

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

REPORT ON THE POLICY REGARDING REMUNERATION AND FEES PAID

Approved by the Board of Directors on 16 March 2021

CONTENTS

Introduction	3
Section I	5
Company’s Remuneration Policy, procedures used, objectives pursued and relations with the previous remuneration policy	5
Bodies or parties involved in the preparation, approval and possible revision of the Remuneration Policy, with specification of their respective roles, as well as bodies or parties responsible for the correct implementation of this policy. Role and functions of the Remuneration Committee	7
Remuneration of Directors	12
Remuneration of Statutory Auditors.....	13
Principles of the Remuneration Policy with regard to the extent and balance between fixed and variable components and with regard to variable remuneration for executive directors and managers with strategic responsibilities.....	13
Non-monetary benefits	18
End of office indemnity.....	18
SECTION II	20
Section II - Part One. Remuneration items	21
Remuneration of members of the Board of Directors	21
Remuneration of the members of the control body	22
Remuneration of managers with strategic responsibilities	22
Section II - Part Two. Information on the assignment of financial instruments to directors, managers and other employees of the Company and its subsidiaries	25
Section II - Part Three. Analytical representation of compensation paid during the year	25
Tables pursuant to Annex 3A, Schedule 7-bis of the Issuers' Regulations.....	26
Table 1: Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities	26
Table 2: Stock options assigned to members of the management body, general managers and other managers with strategic responsibilities	29
Table 3B: Monetary incentive plans for members of the Board of Directors, general managers and other managers with strategic responsibilities	30
Tables pursuant to Annex 3A, Schedule 7-ter of the Issuers' Regulations	31
Table 1: Shareholdings of members of management and control bodies and of general managers	31
Table 2: Shareholdings of other managers with strategic responsibilities.....	32

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.

INTRODUCTION

This report on the remuneration policy and remuneration paid (the "**Remuneration Report**") was prepared pursuant to article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended (Consolidated Law on Finance, "**TUF**") and Article 84-quater of the Consob Regulation on issuers adopted with Resolution no. 11971 of 14 May 1999, as subsequently amended (the "**Issuers' Regulation**"), and was drafted in accordance with Annex 3A, Schedules 7-bis and 7-ter, of the Issuers' Regulation itself. The Remuneration Report takes into account the dispositions of Italian Legislative Decree 49/2019, implementing Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (the so-called Shareholders' Right Directive II), amending Directive 2007/367/EC on the exercise of certain rights of shareholders in listed companies as regards the encouragement of long-term shareholders commitment (the "**Directive**"), and of Resolution no. 21623 of 10 December 2020 adopted by Consob, amending the Issuers' Regulation implementing Italian Legislative Decree 49/2019.

The Remuneration Report is divided into the following sections:

- (i) Section I illustrates in a clear and understandable manner a) the policy of Sanlorenzo S.p.A. (the "**Company**") with regard to the remuneration of the members of the Board of Directors, general managers, managers with strategic responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors with reference to at least the following year, and b) the procedures used for its adoption, revision and implementation.
- (ii) Section II, in a clear and understandable manner, identifying by name, for the remuneration attributed to directors and statutory auditors and, in aggregate form, for Managers with strategic responsibilities:
 - a) provides an adequate representation of each of the items that make up remuneration, including the processes provided for in the event of termination of office or termination of employment;
 - b) analytically illustrates the remuneration paid in the financial year of reference for any reason and in any form by the Company and its subsidiaries or associated companies, indicating any components of the aforementioned remuneration that refer to activities carried out in years prior to that of reference and also highlighting the remuneration to be paid in one or more subsequent years for the activity carried out in the financial year of reference, possibly indicating an estimate value for components that cannot be objectively quantified in the financial year of reference;
 - c) illustrates how the Company took into account the vote expressed the previous year by the Shareholders' Meeting on Section II of the report on the remuneration policy and on the remuneration paid for the year 2020.

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

This Remuneration Report was approved, after hearing the favourable opinion of the Board of Statutory Auditors, by the Board of Directors meeting held on 16 March 2021, and was previously examined by the Remuneration Committee set up within the same Board of Directors (the "**Remuneration Committee**") meeting held on 15 March 2021, which expressed the same favourable opinion, and will be submitted, pursuant to and for the purposes of Article 123-ter of the TUF, to the vote of the Shareholders' Meeting called for 21

April 2021 in first call and for 22 April 2021 in second call.

SECTION I

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

Company's Remuneration Policy, procedures used, objectives pursued and relations with the previous remuneration policy

1. The Remuneration Policy, as described in this Remuneration Report, was approved, on the proposal of the Remuneration Committee meeting on 15 March 2021 and after hearing the favourable opinion of the Board of Statutory Auditors, by the Board of Directors on 16 March 2021, also in light of the recommendations of the Corporate Governance Code adopted by the Corporate Governance Committee set up at Borsa Italiana S.p.A. (the "**Corporate Governance Code**") to which the Company abides.

The Remuneration Policy has a duration of one year, until the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2021.

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

2. Please note that pursuant to Consob Regulation No. 17221 of 12 March 2010 and subsequent amendments (the "**Related Parties Regulation**"), the procedure adopted by the Company with regard to related parties (the "**Related Parties Procedure**") does not apply to the resolutions adopted by the Shareholders' Meeting pursuant to Article 2389, first paragraph, of the Italian Civil Code concerning the remuneration of the members of the Board of Directors and of the Executive Committee, nor to the resolutions concerning the remuneration of the directors holding special offices included in the total amount previously determined by the Shareholders' Meeting pursuant to Article 2389, third paragraph, of the Italian Civil Code, nor to the remuneration of the members of the Board of Statutory Auditors and of the Supervisory Board.

Furthermore, in accordance with the Related Parties Procedure pursuant to the Related Parties Regulation, the aforementioned Related Parties Procedure also does not apply to:

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

3. The Remuneration Policy adopted by the Company, as described in this Remuneration Report, constitutes an update of the remuneration policy referring to the financial year 2020 approved by the Shareholders' Meeting of 21 April 2020.

The review of the previous remuneration policy took place both in the light of the applied experience and the changed factual context, also characterized by the Covid-19 health emergency, and in the light of the amendments made by Consob Resolution 21623/2020 to the Issuers' Regulation and from the Corporate Governance Code to the previous Corporate Governance Code in force until 31 December 2020.

The revision of the remuneration policy valid for the financial year 2020 by the Remuneration Policy did not take into account the votes and assessments expressed at the shareholders' meeting of 21 April 2020 on the remuneration policy referring to the financial year 2020, as at that time the shareholders did not express any assessment or observation in this regard and the vote was for the majority favourable.

4. The Remuneration Policy illustrated in this Remuneration Report and adopted and implemented by the Company with the help of the Remuneration Committee is based on the principles of meritocracy and equity and consists of instruments and principles applicable to all employees of the Company and its subsidiaries (collectively, the “**Group**”), in the logic according to which the sustainable success, the pursuit of long-term interests and the sustainability of the Company and the Group are linked to the growth of the people who work there and the need of the Company and the Group to have access to, retain and motivate people with the competence and professionalism required by the role held.

The Remuneration Policy contributes to the Company's strategy and to the pursuit of the long-term interests and sustainability of the Company, and is functional to the pursuit of sustainable success by the Company, as it provides that in awarding remuneration to directors and Managers with strategic responsibilities and in implementing the related remuneration instruments, choices must be made that respect the principles of meritocracy and fairness and that:

- a) identify clear, fair and easily communicable remuneration instruments to recipients and the market;
- b) are diversified by category, since it is specified that greater responsibilities are associated with higher salaries, including those of an incentive nature;
- c) take into account the individual professional contribution of the recipients;
- d) have the purpose of attracting, retaining and motivating people with the professional qualities required to successfully manage the Company and its subsidiaries;
- e) with regard to incentive remuneration, they are also functional to the pursuit of the Company's sustainable success and their purpose is also to align the interests of the recipients with the pursuit of the priority objective of creating value for shareholders in the medium to long term.

Without prejudice to the need to comply with the above, in implementing the Remuneration Policy and establishing the remuneration of executive directors and Managers with strategic responsibilities, the Board of Directors is also called upon in any case to ensure that the following criteria are met:

- a) the fixed component and the variable component are adequately balanced according to the Company's strategic objectives and risk management policy, also taking into account the sector of activity in which it operates and the characteristics of the business activity actually carried out;
- b) there are maximum limits for variable components;
- c) the fixed component is sufficient to remunerate the recipient's performance if the variable component is not paid due to the failure to achieve the set performance objectives;

- d) the performance objectives - i.e. the economic results and any other specific objectives to which the disbursement of the variable components is linked - are predetermined, measurable and linked to the creation of value for shareholders, including over the long term; they must be consistent with the strategic objectives of the Company and are aimed at promoting its sustainable success, including, where deemed relevant by the Board of Directors, also non-financial parameters, including those relating to corporate social responsibility;
- e) an adequate period of deferment is envisaged where possible - with respect to the moment of accrual - for the payment of a significant part of the variable component, in line with the characteristics of the business activities and with the related risk profiles;
- f) in the event of any payment of indemnity for the termination of the directorship, clear rules are established, defining the maximum limit of the total amount payable by linking it to a certain amount or a certain number of years of remuneration; furthermore, it is envisaged that this indemnity will not be paid if the termination of the relationship is due to the non-achievement of objectively adequate results.

The Board of Directors is not required to envisage, although it may do so, contractual clauses that allow the Company to request the return, in whole or in part, of variable components of the remuneration paid (or to withhold amounts subject to deferral), determined on the basis of data later proved to be manifestly incorrect.

The Remuneration Policy contributes to the Company's business strategy and to the pursuit of the long-term interests and sustainability of the Company itself and is subject to the pursuit of the sustainable success of the Company also in that, in line with what is indicated above and better illustrated here, it establishes (i) principles on the amount and balance of the remuneration of executive directors and managers with strategic responsibilities and (ii) principles on the variable remuneration of executive directors and managers with strategic responsibilities, both with regard to any plans based on financial instruments and with regard to any monetary incentive remuneration plans, or in any case the recognition *ad personam* of variable remuneration.

Moreover, this result is also achieved through a broad and informed aware involvement of shareholders who, in addition to the resolutions already within their competence regarding the determination of the remuneration of directors and statutory auditors (and, specifically, the resolutions referred to in Articles 2364, paragraph 1, No. 3), 2389 and 2402 of the Italian Civil Code and article 16 of the By-Laws), are called upon to express their binding vote on the Remuneration Policy, as described in Section I of this Remuneration Report, which has a broader content than the resolutions mentioned above.

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

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

5. The main parties and bodies involved in the preparation, approval and possible revision of the Company's remuneration policy are the Board of Directors, the Remuneration Committee, the Board of Statutory Auditors and the Shareholders' Meeting.

Board of Directors

Pursuant to legislation and the By-laws of the Company (the “**By-laws**”) and in accordance with the Remuneration Policy and the regulations governing the functions and functioning of the Remuneration Committee (the “**Remuneration Committee Regulations**”), the Board of Directors:

- (i) constitutes from among its members the Remuneration Committee, appointing members and establishing their remuneration;
- (ii) establishes the annual expenditure budget of the Remuneration Committee;
- (iii) defines, with the assistance of the Remuneration Committee and after hearing the opinion of the Board of Statutory Auditors, the remuneration policy, pursuant to Article 123-ter of the TUF, Article 84-quater of the Issuers' Regulations and Article 7 of the Corporate Governance Code, and submits it to the Shareholders' Meeting for a binding vote pursuant to Article 123-ter of the TUF, paragraphs 3-bis and 3-ter;
- (iv) approves, subject to examination by the Remuneration Committee, the report on the remuneration policy and remuneration paid pursuant to Article 123-ter of the TUF and Article 84-quater of the Issuers' Regulations;
- (v) in compliance with the remuneration policy approved by the Shareholders' Meeting, determines, after examining the opinion or proposals of the Remuneration Committee and consulting the Board of Statutory Auditors, the remuneration of directors holding particular offices in compliance with the overall remuneration determined by the Shareholders' Meeting pursuant to Article 2389, paragraph 3 of the Italian Civil Code, and, if the Shareholders' Meeting has not already done so, the subdivision of the overall remuneration due to all members of the Board of Directors;
- (vi) in compliance with the remuneration policy approved by the Shareholders' Meeting, prepares, examines the opinion or proposals of the Remuneration Committee and after consulting the Board of Statutory Auditors, any share-based remuneration plans or other financial instruments for directors, employees (including managers with strategic responsibilities) and collaborators, submits them to the Shareholders' Meeting for approval pursuant to Article 114-bis of the TUF and ensures their implementation, also fixing the correlated performance objectives;
- (vii) in compliance with the remuneration policy approved by the Shareholders' Meeting, prepares, examines the opinion or proposals of the Remuneration Committee and after consulting the Board of Statutory Auditors, any monetary incentive remuneration plans intended for, or in any case the recognition *ad personam* of variable remuneration, in favour of executive directors and managers with strategic responsibilities, also fixing the related performance objectives;
- (viii) ensures that the remuneration paid and accrued to directors is consistent with the principles and criteria defined in the Remuneration Policy.

Remuneration Committee

In accordance with the Remuneration Committee Regulation, the Remuneration Committee, pursuant to the Corporate Governance Code, assists the Board of Directors in the performance of the tasks assigned to the latter with regard to remuneration and has, inter alia, the following responsibilities:

- (i) assist the Board of Directors in formulating the remuneration policy for directors and managers with strategic responsibilities;
- (ii) 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;
- (iii) monitor the actual application of the remuneration policy and verify, in particular, the actual achievement of the performance objectives;
- (iv) periodically assess the adequacy and overall consistency of the remuneration policy for directors and top management;
- (v) 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;
- (vi) to carry out the additional tasks assigned to it by the Board of Directors and by current regulations.

Moreover, in accordance with the Remuneration Policy, the Remuneration Committee:

- (vii) formulates opinions or proposals to the Board of Directors on any share-based remuneration plans or other financial instruments for directors, employees (including managers with strategic responsibilities) and collaborators;
- (viii) formulates opinions or proposals to the Board of Directors on any monetary incentive remuneration plans intended for, or in any case the recognition *ad personam* of variable remuneration in favour of, executive directors and managers with strategic responsibilities.

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

Shareholders' Meetings

In accordance with legislation and the By-laws, in terms of remuneration, the Shareholders' Meeting:

- (i) determines the remuneration of the members of the Board of Directors; the By-laws provides that the Shareholders' Meeting may determine a total amount for the remuneration of all directors, including those holding special offices, and may grant directors the right to receive an indemnity at the end of their term of office, to be established by means of annual provisions and also, if necessary, by means of insurance policies or other similar instruments;
- (ii) determines the remuneration of the members of the Board of Statutory Auditors in accordance with legislation and the By-laws;
- (iii) expresses its binding vote on the remuneration policy adopted by the Company, pursuant to Article 123-ter, paragraphs 3-bis and 3-ter of the TUF;
- (iv) expresses its non-binding vote on the second section of the report on the remuneration policy and remuneration paid by the Company, pursuant to Article 123-ter, paragraph 6 of the TUF;
- (v) resolves on any remuneration plans based on financial instruments for directors, employees (including

managers with strategic responsibilities) and collaborators, pursuant to Article 114-bis of the TUF.

Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors:

- (i) expresses its opinion on the proposals for the remuneration of directors holding special offices pursuant to Article 2389, paragraph 3 of the Italian Civil Code;
- (ii) in accordance with the Remuneration Policy, expresses its assessment of the decisions relating to the definition, approval and possible revision of the remuneration policy;
- (iii) in accordance with the Remuneration Policy, expresses its assessment of any share-based remuneration plans or other financial instruments for directors, employees (including managers with strategic responsibilities) and collaborators;
- (iv) in accordance with the Remuneration Policy, expresses its assessment of any monetary incentive remuneration plans intended for, or in any case the recognition *ad personam* of variable remuneration, in favour of executive directors and managers with strategic responsibilities;
- (v) in accordance with the Remuneration Policy, expresses its assessment of the report on the remuneration policy and the remuneration paid pursuant to Article 123-ter of the TUF.

6. The process of preparing, approving and revising the Remuneration Policy therefore involves the Board of Directors, the Remuneration Committee, the Board of Statutory Auditors and the Shareholders' Meeting, each with the tasks and functions specifically identified and described above.

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

On 24 October 2019, the Board of Directors approved the Remuneration Committee Regulation, which, among other things, in Article 3 defines its functions, as illustrated above, and in Article 5 defines its prerogatives, establishing, among other things, that the Remuneration Committee has the right to access the necessary information and corporate functions, and may use, at the Company's expense and within the limits of the budget approved by the Board of Directors, external consultants who are not in situations that compromise their independence. On 16 March 2021, the Board of Directors, on the proposal of the Remuneration Committee, approved a revision of the Regulation of the Remuneration Committee to adapt it to the new provisions of the Corporate Governance Code, which came into force on 1 January 2021.

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

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

The Remuneration Committee meets when convened by its Chairperson, whenever the Chairperson deems it

appropriate and in any case at least once a year, or when two of its members make a written request to the Chairperson, or the Chairperson of the Board of Statutory Auditors, or the Chairperson of the Board of Directors.

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

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

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

8. The Remuneration Committee is composed of the Directors Silvia Merlo (Independent Director), acting as chairperson, Leonardo Luca Etro (Independent Director) and Paolo Olivieri (Non-executive Director); their term of office is equal to that of the Board of Directors to which the members belong and is therefore fixed until the Shareholders' Meeting called to approve the financial statements as at 31 December 2021.

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

In the 2020 financial year, the Remuneration Committee met five times, the average duration of its meetings was 35 minutes and the overall percentage of attendance by its members was 100%.

The members of the Remuneration Committee receive a specific remuneration for their participation, with an increase in favour of the chairperson.

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

9. In order to avoid or manage potential conflicts of interest, the executive directors (Massimo Perotti, Marco Viti and Carla Demaria) abstain from voting on resolutions concerning or that may concern their remuneration.

10. In addition to those indicated above, there are no additional measures intended to avoid or manage conflicts of interest.

11. In defining the Remuneration Policy, the Company involved the Human Resources Department which, following the guidelines of Confindustria, has verified the best remuneration practices adopted in the reference

sectors and therefore the Remuneration Policy takes into account the widespread remuneration practices in the reference sectors and for companies of similar size, also considering comparable foreign experiences; in particular, the comparative analysis was carried out within a benchmark composed of companies selected on the basis of a business model comparable to that of the Company, the shareholding structure and the markets in which they operate, which potentially represent a reference market both for new and for current employees of the Company and the Group.

12. For the definition of the Remuneration Policy, the Company did not avail itself of the collaboration of independent experts.

13. In defining the Remuneration Policy, the Company took into account the remuneration and working conditions of its own employees, fixing the content of the Remuneration Policy in the light of the same, as the Remuneration Policy expresses principles and rules consistent with the working conditions and remunerations actually applied and recognised by the Company.

14. The Remuneration Policy provides that, in the event of the occurrence of exceptional circumstances pursuant to Article 123-ter, paragraph 3-bis of the TUF (i.e. when the waiver of the Remuneration Policy is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay on the market), the Company may temporarily waive the Remuneration Policy; in this case the relevant decisions must be submitted in full to the Procedure for Related Parties Transactions of the Company from time to time in force, such as "Transactions of Lesser Significance". Upon the occurrence of these exceptional circumstances, and in compliance with the aforementioned procedure, the exception to the Remuneration Policy may concern:

- the characteristics of compensation plans based on financial instruments (stock option), of variable remuneration *ad personam* and of monetary incentive plans;
- the balance between fixed remuneration and variable remuneration;
- the performance objectives for remuneration plans based on financial instruments (stock option), variable remuneration *ad personam* and monetary incentive plans.

15. If the Shareholders' Meeting does not approve the Remuneration Policy, pursuant to Article 123-ter, paragraph 3-ter of the TUF, the Company will be required to pay remuneration in accordance the Remuneration Policy approved by the Shareholders' Meeting of 21 April 2020.

Remuneration of Directors

16. Pursuant to Article 16 of the By-laws, directors are entitled to the reimbursement of expenses incurred in the performance of their duties, their remuneration is established in accordance with the law and the Shareholders' Meeting may in any case determine a total amount for the remuneration of all directors, including those holding special offices, as well as the right to receive an indemnity at the end of their term of office, to be established through annual provisions and also through insurance policies or other similar instruments.

The fees for Board mandates, established in cumulative form by the Shareholders' Meeting, are then distributed by the Board of Directors, after consultation with the competent internal advisory functions as illustrated above.

17. In compliance with the provisions of the Corporate Governance Code, the remuneration paid to non-executive directors does not include a variable part, not even minimally. A remuneration is recognised to non-

executive directors commensurate to their competences, professionalism and commitment requested within the administrative body, taking into account their possible participation in one or more committees, as it is envisaged that Committees' Chairpersons receive a higher remuneration than the components of the same and that participation to the Appointment Committee does not carry a specific compensation. The remuneration of non-executive directors is therefore in no way linked to performance objectives.

There is no specific additional remuneration for the office of chairperson of the Board of Directors, as the Chairman Massimo Perotti is also Chief Executive Officer and manager of the Company and receives a specific remuneration for these offices, nor for the position of vice chairperson or lead independent director.

It is recommended that non-executive directors' remuneration is consistent with the competences, professionalism and commitment required by the tasks assigned to them within the Board of Directors and in the Board's Committees and is not linked to financial performance objectives and that the related proposals on remuneration are presented by the shareholders (where appropriate also pursuant to Article 126-bis of the TUF) so that they can be communicated to the public well in advance of the Shareholders' Meeting called to resolve on them.

Remuneration of Statutory Auditors

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

It is recommended that such remuneration is consistent with the professional commitment required by the office as well as the related responsibilities and that the related proposals on remuneration are presented by the shareholders (where appropriate also pursuant to Article 126-bis of the TUF) so that they can be communicated to the public well in advance of the Shareholders' Meeting called to resolve on them.

19. The outgoing Board of Statutory Auditors, in view of the Shareholders' Meeting held on 24 October 2019, which appointed the Statutory Auditors in office as at 31 December 2020 and at the date of the Remuneration Report, did not provide the Company with details on the quantification of the commitment required to carry out the appointment.

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

20. The Remuneration Policy ensures that the amount of remuneration and the balance between the fixed and variable components of the remuneration of directors and managers with strategic responsibilities (i) are adequate and consistent with the Company's strategic objectives and the risk management policy, taking into account the characteristics of the company's activities and the sector in which it operates, in any case envisaging the variable part to represent a significant part of the overall remuneration, as well as being functional to the pursuit of the Company's sustainability, and (ii) are defined in coherence with the Remuneration Policy's forecasts, also taking into account the category, organisational level, responsibilities and professional skills of the recipients.

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

22. In order to pursue the purposes indicated in the Remuneration Policy, the establishment is permitted, in addition to the 2020 Stock Option Plan approved by the Shareholders' Meeting of 21 April 2020 (the “**2020 Stock Option Plan**”, whose information documents are available on the Company’s website www.sanlorenzoyacht.com in the “Corporate Governance” section), of one or more compensation plans based on financial instruments (stock options) that have the following fundamental characteristics:

- (i) the recipients of the plan may be executive directors, general managers, managers with strategic responsibilities and employees with an open-ended contract of employment and the status of executive, middle manager or employee of the Company and its subsidiaries (the "**Recipients**");
- (ii) the beneficiaries of the plan are identified among the Recipients, also by separate and subsequent resolutions, by the Board of Directors, after receiving a favourable opinion or on the proposal of the Remuneration Committee and after consulting the Board of Statutory Auditors (the parties thus identified, the "**Beneficiaries**");
- (iii) the Beneficiaries are assigned a specific number of options which, if exercised, give the right to subscribe one share of Sanlorenzo, as each Option gives the right to purchase or subscribe a single share of Sanlorenzo (the "**Options**");
- (iv) either a share capital increase with exclusion of pre-emption rights pursuant to Article 2441, paragraph 8 of the Italian Civil Code, or alternatively a plan for the purchase of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code and 132 of the TUF are envisaged;
- (v) the number of Options assigned to each Beneficiary is established by the Board of Directors, after receiving a favourable opinion or proposal from the Remuneration Committee and after consulting the Board of Statutory Auditors, based on the role held in the Company, the responsibilities and skills of each Beneficiary;
- (vi) the exercise price of the Options is set by the Board of Directors, after receiving a favourable opinion or proposal from the Remuneration Committee and after consulting the Board of Statutory Auditors, to the extent that it pursues the objectives of the incentive instruments as indicated in the Remuneration Policy and in line with best market practice;
- (vii) there is a total period for the vesting of the rights and retention of shares of at least five years;
- (viii) the number of Options accrued in favour of each Beneficiary at the end of the vesting period depends on predetermined and measurable performance objectives set by the Plan, established by the Board of Directors, after receiving the favourable opinion of the Remuneration Committee and after consulting the Board of Statutory Auditors, which are established according to the role and responsibilities of the Beneficiary and which are linked to one or more of the following parameters:
 - a. Group consolidated EBITDA;
 - b. Consolidated Net Financial Position of the Group;
 - c. personal objectives established according to the role and function of the Beneficiary;
 - d. any non-financial parameters, also relating to corporate social responsibility, established after consulting the Control, Risk and Sustainability Committee;

- (ix) there are suitable good leaver and bad leaver clauses, consistent with the aims of the incentive instruments as indicated in the Remuneration Policy and in line with the best market best practice.

23. With the aim of pursuing the objectives indicated in the Remuneration Policy, the same also allows *ad personam* recognition of variable remuneration, for executive directors and managers with strategic responsibilities of the Company or the Group that are not included among the Beneficiaries of stock option plans; such variable components of remuneration must have the following fundamental characteristics:

- (i) provide for a time period of at least three years, the variable component being allowed to mature annually according to annual performance objectives;
- (ii) the vesting of the right to receive variable remuneration depends on predetermined and measurable performance objectives set by the Board of Directors, after receiving a favourable opinion or proposal from the Remuneration Committee and after consulting the Board of Statutory Auditors, which are established according to the role and responsibilities of the Beneficiary and which are linked to one or both of the following parameters:
 - a. Group consolidated EBITDA;
 - b. operating result achieved by the Company or by the division to which the individual recipient is assigned;
 - c. Consolidated Net Financial Position of the Group;
 - d. any non-financial parameters, also relating to corporate social responsibility, established after consulting the Control, Risk and Sustainability Committee;

it is specified that the aforementioned performance parameters may also be used for the variable monetary remuneration already paid to the executive directors and the strategic managers of the Company or of the Group that are not included among the Beneficiaries of stock option plans, also in place of the parameters set in the previous years, with reference to remuneration that will accrue in 2021 or subsequent years;

- (iii) there are suitable good leaver and bad leaver clauses, consistent with the aims of the incentive instruments as indicated in the Remuneration Policy and in line with the best market practice.

24. Again in order to pursue the objectives indicated in the Remuneration Report, it allows the establishment of monetary incentive plans with the following fundamental characteristics:

- (i) the recipients of the plan may be executive directors, general managers, managers with strategic responsibilities and employees with the status of executive, middle manager or employee of the Company and its subsidiaries;
- (ii) the plan must link the accrual of variable remuneration to one or more of the following performance objectives, established by the competent company functions for each recipient, based on the classification and role and on a consistent basis for recipients with similar classification and roles and in a specific, measurable, attractive, relevant and time-definable way:
 - a. Group consolidated EBITDA;

- b. operating result achieved by the Company or by the division to which the individual recipient is assigned;
 - c. individual objectives to be defined, in a minimum of 3 and a maximum of 5 for each recipient, that are specific, measurable, attractive, relevant and temporally definable;
 - d. any non-financial parameters, also relating to corporate social responsibility, established after consulting the Control, Risk and Sustainability Committee;
- (iii) the plan must envisage a percentage of the basic fixed annual remuneration for each recipient as the maximum theoretical amount payable as incentive remuneration; for the year 2020, the average of the percentages of all recipients is approximately 10.41%;
 - (iv) the plan must envisage (i) a threshold level for the achievement of the performance objectives below which the right to incentive remuneration does not accrue, such as failure to achieve the minimum financial objectives and the minimum level (50%) of the individual objectives, (ii) a series of challenging but achievable objectives and (iii) an area of over-performance resulting from the achievement of financial objectives over 101% and the excellent surpassing of individual objectives;
 - (v) the plan must provide for a timely written check, by the competent company functions, and in any case by the Board of Directors, subject to the opinion of the Remuneration Committee for executive directors and strategic managers, of the achievement of the performance objectives to be part of each recipient;
 - (vi) an indispensable condition for the payment of variable remuneration is that the beneficiary is on the workforce at the time it is destined to accrue, except in the case of termination of the employment relationship due to reaching retirement age (in this case, with the right to pro rata vesting of variable remuneration) and has carried out its activities in compliance with the law and applicable contract and the code of conduct adopted by the Company.

25. The assessment of the achievement of the performance objectives underlying the remuneration plans based on financial instruments (stock option) and the variable remuneration *ad personam* and the monetary incentive plans for directors and strategic managers is the responsibility of the Board of Directors, which operates with the help of the Remuneration Committee, also with reference to any variable components that are expected to be paid depending on the level of achievement of the expected objectives.

26. The Remuneration Policy expressly states that there are no forms of incentive remuneration for the Chairman and Chief Executive Officer Massimo Perotti, given his role as the Company's controlling shareholder, which is considered suitable in itself to ensure both the alignment of his interests to the pursuit of the objective of creating value for shareholders in the medium-long term and his loyalty and motivation.

27. In line with the Remuneration Policy, the Company established the 2020 Stock Option Plan, approved by the Shareholders' Meeting on 21 April 2020. At 31 December 2020, a total of 829,749 Options envisaged by the 2020 Stock Option Plan were assigned and the Board of Directors can therefore still assign the remaining 54,866 Options to the same Beneficiaries already identified or to new Beneficiaries. The performance objectives established for 2020 by the Board of Directors, after consulting with the Remuneration Committee and in accordance with the 2020 Stock Option Plan, were achieved and the Beneficiaries accrued the related option rights. Section II of this Remuneration Report indicates the details of the Options assigned to directors and strategic managers in 2020 in execution of the 2020 Stock Option Plan; the explanatory report and the

information document relating to the 2020 Stock Option Plan are available on the Company's website www.sanlorenzoyacht.com, "Corporate Governance" section.

28. Consistent with the Remuneration Policy, on 20 March 2020 the Board of Directors approved, upon proposal of the Remuneration Committee and after hearing the favourable opinion of the Board of Statutory Auditors, to award, subject to the approval of the Remuneration Policy by the Shareholders' Meeting, which took place on 21 April 2020, to managers with strategic responsibilities Marco Viti, Carla Demaria, Ferruccio Rossi and Tommaso Vincenzi (the first two also executive directors of the Company; all four beneficiaries are not included in the 2020 Stock Option Plan) a variable remuneration additional to their current remuneration as executive managers, whose accrual is linked to a good and bad leaver hypotheses similar to those established for the 2020 Stock Option Plan.

The maximum amount of this variable remuneration for 2020 was €500,000 gross for Marco Viti, €200,000 for Carla Demaria (to be paid by the subsidiary Bluegame S.r.l.), €250,000 for Ferruccio Rossi and €100,000 for Tommaso Vincenzi. The same will be for 2021 as it was for 2020.

The Board of Directors meeting of 20 March 2020 had therefore established the reference parameters for the objectives to which the right to accrue said variable component of the remuneration would be subject in line with the remuneration policy approved by the Shareholders' Meeting of 21 April 2020, which were as follows: (i) for 50% of the total amount of the variable remuneration, the Group's consolidated EBITDA as at 31 December of the financial year of reference, as emerging from the reference consolidated financial statements approved by the Board of Directors, with respect to the Group Consolidated EBITDA as at 31 December of a previous year identified as a reference by the Board of Directors; (ii) for 50% of the total amount of the variable remuneration, both the Group's consolidated EBITDA as at 31 December of the reference year as emerging from the reference consolidated financial statements approved by the Board of Directors, with respect to the Group's consolidated EBITDA set as guidance for the market by the Board of Directors with reference to the same financial year, and the Group's Consolidated Net Financial Position as at 31 December of the financial year of reference, as emerging from the reference consolidated financial statements approved by the Board of Directors, with respect to the Group's Consolidated Net Financial Position established as guidance for the market by the Board of Directors with reference to the same financial year. In particular, on 20 March 2020 the Board of Directors defined the following parameters: (i) the achievement of a Group's consolidated EBITDA as at 31 December 2020 equal to the Group's consolidated EBITDA as at 31 December 2019; (ii) the achievement of a Group's consolidated EBITDA as at 31 December 2020 and the achievement of a Group's Consolidated Net Financial Position as at 31 December 2020 equal to at least the Group's consolidated EBITDA as at 31 December 2020 and the consolidated Group's Consolidated Net Financial Position as at 31 December 2020 respectively, established as guidance for the market by the Board of Directors.

As better illustrated in Section II of this Remuneration Report, the Board of Directors of 31 August 2020, following the provisions of the Related Party Procedure and with the favourable opinion of the Committee for Related Party Transactions and the Remuneration Committee, resolved an exceptional exemption from the aforementioned performance parameters, in compliance with the provisions of Article 123-ter, paragraph 3-bis of the Consolidated Law on Finance and in compliance with the remuneration policy approved by the Shareholders' Meeting of 21 April 2020. In particular, due to the fact that, owing to the health emergency, the Company had not approved the guidance for 2020 and had decided to release the 2020 outlook, and that therefore the second performance parameter mentioned above was not applicable, the Board of Directors resolved to eliminate the parameter referred to the 2020 guidance, and to maintain and confirm the parameter represented by the "achievement of a Group's consolidated EBITDA as at 31 December 2020 equal to the

Group's consolidated EBITDA as at 31 December 2019". The performance objective thus established has been reached and Marco Viti, Carla Demaria, Ferruccio Rossi and Tommaso Vincenzi have accrued the right to receive their variable compensation due for 2020.

29. In accordance with the Remuneration Policy, the Company and the subsidiaries Bluegame S.r.l. and Sanlorenzo of Americas LLC have agreements in place that provide for the payment of a variable monetary part of the remuneration with certain managers with strategic responsibilities; the recognition of these monetary incentives is linked to the achievement of specific financial and individual objectives identified from year to year for each of them; the ratio of this variable remuneration to the fixed remuneration changes due to personal agreements and in relation to the role of the manager concerned and is consistent with the principles set by the Remuneration Policy.

30. In line with the Remuneration Policy, the Board of Directors, on the proposal of the Remuneration Committee, considered it inappropriate to provide incentives for the remuneration of the Chairman and Chief Executive Officer Massimo Perotti, given his role as controlling shareholder of the company, which in itself is considered suitable to ensure both the alignment of his interests to the objective of creating value for shareholders in the medium-long term, and his loyalty and motivation.

Non-monetary benefits

31. The Remuneration Policy allows for the assignment of non-monetary benefits to executive directors and managers with strategic responsibilities (including, but not limited to, the use of mobile phones and mobile computers, company cars, home, health, life and professional insurance coverage) in line with practice and to be recognised in compliance with the criteria established by the Remuneration Policy.

32. The Company recognises the following non-monetary benefits: company car, mobile computer and mobile phone, for all executive directors and strategic managers; home use, granted on a case-by-case basis, depending on the individual, for certain executive directors and managers with strategic responsibilities who are not resident in the place where they perform their work.

The Company takes out the Directors & Officers Liability insurance, for its directors and statutory auditors and for those of its subsidiaries.

The Company also takes out the following insurance coverage for managers with strategic responsibilities, i.e. social security or pension coverage plans, in addition to those for mandatory coverage, with different conditions and limits from time to time: supplementary life policy; accident policy - professional and non-professional - supplementary in the event of death; accident policy - professional and non-professional - supplementary permanent accident disability; supplementary health policy (in addition to the Phases, with specific limits).

End of office indemnity

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

The Remuneration Policy provides that the Shareholders' Meeting may resolve in favour of the Chairperson of the Board of Directors, an End of Mandate Indemnity, through the stipulation of a specific insurance policy with a primary institution, for an annual amount of €50,000, in line with resolutions passed by the Shareholders' Meeting since 2013.

The Remuneration Policy does not provide for the recognition in favour of executive directors and strategic managers of further indemnities for early termination or non-renewal of office or resolution of the work relation other than those indicated above, with the exception of those institutions applicable by law to the employment relationship.

The Remuneration Policy does not provide for the payment of non-recurring remuneration.

34. In line with the above, the Shareholders' Meeting held on 24 October 2019 confirmed the provision, for the Chairperson of the Board of Directors, Massimo Perotti, of an End of Mandate Indemnity for the annual amount of €50,000 through the stipulation of a special insurance policy.

The Company did not pay severance indemnities for the termination of office to directors who left office during the 2020 year.

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

35. The Company has entered into a non-competition agreement with the executive director and manager with strategic responsibilities Marco Viti, valid, if the Company exercises its right to make use of it, for the 12 months following the termination of his employment, in exchange for a consideration in favour of Marco Viti, equal on an annual basis to 50% of the last annual remuneration received by him, excluding benefits and bonuses. The Company also has non-compete agreements with other strategic managers.

SECTION II

This Section II, describes the remuneration attributed to directors and members of the Board of Statutory Auditors, by name, and in aggregate form for the remuneration attributed to managers with strategic responsibilities:

- in the first part, (i) it provides in a clear and understandable manner an adequate representation of each of the items that make up the remuneration, including the payments envisaged in the event of termination of the office or termination of the employment relationship, highlighting its consistency with the remuneration policy approved by the Company's Shareholders' Meeting on 21 April 2020 and the methods by which the remuneration contributes to the long-term results of the Company; (ii) it provides comparative information on the annual change in remuneration since the listing date; (iii) it explains how the Company took into account the vote expressed the previous year by the Shareholders' Meeting on Section II of the report on the remuneration policy and remuneration paid;
- in the second part, it provides information on the allocation of financial instruments to directors, managers and other employees of the Company and its subsidiaries;
- in the third part, (i) it analytically illustrates the remuneration paid in the reference year for any reason and in any form by the Company and by subsidiaries or associates, reporting any components of the aforementioned remuneration that refer to activities carried out in previous years to the reference amount and also showing the remuneration to be paid in one or more subsequent years for the activity carried out in the reference year, possibly indicating an estimate value for the components that cannot be objectively quantified in the reference year; (ii) indicates, with the criteria established in Annex 3A, Schedule 7-ter of the Issuers' Regulation, the equity investments held in the Company and in its subsidiaries by the members of the management and control bodies and by other key management personnel as well as by the spouses not legally separated and by their minor children, directly or through subsidiaries, trust companies or third parties, resulting from the register of shareholders, from the communications received and from other information acquired from the same members of the administration and control bodies and by other executives with strategic responsibilities.

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

Section II - Part One. Remuneration items

Remuneration of members of the Board of Directors

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

On the same date, the Board of Directors resolved the distribution of fees determined by the Ordinary Shareholders' Meeting as follows:

- (i) Chairperson of the Board of Directors (Massimo Perotti): €1,750,000.
- (ii) Executive Director (Marco Viti): €500,000.
- (iii) Non-executive Directors: €20,000 each.
- (iv) Chairperson of the Control, Risk and Sustainability Committee: €6,000 (*).
- (v) Chairperson of the Related Parties Committee and Chairperson of the Remuneration Committee: €5,000 each (*).
- (vi) Control, Risk and Sustainability Committee members: €4,000 each (*).
- (vii) Members of the Related Parties Committee and members of the Remuneration Committee: €2,500 each (*).

(*). The emoluments paid to the members of the individual Committees are not included, but must be added to the above-mentioned amount paid to them as remuneration for the office of director held.

Carla Demaria has declared that she waived her remuneration as a director of the Company until 31 December 2021, considering that the remuneration for this position is included in her remuneration as an executive director of the subsidiary Bluegame S.r.l.

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

The Board of Directors' meeting held on 24 October 2019 confirmed the provision in favour of Massimo Perotti of an End of Mandate Indemnity for the annual amount of €50,000, through the stipulation of a specific insurance policy with a primary institution, as resolved by the Shareholders' Meeting of 24 October 2019 and previously on 23 December 2013, 1 June 2016, 30 August 2018, 21 December 2018, 14 January 2019 and 24 June 2019.

The Company takes out the Directors & Officers Liability insurance, for its directors and statutory auditors and for those of its subsidiaries, with a limit of liability of €20 million.

The Company paid Massimo Perotti, Marco Viti and Carla Demaria the following non-monetary benefits: company car, life insurance and occupational and non-professional accident insurance, laptop and mobile phone.

The Company also stipulated the following insurance cover in favour of Massimo Perotti, Marco Viti and

Carla Demaria, i.e. social security or pension, in addition to the mandatory ones, with different conditions and limits from time to time: for the life policy (death and permanent disability) a limit of €220,000.

On 23 January 2019, the Company signed a non-competition agreement with the executive director and employee with strategic responsibilities Marco Viti, establishing as a consideration, only if the Company requests to comply with this obligation, an amount equal to 50% of the gross annual fixed remuneration for the last 12 months of work for each year of the non-competition obligation, excluding benefits and bonuses. The additional fee shall be paid to Marco Viti in equal monthly instalments, the first paid within 90 days of termination of employment.

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

The performance objectives relative to the incentive remuneration *ad personam* recognised to the directors Marco Viti and Carla Demaria, as established by the Board of Directors on 31 August 2020 following the partial derogation from the remuneration policy approved by the Company's Shareholders' Meeting on 21 April 2020 (see below), were met and the same Marco Viti and Carla Demaria accrued the right to receive the variable remuneration recognised to them for the year 2020.

Remuneration of the members of the control body

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

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

The Company takes out the Directors & Officers Liability insurance, for its directors and statutory auditors and for those of its subsidiaries, with a limit of liability of €20 million.

Remuneration of managers with strategic responsibilities

The remuneration paid by the Group and intended for any reason and in any form whatsoever to the Company's managers with strategic responsibilities for the year ended 31 December 2020, amounted to a total of €4,183,847, including bonuses of €1,722,017 in aggregate gross values.

The Company has granted the following non-monetary benefits to the main managers: company car, laptop, mobile phone, the use of accommodation, the latter granted on a case-by-case basis, depending on the individual, to certain managers with strategic responsibilities who are not resident in the place where they perform their work.

The Company also took out the following insurance coverage for managers with strategic responsibilities, i.e. social security or pension coverage plans, in addition to the mandatory ones, with different conditions and limits from time to time: supplementary life policy; supplementary accident policy - professional and non-professional - in the event of death; supplementary accident policy - professional and non-professional - permanent accident disability; supplementary health policy (in addition to the FASI, with specific limits).

The Company signed 12-month non-competition agreements with managers with strategic responsibilities:

- for 2 senior executives, the overall amount of €70,000 per annum has been established, which is paid annually;
- for 5 senior managers, the amount established was equal to 50% of the gross salary at the end of the employment relationship;
- for 1 manager this was established at 65% of the gross salary at the end of the employment relationship.

Several managers with strategic responsibilities, in accordance with the responsibility assigned to them as key managerial figures of the Group, have benefited from incentive remuneration (see Section I above).

The performance objectives relative to the 2020 Stock Option Plan established for 2020 by the Board of Directors, after consulting with the Remuneration Committee and in accordance with the 2020 Stock Option Plan, were achieved and the Beneficiaries accrued the related option rights.

With regard to the performance objectives for the monetary incentive remuneration recognised *ad personam*, in addition to the executive directors Marco Viti and Carla Demaria, to two senior managers (Ferruccio Rossi and Tommaso Vincenzi), as established by the Board of Directors on 31 August 2020 following the partial derogation from the remuneration policy approved by the Company's Shareholders' Meeting on 21 April 2020 (see below), were met and the two senior managers accrued the right to receive the variable remuneration recognised to them for the year 2020.

The performance parameters relating to 2020 to which the MBOs of other senior executives were linked were also achieved and, taking into consideration the other personal objectives, the average payout achieved in 2020 is 99%.

During the year in question, no indemnities or other benefits were attributed to the Company's directors and other managers with strategic responsibilities for the termination of their office or for the termination of the employment relationship.

The proportion between the fixed and variable remuneration of executive directors and senior managers and the total remuneration is such that the variable remuneration is on average equal to 35.40% of the total remuneration.

With reference to the 2020 performance objectives of the monetary incentive remuneration recognised *ad personam* to the executive directors and senior managers Marco Viti and Carla Demaria and two senior managers (Ferruccio Rossi and Tommaso Vincenzi), in accordance with the provisions of the Related Party Procedure and with the favourable opinion of the Committee for Related Party Transactions and the Remuneration Committee, on 31 August 2020 the Company's Board of Directors resolved, notwithstanding the provisions of the remuneration policy approved by the Company's Shareholders' Meeting on 21 April 2020, to eliminate the parameter referring to the 2020 guidance, and to maintain and confirm the parameter represented by the "achievement of a Group's consolidated EBITDA as at 31 December 2020 equal to the Group's consolidated EBITDA as at 31 December 2019".

This exemption is permitted by the remuneration policy approved by the Company's Shareholders' Meeting

on 21 April 2020 and appeared necessary for the pursuit of the long-term interests and sustainability of the Company as a whole, also in light of the importance that the same Company attributes to the issue of remuneration, as it has made it possible to recognise an incentive remuneration to four top and strategic managers, in consideration of the impossibility of approving the 2020 guidance for the market in light of the global health and economic-financial crisis.

The Company also considered this change convenient since the accrual of the incentive remuneration is in any case linked to an adequately challenging parameter for its beneficiaries.

In accordance with the specific procedure set forth in the remuneration policy approved by the Company's Shareholders' Meeting on 21 April 2020, in the event of an exception to the policy, the Related Parties Committee also expressed its opinion, declaring that the conditions were correct and that they represented an exceptional circumstance pursuant to article 123-ter of the Consolidated Law on Finance.

As a result of these exceptional circumstances, €500,000 gross were recognised and had accrued in favour of Marco Viti, €200,000 gross in favour of Carla Demaria (by the subsidiary Bluegame S.r.l.), €250,000 gross favour of Ferruccio Rossi and €100,000 gross in favour of Tommaso Vincenzi.

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

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

- of the total remuneration of each of the parties for which the information referred to in this Section II is provided by name and, therefore, limited to Massimo Perotti, Marco Viti and Carla Demaria (the remuneration received by the other members of the Board of Directors, as non-executive, and the Board of Statutory Auditors of the Company is not shown here);
- the results of the Company;
- of the average gross annual remuneration, based on full-time employees, of employees other than the parties whose remuneration is represented by name in this Section II.

	2019	2020
Massimo Perotti remuneration	€1,846,559	€1,855,279
	--	0.5%
Marco Viti remuneration	€1,233,096	€1,255,049
	--	1.8%
Carla Demaria remuneration	€454,723	€500,000
	--	10%
Company results	€29,059,398	€33,997,047
	--	17%
Average remuneration of employees	€41,073	€43,663
	--	6.3%

(i) The percentages refer to the change compared to the previous financial year.

The remuneration paid during the year is consistent, in terms of the amount and the items that comprise it, with the remuneration policy approved by the Company's Shareholders' Meeting on 21 April 2020, with the only exception of the specific derogation as better specified in this Section II.

It should be noted that the Company did not take into account the votes or assessments expressed at the Shareholders' Meeting of 21 April 2020 on the Section II of the remuneration policy and on the remuneration paid in the previous financial year, as at that time shareholders did not express any assessment or observation in this regard and the vote was for the majority favourable.

Section II - Part Two. Information on the assignment of financial instruments to directors, managers and other employees of the Company and its subsidiaries

2020 stock option plan

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

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

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

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

The total cost of the 2020 Stock Option Plan pertaining to the reference year (2020) is equal to €135,347 as regards the Options assigned to strategic managers and a total of €331,731 as regards all beneficiaries and was charged to the income statement under labour costs.

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

Section II - Part Three. Analytical representation of compensation paid during the year

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

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

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

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

Remuneration paid to members of the management and control bodies

Name and surname	Position	Period for which the office was held	Expiry date of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total (11)	Fair value of equity remuneration	Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing (9)					

(I) Remuneration in the reporting company

Board of Directors												
Massimo Perotti	Chairman and Chief Executive Officer	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	1,750,000					(10)	1,750,000		
Marco Viti	Chief Executive Officer	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	500,000		(8)			(10)	500,000		
Carla Demaria (7)	Chief Executive Officer	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021			(8)			(10)	-		
Paolo Olivieri (1)	Director	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	20,000	2,500					22,500		
Cecilia Maria Perotti (2)	Director	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	20,000	4,000					24,000		
Pietro Gussalli Beretta (3)	Director	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	20,000	2,500					22,500		
Silvia Merlo (4)	Director	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	20,000	11,500					31,500		
Licia Mattioli (5)	Director	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	20,000	5,000					25,000		
Leonardo Luca Etro (6)	Director	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	20,000	8,500					28,500		

Board of Statutory Auditors												
Andrea Caretti	Chairman of the Board of Statutory Auditors	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	30,000						30,000		
Margherita Spainì	Standing Auditor	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	25,000						25,000		
Roberto Marrani	Standing Auditor	01/01/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2021	25,000						25,000		

Name and surname	Position	Period for which the office was held	Expiry date of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total (11)	Fair value of equity remuneration	Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing (9)					

(II) Remuneration from subsidiaries and associated companies

Roberto Marrani	Sole Auditor	21/04/2020 - 31/12/2020	Approval of the Financial Statements as at 31/12/2022	2,784						2,784		
-----------------	--------------	-------------------------	---	-------	--	--	--	--	--	-------	--	--

(III) Total				2,452,784	34,000	-	-	-	-	2,486,784		
--------------------	--	--	--	------------------	---------------	---	---	---	---	------------------	--	--

Notes:

Paolo Olivieri (1) Member of the Board of Directors (remuneration €20,000); Member of the Remuneration Committee (remuneration €2,500); Member of the Appointment Committee (remuneration €0).

Cecilia Maria Perotti (2) Member of the Board of Directors (remuneration €20,000); Member of the Control, Risk and Sustainability Committee (remuneration €4,000)

Pietro Gussalli Beretta (3) Member of the Board of Directors (remuneration €20,000); Member of the Related Parties Committee (remuneration €2,500); Member of the Appointment Committee (remuneration €0)

Silvia Merlo (4) Member of the Board of Directors (remuneration €20,000); Chairperson of the Remuneration Committee (remuneration €5,000); Member of the Related Parties Committee (remuneration €2,500); Member of the Control, Risk and Sustainability Committee (remuneration €4,000).

Licia Mattioli (5) Member of the Board of Directors (remuneration €20,000); Chairperson of the Related Parties Committee (remuneration €5,000); Member of the Appointment Committee (remuneration €0)

Leonardo Luca Etro (6) Member of the Board of Directors (remuneration €20,000); Chairperson of the Control, Risk and Sustainability Committee (remuneration €6,000); Member of the Remuneration Committee (remuneration €2,500).

Carla Demaria (7) Chief Executive Officer of the Board of Directors of Sanlorenzo S.p.A. (have waived their remuneration)

Bonuses and other incentives (8) Amounts for Carla Demaria and Marco Viti included in the Senior Executives table

Profit sharing (9) No profit sharing is envisaged, except for the receipt of dividends if the position of shareholder or beneficiary is vested

Non-monetary benefits (10) The benefits are shown in the Senior Executives table

Total (11) Remunerations do not take into account any reimbursement of expenses incurred and additional charges provided by law.

Remuneration paid to Senior managers with strategic responsibilities

Name and surname	Position	Period for which the office was held	Expiry date of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits (2)	Other remuneration	Total	Fair value of equity remuneration	Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing (1)					

(I) Remuneration in the reporting company

Massimo Perotti	Executive Chairman	01/01/2020 - 31/12/2020		94,602				10,678		105,279		
Marco Viti	Chairman of Yacht Division	01/01/2020 - 31/12/2020		236,831		500,000		18,218		755,049		
9 other managers with strategic responsibilities		01/01/2020 - 31/12/2020		1,513,391		1,022,017		69,233		2,604,642		

(II) Remuneration from subsidiaries and associated companies

Carla Demaria	Executive Chairman Bluegame S.r.l.	01/01/2020 - 31/12/2020		295,777		200,000		4,223		500,000		
1 other manager with strategic responsibilities		01/01/2020 - 31/12/2020		218,876						218,876		

(III) Total				2,359,478		1,722,017		102,352		4,183,847		
--------------------	--	--	--	------------------	--	------------------	--	----------------	--	------------------	--	--

Notes:

- (1) No profit sharing is envisaged, except for the receipt of dividends if the position of shareholder or beneficiary is vested
- (2) Non-monetary benefits: car and life and professional/non-professional accident insurance benefits

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

A	B	(1)	Options held at the beginning of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year	
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) – (11) – (14)	(16)	
Name and surname	Position	Plan	Number of options	Exercise price	Period of possible exercise (from - to)	Number of options	Exercise price	Period of possible exercise (from - to)	Fair value at the grant date	Assignment date	Market price of the shares underlying the assignment of the options	Number of options	Exercise price	Market price of the underlying shares at the exercise date	Number of options	Number of options	Fair value	
(I) Remuneration in the reporting company		2020 Stock Option Plan (resolution of the Shareholders' Meeting of 21/04/2020)	-	-	-	360,924	16.00	From 10/12/2021 to 31/05/2027	6,316,170	10/12/2020	15.40	-	-	-	-	-	360,924	90,231
(II) Remuneration from subsidiaries and associated companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			-	-	-	360,924			6,316,170			-			-	360,924	90,231	

Note:

The aggregate value shown in the table refers to 8 other managers with strategic responsibilities (7 of Sanlorenzo S.p.A. and 1 of Sanlorenzo of the Americas LLC) who were assigned options of the 2020 Stock Option Plan, resolved by the ordinary Shareholders' Meeting of Sanlorenzo S.p.A. on 21 April 2020.

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

A	B	(1)	(2)			(3)			(4)
Surname and name	Position	Plan	Bonus for the year			Bonuses from previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the reporting company									
Marco Viti	Yacht Division Chairman				2020				500,000
9 other managers with strategic responsibilities			402,017		2020				620,000
(II) Remuneration from subsidiaries and associated companies									
Carla Demaria	Executive Chairman Bluegame S.r.l.				2020				200,000
(III) Total			402,017	-					1,320,000

Notes:

(4)

(I) Remuneration in the reporting company

This refers to bonuses not linked to objectives for €1,250,000 and non-competition agreement for €70,000

(II) Remuneration from Subsidiaries and Associated Companies

This refers to bonuses not linked to objectives for €200,000

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

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

SURNAME AND NAME	POSITION	INVESTEE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FINANCIAL YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE FINANCIAL YEAR IN PROGRESS
Massimo Perotti (through Holding Happy Life S.r.l.)	Chairperson and Chief Executive Officer	Sanlorenzo S.p.A.	21,790,881	205,640	157,896	21,838,625
Paolo Olivieri (through Holding Happy Life S.r.l.)	Vice Chairperson	Sanlorenzo S.p.A.	5,560	52	40	5,572
Paolo Olivieri (through Luchi Fiduciaria S.r.l.)	Vice Chairperson	Sanlorenzo S.p.A.	135,000	-	-	135,000
Marco Viti	Chief Executive Officer	Sanlorenzo S.p.A.	480,000	-	-	480,000
Carla Demaria	Chief Executive Officer	Sanlorenzo S.p.A.	325,000	31,056	-	356,056
Silvia Merlo	Board Member	Sanlorenzo S.p.A.	80,000	20,000	-	100,000

Table 2: Shareholdings of other managers with strategic responsibilities

SURNAME AND NAME	POSITION	INVESTEE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FINANCIAL YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE FINANCIAL YEAR IN PROGRESS
Ferruccio Rossi	Manager with strategic responsibilities	Sanlorenzo S.p.A.	540,000	-	-	540,000
Tommaso Vincenzi	Manager with strategic responsibilities	Sanlorenzo S.p.A.	135,000	-	-	135,000
Attilio Bruzzese	Manager with strategic responsibilities	Sanlorenzo S.p.A.	-	1,212	-	1,212
Marco Segato	Manager with strategic responsibilities	Sanlorenzo of the Americas LLC	10% of the share capital	-	-	10% of the share capital