

SANLORENZO

Sanlorenzo S.p.A.

Registered office: Ameglia (SP), via Armezzone 3 – Share capital: Euro 34,500,000 fully paid-in
Company Register of Riviera di Liguria – Imperia La Spezia Savona and fiscal code: 00142240464

REPORT ON CORPORATE GOVERNANCE **AND OWNERSHIP STRUCTURES**

Approved by the Board of Directors on 13 March 2020

LEGAL NOTICE

This report has been translated into English from the original Italian document solely for the convenience of international readers. In case of inconsistency between this document and the original document in Italian, the latter will prevail.

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GLOSSARY

Code / Corporate Governance Code	The Corporate Governance Code for listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.
Civil Code / c.c.	The Italian Civil Code.
Board / Board of Directors	The Issuer's Board of Directors.
Issuer or Sanlorenzo or Company	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-up share capital of €34,500,000.00.
Year	The financial year to which the Report refers.
Consob Issuers' Regulations	The Regulations issued by Consob with Resolution No. 11971 of 1999 (as subsequently amended) regarding issuers.
Consob Market Regulations	The Regulations issued by Consob with Resolution No. 20249 of 2017 (as subsequently amended) on markets.
Consob Related Parties Regulations	The Regulations issued by Consob with Resolution No. 17221 of 12 March 2010 (as subsequently amended) on related party transactions.
Report	The report on corporate governance and ownership structure that companies are required to prepare pursuant to Article 123- <i>bis</i> of the TUF.
Consolidated Law on Finance (<i>Testo Unico della Finanza</i>)/TUF	Legislative Decree No. 58 of 24 February 1998.

1.0 ISSUER PROFILE

Sanlorenzo is a company listed on the stock exchange organised and managed by Borsa Italiana S.p.A. ("*Mercato Telematico Azionario/MTA*"), STAR segment, since 10 December 2019.

Sanlorenzo is a global operator specialised in the design, production and marketing of custom-made yachts, superyachts and sport utility yachts, in terms of how they are equipped and customised according to the requests and desires of an exclusive clientele.

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 as of early October 2019. Market share calculated on the basis of 90 yachts delivered by Sanlorenzo compared to a total of 489 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 (87 yachts, an increase of 13% compared to 2018) and total length of production (3,061 metres) registered in backlog at 31 December 2019 for an average length of yachts under construction of 35 metres. (Source: Global Order Book 2020, Showboats International).

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's Corporate Governance system described in the Report is substantially in line with the recommendations contained in the Corporate Governance Code, except as specified later in this Report.

The Report illustrates the corporate governance structure as resulting from the current statutes (the "**By-laws**").

Sanlorenzo is organised according to the traditional administration and control model as per Article 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 Corporate Governance Code and the Related Parties Committee pursuant to the Consob Related Party Regulations and the procedure for related party transactions adopted by the Company pursuant to Consob Related Party Regulations.

This Report relates to the corporate governance and ownership structure of Sanlorenzo for the period after the listing date (10 December 2019 - 31 December 2019), unless otherwise specified.

2.0 INFORMATION ON THE OWNERSHIP STRUCTURE (PURSUANT TO ART. 123-BIS, PARAGRAPH 1 OF THE TUF) AT 31 DECEMBER 2019

a) Structure of the share capital (as per Article 123-bis, Section 1, Letter a) of the TUF)

The fully subscribed and paid-in share capital of Sanlorenzo at the date of the Report (13 March 2020) amounts to €34,500,000 and is structured as follows.

SHARE CAPITAL STRUCTURE				
Type	Number of shares	% compared to share capital	Listed	Diritti e obblighi
Ordinary shares	34,500,000	100%	MTA Star Segment	All the Issuer's shares grant the patrimonial and administrative rights provided for by the applicable provisions of legislation and the By-laws. Each share confers the right to one vote at the Issuer's ordinary and extraordinary shareholders' meetings. Article 6 of the By-laws provides that two votes shall be 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; on the date of the Report, no share has accrued the right to the increase.

The total amount of voting rights and the updated list of shareholders with an interest in the Company's share capital greater than the minimum disclosure threshold provided by the law registered in the Special List for the entitlement to the benefit of increased voting rights (to the extent of two votes for each share held) pursuant to Articles 85-bis, paragraph 4-bis and 143-*quater*, paragraph 5 of the Consob Issuers' Regulations, are published on the Company's website (www.sanlorenzoyacht.com) in the "*Corporate Governance/Increased voting rights*" Section, where further details on the increase in voting rights can also be found.

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

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

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

As part of the agreements entered into for the listing of the Company's shares and, in particular, with the signing of the institutional placement agreement, the Company and Holding Happy Life S.r.l., a limited liability company under Italian law, with registered office at Via Ettore de Sonnaz, 19, Turin, Italy, the Company's main shareholder ("**HHL**"), have entered into a lock-up commitment with the offer coordinators of 360 days, and HHL for 180 days, respectively, from 10 December 2019.

In particular, the Issuer's lock-up agreement provides, *inter alia*, that the Company, for the period of time referred to above, and except with the prior written consent of the offer coordinators, which will not be reasonably denied, shall not (i) carry out sales transactions, acts of disposal, and/or in any case, transactions having as their object and/or effect the allocation and/or transfer to third parties, for any reason and in any form, directly or indirectly, of the Company's shares, including transactions as a result of which option rights or security interests are established and/or transferred on the same shares, and shall not (ii) approve and/or carry out transactions in derivatives, which have the same effects, even if only economic, as the above mentioned transactions.

The above commitments do not apply in the following cases: (i) transfer of shares as consideration in the context of takeover bids or in the context of other forms of capital reorganisation or strategic operations of acquisition or sale of assets or financial restructuring or similar procedure provided that the parties receiving the shares assume the same lock-up commitment with regard to the shares; (ii) issue of shares deriving from an incentive plan for the management of the Issuer; and (iii) transactions deriving from legal and/or regulatory provisions and/or orders by the judicial authorities.

Similar lock-up commitments have also been made with the offer coordinators by the shareholders Marco Viti, Carla Demaria, Ferruccio Rossi and Tommaso Vincenzi, in relation to the shares held by each of the aforesaid parties for a period of 360 days from the date of listing, i.e. 10 December 2019. In addition, Luchi Fiduciaria S.r.l. and Segesta S.r.l. have entered into similar lock-up commitments of 180 days and 90 days respectively from the date of listing, i.e. 10 December 2019. The above commitments shall not apply in the case of transactions resulting from legal and/or regulatory provisions and/or orders by the judicial authorities.

On 25 October 2019, Carla Demaria also signed a three-year unilateral commitment towards Massimo Perotti whereby she undertook, among other things, not to transfer the 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).

In addition, on 25 October 2019, Carla Demaria made a moral and honorary unilateral commitment towards Massimo Perotti to enter into an agreement, at the end of the first 365 days from the date of commencement of trading (10 December 2019), to extend the commitment also to the period from the end of the third year following the date of commencement of trading (10 December 2019) until the fourth year following the date of commencement of trading (10 December 2019); during this period, Carla Demaria will be able to transfer a further 30% of the shares held by her.

Ferruccio Rossi and Tommaso Vincenzi signed a three-year unilateral commitment towards 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).

In addition, on 28 October 2019, Ferruccio Rossi and Tommaso Vincenzi made a moral and honorary unilateral commitment towards Massimo Perotti to enter into an agreement at the end of the first 365 days after the date of commencement of negotiations (10 December 2019) to also extend the commitment to the period from the end of the third year following the date of commencement of negotiations (10 December 2019) until the fourth year following the date of commencement of negotiations (10 December 2019); during this period, Ferruccio Rossi and Tommaso Vincenzi will have the opportunity to transfer a further 20% of the shares held by them.

On 28 October 2019, Marco Viti also signed a three-year commitment whereby he undertook, among other things, not to transfer the 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, Section 1, Letter c) of the TUF)

At the date of the Report, 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, in accordance with the communications made pursuant to Article 120 of the TUF and the information available to 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 (declaration disclosed on 17/12/2019)	Holding Happy Life S.r.l.	60.006%	60.006%
Massimo Perotti (declaration disclosed on 22/01/2020) (*)		62.736%	62.736%
JPMorgan Asset Management Holding Inc. (declaration disclosed on 17/12/2019)	JPMorgan Asset Management Holding Inc.	6.454%	6.454%
Templeton Investment Counsel LLC (declaration disclosed on 24/01/2020)	Templeton Investment Counsel LLC	5.087%	5.087%

(*) Following the partial exercise of the greenshoe option, entered into at the time of listing with the offer coordinators.

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 MTA 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.

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.

At the date of this Report no shareholder has accrued the right to the increase in voting rights referred to in Article 6 of the By-laws.

e) Employee shareholding: mechanism for exercising voting rights (pursuant to Article 123-bis, Section 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, Section 1, Letter f) of the TUF)

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

g) Shareholders' agreements (pursuant to 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)

Change of control clauses

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

<i>(€'000)</i>	Nominal amount outstanding at 31 December 2019
Banco BPM - mortgage loan of €7.75m 31.12.2025	3,812
Banco BPM - unsecured loan of €5m 30.06.2022	2,632
Banco BPM - mortgage loan of €814k 31.12.2030	781
Banco BPM - mortgage loan of €7.41m 31.12.2030	7,109
Deutsche Bank - unsecured loan of €7.5m 31.03.2023	4,875
Carige - unsecured loan of €5m 31.12.2023	4,027
Creval - unsecured loan of €7m 05.07.2023	5,307
MPS - unsecured loan of €6m 31.12.2023	4,800
UniCredit - unsecured loan of €15m 31.12.2022	9,000
Crédit Agricole Carispezia - mortgage loan of €15m 29.11.2028	14,259
Cassa di Risparmio di Bra - unsecured loan of €5m 28.03.2023	3,284
Banco di Sardegna - unsecured loan of €5m 28.03.2023	3,284

At the date of the Report, Bluegame S.r.l., 100% owned by Sanlorenzo, was part of the following loan agreement, subject to change of control clauses.

<i>(€'000)</i>	Nominal amount outstanding at 31 December 2019
Banco BPM - unsecured loan of €350k 31.01.22	187
Total financial payables subject to change of control clause (Sanlorenzo Group)	63,357

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 Consolidated Law on Finance 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)

At the date of the Report there are no powers for the Board of Directors that can be exercised to increase the share capital pursuant to Article 2443 of the Italian Civil Code or to issue equity financial instruments.

On 9 November 2019, the Extraordinary Shareholders' Meeting of the Company delegated the Board of Directors to increase the Company's share capital for a maximum amount of €10,000,000.00 (plus share premium), through the issue of ordinary shares, with regular dividend entitlement and no par value, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, to be executed in one or more tranches, without authorisation to purchase treasury shares, within the maximum term of 31 December 2020 and, in any case, to be completed as part of the listing procedure. The Chairperson of the Board of Directors, Massimo Perotti, exercised the proxy for €4,500,000.00, thus exhausting it.

l) Management and coordination activities (pursuant to Article 2497 and subsequent Articles 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*", HHL does not exercise management and coordination activities with regard 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.

Transactions with HHL are therefore 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).

Please note that the information required by Article 123-bis, paragraph 1, letter i) of the TUF on "*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 Remuneration Report published pursuant to Article 123-ter of the TUF on the Company's website (www.sanlorenzoyacht.com) in the "*Corporate Governance*" Section.

It should also be noted that 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 4.1).

3.0 COMPLIANCE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER A) OF THE TUF)

Sanlorenzo has adopted the Corporate Governance Code, as updated in July 2018, which is accessible to the public on the Borsa Italiana website (<http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>), with the exception of that specified in the Report according to the *comply or explain* principle. It should also be noted that Sanlorenzo and its subsidiaries are not subject to provisions of law other than Italian law that affects the Issuer's Corporate Governance structure.

At the meeting held on 12 February 2020, the Chairperson of the Board of Directors explained to the Board the letter of the chairman of the Corporate Governance Committee of 19 December 2019 sent to all the issuers and that the new version of the Corporate Governance Code has recently been issued and will enter into force, as far as the Company is concerned, on 1 January 2021.

4.0 BOARD OF DIRECTORS

4.1 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.

The provisions of law and regulations that provide the allocation of the members of the Board of Directors to be elected is made on the basis of a criterion that ensures gender balance has been incorporated into the By-laws. Notwithstanding Article 147-ter, paragraph 1-ter of the TUF and Law No. 120/2011, as also clarified by Consob Communication DIE No. 0061499 of 18 July 2013, provided that the provisions on gender balance had to be applied as from the first renewal of the Board of Directors following the listing, providing that, for this first renewal, the least represented gender should obtain at least one-fifth of the directors elected on the occasion of the first renewal and at least one-third of the directors elected on the occasion of the following two consecutive terms (in any case rounded up), the By-laws, in the text in force at the date of this Report, provide that even on the occasion of the first renewal, the least represented gender shall obtain at least one third of the elected directors (rounded up in any case) and that its provisions on gender balance in the composition of the Board of Directors shall apply even after the first three renewals of the Board of Directors. On 13 March 2020, the Board of Directors resolved to convene the Extraordinary Shareholders' Meeting on 21 April 2020 (first call) and on 22 April 2020 (second call) regarding the proposal to amend the By-laws in order to bring their provisions into line with the Law No. 160 of 27 December 2019 ("**Budget Law 2020**") on gender balance; although the Budget Law 2020 allows that the share of at least one fifth of the directors to be reserved to the less represented gender is applied from the first renewal of the board of directors and that the higher share of

at least two fifths of the directors is applied for the following five consecutive mandates, the proposed amendments provide that the two-fifths distribution criterion should be applied from the first renewal of the corporate offices (in any case rounding up to the next higher unit) and that the validity of the provisions regarding gender balance is extended beyond the end of six mandates.

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 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 procedures for the appointment of the Board of Directors are governed by Article 147-ter of the TUF, 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 one third (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.

Only shareholders who, alone or together with other shareholders, hold shares representing at least 2.5% (two point five percent) 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 Determination of the Head of the Corporate Governance Division No. 28 of 30 January 2020, 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 2.5%.

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.

At the end of the vote:

- i. all the directors to be elected, except for 1 (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 will be excluded and the next non-elected candidate in numerical order who meets the independence requirements taken from the same list as the excluded candidate will be 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 will take 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 will be 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 will be excluded and the first candidate of the less represented gender elected in numerical order drawn from the same list as the excluded candidate will be 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 will take 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 will be 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 will be 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 will 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.

At the date of this Report, the Company does not have a formalised succession plan for its directors.

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

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. The provisions on list voting contained in the By-laws will only apply 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 of the Company 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 of the Company extended the number of directors to nine with effect subject to the date of the start of negotiations and, having announced the resignation of director Cesare Perotti on the same date, subject to the start of negotiations, integrated the composition of the Board of Directors, appointing - with effect subject to the date of the start of negotiations 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 approval of the financial statements at 31 December 2021.

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

Name and surname	Role	Place and date of birth	Date of appointment
Massimo Perotti	Executive Chairman	Turin, 26/10/1960	24/06/2019
Marco Viti	Chief Executive Officer	Pietrasanta (LU), 12/9/1957	24/06/2019
Carla Demaria	Chief Executive Officer	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) in the "*Corporate Governance/Corporate Governance System/Board of Directors*" section.

For further information on the composition of the Board of Directors, please refer 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 retains that number, competence, authority and time availability of non-executive directors are such as to ensure that their judgement may have a significant impact on the taking of board's decisions.

Diversity criteria and policies

As illustrated in the previous Section 4.1, also in accordance with the provisions of the Corporate Governance Code, the By-laws state that the provisions on gender balance in the composition of the Board of Directors shall apply even after the renewals provided for by the law for the less represented gender and also that the Company will not avail itself of the possibility to apply the allocation criterion with the lower share to be reserved to the less represented gender (equal to one fifths) for the first renewal; as also illustrated in the previous Section 4.1, this will be confirmed also in case of approval of the proposed amendments to the By-laws aimed at bringing their provisions in line with the Budget Law 2020, for which the Board of Directors resolved to convene the Extraordinary Shareholders' Meeting for 21 April 2020 in first call and 22 April 2020 in second call. In addition, the composition of the Board of Directors at the listing date (10 December 2019) already complies with the provisions on gender balance of Article 147-ter, paragraph 1-ter of the TUF (also as amended by the Budget Law 2020) and the By-laws.

Notwithstanding the above, the Issuer has not currently adopted, through specific resolutions or in any other form, additional criteria and policies on diversity in relation to the composition of the administrative and management bodies with regard to aspects such as age, gender composition and training and professional path. Nevertheless, the By-laws provide that the provisions on gender balance in the composition of the Board of Directors shall also apply after the first three renewals.

The Issuer retains that the composition of the Board of Directors be such as to respect the diversity of gender, age and educational and professional background.

In particular, the Board of Directors in office at the end of the financial year is composed of 5 male and 4 female members.

The Board of Directors is also characterised by the diversity of its members, considering that the age of the directors is between 26 and 63 years old.

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 boating sector and independent directors with 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.

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 attached hereto ([Annex 1](#)).

With regard to the posts held by the Directors of Sanlorenzo on the boards of directors or control bodies of other companies, at a meeting held on 24 October 2019, the Board of Directors, acting upon a proposal by the Chairperson, resolved to order that the Company express its opinion on the maximum number of posts held as a Director or Statutory Auditor that may be considered compatible with the effective performance of the duties of a Director of the Company when the draft financial statements at 31 December 2019 are approved, after obtaining the opinion of the Nomination Committee. At a meeting held on 13 March 2020, the Board of Directors, acting upon a proposal by the Nomination Committee, did not deem it necessary to establish limits to the positions held by the Company's Directors in the management and control bodies of other companies, notwithstanding the duty of each candidate standing for the position of director, on accepting the position in the Company and regardless of the limits set by laws and regulations regarding the number of positions which may be held, to assess his or her ability to perform the duties assigned with due attention and effectiveness, with special consideration being given to the overall commitment which may be required by any positions held outside the Sanlorenzo Group. The Nomination Committee decided to make a new assessment in the meeting that precedes the expiry of the term of office of the current Board of Directors, when the procedures for the appointment of the new directors will be initiated.

The Shareholders' Meeting of 24 October 2019 also 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 freedom of choice, in the interest of the Company and the generality of shareholders. All directors in that forum have declared their commitment to do so.

Induction programme

At the meeting of the Board of Directors held on 24 October 2019, the Chairperson expressed the intention to organise, with the Board of Directors giving a mandate to this effect, by 30 June 2020, an induction programme for directors and statutory auditors that will provide them with adequate knowledge of the business sector in which the Company operates, the dynamics of the Company and their evolution, the principles of proper risk management and the regulatory and self-regulatory framework of reference.

As part of the procedure leading to the listing, during the meetings of the Board of Directors held on 16 September 2019 and 24 October 2019, the Chairman provided, including with the assistance of external consultants, extensive information on the responsibilities and obligations arising from the laws and regulations in force and consequent to the listing and trading of the Company's shares.

4.3 Role of the Board of Directors (pursuant to Article 123-bis, Section 2, Letter d) of the TUF)

During the Financial Year, prior to the start of trading (10 December 2019), the Company's Board of Directors met 11 times. Following the listing of the Company (10 December 2019), the Board of Directors met once, in the presence of all Directors and members of the Board of Statutory Auditors, either physically or by teleconference, and the duration of the meeting was one hour and forty minutes.

At the date of the Report, in the 2020 financial year, 2 meetings of the Board of Directors were held, including that of 13 March 2020, at which this Report was approved and at least 4 other meetings are planned.

Pursuant to Article 17.2 of the By-laws, the chairman of the board of directors shall ensure that suitable information is provided in advance on the issues to be discussed, in line with operational requirements. The timeliness and completeness of pre-board information is guaranteed through the involvement of the competent corporate structures, which take care of and coordinate the preparation of the documentation necessary from time to time for the specific items on the agenda.

The transmission of documentation to the Directors and Statutory Auditors is carried out by the Manager charged with preparing the company's financial reports and Chief Financial Officer, who coordinates it with the Chairperson well in advance of the meetings.

Subsequent to the listing, pre-board information was provided to the members of the Board in good time for the resolutions on the agenda.

The members of the Board of Directors, the Board of Statutory Auditors, the Manager charged with preparing the company's financial reports and Chief Financial Officer and the Permanent Secretary attend the meetings 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, as well as for verifying the existence of the necessary controls to monitor the performance of the Issuer 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 Bylaws, 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 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 assigns 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 €500,000.00 (five hundred thousand/00) per individual transaction and in any case for overall amounts in excess of €2,000,000.00 (two million/00) for each financial year;
- iii. purchase, sale and in any event deeds of tangible and intangible assets for amounts in excess of €250,000.00 (two hundred fifty thousand/00) per individual transaction and in any case for overall amounts in excess of €1,000,000.00 (one million/00) 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 €250,000.00 (two hundred and fifty thousand/00) per transaction and in any case for overall amounts in excess of €1,000,000.00 (one million/00) for each financial year;
- x. granting of real or personal guarantees in favour of third parties in any form whatsoever in excess of €150,000.00 (one hundred fifty thousand/00) per individual transaction and in any case for overall amounts in excess of €500,000.00 (five hundred thousand/00) 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 €1,000,000.00 (one million/00) 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.

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.

Pursuant to Article 14.5 of the By-laws, the Board of Directors may appoint one or more General Managers and establish the conferment of the relative powers of attorney. General Managers attend meetings of the Board

of Directors and the Executive Committee, if appointed, with the right to express non-binding opinions on the matters under discussion.

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. With regard to the Committees set up by the Issuer's Board of Directors, please refer to Sections **7** (Nomination Committee), **8** (Remuneration Committee), **10** (Control, Risk and Sustainability Committee) and **12.1** (Related Parties Committee) below.

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.

Article 19 of the By-laws reserves the right to the Board of Directors, subject to the mandatory but not binding opinion of the Board of Statutory Auditors, to appoint and dismiss the Manager charged with preparing the company's financial reports, pursuant to Article 154-*bis* of the TUF. The Board of Directors establishes the duration of the appointment of the Manager charged with preparing the company's financial reports, granting them adequate powers and means for the performance of their duties, and also determines their remuneration. The Manager charged with preparing the company's financial reports must possess, in addition to the requirements of integrity prescribed by current regulations for those who perform administrative and control functions in listed companies, significant professional experience in administrative and accounting, economic and financial matters, acquired through work experience in a position of adequate responsibility for an appropriate period of time.

Pursuant to Article 14.3 of the By-laws, the Board of Directors, upon proposal of the Chairperson, may appoint a permanent secretary, even outside of the Board of Directors itself.

Pursuant to Application Criterion 1.C.1 letter g) of the Corporate Governance Code, the Board, on the basis of a special questionnaire divided into different areas of investigation and with the option of expressing comments and proposals, has carried out a self-assessment process on the size, composition (including number and role of independent directors) and functioning of the Board and its committees, the results of which were presented during the meeting held on 13 March 2020.

The self-assessment process was coordinated by Board Member Pietro Gussalli Beretta, Lead Independent Director and Chairperson of the Nomination Committee.

In carrying out the process, the Lead Independent Director and Chairperson 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 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 and composition of the Council, including diversity profiles;
- ii. the frequency of Board meetings, the attendance of directors, 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, attention to situations of conflict of interest, the completeness of minutes, effective interaction with the Board of Statutory Auditors and the implementation of resolutions passed;

- iii. the size, the composition and the 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.

The outcome of the self-assessment reveals, despite the fact that the period of analysis following the listing date is limited, that the directors have expressed positive assessments or maximum satisfaction with the composition, experience and function of all the members of the Board of Directors and its Committees, as well as with the communications between the directors, the Board of Statutory Auditors and management and the attention paid to governance. The directors felt that they were unable to express their own assessment on a section of the questioning in the questionnaire in view of the short observation period. In only one case was there a partially satisfactory opinion on the appropriateness of the time taken to transmit the preparatory documentation and the characteristics of the committee members, as well as on the risk assessment and the internal audit system.

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 general, no areas have emerged that need to be brought to the attention of the Board of Directors.

The Board evaluates the adequacy of the organisational, administrative and accounting structure of the Company and its strategic subsidiaries at least once a year; this evaluation was carried out during the meeting held on 13 March 2020.

The Board assesses the general performance of operations on a quarterly basis, taking into account, in particular, the information received from the Chief Executive Officer; during the Financial Year, this assessment was made at the Board meeting held on 23 December 2019.

The Shareholders' Meeting did not authorise, in general and in advance, any exceptions to the non-competition clause provided for by Article 2390 of the Italian Civil Code and there were no critical issues that gave rise to any need to the contrary.

4.4 Delegated bodies

Chairperson of the Board of Directors and Chief Executive Officer

The Company's Ordinary Shareholders' Meeting of 24 June 2019, when appointing the Board of Directors, appointed Massimo Perotti as Chairperson 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.

The Chairperson of the Board of Directors was also 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 new 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 4.3 above).

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

The Chairperson of the Board of Directors and Chief Executive Officer is also referred to as Chief Executive Officer and shall not hold the position of Director in another listed issuer of which a Director of the Company is Chief Executive Officer.

In the opinion of the Board of directors, the number of positions held by Massimo Perotti is justified by the organisational structure of the Company, as well as by the professionalism and experience of Massimo Perotti and by the relevance of its activity for the Company. For such reasons the Company decided to confirm the appointment of Massimo Perotti as chief executive officer.

In view of the concentration of the position of Chairman of the Board of Directors and Chief Executive Officer held by Massimo Perotti, the Board of Directors appointed the Independent Director Pietro Gussalli Beretta as Lead Independent Director, in compliance with the recommendations contained in the application criteria 2.C.4 and 2.C.5 of the Corporate Governance Code (see Section 4.7 below).

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 powers granted to Massimo Perotti, the Board of Directors of the Company of 24 October 2019, granted Marco Viti 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 new 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 4.3 above). Marco Viti was appointed "employer" by the same Board of Directors pursuant to Legislative Decree No. 81/2008 and subsequent amendments and additions, with conferment of the related powers and delegations.

On the same date, the Board of Directors appointed Marco Viti as Board Member with internal responsibility for the implementation by the Company of the measures to adapt to the new provisions of GDPR, granting him the relevant powers and delegations.

As Chief Executive Officer, 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 of the Company granted Carla Demaria 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 new 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 4.3 above).

As Chief Executive Officer, 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.

Executive Committee

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

Information to the Board

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.

4.5 Other executive directors

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

4.6 Independent directors

In compliance with the recommendations contained in Article 3 of the Corporate Governance Code and in compliance with the provisions contained in Article 12.4 of the By-laws, described in Section 4.1 above, 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. The Company believes that an adequate number of Independent Directors have been identified, also for the purposes of the composition of the Committees described in Sections 7 and 9 of the Report.

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 set out in Articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF and the Corporate Governance Code for the directors who qualified as such. 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. This evaluation was last carried out during the meeting of the Board of Directors held on 13 March 2020.

The first meeting of the independent directors following the listing in the absence of the other directors was held on 13 March 2020, during which the independent directors verified the existence of the requirements of independence, as certified at the time of accepting the appointment, pursuant to Article 3.C.4 of the Corporate Governance Code, as well as the assessment of the adequacy of the number, the professional requirements of the independent directors themselves and the evaluation of their involvement in the Board of Directors. The

meeting was convened by the Lead Independent Director, in a special session and in the absence of the other directors.

4.7 Lead independent director

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

The lead independent director represents a reference and coordination point for the requests and contributions of non-executive directors and, in particular, those who are independent. The lead independent director also cooperates with the Chairman of the Board of Directors in order to guarantee that directors receive timely and complete information. The lead independent director is granted, inter alia, with the power to convene, autonomously or upon demand of other directors, appropriate meetings of independent directors only for the discussion of subject matters judged of interest regarding the functioning of the Board of Directors or the company's operations.

The first meeting of the independent directors was held on 13 March 2020, as reported in Section 4.6 above.

5.0 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 confidentiality obligations provided for by law and regulations.

Procedure for the internal management and communication of Privileged Information to the public

The Company, at the meeting of the Board of Directors held on 24 October 2019, effective as of the date of commencement of trading (10 December 2019), adopted the following provisions:

- i. in accordance with the provisions of Article 1, 1.C.1. letter j) of the Corporate Governance Code, the procedure for the internal management 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;
- ii. the procedure for the management of the register of persons with access to privileged information, providing that it is kept in the Company's records;
- iii. 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, the 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.

The procedure for the internal management and communication to the public of privileged information, and the procedure for the management of the register of persons with access to privileged information can be consulted on the Issuer's website (www.sanlorenzoyacht.com) in the Section, "*Corporate Governance/Documents and Procedures*". The internal dealing procedure can be consulted on the Issuer's website (www.sanlorenzoyacht.com) in the Section, "*Corporate Governance/Internal Dealing*".

6.0 COMMITTEES WITHIN THE BOARD (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER D) OF THE TUF)

The Nomination Committee, the Remuneration Committee, the Control, Risk and Sustainability Committee and the Related Parties Committee have been established within the Board.

Adhering to the recommendations of the Corporate Governance Code, the Board of Directors of the Company, meeting on 24 October 2019, resolved to make their establishment conditional on the listing of the Company's shares on the MTA (occurred on 10 December 2019):

- i. the establishment, in accordance with Articles 4 and 5 of the Corporate Governance Code, of the Nomination Committee and the approval of the regulations for its internal functioning;
- ii. the establishment, in accordance with Articles 4 and 6 of the Corporate Governance Code, of the Remuneration Committee and the approval of the rules for its internal functioning;
- iii. the establishment, in accordance with Articles 4, 5 and 7 of the Corporate Governance Code, of the Control, Risk and Sustainability Committee and the approval of the regulations for its internal functioning; and
- iv. the establishment, in compliance with Consob Regulation No. 17221 of 12 March 2010, and in accordance with Article 2391-*bis* of the Italian Civil Code, of the Related Parties Committee.

The Board of Directors of the Company in the same meeting also resolved to establish that the members of the Control, Risk and Sustainability Committee are Leonardo Luca Etro, as Chairperson 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 Chairperson and Licia Mattioli and Paolo Olivieri, and that the members of the Related Parties Committee are Licia Mattioli, as Chairperson and Silvia Merlo and Pietro Gussalli Beretta.

The Board of Directors on 23 December 2019 confirmed such resolutions.

For a description of the functions, tasks, resources and activities, please refer to the following Sections of this Report.

At the date of the Report, no committees other than those recommended by the Corporate Governance Code or required by the Consob Related Parties Regulation have been established.

7.0 NOMINATION COMMITTEE

The Board of Directors, in compliance with the provisions of the Corporate Governance Code, has set up an internal Nomination Committee, approving the relevant regulations, composed of three directors, at least two of whom must meet the independence requirements set forth in Article 147-*ter*, paragraph 4 of Legislative Decree No. 58 of 24 February 1998 and recognised by the Board of Directors as meeting the independence requirements set forth in the Corporate Governance Code.

The Nomination Committee has investigative, proactive and consultative functions as regards the Board of Directors in order to identify the optimal composition of the Board of Directors and the committees established within it.

Composition and functioning of the Nomination Committee

The Chairperson of the Committee is chosen from among the independent directors.

Meetings of the Nomination Committee are chaired by its Chairperson or, in their absence or impediment, by the member chosen by those present and minutes are taken; the minutes are drafted and signed by the Chairperson of the meeting and the Secretary.

During the year to which the Report refers, the Committee met once, on 23 December 2019, in the presence, either physically or by teleconference, of all its members and all members of the Board of Statutory Auditors. The meeting lasted five minutes.

The number of meetings scheduled for the Nomination Committee for the current year is at least 2, one of which has already been held on 13 March 2020.

The Company's Nomination Committee for the current year is composed of three members, the majority (two) of whom are independent directors.

By resolution of 24 October 2019, with effect subject to the start of negotiations (10 December 2019), the Board of Directors appointed the independent director Pietro Gussalli Beretta (as Chairperson Committee), the independent director Licia Mattioli and the non-executive director Paolo Olivieri as members of the Nomination Committee. The Board of Directors on 23 December 2019 confirmed such resolutions.

At the meeting of the Nomination Committee held on 23 December 2019, the Company's accounting and legal advisors attended as auditors, at the invitation of the Chairperson. At this meeting, the Committee took note of its constitution and appointed its permanent secretary.

Functions of the Nomination Committee

The Nomination Committee shall have the following functions:

- i. to express opinions to the Board of Directors on the size and composition of the Board and make recommendations on the professional figures whose presence on the Board is deemed appropriate, as well as on the 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;
- ii. to propose to the Board of Directors candidates for the office of director in cases of co-option, where it is necessary to replace independent directors;
- iii. to formulate opinions to the Board of Directors on the composition of the committees set up within the Board;
- iv. to carry out the preliminary investigation in the event that the Board of Directors decides to adopt a plan for the succession of executive directors.

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

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.

By resolution of 24 October 2019, the Board of Directors established the annual budget available for the year, usable on a pro-rata basis with respect to the date of appointment, at €10,000.00. On 13 March 2020, the Board of Directors confirmed the annual budget of the Nomination Committee for the year 2020 at €10,000.00.

8.0 REMUNERATION COMMITTEE

The Board of Directors, in compliance with the provisions of the Corporate Governance Code, has set up an internal Remuneration Committee, approving the relevant regulations, composed of three directors, at least two of whom must meet the independence requirements set forth in Article 147-ter, paragraph 4 of Legislative Decree No. 58 of 24 February 1998 and recognised by the Board of Directors as meeting the independence requirements set forth in the Corporate Governance Code.

The Remuneration Committee has investigative, proactive and consultative functions as regards the Board of Directors in its assessments and decisions regarding the remuneration policy for directors holding special offices and executives with strategic responsibilities.

Composition and functioning of the Remuneration Committee

The Chairperson of the Remuneration Committee is chosen from among the independent directors.

Meetings of the Remuneration Committee are chaired by its Chairperson or, in their absence or impediment, by the member chosen by those present and minutes are taken; the minutes are drafted and signed by the Chairperson of the meeting and the Secretary.

In accordance with the relevant regulations, at least one member of the Committee must have adequate experience in finance or remuneration policies, the evaluation of which is entrusted to the Board of Directors at the time of appointment.

During the Financial Year, the Remuneration Committee met once, on 23 December 2019, in the presence, either physically or by teleconference, of all its members. The meeting lasted ten minutes.

The number of meetings scheduled for the Remuneration Committee for the current year are at least 5, of which at the date of the Report 2 were already held on 12 February 2020 and 13 March 2020.

The Company's Remuneration Committee for the current year is composed of three members, the majority (two) of whom are independent directors.

By resolution of 24 October 2019, with effect subject to the start of negotiations (10 December 2019), the Board of Directors appointed the independent director Silvia Merlo (as Chairperson of the Remuneration Committee), the independent director Luca Leonardo Etro and the non-executive director Paolo Olivieri as members of the Nomination Committee. The Board of Directors on 23 December 2019 confirmed such resolutions.

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. The Board of Directors performed again this assessment on 23 December 2019, confirming the previous outcome.

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 Remuneration Committee meeting of 23 December 2019 was attended physically or by teleconference by all members of the Board of Statutory Auditors. During this meeting, the Committee took note of its constitution, appointed its permanent secretary, and carried out its evaluations with regard to the approval process for the 2020 Stock Option Plan which will be submitted for approval of the Shareholders' Meeting convened on 21 April 2020 (first call) and on 22 April 2020 (second call) pursuant to Article 114-bis of the TUF.

Functions of the Remuneration Committee

The Remuneration Committee has the following functions:

- i. to make proposals to the Board of Directors regarding the remuneration policy for directors and executives with strategic responsibilities;
- ii. to periodically assess the adequacy, overall consistency and concrete application of the policy for the remuneration of directors and executives with strategic responsibilities, making use in this regard of the information provided by the Chief Executive Officers;
- iii. to 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; it monitors the application of the decisions taken by the Board of Directors itself, verifying, in particular, the actual achievement of performance objectives;
- iv. to examine in advance the annual report on the remuneration policy and remuneration paid to be made available to the public for the Annual General Meeting;
- v. to carry out the additional tasks assigned to it by the Board of Directors and by current regulations.

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 shall report annually to the Board of Directors and shareholders on the manner in which it exercises its functions; to this end, at least the Chairperson of the Committee or another member of the Committee designated by the Chairperson shall attend the Annual General Meeting.

By resolution of 24 October 2019, the Board of Directors established the annual budget available for the year, usable on a pro-rata basis with respect to the date of appointment, at €20,000.00. On 13 March 2020, the Board of Directors confirmed the annual budget of the Remuneration Committee for the year 2020 at €20,000.00.

9.0 DIRECTORS' REMUNERATION

For all information regarding the remuneration of directors, please refer to the Remuneration Report prepared pursuant to Article 123-ter of the TUF, available at the registered office and on the Company's website (www.sanlorenzoyacht.com), in the "*Corporate Governance*" Section.

At the date of this Report, no agreements have been entered into between the Company and the members of the Board of Directors providing for compensation in the event of resignation or revocation without just cause or termination of employment following a takeover bid or change of control.

10.0 CONTROL, RISK AND SUSTAINABILITY COMMITTEE

As referred to in Section 6 above, in accordance with the recommendations dictated by Article 7 of the Corporate Governance Code, the Company's Board of Directors has established the Control, Risk and Sustainability Committee, approving the relevant regulations, composed of three directors, at least two of

whom must meet the independence requirements set forth in Article 147-ter, paragraph 4 of Legislative Decree No. 58 of 24 February 1998 and recognised by the Board of Directors as meeting the independence requirements set forth in the Corporate Governance Code.

The Control, Risk and Sustainability Committee has investigative, proactive and consultative functions as regards the Board of Directors (i) in its assessments and decisions regarding the internal control and risk management system, as well as the approval of periodic financial reports, and (ii) in its assessments and decisions regarding sustainability.

Composition and functioning of the Control, Risk and Sustainability Committee

The Chairperson of the Control, Risk and Sustainability Committee is chosen from among the independent directors.

The meetings of the Control, Risk and Sustainability Committee are chaired by its chairperson or, in the event of their absence or impediment, by the member chosen by those present and minutes are taken; the minutes are drafted and signed by the chairperson of the meeting and the secretary.

In accordance with the relevant regulations, at least one member of the Committee must have adequate experience in accounting and financial policies, the evaluation of which is entrusted to the Board of Directors at the time of appointment.

During the year to which the Report refers, the Control, Risk and Sustainability Committee met once, on 23 December 2019, in the presence, either physically or by teleconference, of all its members. The meeting lasted ten minutes.

The number of meetings scheduled for the Control, Risk and Sustainability Committee for the current year is at least 4, of which 2 were already held on 12 February 2020 and 13 March 2020.

The Control, Risk and Sustainability Committee of the Company for the current year is made up of three members, all non-executive directors, the majority (two) of whom are independent directors, with a chairperson chosen from among the latter.

By resolution of 24 October 2019, with effect subject to the start of negotiations (10 December 2019), the Board of Directors appointed, as members of the Committee, the independent director Luca Leonardo Etro, as Chairperson of the Control, Risk and Sustainability Committee, the independent director Silvia Merlo and the non-executive director Cecilia Maria Perotti. The Board of Directors on 23 December 2019 confirmed such resolutions.

Upon appointment, the Board of Directors also verified that Leonardo Luca Etro and Silvia Merlo possess adequate knowledge and experience in accounting and finance. The Board of Directors performed again this assessment on 23 December 2019, confirming the previous outcome.

The meeting of the Control, Risk and Sustainability Committee held on 23 December 2019 was attended, physically or by teleconference, by all members of the Board of Statutory Auditors. At its meeting of 23 December 2019, the Committee took note of its constitution and appointed its permanent secretary. The Committee also expressed a favourable opinion on the resolutions passed by the Board of Directors on 24 October 2019 (i) on internal audit, (ii) on the appointment of Attilio Bruzzese as the Manager charged with preparing the company's financial reports pursuant to Article 154-bis of the TUF and the determination of his powers and budget, and (iii) on the circumvention of the organisational model set out in Legislative Decree No. 231 of 8 June 2001 and the adaptation of its subsidiaries to it under Italian law.

Functions of the Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee assists the Board of Directors, coordinating with other relevant corporate bodies 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 determining the criteria for the compatibility of these risks with the Company's management consistent with the strategic objectives identified;
- ii. in verifying, periodically and at least annually, 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;
- iv. 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;
- v. in assessing the findings set out in the audit firm's reports and in the letter of suggestions, if any, and in the report on key issues raised during the statutory audit;
- vi. in appointing and dismissing the Internal Audit Manager and in ensuring that they are provided with adequate resources to carry out their duties and responsibilities, or in entrusting the internal audit function, as a whole or by operating segments, to a person external to the Issuer;
- vii. 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, the Control, Risk and Sustainability Committee, in particular:

- i. evaluates, together with the Manager charged with preparing the company's financial reports and after consulting 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. expresses opinions on specific aspects related to the identification of the main business risks;
- iii. examines the periodic reports on the evaluation of the internal control and risk management system and those of particular importance prepared by the internal audit function;
- iv. monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
- v. may request the internal audit function to carry out checks on specific operational areas, informing the Chairperson of the Board of Statutory Auditors accordingly;
- vi. reports to the Board of Directors, at least once every six months, 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;
- vii. 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;
- viii. expresses its opinion on all resolutions of the Board of Directors concerning the internal control system and risk management and internal audit;
- ix. assists the Board of Directors in activities concerning the preparation of the individual non-financial declaration provided for by Legislative Decree No. 254 of 30 December 2016, both in the event that the Company is required to prepare it and in the event that the Company decides on a voluntary basis to prepare it even though it is not required to do so;
- x. carries out the additional tasks assigned to it by the Board of Directors and by current regulations.

The Chairperson of the Board of Statutory Auditors or another standing auditor designated by them attends the meetings of the Control, Risk and Sustainability Committee; however, the other auditors may also attend.

In order to carry out its functions and duties, the Control, Risk 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.

By resolution of 24 October 2019, the Board of Directors established the annual budget available for the year, usable on a pro-rata basis with respect to the date of appointment, at €50,000.00. On 13 March 2020, the Board of Directors confirmed the annual budget of the Control, Risk and Sustainability Committee for the year 2020 at €50,000.00.

11.0 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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, 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 negotiations (10 December 2019), the Board of Directors adopted the Guidelines for the internal control and risk management system (the "**Guidelines**"). The Board of Directors is responsible, among other things, for defining, approving and verifying the Internal Control and Risk Management System ("**ICRMS**").

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:

- The 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 Corporate Governance Code and the director in charge of the internal control and risk management system (the "**Appointed Director of the ICRMS**");
- The Board of Statutory Auditors which carries out the duties assigned to it by legislation and the By-laws;
- The Company's Supervisory Body established pursuant to Legislative Decree No. 231/2001 and the Internal Audit Manager;

- 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 charged with preparing the company's financial reports;
- 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 and Risk Committee and the Appointed Director of the ICRMS.

In carrying out this review, the Board of Directors takes care 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 receives and examines the reports prepared by the Internal Audit Manager, i.e. the person external to the company entrusted with the internal audit function, 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 System.

The Company has deemed it necessary to launch a project aimed at formalising, by 2020, a new mapping of business processes (through specific procedural flowcharts), which will feed the new integrated version of the Risk Control Matrix.

At the meeting held on 13 March 2020, the Board of Directors resolved to approve the 2020 Audit Plan, already approved by the Control, Risks and Sustainability Committee at the meeting held on 12 March 2020 and duly illustrated and shared with the Board of Statutory Auditors and the Appointed Director of the ICRMS.

At the meeting held on 24 October 2019, the Board of Directors expressed its assessment of the adequacy, with respect to the characteristics of the company and the risk profile assumed, of the internal control and risk management system adopted by the company and, on the basis of the knowledge and checks carried out on its actual operations, an assessment of its effectiveness.

At the meeting of the Board of Directors held on 13 March 2020, it was decided to repeat these assessments, and in particular the adequacy assessment, in the light of the application experience since the listing.

11.1 Appointed director of the internal control and risk management system

In accordance with the recommendations set out in Article 7. P.3. (a) (i) of the Corporate Governance Code, by resolution of the Board of Directors of 24 October 2019, the effectiveness of which was subject to the commencement of negotiations (10 December 2010), the Company appointed the Chairperson of the Board of Directors, Massimo Perotti, as director in charge of the internal control and risk management system. Following the listing of the Company, which took place on 10 December 2019, the Appointed Director of the ICRMS effectively took office on the same date and initiated their activities aimed at fully exercising the

functions assigned to them since the current year. The Board of Directors confirmed the appointment at its meeting of 23 December 2019.

During the Financial Year, following the listing on 10 December 2019, the Appointed Director of the ICRMS began the process of:

- identification of the main corporate risks (strategic, operational, financial and compliance risks), taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and periodically submitting them to the Board for examination;
- implementation of the guidelines defined by the Board, providing for the design, implementation and management of the internal control and risk management system, constantly checking its overall adequacy, effectiveness, efficiency and the need for any changes;
- adaptation of this system to the dynamics of the operational conditions and the legislative and regulatory landscape.

During the Financial Year, the Appointed Director of the ICRMS did not deem it necessary to request the intervention of the Internal Audit Manager, nor did any problems or critical issues emerge that the Appointed Director of the ICRMS reported or otherwise informed the Control, Risk and Sustainability Committee.

11.2 Internal audit manager

In accordance with the recommendations set out in Article 7. P.3. (b) of the Corporate Governance Code, by resolution of the Board of Directors of 24 October 2019, the effectiveness of which was subject to the commencement of negotiations (10 December 2010), the Company entrusted the internal audit function to an external party, HL Consulting S.r.l., a company of which Ermanno Porro - former executive and director of the Company - is sole shareholder and sole director, and decided to enter into a specific agreement with HL Consulting S.r.l., set out in its essential provisions during the meeting. At the same meeting, the Board of Directors also resolved to identify in Silvia Guidi and Matteo Toschi the internal personnel tasked with assisting HL Consulting S.r.l. in the performance of its functions, authorising the Chairperson of the Board of Directors to identify different personnel, including in addition or replacement of the same, to be entrusted with this task.

By resolution of 23 December 2019, the Board of Directors confirmed such resolutions, also following the favourable opinion expressed at the meeting held on the same date by the Control, Risk and Sustainability Committee with regard to the aforementioned resolutions adopted by the Board of Directors on 24 October 2019 on internal audit.

With the contract entered into with HL Consulting S.r.l., formalised in execution of the aforementioned resolution of the Board of Directors of 24 October 2019, the Company entrusted the internal audit function to the latter, conferring to it, *inter alia*, the following functions:

- i. verifying, through the Work Plan, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of Sanlorenzo's internal control and risk management system and the reliability of Sanlorenzo's information systems, including accounting systems;
- ii. preparing periodic written reports at least every four months on its activities, on the methods in which risk management is conducted, as well as on compliance with the plans defined for their containment, which must also contain an assessment of the suitability of Sanlorenzo's internal control and risk management system, to be submitted to the Chairperson of Sanlorenzo's Board of Statutory Auditors,

the Chairperson of the Control, Risk and Sustainability Committee, the Chairperson of Sanlorenzo's Board of Directors and the Appointed Director of the ICRMS;

- iii. preparing timely written reports on each event of particular importance, to be presented to the Chairperson of Sanlorenzo's Board of Statutory Auditors, the Chairperson of the Control Committee, the Chairperson of Sanlorenzo's Board of Directors and the Appointed Director of the ICRMS.

With the contract, the Company has undertaken to allow HL Consulting S.r.l. and its directors, employees and consultants direct access to its premises, documents and IT systems and to all information useful for the performance of the Appointee, as well as to appoint at least two of their employees - at present identified as Silvia Guidi and Matteo Toschi, but whose names may be unilaterally changed by Sanlorenzo, with the burden of communication to HL Consulting S.r.l. - to collaborate with HL Consulting S.r.l. and its directors, employees and consultants in the performance of the Appointee.

For the appointment, HL Consulting S.r.l. will be entitled to an annual fee established (i) at €5,500.00 gross for 2019, (ii) at €90,000.00 plus VAT and other accessories for 2020 and (iii) at €102,000.00 annual fee plus VAT and other accessories for 2021, 2022 and 2023.

According to the contract, Sanlorenzo is granted the right of withdrawal *ad nutum* with three months written notice and HL Consulting S.r.l. is granted the right of withdrawal *ad nutum* with six months written notice.

In execution of the assignment, during the Financial Year, HL Consulting S.r.l. has prepared an audit plan, which was made available to the Board of Directors before the meeting of 24 October 2019 and was approved by the Board of Directors. Such resolution was confirmed by the Board of Directors on 23 December 2019.

11.3 Organisational model pursuant to Legislative Decree no. 231/2001

The Company has adopted an organisational, management and control model pursuant to Legislative Decree No. 231 of 8 June 2001 ("**Legislative Decree No. 231/2001**") governing the administrative liability of legal persons, companies and associations, including those without legal personality (the "**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 includes:

- 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. 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, operating procedures, Health and Safety and Environmental Management Systems, etc.).

In order to ensure the effective application of the Model, the Company has identified a collective Supervisory Body made up of Maurizio Bortolotto (a professional expert in the field of entities' administrative liability in relation to offences), Maurizio Ferrero (a Chartered Accountant and Independent Auditor expert in corporate, tax and financial market law, as well as a former standing auditor of the Company) and 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, the Company felt that it was preferable not to assign the functions of the supervisory body to the Board of Statutory Auditors, thus confirming the composition already in place, due to the excellent work and knowledge that the members have of the Company, as well as the added value represented by having more than one person in charge of control whose collaboration can contribute to the efficiency of the internal control system.

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.

On 24 October 2019, the Board of Directors resolved to supplement and update the 231 Model and implement the Code of Ethics and the Information Flow Procedure. On the same date, the Board of Directors confirmed the composition of the Supervisory Body as reported above. During the meeting of the Board of Directors held on 9 November 2019, the Board of Statutory Auditors expressed a favourable opinion in favour of confirming the composition of the Supervisory Board.

The Board of Directors' meeting of 24 October 2019 also resolved, with effect subject to the start of negotiations (10 December 2019), to proceed with the extension of the 231 Model and the Code of Ethics to Bluegame S.r.l. and any other subsidiaries under Italian law and the Code of Ethics to subsidiaries under foreign law by the approval of the financial statements at 31 December 2019 by the Shareholders' Meeting.

The General Section of the 231 Model and the Code of Ethics of Sanlorenzo may be consulted on the Company's website (www.sanlorenzoyacht.com) in the "*Corporate Governance/Model 231 and Code of Ethics*" section.

11.4 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 Legislative Decree No. 39 of 27 January 2010.

11.5 Manager charged with preparing the company's financial reports and other corporate roles and functions

Article 19 of the Bylaws 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 responsible for preparing the Company's financial reports ("**Manager charged with preparing the company's financial reports**"), 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 Manager charged with preparing the company's financial reports must also possess the professional requirements characterised by specific competence in administrative and accounting matters. This competence, 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.

On 24 October 2019, the Board of Directors appointed Attilio Bruzzese as the Manager charged with preparing the company's financial reports, with effect subject to the listing of the Company's shares on the MTA (10 December 2019), assigning him 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:

- 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;

- participating as an auditor in meetings of the Board of Directors;
- communicating with the Control, Risk and Sustainability Committee;
- communicating with the internal audit manager, including for the execution of specific controls;
- 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;
- 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;
- 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;
- 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;
- autonomous spending power within the limits of the annual budget approved by the Board of Directors.

At the same meeting, the Board of Directors also resolved to set the annual budget available to Attilio Bruzzese as Manager charged with preparing the company's financial reports at €50,000.00, for the year 2019, which can be used on a pro-rata basis according to the period in which his appointment would have been effective, and acknowledged that Attilio Bruzzese's annual remuneration as Manager charged with preparing the company's financial reports 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.

At the meeting held on 23 December 2019, the Board of Directors took note of the favourable opinion of the Control, Risk and Sustainability Committee with respect to the resolutions passed by the Board of Directors on 24 October 2019 concerning the appointment of Attilio Bruzzese as the Manager charged with preparing the company's financial reports pursuant to Article 154-*bis* of the TUS and the determination of his powers and budget.

11.6 Coordination between the parties involved in the internal control and risk management system

On 24 October 2019, the Board of Directors appointed Michele Passerai as 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, approved on the same date by the Board of Directors, with effect subject to listing of the Company's shares on the MTA (10 December 2019).

In particular, in accordance with the guidelines of the internal control and risk management system, the Risk Manager is the figure responsible for coordinating and managing the entire process. They report directly to the Appointed Director of the ICRMS and guarantee the correct application of the company risk management methods and require, where necessary, adequate reserves or insurance coverage.

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, Risk 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 results of these reports are presented to the Appointed Director of the ICRMS, the Chief Executive Officer, the Control, Risk and Sustainability Committee and the Board of Statutory Auditors and the Board of Directors.

On 13 March 2020, the Board of Directors, in accordance with the criterion 7.C.1 of the Corporate Governance Code, expressed an opinion on the adequacy of the methods of coordination between the various parties involved in the internal control and risk management system.

12.0 DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

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 Board of Directors' meeting of 24 October 2019 resolved, with effect subject to the start of negotiations (10 December 2019), to approve a draft Related Parties Procedure, which provides for the establishment of a Related Parties Committee within the Board of Directors.

Following the listing, the Related Parties Procedure was definitively approved by the Board of Directors, subject to the favourable opinion of the Related Parties Committee, at the meeting held on 23 December 2019 (the "**Related Parties Procedure**").

Pursuant to the Related Parties Procedure, if the specific transaction with Related Parties falls within the competence of the Board of Directors or the Executive Committee or, in any case, of a body whose decisions are the subject of minutes, the related minutes must contain adequate justification regarding the Company's interest in carrying out the transaction and the convenience and substantial correctness of the related conditions, as well as evidence of the main elements of the opinion prepared by the Related Parties Committee (or, as the case may be, by the parties replacing it pursuant to the Procedure itself). During the relative vote, directors who may be concerned must comply with the provisions of Article 2391 of the Italian Civil Code, evaluating case by case the advisability of abstaining from the resolution or moving away from it.

The Related Parties Procedure can be consulted on the Company's website (www.sanlorenzoyacht.com) in the "*Corporate Governance/Internal Committees of the Board of Directors*" section, to which reference should be made for further details.

Related Parties Committee

The Related Parties Procedure provides for the establishment of the Committee for Transactions with Related Parties (the "**Related Parties Committee**") and regulates its operation. The Committee is necessarily composed of three independent directors.

The Related Parties Committee carries out the functions and tasks provided for by the Related Parties Procedure, the Consob Related Parties Regulation and the law in force; in particular, it must provide a non-binding written opinion on transactions with Related Parties, in which it must express considerations regarding the Company's interest in carrying out each specific transaction with related parties, the substantial fairness of the related conditions and the convenience of the same for the Company; any fairness opinions or legal opinions provided to the Related Parties Committee by independent experts must be attached to the opinion.

In carrying out its functions, the Related Parties 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 € 20,000.00 per transaction is set.

The work of the Related Parties Committee is coordinated by its Chairperson and minutes are drafted and signed by the Chairperson of the meeting and the Secretary. The Chairperson reports to the Board of Directors and the Board of Statutory Auditors during the first useful meeting following its completion.

The Board of Directors' meeting of 24 October 2019 resolved, with effect subject the listing of the Company's shares on the MTS (10 December 2019), that the members of the Related Parties Committee are Licia Mattioli, as Chairperson and Silvia Merlo and Pietro Gussalli Beretta.

During the Financial Year, the Related Parties Committee met on 23 December 2019 in the presence, either physically or by teleconference, of all its members and all members of the Board of Statutory Auditors. During the meeting, the Committee took note of its constitution, appointed its permanent secretary and gave its favourable opinion on the adoption of the Related Parties Procedure.

13.0 APPOINTMENT OF AUDITORS

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

The provisions of law and regulations that provide that the allocation of the members of the Board of Statutory Auditors to be elected is made on the basis of a criterion that ensures gender balance have been incorporated into the By-laws. Notwithstanding Article 148, paragraph 1-*bis* of the Consolidated Law and Law No. 120/2011, as also clarified by Consob Communication DIE No. 0061499 of 18 July 2013, the provisions on gender balance shall apply from the first renewal of the Board of Statutory Auditors following the listing, providing that, for this first renewal, the least represented gender shall obtain at least one-fifth of the Statutory Auditors elected on the occasion of the first renewal and at least one-third of the Statutory Auditors elected on the occasion of the following two consecutive terms (in any case rounded up), the By-laws also provide that on the occasion of the first renewal, the least represented gender shall obtain at least one third of the elected auditors (in any case rounded to the nearest whole number) and that its provisions on gender balance in the composition of the Board of Statutory Auditors shall also apply after the first three renewals of the Board of Statutory Auditors.

The Board of Directors resolved to convene the Extraordinary Shareholders' Meeting for 21 April 2020 in first call and 22 April 2020 in second call to resolve on the proposed amendments to the By-laws aimed at bringing their provisions on gender balance in line with the Budget Law 2020. The proposed version of the By-law clauses provides for the extension of the validity of the By-law provisions regarding gender balance in the Company's Board of Statutory Auditors beyond the end of the six mandates provided for by the 2020 Budget Law.

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, at least one third (in any case rounded up) of the candidates for the office of standing auditor and at least one third (in any case rounded up) of the candidates for the office of alternate auditor. 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. Only shareholders who, alone or together with other shareholders, hold shares representing at least 2.5% (two point five percent) 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 Determination of the Head of the Corporate Governance Division No. 28 of 30 January 2020, 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 2.5%.

The lists must be accompanied by:

- 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 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 will be taken. In the event of further parity between the lists put to the vote, the list submitted by shareholders in possession of the largest shareholding or, alternatively in the event of parity of ownership, by the largest number of shareholders shall prevail and be considered the list with the highest number of votes pursuant to the previous Article 21.10 point (i).

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 will 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 will 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 necessary to complete the Board of Statutory Auditors, the procedure is as follows: if it is necessary to replace auditors elected from the majority list, the appointment is made by relative majority vote without list voting. 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 shall proceed 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 Legislative Decree No. 58 of 24 February 1998, 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 Board of Statutory Auditors must meet at least every ninety days.

14.0 COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTERS D) AND D-BIS) OF THE TUF)

On 24 October 2019, the Ordinary Shareholders' Meeting of the Company appointed the Board of Statutory Auditors.

At the date of the Report, the composition of the Board of Statutory Auditors is as follows:

Name and surname	Role	Place and date of birth	Date of appointment
Andrea Caretti	Chairperson	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 for the year ended 31 December 2021.

The provisions of the By-laws concerning list voting will be applied on the occasion of the first renewal of the Board of Statutory Auditors.

The *curricula vitae* of the Statutory Auditors pursuant to Articles 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) in the "*Corporate Governance/Board of Statutory Auditors*" Section.

During the year, the Board of Statutory Auditors met on 8 occasions, including one following the listing (10 December 2019). The average duration of the post-listing meeting was two hours. It should also be noted that one meeting was held on 14 January 2020 in the current Financial Year, at the date of this Report.

For information on the meetings held during the Financial Year, please refer to [Table 3](#).

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

Diversity criteria and policies

As illustrated in the previous Section 13, also in accordance with the provisions of the Corporate Governance Code, the By-laws state that the provisions on gender balance in the composition of the Board of Directors shall apply even after the renewals provided for by the law for the less represented gender and also that the Company will not avail itself of the possibility to apply the allocation criterion with the lower share to be reserved to the less represented gender (equal to one fifths) for the first renewal; as also illustrated in the previous Section 13, this will be confirmed also in case of approval of the proposed amendments to the By-laws aimed at bringing their provisions in line with the Budget Law 2020, for which the Board of Directors resolved to convene the Extraordinary Shareholders' Meeting for 21 April 2020 first call and 22 April 2020 second call.

Moreover, the composition of the Board of Statutory Auditors appointed on 24 October 2019 already complies with the provisions of Article 148, paragraph 1-*bis*, of the TUF (also in the version amended by the 2020 Budget Law) and the new By-laws on gender balance; since this adjustment was made on a voluntary basis,

and without prejudice to the fact that the new By-laws provide that its provisions on gender balance in the composition of the Board of Statutory Auditors shall apply even after the first three renewals, it shall in any case not be taken into account for the purposes of calculating the three consecutive mandates provided for as the period of application of the law on gender balance.

Since the composition of the Board of Statutory Auditors complies with the provisions of the law on gender diversity from the first day of listing, as well as in view of the fact that the By-laws provide that the provisions on gender balance in the composition of the Board of Statutory Auditors shall apply even after the first three renewals of the same, at the date of this Report, the Company did not consider it necessary to adopt, for the time being, further policies on diversity in relation to the composition of supervisory bodies with regard to aspects such as age, gender composition and training and professional background.

Without prejudice to the fact that during the last three financial years Roberto Marrani was standing auditor of the Issuer from 1 June 2016 to 21 December 2018 and by decree of 15 March 2019 he was appointed by the Court of La Spezia as an expert (jointly with Alberto Cerretti) for the preparation of the sworn report on the fairness of the reverse merger plan between the Issuer and the holding company WindCo S.p.A. as well as on the share exchange ratio of the Issuer's shares pursuant to Articles 2501-*bis*, paragraph 4, and 2501-*sexies* of the Italian Civil Code, as far as the Issuer is aware, none of the members of the Board of Statutory Auditors has had relations of a financial or professional nature, either directly or indirectly, through third party companies or professional firms with the Issuer, the group of which it is part or companies that control it or are subject to common control, or with the relevant shareholders of the Issuer, its holding company or related parties, during the last three financial years.

The Statutory Auditors' declaration of independence requirements was verified by the Board of Statutory Auditors and the Board of Directors on 24 October 2019. During the Board of Directors' meetings held on 24 October 2019 and on 13 March 2020, self-declarations by the auditors certifying that they meet the requirements of independence, integrity and professionalism required by law were distributed to those present. In addition, all Auditors meet the requirements of professionalism and integrity required by Article 148 of the TUF and the Regulations adopted by decree of the Ministry of Justice No. 162/2000.

The Board of Statutory Auditors, on the basis of a special questionnaire divided into different areas of investigation and with the possibility of expressing comments and proposals, carried out a self-assessment process on the composition, competence, professionalism and diversity of the Board and each auditor and the functionality of the body, the results of which were presented during the meeting held on 12 February 2020.

The self-assessment process was carried out in compliance with the guidelines issued by the National Council of Chartered Accountants and coordinated by the Chairperson of the Board of Statutory Auditors, with the involvement of the standing auditors Margherita Spainì and Roberto Marrani.

The process, in which all the standing auditors were involved, was developed through a questionnaire, including, among other things, the following issues:

- i. the qualitative composition of the Board of Statutory Auditors;
- ii. the powers of the Board of Statutory Auditors and of each auditor;
- iii. the functioning of the Board of Statutory Auditors with reference to aspects concerning the calling of meetings, participation and taking minutes and the management of follow-up activities;
- iv. participation, frequency and quality of the documentation received, synergy among members, quality of supervisory activities and powers of the Board of Statutory Auditors.

As a result of the evaluation, as profiles of excellence, to be translated into strengths, the composition of the Board emerged in terms of age, gender, professionalism and experience. Among areas for improvement, it

emerged that the Board of Statutory Auditors, in its first year in office, will have to pay particular attention to compliance with the new regulations applicable to the Company by virtue of the listing.

At the meeting of the Board of Directors held on 24 October 2019, the Chairperson expressed the intention to organise, and the Board of Directors has given a mandate to this effect, by 30 June 2020, an induction programme for directors and auditors that will provide them with adequate knowledge of the business sector in which the Company operates, the dynamics of the Company and their evolution, the principles of proper risk management and the regulatory and self-regulatory framework of reference.

As part of the procedure leading to the listing, during the meetings of the Board of Directors held on 16 September 2019 and 24 October 2019, the Chairperson provided, including with the assistance of external consultants, extensive information on the responsibilities and obligations arising from the laws and regulations in force and consequent to the listing and trading of the Company's shares.

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.

In carrying out its activities during the Financial Year, the Board of Statutory Auditors coordinated its activities with the Internal Audit function and the Control, Risk and Sustainability Committee, by holding joint meetings and exchanging related documentation.

15.0 RELATIONS WITH SHAREHOLDERS

The Company considers it essential and of strategic interest and duty to establish and maintain a constant and open dialogue with its shareholders, with investors, in particular institutional investors, and more generally with all stakeholders who come into contact with Sanlorenzo and the companies that are part of the group. The Company consider the Shareholders' Meeting an important opportunity of confrontation between shareholders and directors and for disclosing to the shareholders information concerning the issuer, in compliance with the rules governing price-sensitive information.

To this end, the Board of Directors of the Company, by resolution of 24 October 2019 and with effect subject to listing (10 December 2019), in accordance with the recommendations set out in the Article 9.C.1 of the Corporate Governance Code, appointed Attilio Bruzzese as the person responsible for managing relations with shareholders, with the aim of encouraging the widest possible participation of shareholders at shareholders' meetings and facilitating, as far as possible, the exercise of shareholders' rights.

At the same time, the Board of Directors of the Company, in accordance with the provisions of Article 2.2.3, paragraph 3, letter k) of the Regulations for markets organised and managed by Borsa Italiana S.p.A., also appointed Attilio Bruzzese as Investor Relator, appointing him to manage relations with investors and to perform all the functions that the laws and regulations applicable to listed companies and the customs relating to this office, as well as any other functions that may be delegated by the board of directors or chief executive officers, and to establish that in order to carry out this task Attilio Bruzzese may avail himself of the collaboration and may delegate Silvia Guidi if necessary.

The Shareholders' Meeting of 24 October 2019 determined that the directors participate in the Shareholders' Meetings safe legitimate impediment. All the directors confirmed their commitment to participate in the Shareholders' Meetings.

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

A special section of the Company's website (www.sanlorenzoyacht.com) is dedicated to financial and corporate information of importance to investors called "Investors" and the Company has also activated a dedicated e-mail address (investor.relations@sanlorenzoyacht.com).

The Board of Directors meeting on 24 October 2019, with resolution confirmed by the Board of Directors on 13 March 2020, resolved not to establish a business structure responsible for handling the relationships with the shareholders in consideration of the structure and the size of the Company and to periodically repeat such assessment.

On 24 October 2019 the Board of Directors undertook to evaluate initiatives aimed at promoting the broadest participation possible of the shareholders in the Shareholders' Meetings by the date of approval of the financial statements at 31 December 2019. In consideration of the structure and the size of the Company and the measures issued by the competent authorities due to the Covid-19 emergency, the Board of Directors on 13 March 2020 resolved not to take initiatives aimed at promoting the broadest participation possible of the shareholders in the Shareholders' Meetings for the time being.

16.0 SHAREHOLDERS' MEETINGS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER C) OF THE TUF)

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. The Company does not make use of the power provided for by law to appoint the representative to whom shareholders may confer proxy with voting instructions on all or some of the proposals on the agenda.

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.

The resolutions of the Shareholders' Meeting are adopted with the majorities required by law, notwithstanding the provisions of the By-laws on the list voting mechanism for the appointment of directors and 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 Meeting and the Secretary or Notary.

The Company has not adopted shareholders' meeting regulations pursuant to the Article C.3 of the Corporate Governance Code, 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.

Following the listing of the Company on 10 December 2019, no Shareholders' Meetings of the Issuer were held.

It should be noted that, at the date of this Report, there were no significant changes in the market capitalisation of the Issuer's shares or in the composition of its shareholding structure.

17.0 FURTHER CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER A) OF THE TUF)

There are no additional 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.

18.0 CHANGES SINCE THE END OF THE REPORTING PERIOD

No changes in the Company's Corporate Governance structure occurred after the end of the Financial Year and up to the approval of this Report by the Board of Directors on 13 March 2020.

19.0 CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 FROM THE CHAIRPERSON OF THE CORPORATE GOVERNANCE COMMITTEE

The letter of 19 December 2019 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 meeting held on 12 February 2020, where the analyses and recommendations contained therein were noted.

TABLES

Table 1: information on the ownership structure

SHARE CAPITAL STRUCTURE				
Type	Number of shares	% compared to share capital	Listed	Diritti e obblighi
Ordinary shares	34,500,000	100%	MTA Star Segment	All the Issuer's shares grant the patrimonial and administrative rights provided for by the applicable provisions of legislation and the By-laws. Each share confers the right to one vote at the Issuer's ordinary and extraordinary shareholders' meetings. Article 6 of the By-laws provides that two votes shall be 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; on the date of the Report, no share has accrued the right to the increase.

SIGNIFICANT EQUITY INVESTMENTS IN CAPITAL			
Declarant	Direct shareholder	Share % of ordinary share capital	Share % of voting capital
Massimo Perotti (declaration disclosed on 17/12/2019)	Holding Happy Life S.r.l.	60.006%	60.006%
Massimo Perotti (declaration disclosed on 22/01/2020) (*)		62.736%	62.736%
JPMorgan Asset Management Holding Inc. (declaration disclosed on 17/12/2019)	JPMorgan Asset Management Holding Inc.	6.454%	6.454%
Templeton Investment Counsel LLC (declaration disclosed on 24/01/2020)	Templeton Investment Counsel LLC	5.087%	5.087%

(*) Following the partial exercise of the greenshoe option, entered into at the time of listing with the offer coordinators.

Table 2: structure of the board of directors and committees

Board of Directors													Control, Risk and Sustainability Committee		Remuneration Committee		Nomination Committee		Related Parties Committee			
Role	Members	Year of birth	Date of first appointment *	In office since	In office to	List **	Exec.	Non-exec.	Indep. Code	Indep. TUF	No of other appointees ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)		
Chairperson and Chief Executive Officer	Massimo Perotti	1960	14/04/2005	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	X				12	100%										
Chief Executive Officer	Marco Viti	1957	26/09/2009	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	X				2	100%										
Chief Executive Officer	Carla Demaria	1959	14/01/2019	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A	X				3	100%										
Deputy Chairman	Paolo Olivieri	1961	09/07/2013	24/06/2019	Appr. fin. stat. at 31/12/2021	N/A		X			3	100%			1/1	M	1/1	M				
Director	Cecilia Maria Perotti	1993	30/08/2018	24/06/2019	Appr. fin. stat. at 01/12/2021	N/A		X			2	100%	1/1	M								
Independent Director ◊	Pietro Gussalli Beretta	1962	24/10/2019 ⁽¹⁾	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	21	100%					1/1	P	1/1	M		
Independent Director	Silvia Merlo	1968	24/10/2019 ⁽¹⁾	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	17	100%	1/1	M	1/1	P			1/1	M		
Independent Director	Licia Mattioli	1967	24/10/2019 ⁽¹⁾	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	7	100%					1/1	M	1/1	P		
Independent Director	Leonardo Luca Etro	1978	24/10/2019 ⁽¹⁾	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	4	100%	1/1	P	1/1	M						
Outgoing directors during the reference financial year from the date of commencement of trading: none																						
Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 147-ter of the TUF): 2.5%																						
No. of meetings held during the reference financial year from the date of commencement of trading: 1											Control, Risk and Sustainability Committee: 1		Remun. Committee: 1		Nomination Committee: 1		Related Parties Committee: 1					
NOTES The following symbols must be inserted in the "Role" column: • This symbol indicates the Director of the internal control and risk management system. ◊ This symbol indicates the issuer's Chief Executive Officer or CEO. ◊ This symbol indicates the Lead Independent Director (LID). * The date of the first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the issuer.											** This column shows the list from which each director was drawn ("M": majority list; "m": minority list; "BoD": list submitted by the BoD). *** This column provides the number of positions as director or auditor held by the person concerned in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies. In the Report on Corporate Governance, the positions are indicated in full. (*). This column provides the attendance of directors at Board and committee meetings respectively (indicating the number of meetings attended compared to the total number of meetings they could have attended; e.g. 6/8; 8/8 etc.). (**). This column indicates the position of the Board Member within the Committee: "P": chairperson; "M": member.											

⁽¹⁾ The appointment became effective on 10 December 2019.

Table 3: structure of the board of statutory auditors

Board of Statutory Auditors									
Role	Members	Year of birth	Date of first appointment *	In office since	In office to	List **	Indep. Code	Attendance at Board meetings ***	No. of other appointees ****
Chairperson	Andrea Caretti	1957	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	100%	17
Standing Auditor	Margherita Spaini	1961	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	100%	22
Standing Auditor	Roberto Marrani	1958	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	100%	13
Alternate auditor	Luca Trabattoni	1956	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	-	26
Alternate auditor	Marina Scandurra	1969	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	-	14
-----OUTGOING AUDITORS DURING THE YEAR OF REFERENCE-----									
Chairperson	Maurizio Ferrero	1964	14/04/2005	01/06/2016	24/10/2019	-	-	-	-
Standing Auditor	Michele Furnari	1984	21/12/2018	21/12/2018	24/10/2019	-	-	-	-
Standing Auditor	Andrea Giammello	1981	30/08/2018	30/08/2018	24/10/2019	-	-	-	-
Alternate auditor	Roberto Panero	1961	-	-	24/10/2019	-	-	-	-
Alternate auditor	Laura Bergamini	1969	-	-	24/10/2019	-	-	-	-
Number of meetings held during the reporting year: 8									
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): 2.5									

NOTES

* The date of the first appointment of each auditor is the date on which the auditor was appointed for the first time (ever) to the issuer's Board of Statutory Auditors.

** This column shows the list from which each auditor was taken ("M": majority list; "m": minority list).

*** This column indicates the participation of the Statutory Auditors in the meetings of the Board of Statutory Auditors (indicating the number of meetings attended compared to the total number of meetings they could have attended; e.g. 6/8; 8/8 etc.).

****This column shows the number of positions as director or auditor held by the person 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 Board of Directors' appointments

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
Massimo Perotti	Bluegame S.r.l.	Chairperson
	Holding Happy Life S.r.l.	Chairperson / Shareholder
	MP S.r.l.	Chairperson / Shareholder
	Cipekuno s.s.	Director / Shareholder
	Cipekdue s.s.	Director / Shareholder
	Cepekuno s.s.	Director / Shareholder
	Cepekdue s.s.	Director / Shareholder
	Sanlorenzo Champlas S.r.l.	Chairperson / Chief Executive Officer
	Confindustria Nautica	Member of the Presidency Council
	Sanlorenzo of the Americas LLC (USA)	Chairperson
	Sanlorenzo Baleari SL (Spain)	Chairperson
	Marine Yachting Monaco SAM (Principality of Monaco)	Chairperson
	Marco Viti	Sanlorenzo Baleari SL (Spain)
Marine Yachting Monaco SAM (Principality of Monaco)		Board Member
Carla Demaria	Bluegame S.r.l.	Chief Executive Officer
	I Saloni Nautici S.r.l.	Chairperson
	Confindustria Nautica	Member of the Presidency Council
Paolo Olivieri	Cervino S.r.l.	Sole Director
	Kairos Partners SGR S.p.A.	Board Member (until January 2020)
	Sanlorenzo Champlas S.r.l.	Board Member
Cecilia Maria Perotti	MP S.r.l.	Board Member
	Holding Happy Life S.r.l.	Board Member
Pietro Gussalli Beretta	Beretta Holding SA (Luxemburg)	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)	Board Member
	Humbert CTTS s.a.s. (France)	Board Member
	Beretta-Benelli Ibérica SA (Spain)	Board Member
	Arce Gestioni S.p.A.	Chief Executive Officer
	Artic Freezing Docks S.p.A.	Chief Executive Officer
	LLC Russian Eagle (Russia)	Chief Executive Officer
	Outdoor Enterprise SA (Switzerland)	Chief Executive Officer
	Land Finance Corp. (USA)	Chief Executive Officer
	Steiner eOptics Inc. (USA)	Chairman
	Upifra SA (Luxemburg)	Board Member
	Upifra Agricole SA (Luxemburg)	Board Member
	Casaforte Self-Storage (Suisse) SA (Switzerland)	Board Member

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
	Fondazione Spedali Civili di Brescia	Board Member
	UBI Banca S.p.A.	Board Member
	Lucchini RS S.p.A.	Board Member
	Fondazione Beretta Onlus	Chairman
Silvia Merlo	Movimatica S.r.l.	Executive Chairperson
	Merlo S.p.A.	Chief Executive Officer
	Merlo Polska sp. zo.o. (Poland)	Board Member
	Gedi Gruppo Editoriale S.p.A.	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
	Tecno S.p.A.	Chief Executive Officer
	Treemme Technology S.r.l.	Chief Executive Officer
	ERG S.p.A.	Board Member
	Leonardo S.p.A.	Board Member
	Fin.S.I. S.p.A.	Board Member
	Pharmacielo Italia S.r.l.	Board Member
	Kibotion S.r.l.	Sole Shareholder / Director
	Ergos S.r.l.	Shareholder / Director
	MEFRA s.s.	Shareholder Director
Licia Mattioli	Mattioli S.p.A.	Chief Executive Officer
	Gea S.r.l.	Chief Executive Officer
	Grassano S.r.l.	Board Member
	Invitalia Global Investment S.p.A.	Board Member
	Licia s.s.	Shareholder Director
	Magia s.s.	Shareholder Director
	Pininfarina S.p.A.	Board Member
Leonardo Luca Etro	King Advisory Company S.r.l.	Sole Director
	Madison Corporate Finance S.r.l.	Chairperson / Managing Director
	Generalfinance S.p.A.	Board Member responsible for control
	Madison Capital S.r.l.	Chairperson Board of Directors

Table of Board of Statutory Auditors' appointments

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
Andrea Caretti	Fonti di Vinadio S.p.A.	Chairperson of the Board of Statutory Auditors / Chairperson of the Supervisory Board
	Giobert S.p.A.	Chairperson of the Board of Statutory Auditors / Sole member of the Supervisory Board
	Fibe S.r.l.	Sole auditor
	Te Connectivity Italia Distribution S.r.l.	Standing Auditor
	Gica S.p.A.	Standing Auditor
	Jet Viaggi 3000 S.p.A.	Standing Auditor
	Bimotor S.p.A.	Standing Auditor
	G.T.T. S.p.A.	Alternate auditor
	I.C.L. S.p.A.	Alternate auditor
	Monge & C. S.p.A.	Alternate auditor
	O.M.T. S.p.A.	Chairperson of the Supervisory Board
	Kiry Group S.p.A.	Chairperson of the Supervisory Board
	Jet Viaggi 3000 S.r.l.	Statutory auditor
	Fratelli Reposi S.r.l.	Statutory auditor
	Fond.Mi S.r.l.	Statutory auditor
	Milano Buildings S.r.l.	Statutory auditor
	Pibra Traspoti S.r.l.	Statutory auditor
Margherita Spaini (*)	Società Generale Securities Services (SGSS) S.p.A.	Standing Auditor and member of the Supervisory Board
	Trattamento Rifiuti Metropolitan (TRM) S.p.A.	Standing Auditor
	A + A Monferrato S.p.A.	Chairperson of the Board of Statutory Auditors
	Environment Park S.p.A.	Chairperson of the Board of Statutory Auditors and Chairperson of the Supervisory Board
	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.	Alternate auditor
	Alupress S.r.l.	Alternate auditor
	Asti Energia e Calore S.p.A.	Alternate auditor
	Artena Trading S.r.l.	Alternate auditor
	Amiat S.p.A.	Alternate auditor
	Consonda S.r.l.	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
	Valle Dora Energia S.r.l.	Standing Auditor

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
	XKE'?' Impresa sociale S.r.l.	Standing Auditor
	XKE'?' Zerotredici S.c.r.l.	Standing Auditor
Roberto Marrani	Acam Acque S.p.A.	Chairperson of the Board of Statutory Auditors
	Cermec S.p.A.	Judicial commissioner
	Firmafedè Onlus	Member of the Steering Committee
	Co.ser.ass. società cooperativa sociale	Liquidator
	L'isola che non c'è società cooperativa sociale S.r.l. in liquidation	Liquidator
	Le ragazze del parco società cooperativa a r.l.	Liquidator
	Vernazza 2000 cooperativa di lavoro a r.l.	Liquidator
	Banca Versilia Lunigiana e Garfagnana	Standing Auditor
	Bioener S.p.A.	Standing 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
Luca Trabattoni	Baker Tilly Italy Tax S.r.l.	Chairperson of the Board of Directors
	Faber Industrie S.p.A.	Chief Executive Officer
	Hortensia Blu S.r.l.	Sole Director
	Immobiliare Undicesimo Piano di Maria Tavella & C. s.n.c.	Shareholder Director
	Società Semplice Quinto	Shareholder
	Synergia Consulting Group S.r.l.	Board Member
	Tough Components S.r.l.	Board Member
	Assi 90 S.r.l.	Chairperson of the Board of Statutory Auditors
	Carbofin S.p.A.	Alternate auditor
	Comer S.p.A.	Alternate auditor
	Energy Coal S.p.A.	Standing Auditor
	Finarge Armamento Genovese S.r.l.	Sole Auditor
	Finservice S.r.l.	Standing Auditor
	Funivie S.p.A.	Chairperson of the Board of Statutory Auditors
	Gruppo Messina S.p.A.	Alternate auditor
	Homberger S.p.A.	Standing Auditor
	Ignazio Messina & C. S.p.A.	Alternate auditor
	Italinvest S.p.A.	Chairperson of the Board of Statutory Auditors
	Petrorep italiana S.p.A.	Standing Auditor
	Pria S.p.A.	Alternate auditor
	Rimorchiatori Mediterranei S.p.A.	Standing Auditor
	Rimorchiatori Riuniti S.p.A.	Alternate auditor
	Rimorchiatori Salerno S.r.l.	Standing Auditor
	Samo S.p.A.	Alternate auditor
	Sant'Ugo Immobiliare S.r.l.	Chairperson of the Board of Statutory Auditors

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
	Ferrania Technologies S.p.A. in liquidation	Alternate auditor
Marina Scandurra	Gedi Gruppo Editoriale S.p.A.	Standing Auditor / Supervisory Board member
	Bredamenarinibus S.p.A.	Standing Auditor / Supervisory Board member
	Citelum Napoli Illuminazione S.c.r.l.	Chairperson of the Board of Statutory Auditors
	Stretto di Messina S.p.A. in liquidation	Chairperson of the Board of Statutory Auditors
	Acea Produzione S.p.A.	Standing Auditor
	MICO DMC S.r.l.	Standing Auditor
	Morini S.p.A.	Standing Auditor
	Transmed S.p.A.	Standing Auditor
	Ligestra Tre S.r.l.	Standing Auditor
	CDP Equity S.p.A.	Alternate auditor
	Crea Gestioni S.r.l.	Alternate auditor
	Fiera Milano S.p.A.	Alternate auditor
	So.ge.pa S.p.A.	Alternate auditor
	Sport Invest 2000 S.p.A.	Alternate auditor
	Acea Reti Servizi Energetici S.p.A.	Alternate auditor

(*) Margherita Spaini notifies, for the sake of transparency, that she is auditor of some non-profits and foundations, including Fondazione Compagnia di San Paolo and Fondazione Collegio Carlo Alberto.