

SANLORENZO

Sanlorenzo S.p.A.

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www.sanlorenzoyacht.com

Traditional administration and control system

**REPORT ON THE POLICY REGARDING REMUNERATION
AND FEES PAID**

Approved by the Board of Directors on 10 March 2022

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INTRODUCTION

This report on the policy regarding remuneration and fees paid (the “**Report**”) has been prepared pursuant to Article 123-ter of Italian Legislative Decree 24 February 1998, no. 58, as subsequently amended (the Italian Consolidated Law on Finance or “**TUF**”) and Article 84-quater of the Consob Issuers' Regulation, adopted by resolution no. 11971 of 14 May 1999, as subsequently amended (the “**Issuers' Regulation**”), and was prepared in compliance with Annex 3A, Schedules 7-bis and 7-ter, of the Issuers' Regulation.

The Report is divided into the following Sections:

- (i) Section I illustrates in a clear and understandable manner the policy of Sanlorenzo S.p.A. (the “**Company**”) with regard to the remuneration of the members of the Board of Directors, general managers, managers with strategic responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors with reference to at least the following year, specifying the general purposes pursued, the bodies involved and the procedures used for its adoption, revision and implementation;
- (ii) Section II is divided into two parts and illustrates, in a clear and understandable manner, identifying by name, for the remuneration attributed to directors and statutory auditors and, in aggregate form, for Managers with strategic responsibilities:
 - a) in the first part, each of the items that make up remuneration, including the treatments provided for in the event of termination of office or termination of employment, as well as how the Company has taken into account the vote expressed the previous year by the meeting on Section II of the Report on the remuneration policy and remuneration paid for the year 2021;
 - b) in the second part, the remuneration paid in the financial year of reference for any reason and in any form by the Company and its subsidiaries or associated companies, indicating any components of the aforementioned remuneration that refer to activities carried out in years prior to that of reference and also highlighting the remuneration to be paid in one or more subsequent years for the activity carried out in the financial year of reference, possibly indicating an estimate value for components that cannot be objectively quantified in the financial year of reference.

In addition, Section II contains information on the shareholdings held by members of the management and control bodies, as well as by spouses who are not legally separated and by dependent children, in the Company and its subsidiaries, in accordance with the provisions of Article 84-quater, paragraph 4, of the Issuers' Regulations.

The Report was approved, after hearing the favourable opinion of the Board of Statutory Auditors, by the Board of Directors meeting held on 10 March 2022, and was previously examined by the Remuneration Committee set up within the same Board of Directors (the “**Remuneration Committee**”) meeting held on 09 March 2022, which expressed the same favourable opinion, and will be submitted, pursuant to and for the purposes of Article 123-ter of the TUF, to the vote of the meeting called for 28 April 2022 in first call and for 29 April 2022 in second call.

SECTION I

This Section I of the Report clearly and comprehensibly explains the policy regarding remuneration adopted by the Company (the “**Policy**”) and the procedures used for the adoption, revision and implementation of the same.

(a) Company policy, duration, procedures used, purposes pursued, and relationship to previous policy

1. The Policy, as described in this Report, was approved, on the proposal of the Remuneration Committee meeting on 9 March 2022 and after hearing the favourable opinion of the Board of Statutory Auditors, by the Board of Directors on 10 March 2022, also in light of the recommendations of the Corporate Governance Code adopted by the Corporate Governance Committee set up at Borsa Italiana S.p.A. (the “**Corporate Governance Code**”), to which the Company abides.

2. The Policy has a duration of one year, until the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2022.

3. Any revisions to the Policy that the Company may make in the future will be appropriately highlighted and described in the remuneration reports for future years.

4. Please note that pursuant to Consob Regulation No. 17221 of 12 March 2010 and subsequent amendments (the “**Related Party Regulation**”, available on the company's website www.sanlorenzoyacht.com, Section “Corporate Governance/Internal Committees”), the procedure adopted by the Company with regard to related parties (the “**Related Party Procedure**”) does not apply to the resolutions adopted by the Shareholders' Meeting pursuant to Article 2389, first paragraph, of the Italian Civil Code concerning the remuneration of the members of the Board of Directors and of the Executive Committee, nor to the resolutions concerning the remuneration of the directors holding special offices included in the total amount previously determined by the Shareholders' Meeting pursuant to Article 2389, third paragraph, of the Italian Civil Code, nor to the remuneration of the members of the Board of Statutory Auditors and of the Supervisory Board.

The Related Party Procedure also does not apply:

- (i) to remuneration plans based upon financial instruments approved by the shareholders' meeting in accordance with Article 114-bis of the Consolidated Law on Finance and the respective operating conditions;
- (ii) to decisions, other than those indicated above, regarding the remuneration of directors holding special offices as well as other managers with strategic responsibilities, provided that they are taken in compliance with the conditions set out in Article 13, paragraph 3, letter b) of the Related Party Regulation. Consequently, the approval by the Shareholders' Meeting of the Policy - which was drafted with the involvement of the Remuneration Committee, composed of only non-executive directors, the majority of whom are independent - exempts the Company from applying the above mentioned Related Party Procedure in resolutions concerning the remuneration of directors and managers with strategic

responsibilities, provided that the latter comply with the Policy itself and quantified on the basis of criteria that do not involve discretionary assessments.

5. The Policy adopted by the Company, as described in this Report, constitutes an update of the Policy referring to the financial year 2021 approved by the Shareholders' Meeting of 21 April 2021.

The revision of the previous Policy took place both in the light of the application experience occurred and the factual context, also characterised by the continuation of the Covid-19 health emergency, and in light of the changes made to the Related Party Regulation by Consob Resolution 21624/2020 with effect from 1 July 2021.

The changes made are aimed at revising the structure of the Policy, in order to make it even clearer, and are also part of the path of progressive and increasing, but at the same time realistic, implementation of the provisions of the Corporate Governance Code, undertaken by the Company since the beginning of the listing in December 2019. In this vein, the Company (i) has more clearly described as the "MBO A Plan" (see point 31 below) the remunerations that in the Remuneration Policies valid for the financial years 2020 and 2021, as approved by the shareholders' meeting on 21 April 2020 and 21 April 2021 respectively, were described as variable *ad personam* remunerations to be paid to the managers with strategic responsibilities, namely Marco Viti, Carla Demaria, Ferruccio Rossi and Tommaso Vincenzi (the first two also being executive directors) and (ii) provided that any future new remuneration plans based on financial instruments need not necessarily take the form of stock options (see point 35 below).

Sanlorenzo attaches great importance to dialogue with the main recipients and users of its remuneration policy, in order to achieve constant improvement in the adoption of market best practices. The revision of the Remuneration Policy for 2022 is the result of independent consideration by the Board of Directors, upon recommendation of the Remuneration Committee. The review was not determined by any votes or evaluations cast by the shareholders at the 21 April 2021 meeting, as the shareholders did not express any evaluations or comments on the matter at that meeting and, indeed, voted overwhelmingly in favour.

6. The Policy contributes to the Company's business strategy and the pursuit of the Company's long-term interests and sustainable success; it consists of tools and principles applicable, first and foremost, to directors and managers with strategic responsibilities and then to all employees of the Company and its subsidiaries (jointly, the "**Group**"). The sustainable success of the Company and the Group is linked to the growth of the people who work for it and to the need to attract, retain and motivate people with the skills and professionalism required by their roles.

Through the Policy, the Company aims to pursue a loyalty, incentive and motivation policy for key employees of the Company and the Group and to maintain their specific skills, also through their involvement in the company structure or sharing in economic results and future development of the Company and the Group.

The Policy is based on the principles of meritocracy and fairness. Specifically, they are characterised as follows:

- a) remuneration elements are clear, fair and easily communicable to recipients and the market;
- b) remuneration is diversified by category: greater responsibilities are associated with greater remuneration, including incentives;

- c) remuneration takes into account the individual professional contribution of the recipients;
- d) remuneration is determined so as to attract, retain and motivate people with the professional qualities required to successfully manage the Company and its subsidiaries;
- e) incentive remuneration is functional to the pursuit of the Company's sustainable success and the purpose is to align the interests of the recipients with the pursuit of the priority objective of creating value for shareholders in the medium to long term.

In implementing the Policy and determining the remuneration of executive directors and managers with strategic responsibilities, the Board of Directors shall in any event operate in accordance with the criteria set out below:

- a) the fixed component and the variable component are adequately balanced according to the Company's strategic objectives and risk management policy, also taking into account the sector of activity in which it operates and the characteristics of the business activity actually carried out;
- b) where awarded, the variable component represents a significant portion of total remuneration;
- c) there are maximum amounts for the variable components;
- d) the fixed component is sufficient to remunerate the recipient's performance if the variable component is not paid due to the failure to achieve the set performance objectives;
- e) the performance objectives - i.e. the economic results and any other specific objectives to which the disbursement of the variable components is linked - are predetermined, measurable and significantly linked to the creation of value for shareholders, over the medium to long term; they must be consistent with the strategic objectives of the Company and are aimed at promoting its sustainable success, including, where deemed relevant by the Board of Directors, also non-financial parameters, if necessary including those relating to corporate social responsibility;
- f) an adequate period of deferment is envisaged where deemed appropriate by the Board of Directors - with respect to the moment of accrual - for the payment of a significant part of the variable component, in line with the characteristics of the business activities and with the related risk profiles;
- g) in the event of any payment of indemnity for the termination of the directorship, clear rules are established, defining the maximum limit of the total amount payable by linking it to a certain amount or a certain number of years of remuneration; furthermore, no indemnity will be paid if the termination of the relationship is due to the achievement of objectively inadequate results;
- h) if deemed appropriate by the Board of Directors, contractual clauses are envisaged that allow the Company to request the return, in whole or in part, of variable components of remuneration paid (or to withhold sums subject to deferral), determined on the basis of data later proved to be manifestly incorrect;
- i) share-based remuneration plans for executive officers and top management incentivise alignment with shareholder interests over a long-term horizon by providing that a prevailing portion of the plan has an aggregate vesting period and retention period for the shares granted of at least five years.

The Policy therefore adheres to the Recommendations set forth in Article 5 of the Corporate Governance Code, although adherence to Recommendations 27. lett. d) and lett. e) is still in provision and non-binding form, due to the fact that the path of progressive implementation of the provisions of the Corporate Governance Code undertaken by the Company since the beginning of the listing in December 2019 is nearing completion; with regard to Recommendation 28, it should be noted that the current stock option plan (on which see below Point 34) deviates from it, also insofar as it was adopted in force of the previous Corporate Governance Code, by not prescribing an overall vesting period of rights and maintenance of the shares granted of five years.

(b) Elements of the Policy

7. The Company's Policy 2022 consists, in principle, of the following elements:

- (i) fixed remuneration component;
- (ii) short-term variable component;
- (iii) long-term variable component;
- (iv) benefit;
- (v) indemnity for termination of office or non-renewal (severance).

(c) Bodies or parties involved in the preparation, approval and possible revision of the Policy, with specification of their respective roles, as well as bodies or parties responsible for the correct implementation of this policy. Role and functions of the Remuneration Committee

8. The process of preparing, approving and possibly revising the Policy involves the Board of Directors, the Remuneration Committee, the Board of Statutory Auditors and the Shareholders' Meeting, each with the tasks and functions described below.

Board of Directors

Pursuant to law and the Company's By-laws (the "**By-laws**") and as set forth in the Policy, the Board of Directors, without prejudice to any further authority provided by law:

- (i) constitutes from among its members the Remuneration Committee, appointing members and establishing their remuneration and annual expense budget;
- (ii) prepares and approves the remuneration policy, to be submitted to the vote of the meeting;
- (iii) determines, in compliance with the remuneration policy approved by the meeting, the remuneration of directors and managers with strategic responsibilities, having consulted the Board of Statutory Auditors;
- (iv) sets performance targets related to the variable remuneration component;

- (v) monitors the actual application of the remuneration policy approved by the meeting and verifies, in particular, the actual achievement of the performance objectives;
- (vi) approves the Report on the remuneration policy and the remuneration paid, to be submitted to the vote of the meeting, which is binding with regard to the First Section and non-binding with regard to the Second Section.

Remuneration Committee

According to the regulations governing the functions and functioning of the Remuneration Committee, available on the Company's website www.sanlorenzoyacht.com, Section "Corporate Governance/Internal Committees" (the "**Remuneration Committee Regulation**"), the Remuneration Committee, in accordance with the Corporate Governance Code, assists the Board of Directors in carrying out the tasks assigned to the latter in relation to remuneration and has, inter alia, the following duties:

- (i) assist the Board of Directors in formulating the remuneration policy for directors and managers with strategic responsibilities;
- (ii) submit proposals or express 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;
- (iii) monitor the actual application of the remuneration policy and verify, in particular, the actual achievement of the performance objectives;
- (iv) periodically assess the adequacy and overall consistency of the remuneration policy for directors and top management;
- (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) carry out the additional tasks assigned to it by the Board of Directors and by current regulations;
- (vii) formulate 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;
- (viii) formulate opinions or proposals to the Board of Directors on any monetary incentive remuneration plans for managers with strategic responsibilities.

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.

Shareholders' Meetings

In accordance with legislation and the By-laws, in terms of remuneration, the Shareholders' Meeting, without prejudice to further legal competences:

- (i) expresses its binding vote on the First Section of the report on the remuneration policy and remuneration paid and its non-binding vote on the Second Section;
- (ii) upon proposal of the shareholders, establishes the remuneration due to the non-executive members of the Board of Directors, being able to determine an overall amount for the remuneration of all Directors, including those holding special offices;
- (iii) may grant directors the right to receive an indemnity at the end of their term of office, to be established by means of annual provisions and also, if necessary, by means of insurance policies or other similar instruments;
- (iv) is vested with the other powers established by law, including those relating to instrument-based remuneration plans.

Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors, without prejudice to further legal competences, is called upon to express its opinion on the resolutions taken by the Board of Directors concerning the remuneration of directors and managers with strategic responsibilities.

9. The Remuneration Committee was established, in implementation of the Corporate Governance Code pro tempore applicable, by resolution of the Board of Directors adopted on 24 October 2019, which became effective with the start of trading of the Company's shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. on 10 December 2019.

The version of the Remuneration Committee Regulation in force as of the date of the Report, initially approved by the Board of Directors on 24 October 2019 and then supplemented on 16 March 2021 to bring it into line with the new provisions of the Corporate Governance Code, was approved by the Board of Directors on 10 March 2022, subject to the favourable opinion of the Remuneration Committee itself on 09 March 2022.

The Remuneration Committee Regulation, among other things, establishes that the Remuneration Committee has the right to access the necessary information and corporate functions, and may use, at the Company's expense and within the limits of the budget approved by the Board of Directors, external consultants who are not in situations that compromise their independence.

Pursuant to the Regulation, the members of the Remuneration Committee and its Chairperson are appointed and removed by resolution of the Board of Directors and the Remuneration Committee is made up of three directors, all non-executive directors, the majority of whom are independent, with the Chairperson chosen from among the independent directors.

Pursuant to the Regulation, unless otherwise determined by the Board of Directors at the time of appointment, the term of office of the members of the Remuneration Committee is equal to that of the Board of Directors to which the members of the same belong.

The Remuneration Committee meets when convened by its Chairperson, whenever the Chairperson deems it appropriate and in any case at least once a year, or when two of its members make a written request to the Chairperson, or the Chairperson of the Board of Statutory Auditors, or the Chairperson of the Board of

Directors.

For meetings of the Remuneration Committee to be valid, the majority of the members in office must be present and it passes resolutions by an absolute majority of those present; for the calculation of the resolution majority, Directors abstaining are not considered present; in the event of a tie, the vote of the Chairperson of the Remuneration Committee, if present, prevails.

The Chairperson of the Board of Statutory Auditors or another standing auditor designated by them attends the meetings of the Remuneration Committee; however, the other auditors may also attend. The meetings of the Remuneration Committee may also be attended by Directors, managers of corporate functions of the Company and its subsidiaries, or other persons whose presence may be of assistance in maximising the performance of the Committee's functions and who may be invited by its Chairperson. No Director may take part in the meetings of the Remuneration Committee where proposals are made to the Board of Directors regarding their remuneration.

The establishment of the Remuneration Committee, its composition, its powers and its operating rules comply with the recommendations of the Corporate Governance Code.

10. The Remuneration Committee in office as at the date of this Report is composed of the Directors Silvia Merlo (independent director), acting as Chairman, Leonardo Luca Etro (independent director) and Paolo Olivieri (non-executive director); their term of office is the same as that of the Board of Directors to which they belong and is therefore fixed until the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2021 and to vote on this Report, which is binding with regard to the First Section and non-binding with regard to the Second Section, called for 28 April 2022 on first call and 29 April 2022 on second call.

As attested by the interested parties and positively evaluated by the Board of Directors, Silvia Merlo has adequate knowledge and experience in financial matters and remuneration policies and Leonardo Luca Etro and Paolo Olivieri have adequate knowledge and experience in financial matters.

In the 2021 financial year, the Remuneration Committee met 7 times, the average duration of its meetings was 26 minutes and the overall percentage of attendance by its members was 100%.

For further details on the actual composition and functioning of the Remuneration Committee, please refer to the "Report on corporate governance and ownership structures" prepared in accordance with Article 123-bis of the TUF and published by the Company on its website www.sanlorenzoyacht.com in the "Corporate Governance/Meeting" section.

11. In order to avoid or manage potential conflicts of interest, the executive directors (Massimo Perotti, Marco Viti and Carla Demaria) abstain in the Board of Directors from voting on resolutions concerning or that may concern their remuneration. In addition to this, there are no additional measures intended to avoid or manage conflicts of interest.

12. In defining the Policy, the Company has involved the Human Resources Department, which in 2020, verified the best remuneration practices adopted in the reference sectors: the Policy therefore takes into account the remuneration practices widespread in the reference sectors and for companies of similar size, also considering comparable foreign experiences. However, the Policy was not established using specific

remuneration policies of other companies as a reference.

13. For the definition of the Policy, the Company relied on the advice of an independent expert, in the person of Prof. Massimo Belcredi.

14. In defining the Policy, the Company has taken into account the remuneration and working conditions of its employees and established the contents of the Policy in light of the same, in line with the principles of meritocracy and fairness referred to above in Point 6.

15. In the event of exceptional circumstances, the Company may temporarily derogate from the Policy, as provided by Article 123-ter, paragraph 3-bis of the Consolidated Law on Finance. Exceptional circumstances are defined as situations in which derogation from the Policy is necessary in the furtherance of the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay in the market. In the event of such exceptional circumstances, the Board of Directors, on the proposal of the Remuneration Committee and subject to activation of the Related Party Procedure, may resolve on specific temporary exceptions to the Policy limited to the matters set out in paragraph (b) above ("Elements of the Policy").

16. If the meeting does not approve the Policy, pursuant to Article 123-ter, paragraph 3-ter of the TUF, the Company will be required to pay remuneration in accordance the policy approved by the meeting of 21 April 2021.

(d) Remuneration of Directors

17. The remuneration of non-executive directors is determined by the meeting and the Board of Directors in accordance with the provisions of Articles 2364 and 2389 of the Italian Civil Code and Article 16 of the By-laws. Directors are also entitled to reimbursement of documented expenses incurred for reasons of office.

18. The proposals on the remuneration of non-executive directors are submitted by the shareholders (pursuant to Article 126-bis of the Consolidated Law on Finance, if applicable) so that they can be notified to the public well in advance of the meeting that has to resolve on them.

19. The board of directors recommends that proposals for the remuneration of non-executive directors should be commensurate with the expertise, professionalism and commitment required by their duties on the board and on board committees and that the remuneration of non-executive directors should not be linked to financial performance targets.

20. The members of the Board Committees receive a specific fee for taking part in them, with an increase in favour of the member who acts as Chairperson, in addition to the fee received as directors. Remuneration for serving on and chairing Board Committees shall be determined by the Board of Directors at the time of appointment of the members and chairperson of the Committees. The Board of Directors may not assign specific remuneration for the position of Chairperson and member of the Nomination Committee.

21. There is no specific additional remuneration for the office of chairperson of the Board of Directors, as the Chairman Massimo Perotti is also the chief executive officer and manager of the Company and receives a specific remuneration for these offices. Similarly, there is no specific additional remuneration for the position

of vice chairperson or lead independent director.

(e) **Remuneration of Statutory Auditors**

22. Pursuant to Article 2402 of the Italian Civil Code, the remuneration of the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting at the time of appointment for the entire period of their office on a fixed annual basis. Statutory Auditors are also entitled to reimbursement of documented expenses incurred for reasons of office.

23. The Board of Directors recommends that the Statutory Auditors' remuneration be consistent with the professional commitment required by the office and with the related responsibilities, and that the shareholders' proposals be submitted (where appropriate also pursuant to Article 126-bis of the Consolidated Finance Act) in such a way that they can be communicated to the public well in advance of the Meeting called to resolve thereon.

24. In view of the Shareholders' Meeting scheduled for 28 April 2022 (first call) and 29 April 2022 (second call), which is also called to appoint the new Board of Statutory Auditors, the Board of Statutory Auditors in office as at the date of this Report has observed the following:

“The elements underlying the quantification of the remuneration of the board, are defined as follows by the standard of conduct Q.1.6 [of the “Rules of conduct of the board of statutory auditors of listed companies of the CNDEC” of 26 April 2018]:

- *the extent and complexity of the assignment in relation to the nature, size including economic size (for example, the volume of positive income components and assets), complexity, sector of activity, organisational structure and other characteristics of the company;*
- *any document drawn up by the outgoing Board of Statutory Auditors, carefully assessing the time commitment required to carry out the assignment, as well as the professional skills and experience required;*
- *the remuneration paid to non-executive directors as well as the criteria for remunerating participation in internal committees;*
- *with reference to the remuneration of the Chairperson of the Board of Statutory Auditors, the time commitment required to carry out his function, as well as the remuneration paid to the Chairperson of the Control and Risk Committee.*

In view of the activities [carried out by the Board of Statutory Auditors], the annual remuneration of each Standing Auditor, as resolved by the Company's Meeting on 24 October 2019 is equal to €25,000; the annual remuneration of the Chairperson of the Board of Statutory Auditors is equal to €30,000.

It should be underlined that, following the latest amendment to the Corporate Governance Code, many listed companies envisaged the integration of the Auditors' emolument on account of the greater commitment required, as well as establishing an attendance fee of equal amount for the Chairperson of the Board of Statutory Auditors and the Standing Auditors for each Committee meeting they attend, which in 2021 totalled

23, with a demanding activity of analysis and sharing among the members of the Board beforehand”.

(f) Principles of the Policy with regard to the extent and balance between fixed and variable components and with regard to variable remuneration for executive directors and managers with strategic responsibilities

25. The remuneration of executive directors and managers with strategic responsibilities is established in a manner consistent with their roles, responsibilities and professionalism.

26. With the exception of the Chairman and CEO (for which see Item 29), executive directors and managers with strategic responsibilities are recipients of both fixed and variable remuneration. The variable portion may include short-term monetary incentive plans (MBO) and/or long-term incentive plans (LTI), the latter also being equity-based.

27. The Policy does not provide for non-recurring remuneration that is not tied to organic incentive plans.

28. The amount of remuneration and the balance between the fixed and variable component shall (i) be adequate and consistent with the Company's strategic objectives and the risk management policy, taking into account the characteristics of the company's activities and the sector in which it operates, in any case envisaging the variable part to represent a significant part of the overall remuneration, as well as being functional to the pursuit of the Company's sustainability, and (ii) be defined in accordance with the Policy forecasts, also taking into account the responsibilities and professional skills of the recipients.

29. The chairman of the board of directors and CEO Massimo Perotti is not the recipient of variable remuneration, since his role as the Company's controlling shareholder is considered suitable in itself to ensure both the alignment of his interests to the pursuit of the objective of creating value for shareholders in the medium-long term and his loyalty and motivation.

30. The other executive directors and managers with strategic responsibilities are beneficiaries in some cases of the short-term monetary incentive plan (MBO A) referred to in Point 31 below and in other cases of the short-term monetary incentive plan (MBO B) referred to in Point 32 below, as well as of the stock option plan referred to in Point 34 below, all based on predetermined and measurable performance objectives. Additional details about the plans for individual beneficiaries are provided below. Managers with strategic responsibilities may also be recipients of other long-term remuneration plans (LTI), including share-based plans.

31. The Board of Directors intends to continue to implement the 2020-2022 short-term monetary incentive remuneration (MBO) plan (the "**MBO A Plan**") for 2022 for the executive directors (Marco Viti and Carla Demaria) and a small number of the Company's strategic managers not included among the Beneficiaries of the stock option plan referred to in Point 34 below (Ferruccio Rossi and Tommaso Vincenzi). These beneficiaries have been identified not only because of the particular importance of their role within the company organisation, but also because they already hold a significant stake in the company at the time of the IPO.

The MBO A plan has the following key features:

- (i) the vesting of the right to receive variable remuneration depends on annual predetermined and measurable performance objectives set by the Board of Directors, after receiving a favourable opinion or proposal from the Remuneration Committee and after consulting the Board of Statutory Auditors, which are established according to the role and responsibilities of the Beneficiary and which are linked to one or both of the following parameters:
- a. Group EBITDA;
 - b. operating result achieved by the Company or by the division to which the individual recipient is assigned;
 - c. Net Financial Position of the Group;
 - d. non-financial parameters, as the case may be also relating to corporate social responsibility, established after consulting the Control, Risks and Sustainability Committee;
- (ii) the achievement of each financial objective actually set by the Board of Directors determines the right to the payment of the entire part of the variable remuneration associated with it, while its non-achievement determines its non-payment; in case of achievement of the financial objectives actually set by the Board of Directors, the achievement also of the non-financial ones determines an increase in the amount of the variable remuneration, to the extent of 5%;
- (iii) the ratio between the maximum amount of variable remuneration, assuming the achievement of all objectives including non-financial ones, and the basic fixed remuneration is equal to (a) 50% for the executive director and strategic manager Marco Viti, (b) 100% for the executive director Carla Demaria, (c) 98.8% for the strategic manager Ferruccio Rossi and (d) 40% for the strategic manager Tommaso Vincenzi;
- (iv) suitable good leaver and bad leaver hypotheses are envisaged, consistent with the purposes of the incentive instruments, as indicated in the Policy, and in line with the best market practice, while deferred payment systems and claw back clauses are not envisaged.

The performance targets assigned in the 2021 financial year as part of the monetary incentive remuneration to the above-mentioned persons (Marco Viti, Carla Demaria, Ferruccio Rossi and Tommaso Vincenzi) are shown in the Table below:

Table of objectives and weights of variable remuneration for Directors and MSR (Managers with strategic responsibilities)						
Name	Role	Objectives				
		Group EBITDA	Group NFP	Operating result and specific objectives Bluegame	Operating result Superyacht Division	Operating result Yacht Division, specific objectives on quality and customer satisfaction
Marco Viti	Executive Director	75%	25%	n.a.	n.a.	n.a.
Carla Demaria	Executive Director	50%	25%	25%	n.a.	n.a.
Tommaso Vincenzi	MSR	50%	25%	n.a.	n.a.	25%
Ferruccio Rossi	MSR	25%	25%	n.a.	50%	n.a.

For all beneficiaries, it was envisaged that the total amount of variable remuneration actually accrued in light of the aforementioned parameters would be increased by 5% in the event of 100% achievement of certain non-financial parameters, referred to as "SL Objectives for Responsible Development 2021".

32. The board of directors confirms also in 2022, the second short-term monetary incentive remuneration plan (the "**MBO B Plan**"), intended for managers with strategic responsibilities who are not recipients of the MBO A Plan, as well as the other executives and employees with middle management and office worker status of the Company and its subsidiaries, and having the following key features:

- (i) the accrual of variable remuneration is linked to one or more of the following performance objectives with an annual horizon, established by the competent corporate functions for each recipient, on the basis of their classification and role and in a uniform manner for recipients with similar classification and roles and in a predetermined, specific and measurable manner:
 - a. Group EBITDA;
 - b. operating result achieved by the Company or by the division to which the individual recipient is assigned;
 - c. individual objectives to be defined, in a minimum of 3 and a maximum of 5 for each recipient, that are specific and measurable;
 - d. any non-financial parameters, as the case may be also relating to corporate social responsibility, established after consulting the Control, Risks and Sustainability Committee;
- (ii) the following are envisaged: (a) a threshold level for the achievement of the performance objectives below which the right to incentive remuneration does not accrue, such as failure to achieve the minimum financial objectives and the minimum level (50%) of the individual objectives, (b) a series of challenging but achievable objectives and (c) an area of over-performance resulting from the achievement of financial objectives over 100% and the excellent surpassing of individual objectives;
- (iii) the ratio between the maximum amount of the variable remuneration compared to the fixed basic remuneration, assuming that all objectives are achieved, varies for managers with strategic responsibilities between a minimum of 11.4% and a maximum of 98.8%;
- (iv) the following are envisaged: a detailed written verification, by the competent company departments, and in any case by the Board of Directors with the prior opinion of the Remuneration Committee for executive directors and strategic managers, of the achievement of the performance objectives by each recipient, while deferred payment systems and claw back clauses are not envisaged.

33. For managers with strategic responsibilities who may be beneficiaries of long-term remuneration plans (LTI), including share-based plans, the maximum value of such remuneration, if fully accrued, shall be equal to 305% of the fixed basic remuneration.

34. The stock option plan approved by the Shareholders' Meeting of 21 April 2020 (the "**2020 Stock Option Plan**") is currently in effect, for all managers with strategic responsibilities - with the exception of certain top management individuals who are already significant shareholders and recipients of the MBO A

Plan - the key features of which are described in the related explanatory report and information document submitted for approval by the Shareholders' Meeting of 21 April 2020 (available on the Company's website www.sanlorenzoyacht.com, "Corporate Governance/Meeting" Section).

Section II of this Report indicates the details of the Options assigned to directors and managers with strategic responsibilities in 2021 in execution of the 2020 Stock Option Plan; the explanatory report and the information document relating to the 2020 Stock Option Plan are available on the Company's website www.sanlorenzoyacht.com, "Corporate Governance/Meeting" section.

As at 31 December 2021, the Board of Directors had granted a total of 875,747 Options under the 2020 Stock Option Plan, of which 81,382 were granted in 2021; of the latter, 7,076 Options were granted subject to the satisfaction of certain conditions, which were realised in 2022. During the year 2021, 35,384 Options were returned. The Board of Directors may therefore still assign the remaining 8,868 Options of the 2020 Stock Option Plan to the same Beneficiaries already identified or to new Beneficiaries.

The performance goals established for 2021 by the Board of Directors on 21 April 2021 in accordance with the 2020 Stock Option Plan, subject to the favorable opinion of the Remuneration Committee on 21 April 2021, were as follows:

- (i) Group EBITDA as of 31 December 2021, as reflected in the consolidated financial statements approved by the board of directors, at least equal to the Group's EBITDA as of 31 December 2021 disclosed by the company in the guidance or outlook communicated to the market;
- (ii) Group Net Financial Position as of 31 December 2021, as reflected in the accompanying consolidated financial statements approved by the Board of Directors, at least equal to the Net Financial Position of the Group as of 31 December 2021 indicated by the company in the guidance or outlook communicated to the market;
- (iii) for only those beneficiaries who are also recipients of an MBO plan, the personal targets set for 2021 for the individual Beneficiary with reference to the MBO plan, to be achieved to a level of at least 85%.

For managers with strategic responsibilities who are beneficiaries of the 2020 Stock Option Plan, the total stock options granted, if fully vested, have a maximum value equal to 304.7% of the fixed basic remuneration.

35. For the purpose of pursuing the purposes set forth in the Policy, the establishment, in addition to the 2020 Stock Option Plan, of one or more equity-based remuneration plans with the following key features is permitted:

- (i) the recipients of the plan may be executive directors, general managers, managers with strategic responsibilities and employees with an open-ended contract of employment and the status of executive, middle manager or employee of the Company and its subsidiaries (the "**Recipients**");
- (ii) the beneficiaries of the plan are identified among the Recipients, also by separate and subsequent resolutions, by the Board of Directors, after receiving a favourable opinion or on the proposal of the Remuneration Committee and after consulting the Board of Statutory Auditors (the parties thus identified, the "**Beneficiaries**");

- (iii) the number of financial instruments (including any option rights) assigned to each Beneficiary is established by the Board of Directors, after receiving a favourable opinion or proposal from the Remuneration Committee and after consulting the Board of Statutory Auditors, based on the role held in the Company, the responsibilities and skills of each Beneficiary;
- (iv) the exercise price of the rights attributed to the Beneficiaries will be set by the Board of Directors, after receiving a favourable opinion or proposal from the Remuneration Committee and after consulting the Board of Statutory Auditors, to the extent that it pursues the objectives of the incentive instruments as indicated in the Policy and in line with best market practice;
- (v) a prevalent part of the plan shall be required to have a total period for the vesting of the rights and retention of shares of at least five years;
- (vi) the plan will envisage predetermined and measurable performance objectives set by the Board of Directors, after receiving a favourable opinion from the Remuneration Committee and after consulting the Board of Statutory Auditors, which are established according to the role and responsibilities of the Beneficiary and which are linked to one or both of the following parameters:
 - a. Group EBITDA;
 - b. Net Financial Position of the Group;
 - c. personal objectives established according to the role and function of the Beneficiary;
 - d. any non-financial parameters, also relating to corporate social responsibility, established after consulting the Control, Risks and Sustainability Committee;
- (vii) appropriate good leaver and bad leaver clauses and appropriate claw back clauses will be envisaged.

36. A prerequisite for the payment of variable remuneration (both short-term and long-term) is that the beneficiary is part of the workforce at the time it is to accrue, except in the case of termination of employment for good leaver.

37. The assessment of the achievement of the performance objectives underlying the remuneration plans based on financial instruments and short-term (MBO) and/or long-term (LTI) monetary incentive plans for directors and managers with strategic responsibilities is the responsibility of the Board of Directors, which operates with the help of the Remuneration Committee, also with reference to any variable components that are expected to be paid depending on the level of achievement of the expected objectives.

38. The Company has entered into non-competition agreements with the executive director and manager with strategic responsibilities, Marco Viti, and with some managers with strategic responsibilities (including Ferruccio Rossi and Tommaso Vincenzi), which provide for the right of the Company to request them to refrain from carrying out activities in competition with that of the Company or in favour of competitors of the Company, within the territory of the European Union and for a predefined period following the termination of their employment with the Company, against payment of a predetermined amount, usually corresponding to a percentage of the last annual total remuneration of the obliged party (for the Director Marco Viti this is 50%).

(g) Non-monetary benefits

39. The Company assigns to executive directors and managers with strategic responsibilities non-monetary benefits (including, but not limited to, the use of mobile telephones and laptops, company cars, housing, health, life, professional and accident insurance coverage) in line with practice and to be recognised in compliance with the criteria established by the Policy.

(h) End-of-term indemnity

40. Pursuant to Article 16 of the By-laws, the Shareholders' Meeting may grant directors the right to receive an indemnity at the end of their term of office, to be established by means of annual provisions and also, if necessary, by means of insurance policies or other similar instruments.

41. The Shareholders' Meeting may resolve in favour of the Chairperson of the Board of Directors a Severance Indemnity – TFM – by taking out a specific insurance policy with a primary institution, for an annual amount of €50,000, in line with the resolution passed by the Shareholders' Meeting in 2013 and in compliance with as permitted by the By-laws and with the remuneration policies approved by the Meetings of 21 April 2020 and 21 April 2021. In accordance with said provision, the Shareholders' Meeting held on 24 October 2019 confirmed the provision, for the Chairman of the Board of Directors, Massimo Perotti, of an End of Mandate Indemnity for the annual amount of €50,000 through the stipulation of a special insurance policy.

42. Apart from the provisions of Point 41 above, the Policy does not provide for the payment to executive directors and managers with strategic responsibilities of indemnities for early termination of office or non-renewal or termination of employment without prejudice to the institutions applicable to executive employment under the law and the applicable collective agreement.

43. The Company is not a party to agreements that provide for the assignment or maintenance of non-monetary benefits in favour of executive directors or strategic managers or the stipulation of consultancy contracts for a period after the termination of the relationship.

SECTION II

This Section II of the Report is divided into two parts and illustrates the remuneration attributed to directors and members of the Board of Statutory Auditors, by name, and in aggregate form for the remuneration attributed to managers with strategic responsibilities:

- in the first part, (i) each of the items that make up the remuneration, including the payments envisaged in the event of termination of the office or termination of the employment relationship, highlighting compliance with the remuneration policy approved by the Company's Shareholders' Meeting on 21 April 2021, (ii) comparative information on the annual change in remuneration since the listing date, (iii) how the Company took into account the vote expressed the previous year by the Shareholders' Meeting on Section II of the 2021 report on the remuneration policy and remuneration paid;
- in the second part, (i) the remuneration paid in the reference year for any reason and in any form by the Company and by subsidiaries or associates, reporting any components of the aforementioned remuneration that refer to activities carried out in previous years to the reference amount and also showing the remuneration to be paid in one or more subsequent years for the activity carried out in the reference year, possibly indicating an estimate value for the components that cannot be objectively quantified in the reference year, (ii) information on the allocation of financial instruments to directors, managers and other employees of the Company and its subsidiaries and (iii) with the criteria established in Annex 3A, Schedule 7-ter of the Issuers' Regulation, the equity investments held in the Company and in its subsidiaries by the members of the management and control bodies and by other managers with strategic responsibilities as well as by the spouses not legally separated and by their minor children, directly or through subsidiaries, trust companies or third parties, resulting from the register of shareholders, from the communications received and from other information acquired from the same members of the administration and control bodies and by other executives with strategic responsibilities.

It should be noted that the Independent Auditors BDO Italia S.p.A. verified – in compliance with the provisions of Article 123-ter, paragraph 8-bis, of the TUF – that the Board of Directors has prepared this Section of the Report.

Section II – Part One – Items making up remuneration

Remuneration of members of the Board of Directors

On 24 October 2019, at the same time as the integration of the Board of Directors, the Shareholders' Meeting resolved to set the overall gross annual remuneration payable to all directors, including those holding special offices, at €3,000,000, delegating the Board of Directors to determine the amount of each individual director's remuneration.

On the same date, the Board of Directors resolved the distribution of total remuneration determined by the Meeting as follows:

- Chairman of the board of directors and chief executive officer (Massimo Perotti)^(*): €1,750,000.
- Executive Director (Marco Viti): €500,000.
- Non-executive Directors: €20,000 each.
- Chairman of the Control, Risks and Sustainability Committee: €6,000^(**).
- Chairperson of the Related Party Committee and Chairperson of the Remuneration Committee: €5,000 each^(**).
- Control, Risks and Sustainability Committee members: €4,000 each^(**).
- Members of the Related Party Committee and members of the Remuneration Committee: €2,500 each^(**).

^(*) There is no specific additional remuneration for the position of Chairman of the Board of Directors and the position of Deputy Chairman.

^(**) Remuneration for serving as chairperson and member of individual committees is not included, but is in addition to remuneration for serving as a director.

Carla Demaria stated that she waived her remuneration as Director of the Company until the approval of the financial statements as at 31 December 2021, given that the remuneration for this office was included in the remuneration paid to her as manager of the subsidiary Bluegame S.r.l., until 31 May 2021, when she retired, and as chief executive officer of Bluegame S.r.l., as from 1 June 2021.

The Board of Directors decided not to recognise a specific remuneration for participation in the Nomination Committee, neither as Chairperson nor as a member.

The Board of Directors meeting of 24 October 2019 confirmed the provision in favour of the Chairman of the Board of Directors and chief executive officer Massimo Perotti of a Termination Indemnity in the annual amount of €50,000, by taking out a specific insurance policy with a leading institution, in accordance with Article 16.2 of the By-laws, the Remuneration Policy approved by the Company's Shareholders' Meeting on 21 April 2020, the Remuneration Policy approved by the Company's Shareholders' Meeting on 21 April 2021 and the Policy described in the First Section of the Report, and as resolved by the Shareholders' Meeting on 24 October 2019 and previously on 23 December 2013, 1 June 2016, 30 August 2018, 21 December 2018, 14

January 2019 and 24 June 2019.

The Company has taken out an insurance policy known as the Directors & Officers Liability insurance, for its directors and statutory auditors and for those of its subsidiaries, with a limit of liability of €20 million.

The Company has granted the following non-monetary benefits to the executive directors Massimo Perotti, Marco Viti and Carla Demaria: company car, professional and extra-professional life and accident insurance, laptop and mobile phone.

Moreover, the Company took out a life insurance policy in favour of the executive directors Massimo Perotti, Marco Viti and Carla Demaria (covering the risks of death and permanent disability) with a maximum amount of €220,000.

On 23 January 2019, the Company entered into a non-compete agreement with executive director and manager with strategic responsibilities Marco Viti, which provides for the Company's right to require him to refrain from performing activities in competition with that of the Company, or in favour of competitors of the Company, within the territory of the European Union and for a period of 12 months following the termination of his employment with the Company, in return for payment of an amount, payable only if the Company requires him to comply with this obligation, equal to 50% of his gross fixed annual remuneration for the last 12 months of employment, excluding benefits and bonuses. The additional fee shall be paid to Marco Viti in equal monthly instalments, with the first to be paid within 90 days of termination of employment.

Without prejudice to the above, there are no further agreements between the Company and the executive directors that provide for remuneration for non-competition commitments.

The Chairman of the Board of Directors and CEO Massimo Perotti is also a director of the subsidiaries Bluegame S.r.l., PN VSY S.r.l., PN Sviluppo S.r.l., Sanlorenzo Baleari SL, Marine Yachting Monaco SAM and Sanlorenzo of the Americas LLC, having received no remuneration in 2021 related to these positions.

Executive Director Marco Viti is also a director of the subsidiaries Sanlorenzo Baleari SL and Marine Yachting Monaco SAM, having received no remuneration in 2021 related to these positions.

The director Carla Demaria is also a director and CEO of the subsidiary Bluegame S.r.l., having received in the 2021, remuneration related to this office equal to €291,667. Carla Demaria also accrued the right to receive the variable remuneration referred to below for a total of €200,000 gross.

The executive directors Massimo Perotti (Chairman of the Board of Directors and CEO) and Marco Viti are also managers with strategic responsibilities of the Company; Carla Demaria was also manager with strategic responsibilities of the subsidiary Bluegame S.r.l. until 31 May 2021, when she retired.

As executives of the Company, Massimo Perotti and Marco Viti received in 2021 fixed gross remuneration of €93,428 and €500,000, respectively.

As manager of the subsidiary Bluegame S.r.l. until 31 May 2021, Carla Demaria received during the year, fixed gross remuneration equal to €126,250, in addition to the payment of severance indemnities due by law and applicable collective agreement, for a total gross amount of €22,484.

As determined by the board of directors on 10 March 2022 subject to the favourable opinion of the

Remuneration Committee on 9 March 2022, the financial performance objectives, described in Item 31 of the First Section of the Report, relating to *ad personam* incentive monetary remuneration (as defined in the Report on the Remuneration Policy and Remuneration Paid for 2021 and renamed in this Report as the "MBO Plan A") awarded to executive directors Marco Viti and Carla Demaria, as established by the Board of Directors on 21 April 2021, subject to the favourable opinion of the Remuneration Committee on 21 April 2021 and in accordance with the Remuneration Policy for 2021 approved by the Shareholders' Meeting on 21 April 2021, have been achieved in full, and Marco Viti and Carla Demaria have accrued the right to receive the variable remuneration paid to them for 2021, amounting to €500,000 and €200,000 gross, respectively. On the other hand, as ascertained by the same Board of Directors on 10 March 2022, subject to the favourable opinion of the Remuneration Committee on 9 March 2022, only three of the four non-financial objectives were met. Therefore, Marco Viti and Carla Demaria did not accrue the 5% increase in their aforementioned variable remuneration.

Massimo Perotti did not receive variable remuneration.

The proportion between the fixed and variable remuneration of the executive directors Marco Viti and Carla Demaria (including the amounts received as directors and as managers, and excluding the amounts received by Carla Demaria as severance indemnities due by law and by the applicable collective agreement) is therefore such that the variable remuneration is equal to 50.0% and 40.0% of their fixed remuneration, respectively. The executive director Massimo Perotti, as well as the non-executive directors, does not benefit from variable remuneration.

During the year under review, no indemnities or other benefits were allocated to the Company's Directors for termination of their office, except for that indicated above with reference to the payment to Carla Demaria of the amount due to her by virtue of the law and the applicable collective agreement due to her retirement from managerial employment.

Remuneration of the members of the control body

On 24 October 2019, at the same time as the appointment of the Board of Statutory Auditors, the Ordinary Shareholders' Meeting of the Company resolved to set the gross annual remuneration payable to the Chairperson of the Board of Statutory Auditors at €30,000 per year and the gross annual remuneration payable to each standing auditor at €25,000 per year.

The Chairperson of the Board of Statutory Auditors of the Company, Andrea Caretti, is also a member of the Board of Statutory Auditors of the associated company Restart S.p.A.; on 28 April 2021, the Shareholders' Meeting of Restart resolved to set the gross annual fee due to the member of the Board of Statutory Auditors at €6,000.

The Company's auditor Roberto Marrani is also the sole auditor of the subsidiary Bluegame S.r.l.; on 21 April 2020 the Shareholders' Meeting of Bluegame resolved to set the annual gross remuneration due to the sole company's standing auditor at €4,000 per year.

The Company has taken out an insurance policy known as the Directors & Officers Liability insurance, for its directors and statutory auditors and for those of its subsidiaries, with a limit of liability of €20 million.

Remuneration of managers with strategic responsibilities

The remuneration paid by the Group and intended for any reason and in any form whatsoever to the managers with strategic responsibilities of the Company and the Group for the year ended 31 December 2021, amounted to a total of €4,315,243, including bonuses of €2,368,873 in aggregate gross values. These amounts do not include the amounts paid to managers with strategic responsibilities who are also executive directors (Massimo Perotti, Marco Viti and Carla Demaria), either as directors or managers.

The Company acknowledged the following non-monetary benefits to managers with strategic responsibilities (other than the executive directors Massimo Perotti, Marco Viti and Carla Demaria): company car, laptop, mobile phone, and the use of accommodation, the latter granted on a case-by-case basis, depending on the individual, to certain managers with strategic responsibilities who are not resident in the place where they perform their work.

The Company also stipulated the following insurance cover in favour of managers with strategic responsibilities (other than executive directors Massimo Perotti, Marco Viti and Carla Demaria), i.e. social security or pension, in addition to the mandatory ones, with different conditions and limits from time to time: (a) supplementary life policy, with sums insured in the event of death and permanent disability equal to €220,000; (b) supplementary accident policy - professional and extra-professional - in the event of death, with sums and limits insured: in the event of death due to an accident, equal to 6 times the RAL, with a maximum of €1,600,000; for permanent disability due to an accident, equal to 7 times the RAL, with a maximum of €1,800,000 (for the Chairman and CEO Massimo Perotti in the event of death due to an accident €1,900,000 up to a maximum cumulative amount of €2,000,000; in the event of permanent disability due to an accident €1,800,000 up to a maximum cumulative amount of €2,500,000); (c) supplementary health policy (in addition to the Fasi, with specific limits).

The Company has signed non-competition agreements, with a duration of 12 months, with some managers with strategic responsibilities (including Ferruccio Rossi and Tommaso Vincenzi) other than the executive directors Massimo Perotti, Marco Viti and Carla Demaria, which provide for the right of the Company to request them to refrain from carrying out activities in competition with that of the Company or in favour of competitors of the Company, within the territory of the European Union and for a predefined period following the termination of their employment with the Company, in return for the payment of a predetermined amount, normally corresponding to a percentage of the last total annual remuneration of the obliged party.

The performance objectives relating to the 2020 Stock Option Plan established for 2021 by the board of directors, after consultation with the Remuneration Committee and in accordance with the 2020 Stock Option Plan (and described in Item 34 of the First Section of the Report), have been achieved, as determined by the board of directors on 10 March 2022, subject to the approval of the Remuneration Committee on 09 March 2022. The total number of Options accrued in favour of managers with strategic responsibilities who are Beneficiaries of the Stock Option Plan during the year 2021 is 93,773.

As determined by the board of directors on 10 March 2022 subject to the favourable opinion of the Remuneration Committee on 9 March 2022, the performance objectives, described in Item 31 of the First Section of the Report, for the ad personam incentive monetary remuneration awarded (as defined in the Report on the Remuneration Policy and Remuneration Paid for 2021 and renamed in this Report as the "MBO Plan A"), as well as to Marco Viti and Carla Demaria, also to two managers with strategic responsibilities (Ferruccio

Rossi and Tommaso Vincenzi), as established by the board of directors on 21 April 2021 following the favourable opinion of the Remuneration Committee of 21 April 2021 and in compliance with the Remuneration policy relating to the 2021 financial year approved by the shareholders' meeting of 21 April 2021, have been achieved in full, and the same have accrued the right to receive the variable remuneration paid to them for the 2021 financial year, for a total of €1,050,000. On the other hand, as ascertained by the same Board of Directors on 10 March 2022, subject to the favourable opinion of the Remuneration Committee on 9 March 2022, only three of the four non-financial objectives were met. Therefore, Marco Viti and Carla Demaria did not accrue the 5% increase in their aforementioned variable remuneration.

As ascertained by the Board of Directors on 10 March 2022, subject to the favourable opinion of the Remuneration Committee on 9 March 2022, the financial performance parameters relating to 2021 to which the MBO intended for managers with strategic responsibilities other than those who are beneficiaries of the MBO A Plan and the Stock Option Plan was linked (and renamed in this Report as the "**MBO B Plan**") were also achieved and, taking into account the other personal objectives, the average payout achieved in 2021 is 100% and the total amount accrued under this heading is €535.600.

During the year under review, no indemnities were allocated to the Company's managers with strategic responsibilities for termination of office or termination of employment, except for as indicated above with reference to the payment to Carla Demaria of the amount due to her by virtue of the law and the applicable collective agreement, due to her retirement from managerial employment.

The proportion between the fixed and variable remuneration of managers with strategic responsibilities (excluding managers with strategic responsibilities Massimo Perotti, Marco Viti and Carla Demaria, as they are also executive directors) within the total remuneration is such that the variable remuneration is on average equal to 30.9% of the total remuneration, with a minimum incidence of 11.4% and a maximum incidence of 49.7%.

During the year in question, no ex post correction mechanisms were applied to the variable component of the remuneration of directors and other managers with strategic responsibilities.

The following is comparative information, starting from the time of the Company's listing (and, therefore, from 10 December 2019), between the annual change:

- of the total remuneration of each of the persons for whom the information set forth in this Section II is provided by name(*);
- of the results of the Company;
- of the average gross annual remuneration, based on full-time employees, of employees other than the parties whose remuneration is represented by name in this Section II.

(*) The table shows total remuneration only for the executive directors Massimo Perotti, Marco Viti and Carla Demaria; the remuneration received by the other members of the Board of Directors and the Board of Statutory Auditors of the Company has not been included, since it has remained unchanged over the years.

	2019	2020	2021
Massimo Perotti remuneration	€1,841,749	€1,841,749	€1,843,428
	--	--	0.09%
Marco Viti remuneration	€1,233,096	€1,255,049	€1,500,000
	--	1.8%	19.52%
Carla Demaria remuneration	€454,723	€500,000	€617,917
	--	10%	23.58%
Company results	€29,059,398	€33,997,047	€44,378,158
	--	17%	30.54%
Average remuneration of employees	€41,073	€43,663	€42,298
	--	6.3%	-3.13%

The remuneration paid in 2021 for directors, statutory auditors and managers with strategic responsibilities complies, in its amount and its component items, with the Remuneration Policy approved by the Shareholders' Meeting on 21 April 2021.

It should be noted that the Company did not take into account the votes or assessments expressed by the shareholders at the meeting of 21 April 2021 on Section II of the remuneration policy and on the remuneration paid in 2021, as at that time shareholders did not express any assessment or observation in this regard and actually, the vote was for the majority favourable.

Information on the assignment of financial instruments to directors, managers and other employees of the Company and its subsidiaries

2020 stock option plan

The 2020 Stock Option Plan is reserved for the executive directors and key employees of the Company and its subsidiaries and its content is consistent with the provisions of the remuneration policy approved by the Shareholders' Meeting on 21 April 2021.

The Plan includes good and bad leaver clauses which regulate the consequences of the termination of the relationship with the beneficiaries in relation to options already vested and not yet exercised and in relation to options in the course of vesting.

The 2020 Stock Option Plan does not provide for deferred payment systems, ex post correction mechanisms, clauses for maintaining the Company's shares in the portfolio after they are subscribed and claw back clauses.

Moreover, no loans or other facilities are provided by the Company for the purchase of shares.

The Beneficiaries of the 2020 Stock Option Plan include managers with strategic responsibilities (other than those who are beneficiaries of the MBO A plan); the value of the options granted to them has an average incidence of 467.2% compared to their fixed remuneration. No director is a recipient of the 2020 Stock Option

Plan.

During 2021, a total of 81,382 Option rights were granted (including 7,076 Options subject to the occurrence of certain conditions, which were realised in 2022); of these 81,382 Option rights, a total of 10,615 were granted to managers with strategic responsibilities.

The financial objectives established for 2021, as described in Item 34 of the First Section of the Report, have been achieved, as determined by the Board of Directors on 10 March 2022, subject to the approval of the Remuneration Committee on 9 March 2022.

Objectives of a personal nature assigned to managers with strategic responsibilities who are beneficiaries of the Stock Option Plan were achieved 100%. As a result, in 2021, managers with strategic responsibilities who are beneficiaries of the Stock Option Plan have accrued 93,773 Option rights, or 100%.

For the beneficiaries of the Stock Option Plan other than managers with strategic responsibilities who were also assigned personal objectives, the objectives of a personal nature were achieved on average 100%; consequently, of the total 129,334 Option rights that were expected to vest in 2021, 129,334 vested, representing 100%.

The total cost of the 2020 Stock Option Plan pertaining to the reference year (2021) is equal to €140,660 as regards the Options assigned to strategic managers and a total of €193,990 as regards all other beneficiaries and was charged to the income statement under labour costs.

For more information on the 2020 Stock Option Plan, please consult the related documentation made available on the Company's website at www.sanlorenzoyacht.com in the "Corporate Governance/Meeting" section.

Section II - Part Two. Analytical representation of remuneration paid during the year

The information in the following tables is provided separately with reference to positions held in the Company and any positions held in subsidiaries and associated companies.

This includes all persons who, during the year, have held, even for a fraction of the period, the position of members of the management and control bodies or manager with strategic responsibilities.

Tables pursuant to Annex 3A, Schedule 7-bis of the Issuers' Regulations

Table 1: Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities

Members of the management and control bodies

(A) Name and surname	(B) Position	(C) Period for which the office was held	(D) Expiry date of office	(1) Fixed remuneration ¹	(2) Remuneration for participation in committees	(3) Non-equity variable remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration	(8) Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing ²					
(I) Remuneration in the reporting company												
Board of Directors												
Massimo Perotti	Chairman and CEO	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	1,750,000				3		1,750,000		
Marco Viti	Executive Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	500,000		4		5		500,000		
Carla Demaria ⁶	Executive Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	-				7		-		
Paolo Olivieri ⁸	Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	20,000	2,500					22,500		
Cecilia Maria Perotti ⁹	Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	20,000	4,000					24,000		
Pietro Gussalli Beretta ¹⁰	Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	20,000	2,500					22,500		
Silvia Merlo ¹¹	Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	20,000	11,500					31,500		
Licia Mattioli ¹²	Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	20,000	5,000					25,000		

¹ Remunerations do not take into account any reimbursement of expenses incurred and additional charges provided by law.

² No profit sharing is envisaged, except for the receipt of dividends if the position of shareholder or beneficiary is vested.

³ Benefits are shown in the table for other managers with strategic responsibilities.

⁴ The amounts related to Marco Viti are reported in the table concerning other managers with strategic responsibilities.

⁵ Benefits are shown in the table for other managers with strategic responsibilities.

⁶ Carla Demaria is executive director of Sanlorenzo S.p.A., for which she waived the remuneration, and chief executive officer of Bluegame S.r.l., for which a fixed annual fee equal to €500,000 and a variable fee equal to €200,000 were determined on 27 July 2021.

⁷ Benefits are shown in the table for other managers with strategic responsibilities.

⁸ Paolo Olivieri is a member of the Board of Directors (remuneration €20,000), a member of the Remuneration Committee (remuneration €2,500) and a member of the Nomination Committee (no remuneration).

⁹ Cecilia Maria Perotti is a member of the Board of Directors (remuneration €20,000) and a member of the Control, Risk and Sustainability Committee (remuneration €4,000).

¹⁰ Pietro Gussalli Beretta is a member of the Board of Directors (remuneration €20,000), a member of the Related Party Committee (remuneration €2,500) and Chairperson of the Nomination Committee (no remuneration).

¹¹ Silvia Merlo is a member of the Board of Directors (remuneration €20,000), Chairperson of the Remuneration Committee (remuneration €5,000), member of the Related Party Committee (remuneration €2,500) and member of the Control, Risks and Sustainability Committee (remuneration €4,000).

¹² Licia Mattioli is a member of the Board of Directors (remuneration €20,000), Chairperson of the Related Party Committee (remuneration €5,000), member of the Nomination Committee (no remuneration).

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Position	Period for which the office was held	Expiry date of office	Fixed remuneration ¹	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing ²					
Leonardo Luca Etro ¹³	Director	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	20,000	8,500					28,500		
Board of Statutory Auditors												
Andrea Caretti	Chairman of the Board of Statutory Auditors	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	30,000						30,000		
Margherita Spaini	Standing Auditor	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	25,000						25,000		
Roberto Marrani	Standing Auditor	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2021	25,000						25,000		
(II) Remuneration from subsidiaries and associated companies												
Carla Demaria ¹⁴	CEO Bluegame S.r.l.	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2023	291,667		200,000		15		491,667		
Roberto Marrani	Sole Auditor Bluegame S.r.l.	01/01/2021-31/12/2021	Approval of the financial statements at 31/12/2022	4,000						4,000		
Andrea Caretti	Standing Auditor Restart S.p.A.	28/04/2021-31/12/2021	Approval of the financial statements at 31/12/2023	4,000						4,000		
(II) Total				2,749,667	34,000	200,000	-	-	-	2,983,667		

¹³ Leonardo Luca Etro is a member of the Board of Directors (remuneration €20,000), Chairperson of the Control, Risks and Sustainability Committee (remuneration €6,000), member of the Remuneration Committee (remuneration €2,500).

¹⁴ Carla Demaria is executive director of Sanlorenzo S.p.A., for which she waived the remuneration, and chief executive officer of Bluegame S.r.l., for which a fixed annual fee equal to €500,000 and a variable fee equal to €200,000 were determined on 27 July 2021.

¹⁵ Benefits are shown in the table for other managers with strategic responsibilities.

Other managers with strategic responsibilities

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Position	Period for which the office was held	Expiry date of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits ¹⁶	Other remuneration	Total	Fair value of equity remuneration	Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing ¹⁷					
(I) Remuneration in the reporting company												
Massimo Perotti	Chairman and CEO	01/01/2021-31/12/2021		77,743				15,685		93,428		
Marco Viti	President Yacht Division	01/01/2021-31/12/2021		482,273		500,000		17,727		1,000,000		
9 other managers with strategic responsibilities		01/01/2021-31/12/2021		1,661,356		2,368,873		73,633		4,103,862		
(II) Remuneration from subsidiaries and associated companies												
Carla Demaria ¹⁸	CEO Bluegame S.r.l.	01/01/2021-31/12/2021		122,379				3,871		126,250		
1 top manager with strategic responsibilities of Sanlorenzo of the Americas LLC		01/01/2021-31/12/2021		211,381				-		211,381		
(II) Total				2,555,132		2,868,873		110,916		5,534,921		

¹⁶ Car and life and professional/non-professional accident insurance benefits

¹⁷ No profit sharing is envisaged, except for the receipt of dividends if the position of shareholder or beneficiary is vested.

¹⁸ Carla Demaria was an employee of Bluegame S.r.l. until 31 May 2021.

Table 2: Stock options assigned to members of the management body, general managers and other managers with strategic responsibilities

A	B	(1)	Options held at the beginning of the year			Options assigned during the year						Options exercised during the year			(14)	(15) = (2) + (5) - (11) - (14)	(16)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
Name and surname	Position	Plan	Number of options	Exercise price	Period of possible exercise (from - to)	Number of options	Exercise price	Period of possible exercise (from - to)	Fair value at allocation date	Allocation date	Market price of the underlying shares at the allocation of the options	Number of options	Exercise price	Market price of the underlying shares at the exercise date	Number of options	Number of options	Fair value
(I) Remuneration in the reporting company		2020 Stock Option Plan (resolution of the Shareholders' Meeting of 21/04/2020)	360,924	16.00	From 10/12/2021 to 31/05/2027	10,615	16.00	From 07/07/2022 to 31/05/2027	185,763	07/07/2021	24.50	16,077	16.00	36.54	-	355,462	77,692
(II) Remuneration from subsidiaries and associated companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			360,924			10,615			185,763			16,077			-	355,462	77,692

Notes:

(2) The aggregate value shown in the table refers to 6 other managers with strategic responsibilities (5 of Sanlorenzo S.p.A. and 1 of Sanlorenzo of the Americas LLC) who were assigned options of the 2020 Stock Option Plan, resolved by the ordinary Shareholders' Meeting of Sanlorenzo S.p.A. on 21 April 2020.

(5) Options granted by resolution of the Board of Directors on 07 July 2021 to 1 other manager with strategic responsibilities.

(11) Options exercised by 2 other managers with strategic responsibilities of Sanlorenzo S.p.A.

(13) The value shown in the table corresponds to the average market price of the underlying shares on the exercise date.

Table 3B: Monetary incentive plans for members of the Board of Directors, general managers and other managers with strategic responsibilities

A	B	(1)	(2)			(3)			(4)
Surname and Name	Position	Plan	Bonus for the year			Bonuses from previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/ Paid	Deferred	Reference period	No longer payable	Payable/ Paid	Still deferred	
(I) Remuneration in the reporting company									
Marco Viti	President Yacht Division		500,000		2021				
10 other managers with strategic responsibilities			535,600		2021				1,833,273
(II) Remuneration from Subsidiaries and Associated Companies									
Carla Demaria	CEO Bluegame S.r.l.		200,000		2021				
(III) Total			1,235,600						1,833,273

Notes:

(4) (I) **Remuneration in the reporting company:** this refers to non-target bonuses of €1,833,273.

Tables pursuant to Annex 3A, Schedule 7-ter of the Issuers' Regulations

Table 1: Shareholdings of members of management and control bodies and of general managers

SURNAME AND NAME	POSITION	INVESTE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE YEAR IN PROGRESS
Massimo Perotti (through Holding Happy Life S.r.l.)	Chairman and CEO	Sanlorenzo S.p.A.	21,838,625	81,082	999,490	20,920,216
Massimo Perotti (through Luchi Fiduciaria S.r.l.)	Chairman and CEO	Sanlorenzo S.p.A.	-	50,253	42,070	8,183
Paolo Olivieri (through Holding Happy Life S.r.l.)	Deputy Chairman	Sanlorenzo S.p.A.	5,572	20	255	5,337
Paolo Olivieri (through Luchi Fiduciaria S.r.l.)	Deputy Chairman	Sanlorenzo S.p.A.	135,000	-	-	135,000
Marco Viti	Executive Director	Sanlorenzo S.p.A.	480,000	1,000	17,758	463,242
Carla Demaria	Executive Director	Sanlorenzo S.p.A.	356,056	-	-	356,056
Silvia Merlo	Board Member	Sanlorenzo S.p.A.	100,000	-	-	100,000

Table 2: Shareholdings of other managers with strategic responsibilities

NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITIES	INVESTEES COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE YEAR IN PROGRESS
no. 5 managers with strategic responsibilities	Sanlorenzo S.p.A.	676,212	16,617 ¹⁹	154,865	537,964
no. 1 manager with strategic responsibilities	Sanlorenzo of the Americas LLC	10% of the share capital	-	-	10% of the share capital

¹⁹Including 16,077 shares acquired as a result of the exercise of stock options under the 2020 Stock Option Plan.