

**SANLORENZO**

**Sanlorenzo S.p.A.**

Registered office in via Armezzone 3, Ameglia (SP) - Share capital € 34,500,000 fully paid-in

Tax code and registration number in the Register of Companies of Riviera di Liguria - Imperia La Spezia Savona 00142240464

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

**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP  
STRUCTURES FOR THE FINANCIAL YEAR 2020**

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

**Approved by the Board of Directors on 16 March 2021**

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## LEGAL NOTICE

This document is an informal translation of the original Italian document. In case of inconsistency between this document and the original document in Italian, the latter will prevail.

## GLOSSARY

<b>Code / Corporate Governance Code</b>	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, in force during the 2020 Year.
<b>Corporate Governance Code / CG Code</b>	The Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, effective as of 1 January 2021.
<b>Italian Civil Code / Civil Code</b>	The Italian Civil Code.
<b>Board / Board of Directors</b>	The Issuer's Board of Directors.
<b>Issuer or Sanlorenzo or Company</b>	The issuer of securities to which the Report refers is Sanlorenzo S.p.A., a joint-stock company under Italian law, with registered office in Ameglia (SP), Via Armezzone 3, Italy, enrolled in the Register of Companies of Riviera di Liguria - Imperia La Spezia Savona, tax code and registration number 00142240464, VAT number 01109160117, subscribed and fully paid-up share capital of €34,500,000.
<b>Year</b>	The financial year to which the Report refers.
<b>Consob Issuers' Regulations</b>	The Regulations issued by Consob with Resolution No. 11971 of 1999 (as subsequently amended) regarding issuers.
<b>Consob Market Regulations</b>	The Regulations issued by Consob with Resolution No. 20249 of 2017 (as amended) on markets.
<b>Consob Related Parties Regulations</b>	The Regulations issued by Consob with Resolution No. 17221 of 12 March 2010 (as subsequently amended) on related party transactions.
<b>Report</b>	The report on corporate governance and ownership structure that companies are required to prepare pursuant to Article 123- <i>bis</i> of the TUF.
<b>Consolidated Law on Finance (Testo Unico della Finanza) / TUF</b>	Legislative Decree No. 58 of 24 February 1998.

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

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

Sanlorenzo is also the second largest shipbuilding group in the world and the largest shipyard operating under a single brand in terms of yachts over 24 metres (86 yachts) and total length of production (3,089 metres) registered in backlog at 31 December 2020 for an average length of yachts under construction of 35.9 metres. (Source: Global Order Book 2021, Showboats International).

For Sanlorenzo, the Corporate Governance system plays a central role in the business strategy and operations aiming at supporting the relationship of trust with all stakeholders and contributing to the achievement of results by generating sustainable value in the long term, in compliance with the principles of responsibility that inspire the Company.

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.

The Sanlorenzo Corporate Governance system relating to the Financial Year described in the Report is in line with the recommendations contained in the Corporate Governance Code, except as specified further on in the Report itself; the Board of Directors of 16 March 2021 proceeded to adopt the resolutions necessary to adapt the Company's Corporate Governance system to the recommendations of the Corporate Governance Code.

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, following resolutions issued by the Board of Directors on 16 March 2021, in accordance with the recommendations stated in the Corporate Governance Code) as well as and the Related-Party Transactions Committee pursuant to the Consob Related Party Regulations and the Procedure for related party transactions adopted by the Company, in compliance with the Regulations.

## 2. INFORMATION ON THE OWNERSHIP STRUCTURE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, OF THE TUF) AS AT 31 DECEMBER 2020

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

The fully subscribed and paid-in share capital of Sanlorenzo at the date of the Report (16 March 2021) amounts to €34,500,000 and is structured as follows.

SHARE CAPITAL STRUCTURE				
Type	Number of shares	% of the share capital	Listed	Rights and obligations
Ordinary shares	34,500,000	100%	MTA STAR Segment	All the Issuer's shares grant proprietary and administrative rights provided for by the applicable provisions of the law 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.

For information on the ownership structure and significant shareholdings in the capital, please refer to [Table 1](#) at the end of this document.

On 21 April 2020, the Extraordinary Shareholders' Meeting of Sanlorenzo resolved to approve a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615.00, to be executed no later than 30 June 2029, through the issue of a maximum of 884,615 ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, all under the terms and conditions set out in the resolution. This capital increase has not yet been subscribed, even partially.

The details of said resolution on capital increase and on the 2020 Stock Option Plan are available on the Issuer's website in the "*Corporate Governance/Shareholders Meeting/Ordinary and Extraordinary Shareholders Meeting of 21 April 2020*" section.

The total amount of voting rights and the updated list of shareholders with an interest greater than the minimum threshold set forth 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](http://www.sanlorenzoyacht.com)) in the "*Corporate Governance/Increased voting*" 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.

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

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

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

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

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

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

On 25 October 2019, Carla Demaria signed a unilateral three-year commitment to 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).

By letter dated 16 December 2020, Carla Demaria extended the undertaken commitment until 10 December 2023; in the period from 10 December 2022 to 10 December 2023, Carla Demaria will have the option to transfer an additional 30% of the shares held by her.

Ferruccio Rossi and Tommaso Vincenzi signed a unilateral three-year commitment to Massimo Perotti on 28 October 2019 whereby they undertook, among other things, not to transfer the shares held by them, with the sole exception of the possibility of transferring 20% of their shares once 365 days have elapsed from the start of trading (10 December 2019).

By letters of respectively 28 and 16 December 2020, Ferruccio Rossi and Tommaso Vincenzi extended the commitment undertaken until 10 December 2023; in the period from 10 December 2022 to 10 December 2023, Ferruccio Rossi and Tommaso Vincenzi will have the possibility to transfer an additional 20% of the shares held by them.

On 28 October 2019, Marco Viti 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*, paragraph 1, letter c) of the TUF)**

At the date of the Report, shareholders who hold, directly or indirectly, equity investments of more than 1% of the share capital (and/or a number of voting rights in excess of 1% of the total amount of voting rights), through pyramid structures or cross-shareholdings, as the Company evinces from the communications made pursuant to Article 120 of the TUF and taking into account the Consob Resolutions no. 21326 of 9 April 2020 as amended, are shown in the table below.

SIGNIFICANT EQUITY INVESTMENTS IN CAPITAL			
Declarant	Direct shareholder	Share % of ordinary share capital	Share % of voting capital
Massimo Perotti (statement filed on 22/01/2020)	Holding Happy Life S.r.l.	62.736%	62.736%
JPMorgan Asset Management Holding Inc. (statement filed on 09/12/2020)	JPMorgan Asset Management (UK) Limited	4.978%	4.978%
Templeton Investment Counsel LLC (statement filed on 09/04/2020)	Templeton Investment Counsel LLC	4.808%	4.808%
Ferruccio Rossi (statement filed on 03/04/2020)	Ferruccio Rossi	1.565%	1.565%
Marco Viti (statement filed on 03/04/2020)	Marco Viti	1.391%	1.391%
Carla Demaria (statement filed on 03/04/2020)	Carla Demaria	1.032%	1.032%

**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, paragraph 1, letter e) of the TUF)**

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

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

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

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

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

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

**Change of control clauses**

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

<i>(€'000)</i>	<b>Residual capital at 31 December 2020</b>
Banca Nazionale del Lavoro - Unsecured loan of €5m due 30.06.2022	3,750
Banco di Sardegna - Unsecured loan of €5m due 30.09.2025	4,753
Banco BPM – Mortgage loan of €7.75m due 31.12.2025	3,198
Banco BPM - Unsecured loan of €5m due 30.06.2022	1,579
Banco BPM - Mortgage loan of €814k due 31.12.2030	714
Banco BPM - Mortgage loan of €7.41m due 31.12.2030	6,498
BPER - Unsecured loan of €5m due 30.09.2025	4,753
Cassa Depositi e Prestiti - Unsecured loan of €10m due 31.12.2026	8,571
Deutsche Bank - Unsecured loan of €7.5m due 31.03.2023	3,375
Carige - Unsecured loan of €5m due 31.12.2023	3,040
Crédit Agricole Carispezia - Mortgage loan of €15m due 29.11.2026	9,473
Creval - Unsecured loan of €7m due 05.07.2023	3,923
MPS - Unsecured loan of €6m due 31.12.2023	3,600
UniCredit - Unsecured loan of €8.25m due 31.12.2022	6,000
UniCredit - Unsecured loan of €6m due 30.09.2025	6,000
<b>Total financial payables subject to change of control clause (Sanlorenzo S.p.A.)</b>	<b>69,228</b>

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



<i>(€'000)</i>	<b>Residual capital at 31 December 2020</b>
Banco BPM - Unsecured loan of €350k due 31.01.2022 (Bluegame S.r.l.)	99
UniCredit - Unsecured loan €4.5m due 30.09.2025 (Bluegame S.r.l.)	4,500
Intesa Sanpaolo - Uncommitted credit facility of \$10M (Sanlorenzo of the Americas LLC)	1,827
<b>Total financial payables subject to change of control clause (subsidiaries)</b>	<b>6,426</b>
<b>Total financial payables subject to change of control clause (Sanlorenzo Group)</b>	<b>75,654</b>

### Statutory provisions on takeover bids

The Issuer's By-laws do not derogate from the provisions on the passivity rule provided for by Article 104, paragraphs 1 and 1-*bis* of the 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)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At the date of this Report, Sanlorenzo holds a total of no. 58,666 treasury shares, equal to 0.170% of the share capital.

For any other detail concerning authorisation for the purchase of treasury shares, please see the Explanatory Report of the Board of Directors drawn up and published in accordance with law also on the Company's website in the "*Corporate Governance/Shareholders' Meeting*" section.

### **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.

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

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Please note that the information required by Article 123-bis, paragraph 1, letter i) of the TUF on the "*agreements between the company and the directors, members of the management or supervisory board, which provide for compensation in the event of resignation or dismissal without just cause or if their employment relationship ceases following a takeover bid*" are contained in the Report on the remuneration policy and on compensations paid, posted pursuant to Article 123-ter of the TUF on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "*Corporate Governance/Remuneration*" 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. 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, with the exception of what 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 of 16 March 2021, the Chairman of the Board of Directors presented to the Board the letter of the Chairman of the Corporate Governance Committee of 22 December 2020 sent to all issuers.

The Board of Directors of 16 March 2021 has adopted the resolutions aimed at aligning the Company's Corporate Governance system with the recommendations contained in the Corporate Governance Code adopted by the Company; this alignment has occurred after the contents of the Corporate Governance Code and its impact on the Corporate Governance system of the Company were presented by the Chairman of the Board of Directors at the meetings of the Board held on 12 February 2020, 9 November 2020 and 9 December 2020. As required in the Corporate Governance Code, the Company will therefore duly account for compliance with the Corporate Governance Code in the report on corporate governance and ownership structures for the year 2021, to be published in 2022.

The CG Code and the Code is publicly available on the website of the Italian Stock Exchange ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

## 4. 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 the 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.

The Board of Directors of the Company of 13 March 2020 took note of the entry into force of the provisions of Law No. 160 of 27 December 2019 (Budget Law 2020) which amended Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the TUF, introduced by Law No. 120 of 12 July 2011 (the so-called "Golfo-Mosca Law"), on gender balance in the management and control bodies of listed companies.

The former Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis of the TUF required companies with listed shares to comply with a gender composition criterion according to which the least represented gender was entitled to at least one-fifth at the first renewal of newly listed companies and at least one-third, when fully operational, of the members of the management and control bodies. This apportionment criterion was obligatory for three consecutive terms of office from the entry into force of that law or from admission to listing subsequent to its entry into force.

The Company's By-laws, which came into force when the Company was listed on the stock exchange (10 December 2019), provided that even on the first renewal, the less represented gender shall represent at least one third of the directors and statutory auditors elected (in any case rounded up) and that the provisions on gender balance in the composition of the Board of Directors shall apply also after the first three renewals of the Board.

The Budget Law 2020 provided for a different and higher share to be reserved to the less represented gender in the boards of directors and statutory auditors of listed companies, equal to at least two fifths, and established that this allocation criterion applies for six consecutive mandates. In addition, for the first renewal after the date of commencement of trading, the percentage to be reserved for the least represented gender is at least one-fifth of the members, limited to newly listed companies. The provisions of the Budget Law 2020 with regard

to the distribution criterion apply from the first renewal of the boards of directors and statutory auditors of companies listed on regulated markets after the date of entry into force of the law itself, which took place on 1 January 2020.

Even though the mandates of the Company's management and control bodies have not expired and despite the fact that the composition of the Company's Board of Directors is already compliant with the amended provision of Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the TUF, the Board of Directors of the Company deemed it appropriate to align the provisions of the By-laws to the new regulations, proposing that the criterion of distribution of the two-fifths should be applied from the first renewal of the corporate offices, even if pursuant to the aforementioned provisions of law, the Company would have been entitled on that occasion to apply that equal to one fifth.

Upon proposal by the Board of Directors, with resolution issued on 21 April 2020, the Shareholders' Meeting of the Company has consequently amended the previous article 13.3 of the By-laws, stating that the lists that contain a number of candidates equal to or more than three must be composed of candidates of both genders, so that the minority gender comprises at least 2/5 (two fifths) of the candidates (rounded up).

It should also be noted that the current version of the By-laws clauses that extends the validity of the provisions of the By-laws on gender balance in the management and control bodies of the Company also beyond the end of the six mandates set forth in Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the TUF as amended by the 2020 Budget Law.

The current version of the statutory clauses, already compliant with the recommendations of the Corporate Governance Code, is also compliant with the recommendations of the CG Code.

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

Directors are appointed by the Shareholders' Meeting on the basis of lists of candidates, listed by sequential number, presented by the shareholders and in any case in compliance with the provisions of the law and the By-laws occasionally in force, including with regard to gender balance and the appointment of independent directors.

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

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

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

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. 44 of 29 January 2021, 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 one, are taken from the list that obtained the highest number of votes and are elected in the order in which they are listed on the list;
- (ii) the remaining director is drawn from, and elected from, the minority list that is not connected in any way, not even indirectly, with those who submitted or voted for the list that obtained the highest number of votes, and that obtained the second highest number of votes, in the person of the first candidate on the list itself.

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

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

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

regarding the balance between genders and the provisions of the law and the By-laws regarding the appointment of independent directors.

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

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

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

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

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

At the date of this Report, the Company does not have a formalised succession plan for its directors. The Board of Directors meeting of 16 March 2021 acknowledged that the CG Code no longer requires the Company to have drawn a succession plans, as the Company is not large pursuant to the CG Code itself.

#### 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 – effective at the date of the start of the negotiations – has extended the number of directors to nine and, having announced the resignation of director Cesare Perotti on the same date, subject to the start of negotiations, integrated the composition of the Board of Directors, appointing – again 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	Position	Place and date of birth	Date of appointment
Massimo Perotti	Executive Chairperson	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	Vice Chairperson - Non-executive Director	Turin, 24/10/1961	24/06/2019
Cecilia Maria Perotti	Non-executive Director	Turin, 25/1/1993	24/06/2019
Pietro Gussalli Beretta	Independent Director	Brescia, 28/2/1962	24/10/2019 <sup>(*)</sup>
Silvia Merlo	Independent Director	Cuneo, 28/7/1968	24/10/2019 <sup>(*)</sup>
Licia Mattioli	Independent Director	Naples, 10/6/1967	24/10/2019 <sup>(*)</sup>
Leonardo Luca Etro	Independent Director	Milan, 22/6/1978	24/10/2019 <sup>(*)</sup>

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

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

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

### **Diversity criteria and policies**

As set forth in Section 4.1 above, the By-laws provide, also in compliance with the recommendations of the Code of Conduct and in compliance with the recommendations of the Corporate Governance Code, that the provisions on gender balance in the composition of the Board of Directors also apply after renewals. Hence, the law makes it mandatory to ensure the presence of the less represented gender and also provides that the Company does not exercise the right to apply the lower threshold of representation of the less represented gender for the first renewal. Moreover, the composition of the Board of Directors, at the date of the start of negotiations (10 December 2019) and at the date of this Report, is already in compliance with the provisions of Article 147-ter, paragraph 1-ter of the TUF (also as amended by the 2020 Budget Law) and the By-laws on gender balance. With no prejudice to the above, in 2020, the Issuer did not adopt, through specific resolutions or in any other form, 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, which has instead adopted with resolution issued by the Board of Directors of 16 March 2021, in compliance with the recommendations stated in the Corporate Governance Code.

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 and from the date of admission to listing (10 December 2019) is composed of 5 male and 4 female members.

The Board of Directors is also characterised by the diversity of its members, considering that the age of the directors is between 28 and 64 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 included in the Table of assignments at the end of this document.

With regard to the offices held by Sanlorenzo Directors on management or supervisory bodies of other companies, following compliant proposal presented by the Nomination Committee which met on 12 March 2020, the Board of Directors on 13 March 2020 deemed not necessary to set limits on offices held by directors in the management and control bodies of other companies, without prejudice to the duty of each candidate for the office of director to assess in advance, at the time of acceptance of the office in the Company, as well as during the term of office, and regardless of the established limits set forth in the legal and regulatory provisions relating to the accumulation of offices, their ability to carry out the tasks assigned to them, properly and effectively, taking into account in particular the overall commitment required by the offices held outside the Sanlorenzo Group. In any case, the Nomination Committee decided to renew this assessment at the meeting that will precede the expiry of the office of the current Board, when the procedures for the appointment of new directors must be activated. The Board of Directors meeting of 16 March 2021 acknowledged that the CG

Code no longer requires the Company to adopt this resolution, as the Company is not large, pursuant to the CG Code itself.

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 free appreciation, in the interest of the Company and the generality of shareholders. All directors in that forum have declared their commitment to do so. The recall of these duties was reiterated during the meetings of the Board of Directors on 13 March 2020 and 16 March 2021.

### **Induction program**

During the Financial Year, and precisely on 9 November 2020 due to the health emergency that led the Issuer to postpone the program originally scheduled for the spring of 2020, an induction session was organised, with the assistance of the secretary of the Board of Directors, for the benefit of the Company's Directors and Statutory Auditors.

In addition to the Chairman of the Board of Directors, Massimo Perotti ("Introduction to Sanlorenzo"), Marco Viti, Ferruccio Rossi and Carla Demaria ("Product portfolio overview", "Operation model" and "Operation model") spoke during the session. Market dynamics and future strategy", Paolo Bertetti ("R&D, sustainability and academy"), Attilio Bruzzese ("Financial overview"), Paolo Baracchi ("Human resources") and Toti S. Musumeci ("Legal and compliance", in addition to the introductory presentation of the importance of the induction program and its provision by regulatory standards). In addition to the speakers, all the directors and statutory auditors of the company as well as the director of the subsidiary Bluegame Cesare Perotti, have participated in the induction program. The documents and slides used for the presentations were collected, were previously sent to the directors and statutory auditors and are kept in the company records. Through the induction session, directors and statutory auditors were provided, as they expressly confirm, with adequate knowledge of the business sectors in which the Company operates, of the business dynamics and of their development also with a view to the sustainable success of the Company itself, as well as of the principles for an adequate risk management and the reference regulatory and self-regulatory framework. In consideration of the current health situation, it was not possible to physically access the facilities and the plan is to organise this access when possible.

The Company management also kept in constant contact with the corporate bodies for the appropriate flows of information and updates on the issues of interest and during the Financial Year executives of the Company selected on the basis of their area of competence took part directly in the meetings of the Board of Directors, within which the main issues relating to the Company's operations and business performance were discussed. These meetings made it possible to provide participants, and thus also the members of the Board of Statutory Auditors, with adequate knowledge of the business sector in which the Company operates, the company dynamics, the principles of proper risk management as well as the regulatory and self-regulatory framework of reference.

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

During the Financial Year, the Company's Board of Directors met 8 times, with the presence of directors and members of the Board of Statutory Auditors, either physically or, largely due to the health emergency, by teleconference. The average duration of the meetings was approximately two hours and ten minutes.

Against a total attendance of 98%, the attendance percentage of each member of the Board of Directors in office at the date of the Report was: (i) 100% for Massimo Perotti; (ii) 99.3% for Paolo Olivieri; (iii) 100% for Marco Viti; (iv) 100% for Carla Demaria; (v) 100% for Cecilia Maria Perotti; (vi) 97.5% for Pietro Gussalli Beretta; (vii) 96% for Silvia Merlo; (viii) 100% for Leonardo Luca Etro; (ix) 87.25% for Licia Mattioli.

In 2021, at the date of this Report, 2 meetings of the Board of Directors were held, including that of 16 March 2021, during which this Report was approved, and at least an additional 4 other meetings are planned.

Pursuant to Article 17.2 of the By-laws, the Chairman of the Board of Directors shall ensure that, compatibly with operational requirements, the directors are provided with adequate prior information on the matters to be discussed. 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 responsible for financial reporting and the Chief Financial Officer, who coordinates it with the Chairperson well in advance of the meetings.

The pre-board report was provided to the members of the Board in good time for the approval of the resolutions on the agenda. As a rule, a notice period of 2 days prior to the date of the Board meeting was deemed appropriate for sending the documentation. This notice was normally respected.

On 16 March 2021, the Board of Directors, in compliance with the Recommendations of the CG Code, adopted the regulation that governs the role, the organisation and the operating methods of the Board of Directors (the “**Regulation of the Board of Directors**”), including, inter alia, the pre-board information.

The meetings of the Board of Directors are normally attended by the members of the Board of Directors, the Board of Statutory Auditors, the Manager in charge of Financial Reporting and the Chief Financial Officer and the permanent secretary, as well as the Company’s Managers in charge of the Functions to which refer to the topics discussed from time to time by the Board, so that they can provide the most appropriate and detailed information and clarifications to the Directors and Statutory Auditors during the meetings.

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 internally by the Issuer's Board of Directors of the Issuer, please refer to Sections 7 (Nomination Committee), 8 (Remuneration

Committee), **10** (Control, Risk and Sustainability Committee) and **12.1** (Related-Party Transactions Committee).

The Regulation of the Board of Directors adopted on 16 March 2021 specifies the responsibilities of the Board of Directors in accordance with the CG Code.

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 Financial Reporting Manager, pursuant to Article 154-bis of the TUF. The Board of Directors establishes the duration of the appointment of the Financial Reporting Manager, granting them adequate powers and means for the performance of their duties, and also determines their remuneration. The Financial Reporting Manager 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 by the Chairperson, may appoint a permanent secretary, even outside of the Board of Directors itself. Toti S. Musumeci has been called to perform the function of permanent secretary.

In compliance with Recommendation 18 of the CG Code, the Regulations of the Board of Directors adopted on 16 March 2021 expressly governs the professionalism requirements and the duties assigned to the Secretary.

Also pursuant to article 4 of the CG Code and in reference to the period, 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 16 March 2021.

The self-assessment process was coordinated by Board Member Pietro Gussalli Beretta, Lead Independent Director and Chairperson of the Nomination Committee. The self-assessment process was carried out with reference to the Financial Year, although the CG Code allows it to be carried out every three years, as the previous self-assessment process relating to the year 2019 could only take into account a short listing period (from 10 December 2019) and in consideration of best practices; the Regulation of the Board of Directors adopted on 16 March 2021 also provides that the self-assessment process takes place annually.

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 CG Code.

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

- (i) the size, expertise and composition of the Council, including diversity profiles, as well as the remuneration for its members;

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

The outcome of the self-assessment reveals that the directors have expressed maximum satisfaction assessments 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. 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 particular, an opinion of full satisfaction was expressed on the composition of the Board, on its functioning, on the powers assigned to the directors, on the adequacy of the time for transmitting the preparatory documentation, on the duration of the meetings, on the remuneration, on the characteristics of the members of the committees, on access to information, as well as on risk assessment and the audit system, with some lines of improvement hypothesised by a director. Full satisfaction was also expressed with reference to the oversight of the activities and functions organised in the Company and the frequency of reports and presentations by the management, with some areas for improvement proposed by two directors. Full satisfaction was also expressed on the work carried out within the Board, also in relation to the approval of strategic plans and situations of conflict of interest, with some areas for improvement proposed by two directors.

In compliance with the Recommendations pursuant to Article 4 of the CG Code, the Regulation of the Board of Directors, adopted on 16 March 2021, governs the self-assessment procedure and provides for its annual frequency.

The Board evaluates the adequacy of the organisational, administrative and accounting structure of the Company and its strategic subsidiaries at least once a year; over the period, this evaluation was carried out, with positive outcome, at the meeting held on 13 March 2020 and at this Report date, the positive outcome of the assessment was again reiterated at the meeting of 16 March 2021.

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 13 March 2020, 11 May 2020, 31 August 2020 and 9 November 2020. The same assessment was carried out during the Board of Directors meeting on 16 March 2021.

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. Pursuant to the CG Code, the Board of Directors of 16 March 2021 identified Massimo Perotti as 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 co-holding of offices with Massimo Perotti is justified by the Company's organisational structure, as resolved on 16 March 2021, as well as by the professionalism and experience of Massimo Perotti and the importance of his activities for the Company. For these reasons, the Company decided, in continuity with the past, to confirm the position of Chief Executive Officer of the Chairman of the Board of Directors, Massimo Perotti.

In view of the concentration of the 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 and with the recommendations 13 and 14 of the CG 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 afore-mentioned powers granted to Massimo Perotti, the Board of Directors of the Company of 24 October 2019 has given management powers to Marco Viti as Chief Executive Officer of the Company, in particular authority and powers in the management of the production and sales process of boats produced and/or marketed by the Company, to be exercised independently and in compliance with the annual budget and the general guidelines and criteria approved by the Board of Directors and within the limits, including the amount, established by the Board of Directors. In any case, the delegation does not include (i) the powers reserved by law and the 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 Managing Director, Marco Viti is also responsible for the legal representation of the Company before third parties and in court, and for the use of the Company's signature within the limits of the powers granted, in accordance with Article 18 of the By-laws.

On 24 October 2019, the Board of Directors of the Company has also granted powers to Carla Demaria, in particular conferring on her authority and powers in the management of boat charter activities and the construction and/or management of tourist harbours and other maritime works of tourist interest, as well as the construction and/or management of works for accommodation, hospitality and assistance for pleasure navigation in tourist harbours and all those installations and infrastructures that contribute to complete the services of tourist harbours for boat charter activities, as well as training and updating in the field of design, construction, production and marketing of boats, pleasure ships and naval units, including the "Sanlorenzo Academy", to be exercised independently and in compliance with the annual budget and the general guidelines and criteria approved by the Board of Directors and in compliance with the limits, including the amount, established by the Board of Directors. In any case, the delegation does not include (i) the powers reserved by law and the 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 Managing Director, Carla Demaria is also responsible for the legal representation of the Company before third parties and in court, and for the use of the Company's signature within the limits of the powers granted, in accordance with Article 18 of the By-laws.

### **Executive Committee**

At the date of this 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. During the Financial Year, this information was provided in the Board meetings of 13 March 2020, 11 May 2020, 31 August 2020 and 9 November 2020; the same information was also provided during the meeting of the Board of Directors on 16 March 2021.

### **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 Code of Conduct, in Articles 2 and 3 of the CG 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. During the period, this assessment was carried out again during the meeting of the Board of Directors on 13 March 2020 and again during the meeting of the Board of Directors on 16 March 2021, with a specific reference to the independence requirements set forth in the CG Code.

The first meeting of the independent directors after the trading in the absence of the other directors was held on 13 March 2020 and as at the date of the Report, a meeting had already been held on 15 March 2021; during the above-mentioned meetings, the Independent Directors verified the existence of the independence requirements as stated by the same at the time of acceptance of the office of Director, pursuant to art. 3.C.4 of the Corporate Governance Code and, during the meeting of 15 March 2021, also in light of the recommendations stated in the CG Code. These meetings were held after being convened by the Lead Independent Director, in a dedicated and separate session and in the absence of the other directors.

During the year, the annual assessment of the existence of the independence requirements of each of the independent Directors in compliance with the recommendations contained in Article 3.C.4 of the Corporate Governance Code was completed by the Board on 13 March 2020. On 13 March 2020, the Board of Statutory Auditors has acknowledged the carried out verification of the correct application of the criteria and procedures adopted by the Board to assess the independence of its members.

#### 4.7 Lead independent director

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

Non-executive directors (and, in particular, independent directors) refer to this figure for a better contribution to the activities and functioning of the Board of Directors. The lead independent director also collaborates with the Chairman of the Board of Directors in order to ensure that the directors receive complete and timely information and he/she is granted, among other things, the right to call, independently or on request from other directors, special meetings attended by the independent directors only for the discussion of matters deemed to be of interest with respect to the functioning of the Board of Directors or company management.

During the Financial Year, the independent directors met on 13 March 2020 and as of the date of the Report, a meeting was already held on 15 March 2021, as indicated in the previous Section 4.6.

The appointment of the lead independent director complies with the recommendations of the CG Code, and the Board of Directors' Regulations, adopted on 16 March 2021, govern his/her powers and functions in compliance with the provisions of the CG Code.

## 5. PROCESSING OF CORPORATE INFORMATION

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

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

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

- (i) in accordance with the provisions of Article 1, 1.C.1. letter j) of the Corporate Governance Code, effective from the date of submission to Borsa Italiana, of the request for admission to trading (27 November 2019), 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, also in compliance with the recommendation 1 of the CG Code;
- (ii) effective from the date of submission to Borsa Italiana of the request for admission to trading (27 November 2019), the procedure for the management of the register of persons with access to inside information;
- (iii) effective from the trading start date (10 December 2019), an internal dealing procedure in accordance with Community and national rules on transactions carried out by persons exercising administrative, control or management functions (so-called internal dealing) and market abuse. In particular, 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.

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

The procedure for the internal management of important and inside information as well as the communication to the public of inside information, and the procedure for the management of the register of persons with access to privileged and important information, as supplemented with resolution issued by the Board of Directors on 16 March 2021, as indicated above can be consulted on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "*Corporate Governance/Documents and Procedures*" section The internal dealing procedure can be consulted on the Issuer's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "*Corporate Governance/Internal Dealing*" section.

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

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

Adhering to the recommendations of the Corporate Governance Code, the Board of Directors of the Company has established, upon resolutions issued at the meeting of 24 October 2019, effective at the start of trading of the Company's shares on the MTA (which occurred on 10 December 2019) and confirmed on 23 December 2019:

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

Upon the resolutions issued by the Board of Directors of the Company in the same meeting, the members of the Control, 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-Party Transactions Committee are Licia Mattioli, as Chairperson and Silvia Merlo and Pietro Gussalli Beretta.

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

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

The establishment of the Nomination Committee, the Remuneration Committee, the Control and the Risk and Sustainability Committee is compliant with the CG code. By resolution of 16 March 2021, the Board of Directors resolved to adopt appropriate amendments to the regulations applicable to these Committees in order to align them with the provisions of the CG Code.

## 7. NOMINATION COMMITTEE

The Board of Directors, in accordance with the provisions of the Conduct Code and the CG Code, set up an internal Appointments Committee, approving the related regulations, made up of three directors, of which at least two must be independent.

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, the Committee met once, on 12 March 2020, by teleconference, with all its members and all members of the Board of Statutory Auditors attending. The meeting lasted thirty minutes.

During this meeting, the Committee approved the report on the self-assessment of the directors and resolved not to deem it necessary to set limits to the offices held by the directors, nor to adopt a succession plan for the directors.

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

The meeting scheduled for the Nomination Committee for the current year has already been held on 15 March 2021.

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

In compliance with the resolutions issued by the Board of Directors on 24 October 2019, with effect subject to the start of trading (10 December 2019) and confirmed on 23 December 2019, the members of the Appointment Committee are the independent director Pietro Gussalli Beretta (as Chairperson), the independent director Licia Mattioli and the non-executive director Paolo Olivieri as members of the Nomination Committee.

The meetings of the Committee held on 13 March 2020 was attended by all the members of the Board of Statutory Auditors, the Manager in charge of financial reporting and, as listeners and at the invitation of the Chairman, by the accounting and legal advisors of the Company.

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

During the year, the Nomination Committee was assigned the following functions (which were supplemented by resolution issued by the Board of Directors of 16 March 2021, subject to the compliant proposal of the Nomination Committee that met on 15 March 2021 so as to align them with the recommendations of the CG Code):

- (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.

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

On 13 March 2020, the Board of Directors resolved on the annual budget available to the Nomination Committee for the year, respectively, in the amount of €10,000.00. On 16 March 2021, the Board of Directors confirmed the same annual budget for the year 2021 as well.

## **8. REMUNERATION COMMITTEE**

The Board of Directors, in compliance with the provisions of the Conduct Code and the Corporate Governance Code, has set up an internal Remuneration Committee, approving the relevant regulations, composed of three non-executive directors, at least two of whom must meet the independence requirements.

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 year, the Remuneration Committee met five times, by teleconference, on 12 February, 13 March, 20 March, 31 August and 4 December 2020, with all its members and all members of the Board of Statutory Auditors attending. The average duration of the meetings was about thirty-five minutes.

During the afore-mentioned meetings, the Committee has adopted the resolutions under its own responsibility, preliminary to the approval of the 2020 Stock Option Plan, has examined the Report on the remuneration policy and remuneration paid submitted to the vote of the Ordinary Shareholders' Meeting on 21 April 2020, proposed the adoption of the Policy on the remuneration of executive directors and managers with strategic responsibilities and formulated proposals on the monetary incentive remuneration for some executive directors and managers with strategic responsibilities not included among the beneficiaries of the Stock Plan Option of 2020.

The details of the 2020 Stock Option Plan are available on the Issuer's website in the "Corporate Governance/Shareholders Meeting/Ordinary and Extraordinary Shareholders Meeting of 21 April 2020" section. For all information regarding the remuneration of the Directors and the executives with strategic responsibilities, please refer to the Report on remuneration and compensations paid, prepared pursuant to Article 123-ter of the TUF, available at the registered office and on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)), in the "Corporate Governance" section.

The frequency and participation in the meetings of the Remuneration Committee are shown in Table 2 at the end of this Report.

The number of meetings scheduled for the Remuneration Committee for the current year are at least 2, of which 1 was already held on 15 March 2021.

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The Company's Remuneration Committee is composed of three non-executive members, the majority (two) of whom are independent directors.

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

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

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 meetings of the Remuneration Committee held on 12 February, 13 March, 20 March, 31 August and 4 December 2020 were attended, physically and via video conferencing, by all the members of the Board of Statutory Auditors and the Manager responsible for financial reporting and, as listeners and at the invitation of the Chairman, the accounting and legal advisors of the Company. At its meeting of 23 December 2019, the Committee took note of its establishment and appointed its permanent secretary.

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

During the year, the Remuneration Committee was assigned the following functions (which were supplemented by resolution issued by the Board of Directors of 16 March 2021, subject to the compliant proposal of the Remuneration Committee that met on 15 March 2021 so as to align them with the recommendations of the CG Code):

- (i) to make proposals to the Board of Directors regarding the remuneration policy for directors and executives with strategic responsibilities;
- (ii) to periodically assess periodically the adequacy, overall consistency and concrete application of the policy for the remuneration of Directors and Managers 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.

On 13 March 2020, the Board of Directors confirmed the annual budget available to the Remuneration Committee for the year in the amount of Euro 20,000.00. On 16 March 2021, the Board of Directors confirmed the same annual budget for the year 2021 as well.

## **9. REMUNERATION OF THE DIRECTORS**

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

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. CONTROL, RISK AND SUSTAINABILITY COMMITTEE**

As reported in the previous section 6, in compliance with the recommendations stated in the Conduct Code and the Corporate Governance Code, the Board of Directors of the Company has established a Control, Risk and Sustainability Committee, approving the relevant regulations, composed of three non-executive directors, at least two of whom must meet the independence requirements.

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, the Control, Risks and Sustainability Committee met five times, on 12 February, 12 March, 29 May, 31 August, 5 November and 4 December 2020, by teleconference, with of all its members and members of the Board of Statutory Auditors attending. The meetings had an average duration of about forty-five minutes.

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

The number of meetings scheduled for the Control, Risk and Sustainability Committee for the current year is at least 3 of which two were already held on 22 February 2021 and 15 March 2021.

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The Control, Risk and Sustainability Committee of the Company 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 issued by the Board of Directors of 24 October 2019, with effect subject to the start of trading (10 December 2019) and confirmed on 23 December 2019, the members of the Committee are: the independent director Leonardo Luca Etro, as Chairperson of the Committee, the independent director Silvia Merlo and the non-executive director Cecilia Maria Perotti.

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

The meetings of the Control, Risk and Sustainability Committee held on 12 February, 12 March, 29 May, 31 August, 5 November and 4 December 2020 were attended, physically and via video conferencing, by all the members of the Board of Statutory Auditors, the Manager responsible for financial reporting, the manager of the internal audit function and at the invitation of the Chairman of the Committee, the accounting and legal advisors of the Company.

In the aforementioned meetings, the Control, Risks and Sustainability Committee firstly expressed a favourable opinion with respect to the guidelines of the internal control and risk management system approved by the Board of Directors on 24 October 2019. During the Financial Year, the Committee approved the Report on the activities carried out in 2019 and on the half-yearly Reports on the activities carried out during the Financial Year, reviewed the Impairment Test procedure and its results in relation to the 2019 financial year, assessed the correct use of accounting standards for the preparation of the interim financial report, reviewed the system for granting operational powers of attorney, reviewed the activities carried out by the party in charge of the internal audit as well as the audit plans prepared by the latter, by the Supervisory Body and periodically verified the adequacy of the ICRMS and the coordination methods of the subjects involved in it. The Committee also expressed a favourable opinion on the adoption of a code of conduct for the Group, on the update of the 231 Model and on the adoption of a new corporate organisational model on sustainability with the introduction of a new position held by the Sustainability Officer and all related support positions, as well as of the project and the most significant issues for the preparation of the non-financial statement pursuant to Legislative Decree 245/2016, as well as about the internalisation of the internal audit function as from 1 January 2021 (see subsequent Section **11.2**) The Committee also assessed the impact of the spread of the Covid-19 pandemic on the performance of orders.

### **Functions of the Control, Risk and Sustainability Committee**

During the year, the Control, Risk and Sustainability Committee was assigned the following functions of assistance to the Board of Directors, in cooperation with other corporate bodies involved from time to time (functions that were supplemented by resolution issued by the Board of Directors of 16 March 2021, subject to the compliant proposal of the Remuneration Committee that met on 15 March 2021 so as to align them with the recommendations of the CG Code):

- (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 carrying out its own functions, the Control, Risk and Sustainability Committee, in particular, during the period, was called on performing the following duties (which were supplemented by resolution issued by the Board of Directors of 16 March 2021, subject to the compliant proposal of the Remuneration Committee that met on 15 March 2021 so as to align them with the recommendations of the CG Code):

- (i) evaluate, together with the Financial Reporting Manager 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) express opinions on specific aspects related to the identification of the main business risks;
- (iii) review 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) monitor 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) report 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) support, 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 knowledgeable;
- (viii) express its opinion on all resolutions of the Board of Directors concerning the internal control system and risk management and internal audit;
- (ix) assist 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) carry 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.

On 13 March 2020, the Board of Directors confirmed the annual budget available to the Control, Risk and Sustainability Committee for the period in the amount of Euro 50,000.00. On 16 March 2021, the Board of Directors confirmed the same annual budget for the year 2021 as well.

## 11. 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. The Board of Directors is responsible, inter alia, to define, approve and verify the internal control and risk management system (“**ICRMS**”) which is understood to be a set of processes designed to monitor the efficiency of corporate operations, the reliability of all information (including financial information), compliance with laws and regulations and the safeguarding of corporate assets.

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

Subject to the favourable opinion of the Control, Risks and Sustainability Committee which met on 15 March 2021, the Board of Directors on 16 March 2021 has confirmed the Guidelines also in light of the recommendations of the CG Code.

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

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

- Board of Directors, which plays a role of guidance and assessment of the adequacy of the ICRMS, identifying, among other things, the Control, Risks and Sustainability Committee, to which are assigned the advisory and proposing functions in relation to the ICRMS provided for by the Code of Conduct and the director in charge of the internal control and risk management system (the “**Appointed Director for ICRMS**”); the Appointed Director for the ICRMS is Massimo Perotti;
- the Board of Statutory Auditors which carries out the duties assigned to it by the law and the By-laws;
- the Company's Supervisory Body established pursuant to Legislative Decree No. 231/2001;

- Managers responsible for the first level of control of the system who, depending on the tasks entrusted to them in the company organisation, ensure the effective functioning of the ICRMS, as part of their responsibility for achieving objectives;
- the Financial Reporting Manager;
- the Risk Management, whose main figure is the Risk Manager, appointed by the Board of Directors;
- the internal audit function.

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

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

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

To this end, the Board of Directors will receive and examine the reports prepared by the Internal Audit Manager, 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.

During the period, the Company completed a new mapping of business processes (through specific procedural flowcharts), which feeds the new integrated version of the Risk Control Matrix and the Board of Directors at the meeting of 13 March 2020, also with the favourable opinion of the Control, Risk and Sustainability Committee issued at the meeting of 12 February 2020, has approved the audit plan prepared by the head of the internal audit function, that includes both the 2020-2022 three year audit plan and the detailed half-year audit plan for the period. Subsequently, on 31 August 2020 and on 16 March 2021, the Board of Directors expressed a favourable opinion on, respectively, the report first half 2020 and second half 2020 report prepared by the head of internal audit.

The Board of Directors has also approved the 2021 audit plan and the 2021-2023 three-year audit plan on 16 March 2021.

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At the meeting held on 13 March 2020, the Board of Directors has expressed its assessment about 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 has also expressed, based on the experience following the listing and on the knowledge and checks carried out on its actual operations, an assessment of its effectiveness. Similarly, in the meeting of 16 March 2021, the Board of Directors positively repeated these assessments, considering the internal control and risk management system adopted by the Company and its strategic subsidiaries adequate with respect to the characteristics of the company and the profile of risk assumed, also expressing an assessment on the adequacy of the methods of coordination between the various parties involved in the internal control and risk management system. Furthermore, the Board of Directors of 16 March 2021 confirmed that it considers the Guidelines adequate.

### 11.1 Appointed Director of the internal control and risk management system

In compliance with the recommendation under Article 7.P.3. (a) (i) of the Corporate Governance Code, and in compliance with the resolution issued by the Board of Directors of 24 October 2019, the effectiveness of which was subject to the commencement of trading (10 December 2019) and was confirmed on 23 December 2019, the Company appointed the Chairperson of the Board of Directors, Massimo Perotti, as the Appointed Director of the internal control and risk management system. Following the start of trading 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.

With the entry into force of the CG Code, the Chairman of the Board of Directors and Chief Executive Officer, Massimo Perotti, is now the person in charge of establishing and maintaining the internal control and risk management system, in compliance with the provisions set forth in Article 6, Recommendation 32 b) of the CG Code itself, as confirmed by the Board of Directors on 16 March 2021.

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During the year, the Appointed Director of the ICRMS conducted the following activities:

- Periodic update and review of the main corporate risks (strategic, operational, financial and compliance risks), taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submitting them to the Board for review;
- 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;
- alignment of this system to the dynamics of the operational conditions and the legislative and regulatory landscape.

During the year, the Appointed Director of the ICRMS requested the intervention of the Head of Internal Audit in relation to the management of documents relating to relations with contractors and subcontractors. On the other hand, he did not deem it necessary to request other interventions of the Internal Audit Manager, nor did any additional problems or critical issues emerge that the Appointed Director reported or otherwise informed the Control, Risk and Sustainability Committee.

### 11.2 Internal audit manager

During the financial year, the internal audit function was carried out as a whole by an external party, HL Consulting S.r.l., a company of which Mr Ermanno Porro – executive and Director of the Company – is the sole shareholder and sole Director, has identified Silvia Guidi and Matteo Toschi as the internal personnel tasked with assisting HL Consulting S.r.l. in the performance of its functions, without prejudice to the right of the Chairman of the Board of Directors to identify different subjects, including in addition or replacement of the same, to be entrusted with this task.

The overall performance of the internal audit function by HL Consulting S.r.l. was governed by a specific agreement which conferred on the latter, among other things, 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 Sanlorenzo's internal control and risk management system;

- (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.

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 - as mentioned above, Silvia Guidi and Matteo Toschi, but whose appointment 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 assignment carried out during the Financial Year, HL Consulting S.r.l. has accrued the right to a compensation of Euro 90,000.00 plus VAT and other accessories.

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

In execution of the assignment conferred on 13 March 2020, HL Consulting S.r.l. presented the work plan for the Financial Year to the Board of Directors, including both the three-year audit plan 2020-2022 and the detailed half-yearly audit plan for the period; in this meeting, also with the favourable opinion of the Control, Risks and Sustainability Committee which met on 12 February 2020, the Board of Directors approved this audit plan.

Subsequently, on 31 August 2020 and 16 March 2021, HL Consulting S.r.l. has submitted to the Board of Directors, which has expressed a favourable opinion on, respectively, the report of the first half 2020 and the report of second half of 2020.

By resolution issued on 9 December 2020 upon favourable opinion provided by the Control, Risk and Sustainability Committee at the meeting held on 4 December 2020, the Board of Directors approved, effective as of 1 January 2021, the internalisation of the internal audit function, following termination of the agreement with HL Consulting S.r.l., the appointment of the person in charge of the internal audit function, Marco Lucchesi, Finance Manager and employee of the company since 1 January 2004, with specific skills in the field of internal audit.

### 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 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 consists of the following:

- a General Section illustrating the contents of the Decree, the function of the Organisation and Management Model, the tasks of the Supervisory Body, the disciplinary system and, in general, the principles, logic and structure of the Model itself;
- the individual Special Sections that refer to the specific types of offences that may potentially be committed within Sanlorenzo and in particular: Offences in relations with Public Administrations, Offences related to health and safety at work, Environmental Offences, Corporate Offences, Information Technology Offences, Offences related to illegal exploitation of the workforce and irregular employment, Offences related to market abuse, as well as following integration officially issued on 31

August 2020, Fiscal Offences. 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 Model 231, the Company has identified a Supervisory Body, composed of Maurizio Bortolotto (professional expert in the field of administrative liability of entities, associated with crime), of Mr. Maurizio Ferrero (Chartered Accountant and Statutory Auditor, expert in corporate, tax and financial market law, as well as former standing auditor of the Company) and of Mr Gianluca Magrini (professional expert in occupational safety and hygiene and environmental protection). The collective composition, characterised by high-profile professionals from outside the Company, is in line with the best practices on the subject, guaranteeing the total autonomy and independence of the Supervisory Board. Given the above and 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 Company has deemed appropriate not to grant to the Board of Statutory Editors the functions of Supervisory Body.

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

During the year, the Board of Directors, on 31 August 2020, following the favourable opinions of the Control, Risk and Sustainability Committee, which met on the same date, and of the Board of Statutory Auditors, approved the Group Code of Conduct, adopted and applied not only by the Company but also by all Group companies, including foreign ones.

At the same meeting, the Board of Directors, after obtaining the favourable opinions of the Control, Risk and Sustainability Committee, which met on the same date, and of the Board of Statutory Auditors, approved the integration and updating of the Organisational Model pursuant to Legislative Decree 231/2011, also carried out in light of the new fiscal offences, and the integration of the Code of Ethics, adopted and applied by the Company and by the Italian companies of the Group.

By resolution of 4 December 2020, the Board of Directors of Bluegame has approved the adoption of its own organisational model pursuant to Legislative Decree 231/2011, has attributed supervisory body functions to the lawyer Carola Boggio Marzet (criminal lawyer expert on the subject of administrative liability of entities), chairwoman, and the engineer Gianluca Magrini.

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

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

#### **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 Financial reporting manager and other corporate roles and functions

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

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

- 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.

The annual budget available to Attilio Bruzzese as Financial Reporting Manager is set at €50,000.00; this annual remuneration as Financial Reporting Manager 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.

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

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

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 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 Code of Corporate Governance, expressed an opinion on the adequacy of the methods of coordination between the various parties involved in the internal control and risk management system and this opinion was reiterated at the meeting of the Board of Directors of 16 March 2021 pursuant to Article 6 of the CG Code.

## 12. 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 related party transaction procedure, approved in draft form by the Board of Directors on 24 October 2019 with effect conditional on the start of trading (10 December 2019), was definitively approved by the Board of Directors, subject to the favourable opinion of the Committee for Transactions with Related Parties, in the meeting of 23 December 2019 (the “**Related Parties Procedure**”).

Pursuant to the Related Parties Transaction 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-Party Transactions 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](http://www.sanlorenzoyacht.com)) in the "*Corporate Governance/Internal Committees of the Board of Directors*" section, to which reference should be made for further details.

In consideration of the amendment to Regulation no. 17221 of 12 March 2010 on transactions with related parties, issued by Consob with resolution no. 21624 of 10 December 2020, which will enter into force from 1 July 2021, the Company will amend the Related Parties Procedure, by 30 June 2021, as set forth by the law.



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

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

The Related-Party Transactions 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-Party Transactions Committee by independent experts must be attached to the opinion.

In carrying out its functions, the Related-Party Transactions Committee has the right to access the information and corporate functions necessary to carry out its duties as well as to make use of independent external consultants, for which a limit of €20,000.00 per transaction is set.

The work of the Related-Party Transactions Committee is coordinated by its Chairperson and minutes are drafted and signed by the Chairperson of the meeting and the Secretary.<sup>2</sup> The Chairperson reports to the Board of Directors and the Board of Statutory Auditors during the first useful meeting following its completion.

In compliance with the resolution issued by the Board of Directors' meeting of 24 October 2019, with effect subject to the start of trading on the MTA (10 December 2019) and confirmed on 23 December 2019, the members of the Related-Party Transactions Committee are Licia Mattioli, as Chairperson and Silvia Merlo and Pietro Gussalli Beretta.

During the Financial Year, the Related-Party Transactions Committee met four times on 20 March, 31 August, 5 November and 9 November 2020 in the presence, either physically or by teleconference, of its members and all members of the Board of Statutory Auditors. The average duration of the meetings was approximately thirty-seven minutes.

The frequency and participation in the meetings of the Related-Party Transactions Committee are indicated in Table 2 at the end of this Report, to which reference is made.

### **13. 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 Board of Directors of the Company of 13 March 2020 took note of the entry into force of the provisions of the 2020 Budget Law which amended Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the TUF, introduced by the so-called "Golfo-Mosca Law", on gender balance in the management and control bodies of listed companies.

The former Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis of the TUF required companies with listed shares to comply with a gender composition criterion according to which the least represented gender was entitled to at least one-fifth at the first renewal of newly listed companies and at least one-third, when fully operational, of the members of the management and control bodies. This apportionment criterion was obligatory for three consecutive terms of office from the entry into force of that law or from admission to listing subsequent to its entry into force.

The Company's By-laws, which came into force when the Company was listed on the stock exchange (10 December 2019), provided that even on the first renewal, the less represented gender shall represent at least

one third of the directors and statutory auditors elected (in any case rounded up) and that the provisions on gender balance in the composition of the Board of Directors shall apply also after the first three renewals of the Board.

The Budget Law 2020 provided for a different and higher share to be reserved to the less represented gender in the boards of directors and statutory auditors of listed companies, equal to at least two fifths, and established that this allocation criterion applies for six consecutive mandates. In addition, for the first renewal after the date of commencement of trading, the percentage to be reserved for the least represented gender is at least one-fifth of the members, limited to newly listed companies. The provisions of the Budget Law 2020 with regard to the distribution criterion apply from the first renewal of the boards of directors and statutory auditors of companies listed on regulated markets after the date of entry into force of the law itself, which took place on 1 January 2020.

With Communication No. 1/20 of 30 January 2020, Consob provided clarifications in relation to cases in which the corporate bodies are made up of three members and, in particular, to cases in which the Board of Statutory Auditors is made up of three standing members, as in the case of the Company. In particular, it was noted that in such cases, interpretative uncertainties could be created in the application of the new criterion of attributing at least two fifths to the least represented gender, since from an arithmetical point of view it is impossible to ensure for both genders the presence of at least two fifths in bodies composed in this way. Having clarified that it is not possible to support the view that the new legislation indirectly requires listed companies to have a control body composed of five standing auditors (given the current corporate rules that reserve the determination of the number of standing auditors to statutory autonomy), pending an adjustment to the regulatory framework, Consob has therefore specified that it will consider the criterion of rounding up to the next higher unit provided for in paragraph 3 of Article 144-*undecies* ("Gender balance") of the Issuers' Regulation inapplicable due to arithmetical impossibility in relation to company bodies made up of three members. Therefore, with reference to the latter, Consob reported that it will consider that rounding down to the lower unit is in line with the new rules. The criterion of rounding up to the next higher unit provided for by paragraph 3 of the aforementioned 144-*undecies* of the Issuers' Regulations for company bodies made up of more than three members remains unchanged.

Even though the mandates of the Company's management and control bodies have not expired and despite the fact that the composition of the Company's Board of Directors is already compliant with the amended provision of Articles 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of the Consolidated Law on Finance, the Board of Directors of the Company deemed it appropriate to align the provisions of the By-laws to the new regulations, proposing that the criterion of distribution of the two-fifths should be applied from the first renewal of the corporate offices, even if pursuant to the aforementioned provisions of law, the Company would have been entitled on that occasion to apply that equal to one fifth.

By resolution of 21 April 2020, the Shareholders' Meeting of the Company amended the previous article 21.3 of the By-laws, aligning it with the aforementioned provisions.

It should also be noted that the current version of the By-laws clauses that extend the validity of the provisions of the By-laws on gender balance in the management and control bodies of the Company also beyond the end of the six mandates set forth in Articles 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of the Consolidated Law on Finance as amended by the 2020 Budget Law, already compliant with the provisions of the Corporate Governance Code and also compliant with the recommendations of the CG Code

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 two fifth (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. 44 of 29 January 2021, 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 with the largest shareholding or, alternatively in the event of parity of ownership, by the largest number of shareholders, shall prevail and be considered as the list with the highest number of votes.

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

If, at the end of the vote, the composition of the Board of Statutory Auditors is not ensured, in accordance with the provisions of the law and the By-laws with regard to gender balance, the necessary replacements 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 shall take over. It is understood that the chairpersonship of the Board of Statutory Auditors will remain with the minority auditor and that the composition of the Board of Statutory Auditors must comply with the provisions of the law and the By-laws regarding gender balance.

When the Shareholders' Meeting has to appoint the standing auditors or alternate auditors 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 decides by relative majority vote; however, in ascertaining the results of the latter vote, the votes of the shareholders who, according to the communications made pursuant to current regulations, hold, even indirectly or jointly with other shareholders who are parties to a relevant shareholders' agreement pursuant to Article 122 of the TUF, the relative majority of the votes exercisable at the Shareholders' Meeting, as well as the shareholders who control, are controlled or are subject to joint control by the same, will not be counted. The procedures for the replacement of auditors must in any case ensure compliance with the provisions of the law and the By-laws with regard to gender balance.

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

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

Name and surname	Position	Place and date of birth	Date of appointment
Andrea Caretti	Chairperson	Turin, 14/9/1957	24/10/2019
Margherita Spainì	Standing Auditor	Turin, 7/2/1961	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 Article 144-decies of the Consob Issuers' Regulations are available at the Company's registered office, extracts of which can be found on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)) in the "*Corporate Governance/Board of Statutory Auditors*" section.

During the year, the Board of Statutory Auditors met 11 times. The average duration of the meetings was about 3 hours. It should also be noted that, during the year and up to this Report date, two meetings were held, on 10 March 2021 and on 16 March 2021.

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

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

### Diversity criteria and policies

As indicated in Section 13 above, the By-laws were most recently amended following the resolution of the Extraordinary Shareholders' Meeting of the Issuer held on 21 April 2020 so as to comply with the provisions of Article 148, paragraph 1-bis of the TUF (also in the text amended by the 2020 Budget Law). It should also be noted that the composition of the Board of Statutory Auditors appointed on 24 October 2019 was already in compliance with the provisions of Article 148, paragraph 1-bis of the TUF (also in the text amended by the 2020 Budget Law) on gender balance.

During the financial year, the Company did not deem it necessary to adopt additional criteria and policies on diversity in relation to the composition of the control bodies with regard to aspects such as age, gender composition and training and professional path, which instead adopted by resolution of the Board of Directors of 16 March 2021, implementing the recommendations of the CG Code.

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In 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, jointly with Alberto Cerretti, as an expert responsible for confirming the reasonableness of the indications contained in the project for the reversed merger of the Issuer with the parent company WindCo S.p.A. as regards both the reasons that justified the transaction on both the economic and financial level supporting the transaction itself, as well as the fairness of the exchange ratio of the Issuer's shares pursuant to Articles 2501-*bis* paragraph 4 and 2501-*sexies* of the Italian Civil Code; 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' meeting held on 24 October 2019, self-declarations by the auditors certifying that they meet the requirements of independence, integrity and professionalism required by law were distributed to those present. The independence of the Statutory Auditors, also in accordance with the recommendations of the CG Code, was reaffirmed during the meeting of the Board of Directors on 16 March 2021.

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.

In reference to the period, 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 and 13 March 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 Spaini 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. As regards areas for improvement, it has emerged that the Board of Statutory Auditors in its first mandate will have to pay particular attention to compliance with the new legislation applicable to the Company as a listed company, making it essential to dedicate time and energy to constant professional updating, guaranteeing participation in training events which allow the in-depth study of specific issues and any necessary updating in case of changes in the legislation. The Board of Statutory Auditors therefore suggested to provide for a specific and focused *induction* for the members of the Board in terms of corporate governance, about the duties of the Board of Statutory Auditors, the self-regulation codes and the fulfilment of Consob and Borsa Italiana obligations; this session was held by the Company on 9 November 2020.

As of the date of the Report, the self-assessment process was repeated and presented to the meeting of the Board of Directors on 16 March 2021, in which, without prejudice to the points of excellence and strength identified in 2020, the suggested further interventions were the development of the induction activity aimed at directors and statutory auditors that has already been, correctly and usefully, carried out on 9 November 2020, with a focus on the self-regulation codes and on the Consob and Borsa Italiana obligations, in particular the new Corporate Governance Code and the new Consob regulations (Shareholder rights directive II).

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During the Financial Year, all members of the Board of Statutory Auditors took part in the induction program session of 9 November 2020, held by videoconference due to the health emergency, conducted by the Issuer for the benefit of Directors and Statutory Auditors, during which some in-depth analyses on the business sector in which the Issuer operates were carried out, in addition to analyses on business dynamics and related development, on the principles of correct risk management, as well as on reference regulatory and self-regulatory framework.

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On 24 October 2019, the Ordinary Shareholders' Meeting of the Company, which appointed the Board of Statutory Auditors, also determined the gross annual remuneration, in particular by deciding on €30,000.00 for the Chairperson and €25,000.00 for each standing auditor, in addition to the reimbursement of expenses reasonably incurred and documented by virtue of the appointment.

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. 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 considers the Shareholders' Meeting to be an important opportunity for discussion between the shareholders and the Board of Directors and for the communication to the shareholders of information on the Company, in compliance with the regulations on privileged information.

To this end, the Board of Directors of the Company, by resolution of 24 October 2019 and effective as at the start of trading (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. The Board of Directors of 16 March 2021 acknowledged that pursuant to the CG Code it is no longer necessary to appoint the person in charge of managing relations with shareholders.

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 established that the Directors, unless there are proven impediments, participate in the Meetings. All directors in that forum have declared their commitment to do so.

For the transmission and storage of Regulated Information, the Issuer uses, respectively, the eMarket SDIR dissemination system and the eMarket STORAGE 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](http://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](mailto:investor.relations@sanlorenzoyacht.com)).

During the Financial Year, the Company, in consideration of its structure and size, did not set up a corporate structure in charge of managing relations with shareholders, committing itself to periodically renew this assessment, and in consideration of the structure and size of the Company, as well as the legislative measures aimed at limiting the movement and gathering of people as much as possible in consideration of the Covid-19 emergency, has not promoted specific initiatives aimed at encouraging the widest possible participation of shareholders in the meetings. The Board of Directors of 16 March 2021 acknowledged that pursuant to the CG Code it is no longer recommended to set up a corporate structure in charge of managing relations with shareholders, it being understood that the Investor Relations function of the Company will remain operational, and the adoption of specific initiatives aimed at encouraging the widest possible participation of shareholders in shareholders' meetings is no longer recommended.

The Board of Directors of the Company, on 16 March 2021, approved the Policy for the management of dialogue with the shareholders in compliance with art. 1, recommendation 3, of the CG Code.

## **16. 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 Ar. 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 avail itself of the right provided by the law to designate the representative to whom the shareholders may grant a proxy with voting instructions on all or some of the agenda item, without prejudice to the applicability of the regulations adopted in consideration of the disclosure the Covid-19 pandemic (Law Decree no. 18 of 17 March 2020 converted with amendments by Law no. 27 of 24 April 2020 named "Cura Italia") which made it possible to use the designated representative even as the exclusive form of participation in the Shareholders' Meeting, also in those cases where the By-laws provide otherwise, whose applicability was last extended to 31 July 2021 at the time of conversion of Law Decree no. 183 of 31 December 2020 (so-called "Milleproroghe") by the Law no. 21 of 26 February 2021.

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 of votes required by the law, without prejudice to the provisions of the By-laws on the voting list for the appointment of directors and statutory auditors.

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

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

The Company has not adopted shareholders' meeting regulations pursuant to the Article 9.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.

Two Shareholder' Meetings were held during the year. The first, which was attended by eight out of nine directors, took place on 21 April 2020 and met both in an ordinary and extraordinary session: in the ordinary session, for the approval of the financial statements at 31 December 2019 and of the allocation of the profit for the year, for the resolutions on the Report on the remuneration policy and on the compensations paid and for the approval of the 2020 Stock Option Plan; in an extraordinary session, for the approval of the capital increase to serve the 2020 Stock Option Plan and the approval of the amendment to the By-laws correcting two clerical errors, and for the alignment of the provisions to the 2020 Budget Law regarding a balance between genders in the composition of the control and administrative bodies of listed companies. The second meeting was held in ordinary session on 31 August 2020 to resolve, in the presence of all the Directors, on the authorisation to purchase treasury shares.

Due to the spread of the Covid-19 pandemic, because of the restrictive measures adopted for its containment and the regulatory measures adopted in order to allow for the holding of the Shareholders' Meetings of the listed companies despite the Pandemic, and in particular to also allow the companies whose By-laws sets forth different provisions, as in the case of the Issuer, from Article 106, paragraphs 4 and 7, of Decree Law no. 18 of 17 March 2020, converted into Law no. 27, as amended, of 24 April 2020, the Shareholders were authorised to attend the Shareholders' Meeting held during the period (on 21 April 2020 and 31 August 2020), and to exercise their right to vote exclusively by granting a proxy to the designated representative, identified pursuant to Article 135-*undecies* of TUF, in the trust company SPAFID S.p.A.

The Chairperson of the Board of Directors reported to the Shareholders' Meeting on the activities carried out and took steps to ensure that the shareholders were adequately informed of the elements necessary for them to be able to take, with full knowledge of the facts, the decisions pertaining to the Shareholders' Meeting.

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. FURTHER CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ARTICLE 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 and without prejudice to the CG Code to be applied as from the period following 31 December 2020.

## **18. CHANGES SINCE THE END OF THE REPORTING PERIOD**

After the close of the Financial Year and until the approval of this Report by the Board of Directors, which took place on 16 March 2021, there were no changes in the Corporate Governance structure of the Company, except for the adoption of the CG Code and the alignment of the Company's Corporate Governance structure to the recommendations of the CG Code itself, as indicated in the Report and it being understood that, in compliance with the provisions of the CG Code, the Company shall confirm its adherence to the same in the report on corporate governance and ownership structures for the year 2021, to be published in 2022.

## **19. CONSIDERATIONS ON THE LETTER OF 22 DECEMBER 2020 FROM THE CHAIRPERSON OF THE CORPORATE GOVERNANCE COMMITTEE**

The letter of 22 December 2020 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 16 March 2021, where the analyses and recommendations contained therein were noted.

## TABLES

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

SHARE CAPITAL STRUCTURE				
Type	Number of shares	% of the share capital	Listed	Rights and obligations
Ordinary shares	34,500,000	100%	MTA STAR Segment	All the Issuer's shares grant proprietary and administrative rights provided for by the applicable provisions of the law 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 (statement filed on 22/01/2020)	Holding Happy Life S.r.l.	62.736%	62.736%
JPMorgan Asset Management Holding Inc. (statement filed on 09/12/2020)	JPMorgan Asset Management (UK) Limited	4.978%	4.978%
Templeton Investment Counsel LLC (statement filed on 09/04/2020)	Templeton Investment Counsel LLC	4.808%	4.808%
Ferruccio Rossi (statement filed on 03/04/2020)	Ferruccio Rossi	1.565%	1.565%
Marco Viti (statement filed on 03/04/2020)	Marco Viti	1.391%	1.391%
Carla Demaria (statement filed on 03/04/2020)	Carla Demaria	1.032%	1.032%

**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			
Position	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 app. ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)		
<b>Chairperson and Chief Executive Officer</b> • ◊	Massimo Perotti	1960	14/4/2005	24/6/2019	Appr. fin. stat. at 31/12/2021	N/A	X				12	100%										
<b>Chief Executive Officer</b>	Marco Viti	1957	26/9/2009	24/6/2019	Appr. fin. stat. at 31/12/2021	N/A	X				2	100%										
<b>Chief Executive Officer</b>	Carla Demaria	1959	14/1/2019	24/6/2019	Appr. fin. stat. at 31/12/2021	N/A	X				3	100%										
<b>Vice Chairperson</b>	Paolo Olivieri	1961	9/7/2013	24/6/2019	Appr. fin. stat. at 31/12/2021	N/A		X			3	99.3%			5/5	M	1/1	M				
<b>Director</b>	Cecilia Maria Perotti	1993	30/8/2018	24/6/2019	Appr. fin. stat. at 31/12/2021	N/A		X			2	100%	6/6	M								
<b>Independent Director</b> ○	Pietro Gussalli Beretta	1962	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	20	98.5%					1/1	P.	4/4	M		
<b>Independent Director</b>	Silvia Merlo	1968	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	15	100%	5/6	M	5/5	P			4/4	M		
<b>Independent Director</b>	Licia Mattioli	1967	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	7	87.25%					1/1	M	4/4	P		
<b>Independent Director</b>	Leonardo Luca Etro	1978	24/10/2019	24/10/2019 <sup>(1)</sup>	Appr. fin. stat. at 31/12/2021	N/A		X	X	X	4	100%	6/6	P	5/5	M						
<b>Outgoing directors during the reference financial year from the date of commencement of trading:</b> none																						
<b>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):</b> 2.5%																						
<b>Number of meetings held during the reference year:</b> 8								Control, Risk and Sustainability Committee: 6				Remuneration Committee: 5			Nomination Committee: 1			Related-Party Transactions Committee: 4				
<b>NOTES</b> The following symbols must be inserted in the "Role" column: • This symbol indicates the Appointed Director of the internal control and risk management system. ◊ This symbol indicates the issuer's Chief Executive Officer or CEO.								*** 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.).														

<p>○ This symbol indicates the Lead Independent Director (LID).</p> <p>* 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.</p> <p>** This column shows the list from which each director was drawn ("M": majority list; "m": minority list; "BoD": list submitted by the BoD).</p>	<p>(**). This column indicates the position of the Board Member within the Committee: "P": Chairman [Presidente]; "M": Member.</p>
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<sup>(1)</sup> The appointment became effective on 10 December 2019.

**Table 3: Structure of the Board of Statutory Auditors**

Board of Statutory Auditors									
<i>Position</i>	<i>Members</i>	<i>Year of birth</i>	<i>Date of first appointment</i> *	<i>In office since</i>	<i>In office to</i>	<i>List</i> **	<i>Indep. Code</i>	<i>Attendance at Board meetings</i> ***	<i>No. of other appointees</i> ****
<b>Chairperson</b>	Andrea Caretti	1957	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	11/11	9
<b>Standing Auditor</b>	Margherita Spainì	1961	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	11/11	12
<b>Standing Auditor</b>	Roberto Marrani	1958	1/6/2016	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	11/11	13
<b>Alternate Auditor</b>	Luca Trabattoni	1956	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	-	16
<b>Alternate Auditor</b>	Marina Scandurra	1969	24/10/2019	24/10/2019	Appr. fin. stat. at 31/12/2021	N/A	X	-	8
<b>Number of meetings held during the reference year: 11</b>									
<b>Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 148 of the TUF):2.5%</b>									

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

## Table of the Board of Directors assignment

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

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
	Beretta Foundation Onlus	Chairperson
<b>Silvia Merlo</b>	Movimatica S.r.l.	Executive Chairperson
	Merlo S.p.A.	Chief Executive Officer
	Merlo Polska sp. zo.o. (Poland)	Board Member Director
	Alta Valdelsa S.r.l.	Sole Director
	CFR Merlo S.r.l.	Sole Director
	CO.IMM.I S.r.l.	Sole Director
	IBIS S.p.A.	Chief Executive Officer
	Tecnoindustrie Merlo S.p.A.	Chief Executive Officer
	Treemme Technology S.r.l.	Chief Executive Officer
	ERG S.p.A.	Board Member Director
	Fin.S.I. S.p.A.	Board Member Director
	Pharmaciolo Italia S.r.l.	Board Member Director
	Kibotion S.r.l.	Sole Director
	Ergos S.r.l.	Director
	MEFRA s.s.	Shareholder Director
<b>Licia Mattioli</b>	Mattioli S.p.A.	Managing Director
	Gea S.r.l.	Managing Director
	Invitalia Global Investment S.p.A.	Board Member Director
	Magia s.s.	Shareholder Director
	Pininfarina S.p.A.	Board Member Director
	Teatro Stabile di Torino	Board Member Director
	European School of Management Italia Foundation	Board Member Director
<b>Leonardo Luca Etro</b>	King Advisory Company S.r.l.	Sole Director
	Madison Corporate Finance S.r.l.	Chairperson and Managing Director
	Generalfinance S.p.A.	Board Member responsible for control
	Madison Capital S.r.l.	Chairperson



## Table of Board of Statutory Auditors assignments

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
<b>Andrea Caretti</b>	Acqua Sant'Anna S.p.A.	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
	Bimotor S.p.A.	Standing Auditor
	Monge & C. S.p.A.	Standing Auditor
	Sicom S.p.A.	Alternate Auditor
	O.M.T. S.p.A.	Chairperson of the Supervisory Board
	Kirey Group S.p.A.	Chairperson of the Supervisory Board
<b>Margherita Spaini (*)</b>	A + A Monferrato S.p.A.	Chairperson of the Board of Statutory Auditors
	Microntel S.p.A.	Chairperson of the Board of Statutory Auditors
	Società Cooperativa Taxi Torino	Chairperson of the Board of Statutory Auditors
	Società di Committenza Regione Piemonte S.p.A.	Chairperson of the Board of Statutory Auditors
	Nord Ovest Servizi S.p.A.	Standing Auditor
	Trattamento Rifiuti Metropolitan (TRM) S.p.A.	Standing Auditor
	Amiat V. S.p.A.	Standing Auditor
	Tenoservice Camere S.c.p.a.	Standing Auditor
	Valle Dora Energia S.r.l.	Standing Auditor
	XKE?? Impresa sociale S.r.l.	Standing Auditor
	XKE?? Zerotredici S.c.r.l.	Standing Auditor
	Immaginazione e Lavoro S.c.r.l.	Standing Auditor
	Environment Park S.p.A.	Alternate 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	
<b>Roberto Marrani</b>	Acam Acque S.p.A.	Chairperson of the Board of Statutory Auditors
	Bluegame S.r.l.	Sole auditor
	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
	BCC Creditoconsumo S.p.A.	Standing Auditor
	Navigazione Golfo dei Poeti S.c.r.l.	Alternate Auditor
	Cermec S.p.A.	Judicial commissioner

NAME AND SURNAME	COMPANY	POSITION HELD / SHAREHOLDING HELD
	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
	Firmafede Onlus	Member of the Steering Committee
<b>Luca Trabattoni</b>	Baker Tilly Italy Tax S.r.l.	Chairperson of the Board of Directors
	Real Estate Eleventh Floor of Maria Tavella & C. snc	Shareholder Director
	Società Semplice Quinto	Shareholder Director
	Synergia Consulting Group S.r.l.	Board Member Director
	Assi 90 S.r.l.	Chairperson of the Board of Statutory Auditors
	Funivie S.p.A.	Chairperson of the Board of Statutory Auditors
	Italinvest S.p.A.	Chairperson of the Board of Statutory Auditors
	Sant'Ugo Immobiliare S.r.l.	Chairperson of the Board of Statutory Auditors
	Fintowage S.r.l.	Sole Auditor
	Cristal Maritime Holding S.r.l.	Sole Auditor
	Finarge Armamento Genovese S.r.l.	Sole Auditor
	Homberger S.p.A.	Standing Auditor
	Petrorep Italiana S.p.A.	Standing Auditor
	Finservice S.r.l.	Standing Auditor
	Rimorchiatori Mediterranei S.p.A.	Standing Auditor
	Rimorchiatori Salerno S.r.l.	Standing Auditor
	Gruppo Messina S.p.A.	Alternate Auditor
	Ignazio Messina & C. S.p.A.	Alternate Auditor
	Carbofin S.p.A.	Alternate Auditor
	Comer S.p.A.	Alternate Auditor
	Pria S.p.A.	Alternate Auditor
	Rimorchiatori Riuniti S.p.A.	Alternate Auditor
	Samo S.p.A.	Alternate Auditor
	Ferrania Technologies S.p.A. in liquidation	Alternate Auditor
<b>Marina Scandurra (**)</b>	MPS Capital Services	Board Member Director
	Citelum Napoli Illuminazione S.c.r.l.	Chairperson Chairman of the Board of Statutory Auditors
	Stretto di Messina S.p.A. in liquidation	Chairperson Chairman of the Board of Statutory Auditors
	MICO DMC S.r.l.	Sole Auditor
	Italia Trasporto Aereo S.p.A.	Standing Auditor
	Camfin Alternative Assets S.p.A.	Standing Auditor
	Morini S.p.A.	Standing Auditor
	CDP Equity S.p.A.	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
	Gedi Gruppo Editoriale S.p.A.	Member of Supervisory Body

(\*) For the sake of transparency, he also reports that he is an auditor for some service sector entities, including Compagnia di San Paolo and Fondazione Collegio Carlo Alberto.

(\*\*) For the sake of transparency, he also reports that he is an alternate auditor of Fondazione Musica per Roma.