a third party or trust company, of more than one list; each candidate may appear on only one list. The By-Laws provides that only shareholders who, alone or together with other shareholders, hold shares representing at least 2.5% of the share capital, or such other percentage as may be established by mandatory provisions, are entitled to submit lists. In this regard, it should be noted that the Consob, in compliance with the provisions of Article 144-*septies*, paragraph 1 of the Consob Issuers' Regulations, established, by Executive Resolution no. 60 of 28 January 2022 of the Head of the Corporate Governance Division, that the shareholding in the share capital required for the presentation of lists of candidates for the election of the Company's governing bodies is equal to 1%.

The lists must include:

- (i) information relating to the identity of the shareholders who submitted the lists, with details of the percentage of the total shareholding held;
- (ii) a declaration by shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any connection with the latter as required by law;
- (iii) a declaration by which each candidate accepts their candidacy and attests, under their own responsibility, that they meet the requirements of the law and the By-laws for the assumption of the office;
- (iv) the list of directorship and control positions held in other companies by each candidate;
- (v) the curriculum vitae of each candidate containing exhaustive information on their personal and professional characteristics.

In addition, the appropriate certification issued by an authorised intermediary in accordance with the law must be filed, within the deadline required by law for the publication of the lists by the Company, proving the ownership, at the time the list is filed with the company, of the number of shares necessary for the presentation of the list.

Lists for which the above statutes are not observed shall be deemed not to have been submitted. However, the provisions of Article 144-sexies, paragraph 5 of the Issuers' Regulations remain unaffected if only one list, or only lists submitted by shareholders who, on the basis of the provisions of paragraph 4 of the same Article 144-sexies, are connected with each other pursuant to Article 144-quinquies of the aforementioned Consob Issuers' Regulations.

Each shareholder, shareholders who are parties to a shareholders' agreement relevant pursuant to Article 122 of the TUF and the holding company, subsidiaries and those subject to joint control pursuant to Article 93 of the TUF may not vote for different lists.

At the end of the voting, the following will be elected:

- (i) the two candidates for the office of standing auditor indicated in the first two places on the list that obtained the highest number of votes;
- (ii) the candidate for the office of standing auditor and Chairperson of the Board of Statutory Auditors is the candidate indicated in first place on the minority list that obtained the second highest number of votes and that, pursuant to the law, is not connected, even indirectly, with those who submitted or voted for the list that obtained the highest number of votes;
- (iii) the candidates for the office of alternate auditor shall be those indicated in first place both on the list that obtained the highest number of votes referred to in point (i) above and on the minority list that obtained the second highest number of votes referred to in point (ii) above.

If two or more lists have received the same number of votes, a new vote shall be taken. In the event of further parity between the lists put to the vote, the list submitted by shareholders with the largest shareholding or, alternatively in the event of parity of ownership, by the largest number of shareholders, shall prevail and be considered as the list with the highest number of votes.

If only one list is submitted, the Shareholders' Meeting shall vote on it and, if it obtains the favourable vote of the majority required by law for the resolutions of the Shareholders' Meeting, all the members of the Board of Statutory Auditors shall be taken from that list, subject to compliance with the provisions of the law and the By-laws with regard to gender balance.

If, at the end of the vote, the composition of the Board of Statutory Auditors is not ensured, in accordance with the provisions of the law and the By-laws with regard to gender balance, the necessary replacements shall be made from the candidates for the position of standing auditor of the list that obtained the highest number of votes, in the progressive order in which the candidates are listed.

If no list is presented, or if the only list presented does not obtain the favourable vote of the majority required by law for the resolutions of the Shareholders' Meeting, or if the result of the list vote is that the number of standing or alternate auditors is less than the number established by the By-laws, the Shareholders' Meeting resolves to appoint the missing auditors with the majorities required by law, without observing the list voting procedure, subject to compliance with the provisions of the law and the By-laws with regard to gender balance.

In the event of the termination of the office of a standing auditor, the alternate auditor belonging to the same list as the outgoing auditor shall take over. It is understood that the chairpersonship of the Board of Statutory Auditors will remain with the minority auditor and that the composition of the Board of Statutory Auditors must comply with the provisions of the law and the By-laws regarding gender balance.

When the Shareholders' Meeting has to appoint the standing auditors or alternate auditors needed to fill in the Board of Statutory Auditors, the procedure is as follows: if auditors elected in the majority list have to be replaced, the appointment is carried out by means of a relative majority vote without list voting constraints. If it is necessary to replace Statutory Auditors elected from the minority list, the Shareholders' Meeting shall replace them by a relative majority vote, choosing them from among the candidates indicated on the list to which the auditor to be replaced belonged, or on the minority list that received the second highest number of



votes. If the application of these procedures does not allow, for any reason whatsoever, the replacement of the auditors designated by the minority, the Shareholders' Meeting decides by relative majority vote; however, in ascertaining the results of the latter vote, the votes of the shareholders who, according to the communications made pursuant to current regulations, hold, even indirectly or jointly with other shareholders who are parties to a relevant shareholders' agreement pursuant to Article 122 of the TUF, the relative majority of the votes exercisable at the Shareholders' Meeting, as well as the shareholders who control, are controlled or are subject to joint control by the same, will not be counted. The procedures for the replacement of auditors must in any case ensure compliance with the provisions of the law and the By-laws with regard to gender balance. The By-laws clauses that extend the validity of the provisions of the By-laws on gender balance in the management and control bodies of the Company also beyond the end of the six mandates set forth in Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the TUF as amended by the 2020 Budget Law.

The Issuer is not subject to further regulations on the composition of the Board of Statutory Auditors, besides the provisions contained in the TUF.

## 11.2 Composition and functioning (pursuant to Article 123- bis, paragraph 2, letters d) and d-bis) of the TUF)

As at the date of the Report, the composition of the Board of Statutory Auditors, appointed on 24 October 2019 by the Ordinary Shareholders' Meeting of the Company, is as follows:

Name and surname	Position	Place and date of birth	Date of appointment
Andrea Caretti	Chairman	Turin, 14/09/1957	24/10/2019
Margherita Spaini	Standing Auditor	Turin, 07/02/1961	24/10/2019
Roberto Marrani	Standing Auditor	Sarzana (SP), 29/5/1958	24/10/2019
Luca Trabattoni	Alternate Auditor	Genoa, 27/1/1956	24/10/2019
Marina Scandurra	Alternate Auditor	Rome, 15/12/1969	24/10/2019

The Board of Statutory Auditors will remain in office until the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2021, on first call on 28 April 2022 and on second call on 29 April.

On that occasion, the provisions of the By-laws concerning list voting for the appointment of the Board of Statutory Auditors shall apply.

The curricula vitae of the Statutory Auditors pursuant to Article 144-*decies* of the Consob Issuers' Regulations are available at the Company's registered office, extracts of which can be found on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "Corporate Governance/Board of Statutory Auditors" Section.

It should be noted that all members of the Board of Statutory Auditors meet the professional requirements for holding office and have specific expertise in internal controls and tax matters.

During the year, the Board of Statutory Auditors met 11 times. The average duration of the meetings was approximately 3 hours and 40 minutes. It should also be noted that, during the current year and at the date of the Report, three meetings were held, on 28 January 2022, 7 February 2022 and 4 March 2022.

For information on the meetings held during the year, please refer to [Table 4](#), at the end of this Report.

There have been no changes in the composition of the Board of Statutory Auditors since the end of the financial year.

The composition of the Board of Statutory Auditors is adequate to ensure the independence and professionalism of its function in accordance with Principle VIII of the CG Code, as also assessed during the year by the Board of Statutory Auditors in its self-assessment presented during the Board of Directors' meeting of 16 March 2021 and as confirmed in its self-assessment presented during the Board of Directors' meeting of 10 March 2022.

### **Diversity criteria and policies**

As set forth in Section 11.1 above, the By-laws provide, also in compliance with the Recommendations of the Code of Conduct and in compliance with the recommendations of the Corporate Governance Code, that the provisions on gender balance in the composition of the Board of Statutory Auditors also apply after renewals. Hence, the law makes it mandatory to ensure the presence of the less represented gender and also provides that the Company does not exercise the right to apply the lower threshold of representation of the less represented gender for the first renewal. Moreover, the composition of the Board of Statutory Auditors as at the date of the start of trading (10 December 2019) was already, and as at the date of the Report is, compliant with the provisions of Article 148-ter, paragraph 1-ter of the TUF (also as amended by the 2020 Budget Law) and the By-laws on gender balance: in particular, the Board of Statutory Auditors in office as at the end of the year and since the date of admission to listing (10 December 2019) is made up of two standing members of male gender and one standing member of female gender, one alternate member of male gender and one alternate member of female gender.

In compliance with Principle VIII of the CG Code, on 16 March 2021 the Board of Directors - with the favourable opinion of the Control, Risks and Sustainability Committee, the Nomination Committee and the Board of Statutory Auditors - approved that the provisions contained in the By-laws concerning gender diversity with regard to the composition of corporate bodies are sufficient and adequate, and that the composition of corporate bodies should also be diversified with regard to age, professionalism and experience criteria.

The Issuer believes that the composition of the Board of Statutory Auditors is such as to respect gender, age, training and professional background and that the training and professional path of the auditors currently in office ensure a balanced combination of profiles and experiences within the control body, so to ensure a proper performance of their functions.

### **Independence**

During the year, the Board defined the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the CG Code for the purpose of assessing the independence of directors and auditors (in accordance with Recommendation 7, letters c) and d) of the CG Code, as recalled by Recommendation 9 of the CG Code for Statutory Auditors). More specifically, on 16 March 2021, the Board - with the favourable opinion of the Nomination Committee and the Board of Statutory Auditors - set the amount of €30,000 per year as the parameter for the significance of business relations, pursuant to the said letter c) of Recommendation 7 of the CG Code, specifying that the same applies to both direct and indirect commercial, financial or professional relations, and the amount of €30,000 per year as the parameter for the significance of additional remunerations, pursuant to the said letter d) of Recommendation 7 of the CG Code; instead, it did not consider it appropriate to set further parameters, since it is preferable, without prejudice to the above-mentioned limits, for any relations or remuneration to be assessed on a case-by-case basis by the Board of Directors.

During the meeting of the Board of Directors of 16 March 2021, the Board of Directors positively examined the certification issued by the Chairperson of the Board of Statutory Auditors, who pointed out that the Board of Statutory Auditors had verified and confirmed on that occasion that each of its members still met the independence requirements set out in current legislation and the CG Code, and that they personally confirmed their independence on the same occasion, also in light of the resolution passed on the same date by the Board of Directors regarding the parameters referred to in letters c) and d) of Recommendation 7 of the CG Code. The same attestation was made by the Chairperson of the Board of Statutory Auditors at the Board meeting of 10 March 2022, which positively reviewed it. In making the above assessments, in adherence to Recommendations 6 and 9 of the CG Code, all the information made available by each auditor was considered, assessing all the circumstances that compromise independence as identified by the TUF and the CG Code, and applying all the criteria set out in Recommendation 7 of the CG Code, as referred to for auditors by Recommendation 9 of the CG Code, with reference to the independence of directors.

During the year, the Company did not disclose the outcome of the assessments by means of a press release disseminated to the market, as there were no changes from what was stated in the prospectus published in view of the start of trading (10 December 2019) and the adherence to the CG Code took place with a Board resolution of 16 March 2021. In compliance with Recommendations 6, 9 and 10 of the CG Code in the current year, the Issuer will disclose the outcome of the assessments on the significance of the relationships following the Shareholders' Meeting called for 28 April 2022 (first call) and for 29 April 2022 (second call) also for the renewal of the corporate bodies.

## **Remuneration**

On 24 October 2019, the Ordinary Shareholders' Meeting of the Company, which appointed the members of the Board of Statutory Auditors, also determined the gross annual remuneration, in particular by deciding on €30,000 for the Chairperson and €25,000 for each standing auditor, in addition to the reimbursement of expenses reasonably incurred and documented by virtue of the appointment.

The Company believes that the remuneration of Auditors is appropriate to the competence, professionalism and commitment required by the importance of the role covered and the size and sector characteristics of the company and its situation.

## **Interest Management**

Also in compliance with Recommendation 30 of the CG Code, Auditors who, on their own behalf or on behalf of third parties, have an interest in a certain transaction of the Issuer must promptly and exhaustively inform the other auditors and the Chairperson of the Board of Directors about the nature, terms, origin and extent of their interest.

## 12. RELATIONS WITH SHAREHOLDERS

The Issuer has set up a specific Section on its website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)), easily identifiable and accessible, called “Investors”, where any information concerning the Issuer that is relevant for its shareholders is made available, so that the latter can exercise their rights in an informed manner. The Company has also activated a dedicated e-mail address ([investor.relations@sanlorenzoyacht.com](mailto:investor.relations@sanlorenzoyacht.com)).

The Company appointed the chief financial officer and Manager in charge of preparing the company's financial reports, Attilio Bruzzese, as investor relator, assisted by Silvia Guidi, in charge of managing the relationships with investors and performing all the functions that the law and regulations applicable to listed companies and customs require from this office, as well as any other function that may be assigned by the Board of Directors or by the executive directors.

The Shareholders' Meeting of 24 October 2019 established that the Directors, unless there are proven impediments, participate in the Meetings. All directors in that forum have declared their commitment to do so.

For the transmission and storage of Regulated Information, the Issuer uses, respectively, the eMarket SDIR dissemination system and the eMarket STORAGE mechanism, both managed by Spafid Connect S.p.A., with registered office in Milan, Foro Buonaparte 10.

In view of its structure and size, the Company has not set up a corporate structure responsible for managing relations with shareholders.

The Company believes that the measures adopted make it easy and timely to access the information concerning the Issuer that is important for its shareholders and, therefore, it did not take any further action to this end.

### Dialogue with shareholders

On 16 March 2021, the Company's Board of Directors, upon the proposal of the Chairman of the Board of Directors and chief executive officer, approved the Policy for Managing Dialogue with the Shareholders, including taking into account the engagement policies adopted by institutional investors and asset managers, as well as the interests of the Company's stakeholders, in accordance with Principle IV and Recommendation 3 of the CG Code. This Policy can be consulted on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)), in the “Corporate Governance” Section.

In particular, the Company believes in the importance of engaging in active and constructive communication with shareholders, in accordance with the principles of transparency, equal treatment and information symmetry, timeliness, regularity, promotion of corporate purpose, and compliance. Dialogue takes place in a number of ways, including the corporate website, the publication of press releases, the annual Shareholders' Meeting and the Corporate Affairs function, the Investor Relations function and other functions responsible for specific matters (sustainability, communication), social channels, meetings with the financial community, institutional shareholders, analysts (one to one, group meetings, presentations, investor days, roadshows, conference calls or virtual meetings). The Shareholders' Dialogue covers issues relating to economic and financial performance, group strategy, reflections on the sector and regulatory issues, as well as extra-financial aspects, such as corporate governance methods, sustainability issues, equal treatment and opportunity policies for workers, and risks in the broadest sense. The Chairman of the Board of Directors and chief executive officer, supported by the Investor Relations and Corporate Affairs functions, is responsible for the proper application of the Policy for Managing Dialogue with the Shareholders and must monitor its effective implementation and effectiveness.

Since the Policy was first applied in the year, the Board of Directors received an annual report on the development and significant content of the dialogue with shareholders: at the Board of Directors meeting on 10 March 2022, the Chairman of the Board of Directors and chief executive officer reported to the Board on the first year of application of the Policy for Managing Dialogue with the Shareholders, noting that despite the continuation of the measures to contain the pandemic, during 2021, the dialogue with the financial community (investors, analysts) continued with even greater frequency than in the previous year. The Group's management and the Investor Relations team participated in industry conferences, road shows in the world's major financial centres and meetings and calls with fund managers, buy side and sell side analysts. Most of these events were conducted virtually, through video conferencing. In particular, the Company, on its own initiative, organised two conference calls open to investors, analysts and the press to illustrate the results (respectively, of the half-yearly financial report as of 30 June 2021 and the periodic financial information as of 30 September 2021) and an investor day during the Genoa Boat Show, held from 16 to 21 September. As far as conferences are concerned, the Company took part in 9 events during the year, of which three were organised by Borsa Italiana (two STAR Conferences and the Italian Sustainability Week), three were organised by the company Virgilio IR and dedicated to Mid Caps and three by the brokers who cover the stock with their research (Intesa Sanpaolo, Bank of America Merrill Lynch and Kepler Cheuvreux). Finally, four virtual non-deal roadshows were organised, one for each broker covering the stock with research. Including visits to the Company's construction sites, the total number of investors/shareholders met during the year was 314.

The main topics of the dialogue with shareholders concerned the economic and financial results, the strategy and business model and sustainability, particularly with regard to products.

The Chairperson of the Board of Directors and chief executive officer reported that in 2022, disclosure about the dialogue with shareholders will occur at the earliest opportunity and therefore approximately on a quarterly basis, in any event at the time of the approval of financial results.

### 13. SHAREHOLDERS' MEETINGS

Pursuant to Article 9 of the By-laws, the Shareholders' Meeting is convened by the Chairperson of the Board of Directors or the Board of Directors, either at the registered office or elsewhere provided that it is in Italy or within continental Europe, in the cases required by law and whenever they deem it appropriate.

Pursuant to Article 10 of the By-laws, holders of voting rights with regard to the items on the agenda are entitled to attend the Shareholders' Meeting in accordance with the provisions of the law. Any shareholder who has the right to attend the Shareholders' Meeting may be represented by others, including non-shareholders, by written proxy, in accordance with and within the limits of the law.

In relation to the shares with increased voting rights, see the information made in Section 2, paragraph d) of the Report.

The Company does not avail itself of the option provided by law to designate the representative to whom shareholders may grant proxy with voting instructions on all or some of the proposals on the agenda, without prejudice to the applicability of the regulations adopted in view of the spread of the Covid-19 pandemic (DL 17 March 2020, no. 18, converted with amendments by Law 24 April 2020, no. 27 ("Cura Italia"), which allowed the designated representative to be used also as the exclusive form of participation in the meetings and also in cases where the By-laws provide otherwise, the applicability of which was lastly extended to 31 July 2022 by Italian Legislative Decree no. 228 of 30 December 2021 ("Milleproroghe" Decree), converted into law with amendments by Law no. 15 of 25 February 2022.

The Shareholders' Meeting is chaired by the Chairperson of the Board of Directors or, in their absence or if they declare their impediment, in that order, by the Deputy Chairperson of the Board of Directors (if appointed) or by another person chosen by the Shareholders' Meeting with a majority vote of the share capital represented at the Meeting. The Chairperson of the Meeting appoints a secretary, who may or may not be a member.

The Shareholders' Meeting, both in ordinary and extraordinary session, is validly constituted and resolves with the majorities established by law.

In accordance with the By-laws, the shares are registered, freely transferable and indivisible. The By-laws also provide for a vote increase: in particular, the holder of shares carrying voting rights at the Shareholders' Meeting without any limitation or condition (ordinary shares) - if the requirements and conditions set out by law, regulations and By-laws are met - has two votes for each share, with regard to the shares held continuously for at least twenty-four months and starting from the date of their registration in the List.

The resolutions of the Shareholders' Meeting are adopted with the majorities of votes required by the law, without prejudice to the provisions of the By-laws on the voting list for the appointment of directors and statutory auditors.

The resolutions of the Shareholders' Meeting, taken in accordance with the law and the By-laws, are binding on all shareholders, even if they did not attend or disagree.

The resolutions of the Meeting must be recorded in the minutes signed by the Chairperson of the Shareholders' Meeting and the Secretary or Notary.

\*\*\*

During the Year, no proposals were submitted to the Meeting by the Issuer's controlling shareholder with regard to those issues on which no specific proposal had been formulated by the Directors.

\*\*\*



The Company has not adopted shareholders' meeting regulations, as it does not consider it necessary, at present, to adopt ad hoc procedures to be followed in order to allow for the orderly and functional conduct of shareholders' meetings.

\*\*\*

An Ordinary Meeting of the Company's shareholders was held during the year and was attended by eight out of nine directors. The Shareholders' Meeting met in ordinary session on 21 April 2021 to approve the financial statements for the year ended 31 December 2020 and the allocation of profit for the year, and for resolutions on the Report on remuneration policy and remuneration paid.

Due to the spread of the Covid-19 pandemic, because of the restrictive measures adopted for its containment and the regulatory measures adopted in order to allow for the holding of the Shareholders' Meetings of the listed companies despite the Pandemic, and in particular to also allow the companies whose By-laws sets forth different provisions, as in the case of the Issuer, from Article 106, paragraphs 4 and 7, of Decree Law no. 18 of 17 March 2020, converted with amendments by conversion law no. 27 of 24 April 2020, the Shareholders were authorised to attend and to exercise their right to vote exclusively by granting a proxy to the designated representative, identified pursuant to Article 135-*undecies* of the TUF, in the trust company SPAFID S.p.A.

The Chairman of the Board of Directors ensured that the shareholders were provided with adequate information on the necessary elements so that they could take the decisions for which they are responsible with full knowledge of the facts, by making available analytical reports on the items on the agenda of the Meeting pursuant to Article 125-*ter* of the TUF.

\*\*\*

In view of the lack of shareholder participation at the Meeting, which was only attended by the appointed representative, neither the Chairman of the Board of Directors nor the chairs of the Committees deemed it useful to report to the Meeting on the activities carried out.

\*\*\*

During the Year, the Board did not deem it necessary to draw up proposals to be submitted to the Shareholders' Meeting in order to define a corporate governance system more in line with the Company's needs, since the one adopted by the Company was largely adequate, also following the resolutions taken in compliance with the CG Code that came into force during the year.

#### **14. FURTHER CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER A), SECOND PART OF THE TUF)**

There are no corporate governance practices other than those already indicated in the previous points - actually applied by the Issuer - beyond the obligations provided for by law or regulations.

## **15. CHANGES AFTER THE CLOSURE OF THE FINANCIAL YEAR OF REFERENCE**

Subsequent to the end of the year and until the Board of Directors' approval of this Report on 10 March 2022, there have been no changes in the Company's corporate governance structure, except for the approval of the updated Related Parties Procedure, as described in Section **10** of this Report.

## **16. CONSIDERATIONS ON THE LETTER FROM THE CHAIRPERSON OF THE CORPORATE GOVERNANCE COMMITTEE**

The letter of 3 December 2021 addressed by the Chairperson of the Corporate Governance Committee to the Chairpersons of the Boards of Directors of listed Italian companies was brought to the attention of the Board of Directors and the Board of Statutory Auditors of the Issuer at the meetings of 10 December 2021 and 3 February 2022, where the analyses and recommendations contained therein were noted; and the same was taken into account as part of the self-assessment process of the Board of Directors, as described in Section 7 of the Report.

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## TABLES

**Table 1: Information on the ownership structures**

SHARE CAPITAL STRUCTURE				
Type	Number of shares	Number of voting rights	Listed	Rights and obligations
Ordinary shares	34,594,172 <sup>(*)</sup> <sup>(**)</sup>	55,431,300	Euronext STAR Milan	All Issuer's shares grant equity and administrative rights as provided for by applicable legal provisions and by the By-laws; in particular, each share grants the right to one vote at ordinary and extraordinary meetings of the Issuer, except for those shares which have obtained increased voting rights in compliance with Article 6 of the By-laws.

\* of which 58,666 treasury shares at 28 February 2022, unchanged from 31 December 2021.

\*\* of which 20,837,128 with increased voting rights at 28 February 2022, unchanged from 31 December 2021.

OTHER FINANCIAL INSTRUMENTS				
	Listed / Unlisted	No. of outstanding instruments	Category of shares subject to conversion/exercise	No. of shares subject to conversion/exercise
Convertible bonds	/	/	/	/
Warrant	/	/	/	/

SIGNIFICANT EQUITY INVESTMENTS IN CAPITAL			
Declarant	Direct shareholder	Share % of ordinary share capital	Share % of voting capital
Massimo Perotti (statement disclosed on 22 January 2020 and updated with transactions executed and disclosed pursuant to the Internal Dealing Procedure)	Holding Happy Life S.r.l.	60.5%	75.0%

**Table 2: Structure of the Board of Directors at the end of the year**

Board of Directors													
Position	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. other assignments (****)	Attendance (*****)
<b>Chairman and Chief Executive Officer</b> • ◊	Massimo Perotti	1960	14/04/2005	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	N/A	X				15	9/9
<b>Executive Director</b>	Marco Viti	1957	26/09/2009	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	N/A	X				2	9/9
<b>Executive Director</b>	Carla Demaria	1959	14/01/2019	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	N/A	X				3	9/9
<b>Deputy Chairman</b>	Paolo Olivieri	1961	09/07/2013	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	N/A		X			3	9/9
<b>Director</b>	Cecilia Maria Perotti	1993	30/08/2018	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	N/A		X			2	9/9
<b>Independent Director</b> ◦	Pietro Gussalli Beretta	1962	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A	N/A		X	X	X	20	7/9
<b>Independent Director</b>	Silvia Merlo	1968	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A	N/A		X	X	X	15	9/9
<b>Independent Director</b>	Licia Mattioli	1967	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A	N/A		X	X	X	9	7/9
<b>Independent Director</b>	Leonardo Luca Etro	1978	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A	N/A		X	X	X	7	9/9
<b>Outgoing directors during the reference year from the date of commencement of trading:</b> none													
<b>Number of meetings held during the reference year:</b> 9													
<b>Quorum required for the submission of lists by minority shareholders for the election of one or more members (pursuant to Article 147-ter TUF):</b> 1%													
<b>NOTES</b>													
The symbols listed below shall be indicated in the “Office” column:													
• This symbol indicates the Director in charge of the internal audit and risk management system.													
◊ This symbol indicates the person in charge of the Issuer’s management (the Chief Executive Officer or CEO).													
◦ This symbol indicates the lead independent director (LID).													
(*) Date of first appointment of each director refers to the date on which the director was appointed for the first time (ever) in the Board of Directors of the Issuer.													
(**) This column shows whether the list from which each director was drawn was submitted by shareholders (indicating “Shareholders”) or by the Board of Directors (indicating “Board of Directors”).													
(***) This column indicates whether the list from which each director was drawn is “majority” (indicating “M”), or “minority” (indicating “m”).													
(****) This column indicates the number of offices of director or statutory auditor held by the party concerned in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies. The Corporate Governance Report indicates all offices held in full.													
(***** ) This column shows directors’ attendance at Board meetings.													

<sup>(1)</sup> The appointment became effective on 10 December 2019.



**Table 3: Structure of the Board committees at the end of the year**

BoD		Executive Committee		RPT Committee		Control, Risks and Sustainability Committee		Remuneration Committee		Nomination Committee	
Position/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Deputy Chairman	Paolo Olivieri	N/A	N/A					7/7	M	1/1	M
Director	Cecilia Maria Perotti	N/A	N/A			7/7	M				
Independent Director as per TUF and Code	Pietro Gussalli Beretta	N/A	N/A	7/8	M					1/1	P
Independent Director as per TUF and Code	Silvia Merlo	N/A	N/A	7/8	M	7/7	M	7/7	P		
Independent Director as per TUF and Code	Licia Mattioli	N/A	N/A	8/8	P					1/1	M
Independent Director as per TUF and Code	Leonardo Luca Etro	N/A	N/A			7/7	P	7/7	M		
<b>Directors who resigned during the year:</b> none											
<b>Any members who are not Directors:</b> none											
<b>Number of meetings held during the year:</b>		N/A		8		7		7		1	
<b>NOTES</b>											
(*) This column indicates the participation of Directors in the committee meetings.											
(**) This column indicates the qualification of the Director within the Committee: P: Chairperson; M: Member.											

**Table 4: Structure of the Board of Statutory Auditors at the end of the year**

Board of Statutory Auditors									
<i>Position</i>	<b>Members</b>	<b>Year of birth</b>	<b>Date of first appointment (*)</b>	<b>In office since</b>	<b>In office until</b>	<b>List (M/m) (**)</b>	<b>Indep. Code</b>	<b>Participation in the meetings of the Board of Statutory Auditors (***)</b>	<b>No. other assignments ****</b>
<b>Chairman</b>	Andrea Caretti	1957	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	11/11	9
<b>Standing Auditor</b>	Margherita Spainì	1961	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	11/11	29
<b>Standing Auditor</b>	Roberto Marrani	1958	01/06/2016	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	11/11	13
<b>Alternate Auditor</b>	Luca Trabattoni	1956	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	-	23
<b>Alternate Auditor</b>	Marina Scandurra	1969	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	-	14
<b>Number of meetings held during the reference year: 11</b>									
<b>Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 148 of the TUF): 1%</b>									

**NOTES**

\* Date of first appointment of each auditor refers to the date on which the auditor was appointed for the first time (ever) in the Board of Statutory Auditors of the Issuer.

\*\* This column indicates the list from which each auditor was taken (“M”: majority list; “m” minority list).

\*\*\* This column indicates the participation of auditors in the meetings of the Board of Statutory Auditors

\*\*\*\*This column shows the number of Directors or Statutory Auditors offices (thus excluding the offices held as substitute auditors, as indicated in the Table with the Board of Statutory Board's assignments), held by the subjects concerned, pursuant to Article 148-bis of the TUF and the related implementing provisions contained in the Consob Issuers' Regulations. The complete list of positions is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulations.

## Table of the Board of Directors assignment

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
<b>Massimo Perotti</b>	Bluegame S.r.l.	Chairman
	Holding Happy Life S.r.l.	Chairman and Chief Executive Officer
	MP S.r.l.	Chairman
	Cipekuno s.s.	Shareholder Director
	Cipekdue s.s.	Shareholder Director
	Cepekuno s.s.	Shareholder Director
	Cepekdue s.s.	Shareholder Director
	Sanlorenzo Champlas S.r.l.	Chairperson and Chief Executive Officer
	Confindustria Nautica	Member of the Presidency Council
	Sanlorenzo of the Americas LLC (USA)	Chairman
	Sanlorenzo Baleari SL (Spain)	Chairman
	Marine Yachting Monaco SAM (Monaco)	Chairman
	Fondazione Sanlorenzo	Chairman
	PN VSY Srl	Chairman
Pn Sviluppo Srl	Chairman	
<b>Marco Viti</b>	Sanlorenzo Baleari SL (Spain)	Executive Director
	Marine Yachting Monaco SAM (Monaco)	Executive Director
<b>Carla Demaria</b>	Bluegame S.r.l.	Chief Executive Officer
	I Saloni Nautici S.r.l.	Chief Executive Officer
	Confindustria Nautica	Member of the Presidency Council
<b>Paolo Olivieri</b>	Cervino S.r.l.	Sole Director
	Olivieri Paolo Ditta Individuale	Signatory owner
	Sanlorenzo Champlas S.r.l.	Board Member
<b>Cecilia Maria Perotti</b>	MP S.r.l.	Board Member
	Holding Happy Life S.r.l.	Managing Director
<b>Pietro Gussalli Beretta</b>	Beretta Holding SA (Luxembourg)	Chairman and Chief Executive Officer
	Beretta Industrie S.p.A.	Chairman and Chief Executive Officer
	Fabbrica d'Armi Pietro Beretta S.p.A.	Deputy Chairman and Chief Executive Officer
	Benelli Armi S.p.A.	Deputy Chairman and Chief Executive Officer
	Beretta USA Corp. (USA)	Deputy Chairman and Chief Executive Officer
	Benelli USA Corp. (USA)	Chairman
	Humbert CTTS sas (France)	Chairman
	Beretta-Benelli Ibérica SA (Spain)	Chairman
	Arce Gestioni S.p.A.	Chief Executive Officer
	Artic Freezing Docks S.p.A.	Director
	Russian Eagle LLC (Russia)	Director
	Outdoor Enterprise SA (Switzerland)	Director
	Land Finance Corp. (USA)	Director
	Steiner Eoptics Inc. (USA)	Chairman
	Upifra SA (Luxembourg)	Director

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
	Upifra Agricole SA (Luxembourg)	Director
	Casaforte Self-Storage (Suisse) SA (Switzerland)	Director
	Fondazione Spedali Civili di Brescia	Director
	Lucchini RS S.p.A.	Director
	Beretta Foundation Onlus	Chairman
<b>Silvia Merlo</b>	Movimatica S.r.l.	Executive Chair
	Merlo S.p.A.	Chief Executive Officer
	Merlo Polska sp. zo.o. (Poland)	Board Member
	Alta Valdelsa S.r.l.	Sole Director
	CFR Merlo S.r.l.	Sole Director
	CO.IMM.I S.r.l.	Sole Director
	IBIS S.p.A.	Chief Executive Officer
	Tecnoindustrie Merlo S.p.A.	Chief Executive Officer
	Treemme Technology S.r.l.	Managing Director
	Azienda Ospedaliera Santa Croce e Carle Cuneo Onlus Foundation	Executive Chairperson
	Fin.S.I. S.p.A.	Board Member
	Saipem S.p.A.	Executive Chairperson
	Kibotion S.r.l.	Sole Director
	Ergos S.r.l.	Director
	MEFRA s.s.	Shareholder Director
<b>Licia Mattioli</b>	Mattioli S.p.A.	Managing Director
	Gea S.r.l.	Managing Director
	Grassano Srl	Board Member
	Save the children	Board Member
	Invitalia Global Investment S.p.A.	Board Member
	Magia s.s.	Shareholder Director
	Pininfarina S.p.A.	Board Member
	Teatro Stabile di Torino	Board Member
	European School of Management Italia Foundation	Board Member
<b>Leonardo Luca Etro</b>	King Advisory Company S.r.l.	Sole Director
	Madison Corporate Finance S.r.l.	Chairman and Managing Director
	Generalfinance S.p.A.	Board Member responsible for control
	Crowdfundme SpA	Board Member
	Fila Chemical Industry SpA	Board Member
	Monnalisa SpA	Board Member
	Madison Capital S.r.l.	Chairman

## Table of Board of Statutory Auditors assignments

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
<b>Andrea Caretti</b>	Acqua Sant' Anna S.p.A.	Chairman of the Board of Statutory Auditors / Chairman of the Supervisory Board
	Giobert S.p.A.	Sole member of the Supervisory Board
	Fort Paluman Società Semplice (Simple Company)	Shareholder Director
	Fibe S.r.l.	Sole Auditor
	Te Connectivity Italia Distribution S.r.l.	Standing Auditor
	Bimotor S.p.A.	Standing Auditor
	Restart S.p.A.	Standing Auditor
	Score s.s.	Shareholder Director
	Monge & C. S.p.A.	Standing Auditor
	Sicom S.p.A.	Alternate Auditor
	O.M.T. S.p.A.	Chairman of the Supervisory Board
	Insirio S.r.l.	Chairman of the Supervisory Board
<b>Margherita Spaini</b>	Nord Ovest Servizi S.p.A.	Standing Auditor
	Trattamento Rifiuti Metropolitan (TRM) S.p.A.	Standing Auditor
	Environment Park S.p.A.	Chairperson of the Board of Statutory Auditors
	Microntel S.p.A.	Chairperson of the Board of Statutory Auditors
	Società Cooperativa Taxi Torino	Chairperson of the Board of Statutory Auditors
	Società di Committenza Regione Piemonte S.p.A.	Chairperson of the Board of Statutory Auditors
	Amiat V. S.p.A.	Standing Auditor
	Immaginazione e Lavoro S.c.r.l.	Standing Auditor
	Aida Ambiente S.r.l.	Standing Auditor
	Competence Industry Manufacturing 4.0 s.c. a r.l.	Alternate Auditor
	Asti Energia e Calore S.p.A.	Alternate Auditor
	Atena Trading S.r.l.	Alternate Auditor
	Amiat S.p.A.	Alternate Auditor
	Associazione Torino Giustizia (Turin Justice Association)	Auditor
	Fondazione Slow Food per la Biodiversità Onlus (Slow Food Foundation for Biodiversity Onlus)	Auditor
	Fondazione Collegio Carlo Alberto (Carlo Alberto College Foundation)	Chairperson of the Board of Statutory Auditors
	Fondazione Fitzcarraldo	Auditor
	Musei Reali di Torino (Royal Museums of Turin)	Auditor
	Fondazione Compagnia di San Paolo	Chairperson of the Board of Statutory Auditors
	Fondazione Palazzina Mauriziana di Stupinigi	Auditor
	Fondazione Adrana Prolo – Museo Nazionale del Cinema	Auditor
	Restart S.p.A.	Alternate Auditor
	D.G.N. S.r.l.	Alternate Auditor
	Iren Energia S.p.A.	Alternate Auditor
	Metan Alpi Sestriere S.p.A.	Alternate Auditor
	Tecnoservice Camere S.c.p.a.	Standing Auditor

<b>NAME AND SURNAME</b>	<b>COMPANY</b>	<b>POSITION HELD / SHAREHOLDING HELD</b>
	Valle Dora Energia S.r.l.	Sole Auditor
	XKE'?' Impresa sociale S.r.l.	Sole Auditor
	XKE'?' Zerotredici S.c.r.l.	Standing Auditor
<b>Roberto Marrani</b>	Bluegame S.r.l.	Sole Auditor
	Cermec S.p.A.	Judicial commissioner
	Firmafedè Onlus	Member of the Steering Committee
	Co.ser.ass. società cooperativa sociale	Liquidator commissioner
	L'isola che non c'è società cooperativa sociale S.r.l. in liquidation	Liquidator commissioner
	Confindustria Nautica	Auditor of Accounts - Standing Auditor
	Vernazza 2000 cooperativa di lavoro a r.l.	Liquidator commissioner
	Banca Versilia Lunigiana e Garfagnana	Chairman of the Board of Statutory Auditors
	Talea S.p.A.	Alternate Auditor
	Gruppo ormeggiatori del Golfo della Spezia società cooperativa	Standing Auditor
	Porta di Luni S.r.l.	Standing Auditor
	Navigazione Golfo dei Poeti S.c.r.l.	Alternate Auditor
	BCC Creditoconsumo S.p.A.	Standing Auditor
<b>Luca Trabattoni</b>	Energy Coal	Alternate Auditor
	Fintowage S.r.l.	Sole Auditor
	Cristal Maritime Holding S.r.l.	Sole Auditor
	Real Estate Eleventh Floor of Maria Tavella & C. snc	Shareholder Director
	Società Semplice Quinto	Shareholder
	Synergia Consulting Group S.r.l.	Board Member
	Assi 90 S.r.l.	Chairman of the Board of Statutory Auditors
	Carbofin S.p.A.	Standing Auditor
	Comer S.p.A.	Alternate Auditor
	Finarge Armamento Genovese S.r.l.	Sole Auditor
	Finemme S.p.A.	Alternate Auditor
	Finservice S.r.l.	Standing Auditor
	Funivie S.p.A.	Chairman of the Board of Statutory Auditors
	Gruppo Messina S.p.A.	Alternate Auditor
	Homberger S.p.A.	Standing Auditor
	Italinvest S.p.A.	Chairman of the Board of Statutory Auditors
	Pria S.p.A.	Alternate Auditor
	Rimorchiatori Mediterranei S.p.A.	Standing Auditor
	Rimorchiatori Riuniti S.p.A.	Alternate Auditor
	Rimorchiatori Augusta	Sole Auditor
	Rimorchiatori Salerno S.r.l.	Sole Auditor
	Sant'Ugo Immobiliare S.r.l.	Chairman of the Board of Statutory Auditors
	Ferrania Technologies S.p.A. in liquidation	Alternate Auditor
<b>Marina Scandurra</b>	ACEA ATO 5 S.p.A.	Standing Auditor
	MPS Capital Services	Board Member and member of the Supervisory Board
	Citelum Napoli Illuminazione S.c.r.l.	Chairperson of the Board of Statutory Auditors



<b>NAME AND SURNAME</b>	<b>COMPANY</b>	<b>POSITION HELD / SHAREHOLDING HELD</b>
	Stretto di Messina S.p.A. in liquidation	Chairperson of the Board of Statutory Auditors
	Italia Trasporto Aereo S.p.A.	Standing Auditor
	Daimler Truck Financial Services Italia SpA	Standing Auditor
	Morini S.p.A.	Standing Auditor
	Camfin Alternative Assets S.p.A.	Standing Auditor - Auditor of Accounts
	Transmed S.p.A.	Standing Auditor
	Ingegnerie Toscane S.r.l.	Alternate Auditor
	So.ge.pa S.p.A.	Alternate Auditor
	Sport Invest 2000 S.p.A.	Alternate Auditor
	Iseco S.p.A.	Alternate Auditor
	Fondazione Musica per Roma	Board of Statutory Auditors - Alternate Auditor