

# **SANLORENZO**

## **Sanlorenzo S.p.A.**

Registered office in via Armezzone 3, Ameglia (SP) - Share capital €35,019,221 fully paid-in  
Company Register of Riviera di Liguria – Imperia La Spezia Savona and tax code: 00142240464  
[www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)

Traditional management and control system

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

**Approved by the Board of Directors on 15 March 2024**

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## **INTRODUCTION**

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

The Report is divided into the following Sections:

- (i) Section I illustrates in a clear and understandable manner the policy of Sanlorenzo S.p.A. (the “**Company**”) with regard to the remuneration of the members of the Board of Directors, general managers, managers with strategic responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors with reference to the following year, specifying the general purposes pursued, the bodies involved and the procedures used for its adoption, revision and implementation;
- (ii) Section II is divided into two parts and illustrates, in a clear and understandable manner, identifying by name, for the remuneration attributed to directors and statutory auditors and, in aggregate form, for Managers with strategic responsibilities:
  - a) in the first part, each of the items that make up remuneration, including the treatments provided for in the event of termination of office or termination of employment, as well as how the Company has taken into account the vote expressed the previous year by the meeting on Section II of the report on the policy regarding remuneration and fees paid for the year 2022;
  - b) in the second part, the remuneration paid in the financial year of reference for any reason and in any form by the Company and its subsidiaries or associated companies, indicating any components of the aforementioned remuneration that refer to activities carried out in years prior to that of reference and also highlighting the remuneration to be paid in one or more subsequent years for the activity carried out in the financial year of reference, possibly indicating an estimate value for components that cannot be objectively quantified in the financial year of reference.

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

The Report was approved, after consulting with the Board of Statutory Auditors, which raised no findings in this respect, by the Board of Directors meeting held on 15 March 2024, and was previously examined by the Remuneration Committee (the “**Remuneration Committee**”) set up within the same Board of Directors meeting held on 14 March 2024, which expressed the same favourable opinion, and will be submitted, pursuant to and for the purposes of Article 123-ter of the TUF, to the vote of the meeting called for 26 April 2024 in first call and for 27 April 2024 in second call.

## SECTION I

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

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

1. The Policy, as described in this Report, was approved, on the proposal of the Remuneration Committee meeting on 14 March 2024, which expressed a favourable opinion on it, as well as after consulting with the Board of Statutory Auditors, which raised no findings in this respect, by the Board of Directors on 15 March 2024, also in light of the recommendations of the Corporate Governance Code adopted by the Corporate Governance Committee set up at Borsa Italiana S.p.A. (the “**Corporate Governance Code**”), to which the Company abides.

2. The Policy has a duration of one year, until the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2024.

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

4. Please note that the provisions of Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments (the “**Related Parties Regulation**”) do not apply to shareholders' resolutions referred to in Article 2389, first paragraph of the Civil Code relating to the remuneration due to members of the Board of Directors, nor to the resolutions regarding the remuneration of directors vested with particular offices included in the total amount previously determined by the Shareholders' Meeting pursuant to Article 2389, third paragraph of the Civil Code, nor to the shareholders' resolutions referred to in Article 2402 of the Civil Code relating the fees due to members of the board of statutory auditors.

The procedure adopted by the Company regarding related parties (the “**Related Parties Procedure**”, available on the Company's website [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), “Corporate Governance/Internal Committees” Section) provides that the provisions of the Related Parties Regulation do not apply:

- (i) to remuneration plans based on financial instruments approved by the Shareholders' Meeting in accordance with Article 114-*bis* of the TUF and the respective operating conditions;
- (ii) to resolutions, 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 Policy - which was drafted with the involvement of the Remuneration Committee (see Points 10 and 11), 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 comply with the Policy itself and quantified on the basis of criteria that do not involve discretionary assessments.

5. The Policy adopted by the Company, as described in this Report, constitutes an evolution of the policy for the financial year 2023, approved by the Shareholders' Meeting of 27 April 2023, in light of the application experience that has taken place and the need to establish new long-term incentive plans.

Sanlorenzo attaches great importance to dialogue with the main recipients and users of its remuneration policy, in order to achieve constant improvement in the adoption of market best practices. Although at the Shareholders' Meeting of 27 April 2023 the shareholders did not express any assessment or comments on the remuneration policy submitted to them for a vote - and, on the contrary, voted in favour by a large majority - the Company organised a discussion with the major institutional investors who had voted against or abstained from voting, in which a number of points for improvement emerged. In its consideration of the revision of the previous remuneration policy, the Board of Directors, with the support of the Remuneration Committee, essentially took into account the findings of the aforementioned meetings.

In this vein, the main revisions to the previous policy consisted of the establishment of two new long term incentive plans (LTIPs) concerning Sanlorenzo shares, called the “2024 Performance Shares Plan” and the “2024-2028 LTI Plan”, which occurred in accordance with what had been anticipated in the policy referring to the 2023 financial year, and an additional share-based compensation plan for directors, officers, employees and contractors of the Simpson Marine Ltd Group, concerning shares in such companies.

6. The Policy therefore provides for five compensation plans:

- a short-term monetary compensation plan, known as the **MBO Plan**, which had already been activated in 2023 and which it is intended to activate in 2024 as well, referred to in Points 33 and 34 below;
- the medium/long-term financial instrument-based compensation plan, concerning Sanlorenzo shares, established in 2020 and in relation to which no new allocations are possible, called **2020 Stock Option Plan**, referred to in Points 35 and 36 below;
- the long-term, financial instrument-based compensation plan, concerning Sanlorenzo shares, known as the **2024 Performance Shares Plan**, to be activated in 2024, referred to in Points 37 and 38 below;
- the long-term, financial instrument-based compensation plan, concerning Sanlorenzo shares, known as the **2024-2028 LTI Plan**, to be activated in 2024, referred to in Points 39, 40 and 41 below;
- the long-term, financial instrument-based compensation plan, concerning Simpson Marine Ltd shares, known as the **Simpson Marine Plan**, which is intended to be activated in 2024, referred to in Points 42 and 43 below.

7. The Policy contributes to the corporate strategy and the pursuit of the Company's and its subsidiaries' (jointly the “**Group**”) long-term interests and sustainable success; it consists of instruments and principles applicable to directors, general managers and managers with strategic responsibilities (as well as, subject to Article 2402 of the Civil Code, to auditors) and which also inspire the remuneration decisions of all other employees of the Company and the Group. The sustainable success of the Company and the Group is linked to the growth of the people who work for it and to the need to attract, retain and motivate people with the skills and professionalism required by their roles.

Through the Policy, the Company aims to pursue a loyalty, incentive and motivation policy for key employees

of the Company and the Group and to maintain their specific skills, also through their involvement in the company structure or sharing in economic results and future development of the Company and the Group.

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

- a) incentive remuneration is functional to the pursuit of the Company's and the Group's sustainable success and the purpose is to align the interests of the recipients with the pursuit of the priority objective of creating value for shareholders in the medium to long term.
- b) remuneration elements are clear, fair, easily measurable and communicable to the market and recipients, so that the latter are motivated to achieve the results assigned in line with the Company's and the Group's strategic objectives;
- c) remuneration is diversified by category, in that greater responsibilities are associated with greater remuneration, including incentive pay, and enhances the personal contribution of the beneficiaries, through the assignment of objectives on the achievement of which they have an influence;
- d) remuneration takes into account the individual professional contribution of the recipients;
- e) remuneration is determined so as to attract, retain and motivate people with the professional qualities required to successfully manage the Company and its subsidiaries.

In implementing the Policy and determining the remuneration of executive directors, general managers and managers with strategic responsibilities, the Board of Directors operates according to the following criteria:

- 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) except for exceptional cases where it is not awarded, the variable component represents a significant portion of total remuneration;
- c) there are maximum amounts for the variable components;
- d) the fixed component is sufficient to remunerate the recipient's performance if the variable component is not paid due to the failure to achieve the set performance targets;
- e) where set, the performance targets - i.e. the economic results and other specific objectives to which the disbursement of the variable components is linked - are predetermined, measurable and linked, for compensation based on financial instruments, significantly to the creation of value for the shareholders over a medium-long term; the same are consistent with the Company's strategic objectives and are aimed at promoting its sustainable success, also including non-financial parameters (Environmental, Social and Governance);
- f) an adequate period of deferment is envisaged for compensation based on newly-instituted financial instruments - with respect to the moment of accrual - for the payment of a significant part of the variable component, in line with the characteristics of the business activities and with the related risk

profiles;

- g)** in the event of any payment of indemnity for the termination of the directorship, clear rules are established, defining the maximum limit of the total amount payable by linking it to a certain amount or a certain number of years of remuneration; furthermore, no indemnity will be paid if the termination of the relationship is due to the achievement of objectively inadequate results.
  - h)** for compensation based on newly-instituted financial instruments concerning Sanlorenzo shares, contractual clauses are envisaged that allow the Company to request the return, in whole or in part, of variable components of remuneration paid, determined on the basis of data later proved to be manifestly incorrect;
  - i)** remuneration plans based on newly-instituted financial instruments for executive directors and top management incentivise alignment with shareholder interests over a medium- and long-term horizon.
- 8.** The Policy is thus essentially in line with the Recommendations in Article 5 of the Corporate Governance Code.

With regard to Recommendation 27., letter c) of the Corporate Governance Code, in the part in which it requires that the performance targets to which the payment of the variable components is connected be linked in a significant part to the creation of value for the shareholders in the medium-long term, the same has been implemented firstly through the activation of the 2020 Stock Option Plan (referred to in Point 32<sup>1</sup> below), then with the 2024 Performance Shares Plan, with the 2024-2028 LTI Plan and with the Simpson Marine Plan that the Company intends to implement if authorised by the Shareholders' Meeting (better described in Points 35-43 below). However, the Simpson Marine Plan does not make the vesting of rights conditional on the achievement of performance requirements, as the Company considers that the MBO Plan, the 2020 Stock Option Plan, the 2024 Performance Shares Plan and the 2024-2028 LTI Plan are already such as to satisfy the recommendation of the Corporate Governance Code regarding the provision of performance targets.

The 2020 Stock Option Plan - insofar as it was adopted under the Corporate Governance Code in force prior to the current Corporate Governance Code and in the imminence of the listing of the Company, when the progressive implementation of the self-regulatory provisions had just begun - and the MBO Plan - insofar as it is short-term - do not envisage clauses that comply with Recommendation 27, letter d) of the Corporate Governance Code, concerning the provision of a deferral period with respect to the vesting date for the payment of a significant portion of the variable remuneration component, and Recommendation 27, letter e) of the Corporate Governance Code, concerning claw-back clauses. Neither does the Simpson Marine Plan include claw-back clauses, which the Company considers not useful in the context of a plan intended for the senior management of a subsidiary and involving unlisted financial instruments (i.e. Simpson Marine shares).

The 2024 Performance Shares Plan and the 2024-2028 LTI Plan also contain provisions compliant with the latter Corporate Governance Code Recommendations, providing for a claw-back clause and a twelve-month lock-up restriction on 50% of the shares actually granted to the beneficiaries.

The LTI 2024-2028 Plan is fully compliant with Recommendation 28 of the Corporate Governance Code,

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<sup>1</sup> In relation to which, as of the end of April 2023, no more Options may be granted; until that date, appropriate grants of Options were made to key management personnel (several of the executive directors and a manager with strategic responsibilities who already held shares in the Company - to an extent deemed significant - at the time of listing) and the related rights will vest, as regards the last grants made (in April 2023), in financial year 2026.

which requires that the majority of the plan have a total vesting period and share retention period of at least five years; the 2024 Performance Shares Plan is substantially compliant with this Recommendation, even though it provides for a total vesting period and share retention period of four years (and not five years), as this period is deemed consistent with the top management incentive and retention plan and in line with market benchmarks; the Simpson Marine Plan, on the other hand, provides for an overall vesting period of three years, as this period is deemed consistent with the nature of the plan, given that it only refers to the management of a subsidiary and does not concern listed financial instruments (but Simpson shares, unlisted). It is recalled that the 2020 Stock Option Plan, also insofar as it was adopted under the previous Corporate Governance Code, does not prescribe an overall vesting period of five years for the rights and retention of the shares granted.

**(b) Elements of the Policy**

9. The Policy provides for the following elements:

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

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

10. The process of preparing, approving and possibly revising the Policy involves the Board of Directors, the Remuneration Committee, the Related Party Transactions Committee (the “**RPT Committee**”) established within the Board of Directors pursuant to the Procedure governing related party transactions (the “**RPT Procedure**”) adopted by the Company in compliance with Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments (the “**RPT Regulation**”), the Control, Risks and Sustainability Committee established within the Board of Directors also in compliance with Article 6 of the Corporate Governance Code, the board of statutory auditors and the Shareholders' Meeting, each with the duties and functions described below.

Board of Directors

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

- (i) constitutes from among its members the Remuneration Committee, appointing members and establishing their remuneration and annual expense budget;

- (ii) prepares and approves the remuneration policy, to be submitted to the vote of the meeting;
- (iii) determines, in accordance with the remuneration policy approved by the Shareholders' Meeting, the remuneration of directors, general managers and managers with strategic responsibilities, after hearing the opinion of the Board of Statutory Auditors, and is competent to take decisions on any specific exceptions to the remuneration policy approved by the Shareholders' Meeting, in accordance with the provisions of Point 17 below;
- (iv) sets performance targets related to the variable component of the remuneration of directors, general managers and managers with strategic responsibilities;
- (v) monitors the concrete application of the remuneration policy approved by the Shareholders' Meeting and verifies, in particular, the actual achievement of performance targets by directors, general managers and managers with strategic responsibilities;
- (vi) approves the report on the policy regarding remuneration and fees paid, to be submitted to the vote of the meeting, which is binding with regard to Section I and non-binding with regard to Section II.

#### Remuneration Committee

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

- (i) assist the Board of Directors in formulating the remuneration policy for directors, general managers and managers with strategic responsibilities;
- (ii) submit proposals or express opinions to the Board of Directors on the remuneration of executive directors and other directors holding particular positions as well as on the setting of performance targets related to the variable component of such remuneration;
- (iii) monitor the concrete application of the remuneration policy and verify, in particular, the actual achievement of performance targets by directors, general managers and managers with strategic responsibilities;
- (iv) periodically evaluate the adequacy and overall consistency of the remuneration policy for directors, general managers and managers with strategic responsibilities;
- (v) examine in advance the annual report on the policy regarding remuneration and fees paid to be made available to the public for the Annual General Meeting;
- (vi) formulate opinions or proposals to the Board of Directors on any remuneration plans based on financial instruments or other financial instruments for directors, general managers, managers with strategic responsibilities, employees and collaborators;
- (vii) formulate opinions or proposals to the Board of Directors on any monetary incentive remuneration

plans for directors, general managers and managers with strategic responsibilities;

(viii) carry out the additional tasks assigned to it by the Board of Directors and by current regulations.

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

#### RPT Committee

The RPT Committee is involved and expresses its opinion, pursuant to the provisions of the RPT Regulation, (i) in all resolutions concerning the remuneration of executive directors, general managers and managers with strategic responsibilities identified in compliance with the Policy or quantified on the basis of criteria involving discretionary evaluations<sup>2</sup>, as well as (ii) in the event of any specific exceptions to the remuneration policy approved by the Shareholders' Meeting, in accordance with the provisions of Point 17 below.

#### Control, Risks and Sustainability Committee

The Control, Risks and Sustainability Committee is involved and expresses its opinion, in accordance with the provisions of the Control, Risks and Sustainability Committee Regulation, on resolutions concerning the setting of ESG (Environmental, Social and Governance) performance targets and the verification of their actual achievement, of both short-term and long-term variable remuneration of executive directors, general managers and managers with strategic responsibilities.

#### Shareholders' Meetings

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

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

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<sup>2</sup> As specified in Point 4, the RPT Procedure does not apply to (and the RPT Committee is not involved in) (i) the resolutions provided for in Article 13, paragraph 1 of the Related Parties Regulation (i.e., the resolutions of the Shareholders' Meetings referred to in Article 2389, paragraph 1 of the Civil Code relating to the remuneration due to the members of the Board of Directors and of the executive committee, the resolutions relating to the remuneration of directors holding particular offices falling within the total amount previously determined by the Shareholders' Meeting pursuant to Article 2389, paragraph 3 of the Civil Code and the shareholders' resolutions pursuant to Article 2402 of the Civil Code concerning the remuneration due to the members of the Board of Statutory Auditors), (ii) resolutions concerning remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the TUF and related executive transactions (pursuant to Article 13, paragraph 3, lett. a) of the Related Parties Regulation and Article 5.1(ii) of the Related Parties Procedure).

## Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors, without prejudice to further statutory powers, is called upon to express its opinion on resolutions within the competence of the Board of Directors concerning the remuneration of directors, general managers and managers with strategic responsibilities.

11. The Remuneration Committee was established to implement the Corporate Governance Code.

The current text of the Remuneration Committee Regulation in force at the date of the Report was approved by the Board of Directors on 14 March 2023, following the favourable opinion of the Remuneration Committee on 13 March 2023.

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

Pursuant to the Remuneration Committee Regulation, the members of the Remuneration Committee and its Chair 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 Chair chosen from among the independent directors.

Pursuant to the Remuneration Committee 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 Chair, whenever the Chair deems it appropriate and in any case at least once a year, or when two of its members make a written request to the Chair, or the Chair of the Board of Statutory Auditors, or the Chair of the Board of Directors.

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

The Chair 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 Chair. 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.

**12.** The Remuneration Committee in office at the date of this Report is composed of the Directors Leonardo Luca Etro (Independent Director), acting as chair, Francesca Culasso (independent director) and Silvia Merlo (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 2024.

Until 17 April 2023, the members of the Remuneration Committee were Silvia Merlo (independent director at the time of appointment), acting as chair, Leonardo Luca Etro (independent director) and Paolo Olivieri (non-executive director). Following the loss of independence requirements communicated by Silvia Merlo on 16 March 2023, and considering that the chairman and the majority of the members of the Remuneration Committee must be independent and that it was therefore necessary to both appoint a new chairman and replace a non-independent member with a new independent member, with its resolution of 17 April 2023 the Board of Directors approved the above-mentioned new composition of the Remuneration Committee, appointing Leonardo Luca Etro, already an independent member, as its new chairman, and Francesca Culasso as a new independent member; considering that Silvia Merlo had led the work of the Remuneration Committee since the listing of the Company in a constructive manner and had significantly contributed to the implementation of the Company's remuneration policies, and that Paolo Olivieri had declared his willingness to leave the Remuneration Committee to allow for the appointment of a new independent member, the same Board of Directors resolved that the new member should replace Paolo Olivieri.

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, Francesca Culasso and Paolo Olivieri (member of the Remuneration Committee until 17 April 2023) have adequate knowledge and experience in financial matters. The Board of Directors believes that the composition of the Committee also complies with Recommendation 26 of the Corporate Governance Code, also following the amendments resolved on 17 April 2023, insofar as it stipulates that *“at least one member of the committee shall have adequate knowledge and experience in financial matters or remuneration policies, to be assessed by the Board of Directors at the time of appointment”*.

In the 2023 financial year, the Remuneration Committee met 4 times, the average duration of its meetings was 45 minutes and the overall percentage of attendance by its members was 100%.

For further details on the actual composition and functioning of the Remuneration Committee, please refer to the “Report on corporate governance and ownership structures” prepared in accordance with Article 123-*bis* of the TUF and published by the Company on its website [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com) in the “Corporate Governance/Shareholders’ Meeting/Ordinary and Extraordinary Shareholders’ Meeting 26 April 2024” Section.

**13.** In order to avoid or manage potential conflicts of interest, the executive directors (Massimo Perotti, Ferruccio Rossi and Carla Demaria) abstain in the Board of Directors from voting on resolutions concerning or that may concern their remuneration. In addition to this, there are no measures intended to avoid or manage conflicts of interest apart from the provisions of law and regulations.

**14.** The Policy was not established using specific remuneration policies of other companies as a reference. In defining the Policy, the Company has involved the Human Resources Department, which verified the best remuneration practices adopted in the reference sectors: the Policy therefore takes into account the

remuneration practices widespread in the reference sectors and for companies of similar size, also considering comparable foreign experiences.

15. For the definition of the Policy, the Company relied on the advice of independent experts, the consulting firm The European House - Ambrosetti S.p.A. and Prof. Massimo Belcredi.

16. In defining the Policy, the Company has taken into account the remuneration and working conditions of its employees and established the contents of the Policy in light of the same, in line with the principles of meritocracy and fairness referred to above in Point 7.

17. In the event of exceptional circumstances, the Company may temporarily and non-recurrently derogate from the Policy, as provided for in Article 123-ter, paragraph 3-bis of the TUF, limited to as set forth in Paragraph (b) above ("*Elements of the Policy*"), by resolution of the Board of Directors, upon proposal of the Remuneration Committee and subject to activation of the RPT Procedure.

Exceptional circumstances are defined as situations in which derogation from the Policy is necessary in the furtherance of the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay in the market. These include, but are not limited to, (i) extraordinary transactions not previously planned, significant expansions of the Group's scope or changes to the Group's organisational, management and administrative structure that could have an impact on the Group's economic-financial results and value creation in the long term (ii) exogenous shocks of an unforeseeable nature and of an extraordinary magnitude and/or of a regulatory or normative nature, (iii) actions aimed at attracting key figures, (iv) actions aimed at retaining key figures, and (v) hypotheses of exceptional over-performance of a key figure or of the company function for which he/she is responsible; in cases (iv) and (v) the amount of any additional remuneration paid to the resource may not, in any case, exceed 20% of the total remuneration (including the fixed component and the variable component, paid in accordance with the existing incentive plans) of the beneficiary.

18. If the meeting does not approve the Policy, pursuant to Article 123-ter, paragraph 3-ter of the TUF, the Company will be required to pay remuneration in accordance the policy approved by the Shareholders' Meeting of 27 April 2023.

#### **(d) Remuneration of Directors**

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

20. Proposals on the remuneration of non-executive directors are submitted by the shareholders (where applicable also pursuant to Article 126-bis of the TUF).

21. Article 16 of the By-laws allows the Shareholders' Meeting to determine a total amount for the remuneration of all directors, including those holding special offices, and 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.

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

23. The members of the Board Committees receive a specific fee for taking part in them, with an increase in favour of the member who acts as Chair, in addition to the fee received as directors. Remuneration for serving on and chairing Board Committees shall be determined by the Board of Directors at the time of appointment of the members and chair of the Committees.

24. There is no specific additional remuneration for the office of chair of the Board of Directors, as the Chairman Massimo Perotti is also the Chief Executive Officer and manager of the Company and receives a specific remuneration for these offices. Similarly, there is no specific additional remuneration for the position of vice chair or lead independent director.

**(e) Remuneration of Statutory Auditors**

25. Pursuant to Article 2402 of the 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.

26. The Board of Directors recommends that the remuneration of auditors be consistent with the professional commitment required by the office and the associated responsibilities.

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

**General principles**

27. The remuneration of executive directors, general managers and managers with strategic responsibilities is determined to an extent consistent with their roles, responsibilities and professionalism.

28. With the exception of the Chair and CEO (for which see Item 31), executive directors, general managers and managers with strategic responsibilities are recipients of both fixed and variable remuneration. The variable portion may include short-term monetary incentive plans (MBO) and/or long-term incentive plans (LTIP), the latter being equity-based.

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

30. The amount of remuneration and the balance between the fixed and variable component (i) shall be adequate and consistent with the Company's strategic objectives and the risk management policy, taking into account the characteristics of the Company's activities and the sector in which it operates, as well as functional

to the pursuit of the Company's sustainable success; the variable part represents a significant portion of comprehensive remuneration and (ii) shall take into account the responsibilities and professional skills of the recipients.

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

**32.** Other executive directors, general managers and managers with strategic responsibilities may be recipients of variable remuneration under one or more of the incentive plans listed in Point 6 above and described below.

### **MBO Plan**

**33.** Subject to the approval of the Policy by the Shareholders' Meeting convened for 26 April 2024, the Board of Directors also intends to implement in 2024 a short-term monetary incentive compensation plan - MBO (the "**MBO Plan**"), directed to the executive directors (other than the Chairman and CEO Massimo Perotti), general managers and managers with strategic responsibilities of the Company and the Group (as well as other employees with relevant functions). With regard to executive directors, general managers and managers with strategic responsibilities, the key features of the MBO Plan are as follows:

- (i) vesting of the variable remuneration for the beneficiaries is foreseen only upon the achievement of a Funding Condition consisting of the achievement of a 2024 Group EBITDA of at least 90% of the Target Group EBITDA (i.e. the Group EBITDA disclosed in the 2024 guidance for the market);
- (ii) in case of occurrence of such Funding Condition, vesting of the right to receive variable remuneration depends on annual predetermined and measurable performance targets set by the Board of Directors, after receiving an opinion or proposal from the Remuneration Committee and after also obtaining the opinion of the Control, Risks and Sustainability Committee in respect of ESG targets 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 financial parameters, specifically (x) the Group's cumulative EBITDA and (y) the Group's Net Financial Position;
  - b. ESG (Environmental, Social and Governance) parameters;
  - c. individual parameters, a minimum of one and a maximum of four for each beneficiary, which are predetermined, specific and measurable;

As personal parameters, economic parameters (order intake and cash collection) linked to the results of individual Group companies and/or business units (yachts and superyachts) and management parameters (progress of specific projects under the responsibility of the beneficiary) will be used, among others.

- (iii) The weighting of the performance objectives is shown in the table below:

Beneficiary	Role	Targets			
		Group EBITDA	Group NFP	ESG Parameters	Personal Targets
Ferruccio Rossi	Executive Director and General Manager	35%	10%	15%	40%
Carla Demaria	Executive Director	35%	10%	15%	40%
Managers with strategic responsibilities	MSR	30%	10%	15%	45%

- (iv) the following are also envisaged:
- a. Threshold Level of achievement of performance targets below which entitlement to incentive pay does not accrue;
  - b. area between the Threshold Level and the Target Performance Level, in which the variable remuneration increases linearly from a minimum of 50%, at the Threshold Level, to a maximum of 100% of the MBO Target Remuneration at the Target Performance Level; and
  - c. area above the Target Performance Level in which variable remuneration grows linearly from a minimum of 100% at the Target Performance Level to a maximum of 120% of the Target MBO Remuneration, at the Maximum Performance Level, beyond which variable remuneration does not grow any further;
- (v) without prejudice to the need to achieve the Funding Condition, achievement of each target set by the Board of Directors results in the right to the payment of the portion of the variable remuneration associated with it (Target MBO Remuneration), in the proportion indicated above, while failure to achieve the threshold level with respect to each target results in non-payment of the portion of the variable remuneration associated with it;
- (vi) condition for the payment of any variable remuneration is that the beneficiary must be in the workforce at the time it is due to accrue, except in the case of termination of employment as a good leaver, while deferred payment systems and claw back clauses are not currently provided for;
- (vii) provision is made for a punctual verification, by the Board of Directors after consulting the Remuneration Committee (and the Control, Risks and Sustainability Committee for the ESG objectives) and with the involvement of the competent corporate functions, of the achievement of performance targets by each recipient.
34. The amounts of the MBO Target Remuneration, to be paid as MBO in 2024 to the executive directors and managers with strategic responsibilities in office at the date of the Report for the hypothesis of the achievement of all the objectives at the Performance Target Level (and therefore the accrual of the variable remuneration at 100%) will be equal to (a) €500,000 for the executive director and general manager Ferruccio Rossi, (b) €500,000 for executive director Carla Demaria (who receives remuneration as a director from

Sanlorenzo Spa and subsidiary Bluegame Srl), and (c) an average of €128,750 for the remaining managers with strategic responsibilities (excluding Massimo Perotti, who does not receive MBOs); for any executive directors and managers with strategic responsibilities not in office at the date of the Report, the board of directors will decide after hearing the opinion of the Remuneration Committee and after activating the RPT Procedure.

### **2020 Stock Option Plan**

**35.** In relation to the stock option plan involving Sanlorenzo shares approved by the shareholders' meeting of 21 April 2020 (the “**2020 Stock Option Plan**”), whose beneficiaries are (among others) managers with strategic responsibilities, no new allocations are possible; the explanatory report and the information document relating to the 2020 Stock Option Plan are available on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), in the Section “Corporate Governance/Shareholders’ Meeting/Ordinary and Extraordinary Shareholders’ Meeting 21 April 2020”).

The last grant of Options under the 2020 Stock Option Plan took place in April 2023, and the rights will ultimately vest in financial year 2026.

The beneficiaries of the 2020 Stock Option Plan do not include the chairman and CEO (Massimo Perotti), the other executive directors (Ferruccio Rossi and Carla Demaria) and certain managers with strategic responsibilities, as they are already shareholders to a degree deemed significant since the Company's listing and (with the exception of the chairman and CEO Massimo Perotti) recipients of other incentive plans.

The performance targets established for 2023 by the Board of Directors on 14 March 2023, in accordance with the 2020 Stock Option Plan, subject to the favourable opinion of the Remuneration Committee on 9 March 2022, were as follows:

- (i) Consolidated EBITDA as at 31 December 2023, as shown in the consolidated financial statements approved by the Board of Directors, at least equal to the lower value of the consolidated EBITDA as at 31 December 2023 indicated by the company in the guidance disclosed to the market and therefore, in particular, at least of €152.5 million;
- (ii) Consolidated Net Financial Position as at 31 December 2023, as emerging from the consolidated financial statements approved by the Board of Directors, at least equal to the value of the Consolidated Net Financial Position as at 31 December 2023 indicated by the company in the guidance disclosed to the market and therefore, in particular, at least equal to €123 million;
- (iii) for beneficiaries who are also recipients of an MBO plan, the personal targets set for 2023 for the individual Beneficiary with reference to such plan, to be attained to the extent of at least 85%.

**36.** Section II of this Report details the Options granted and vested in favour of managers with strategic responsibilities in 2023 in execution of the 2020 Stock Option Plan.

### **2024 Performance Shares Plan**

**37.** Subject to the approval by the shareholders' meeting called for 26 April 2024, the board of directors intends to implement a long-term incentive compensation plan (LTI), in the form of a compensation plan based

on financial instruments involving Sanlorenzo shares (the “**2024 Performance Shares Plan**”), aimed at executive directors, general managers, managers with strategic responsibilities and managers, as well as non-employee top management employees, of the Company and the Group companies.

**38.** The 2024 Performance Shares Plan is better described in the explanatory report and the related information document submitted to the approval of the Shareholders' Meeting of 26 April 2024, which can be consulted on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), in the Section “Corporate Governance/Shareholders' Meeting/Ordinary and Extraordinary Shareholders' Meeting 26 April 2024”). Its basic characteristics are as follows:

- (i) the beneficiaries and the number of rights to be granted to each of them shall be identified by the Board of Directors of Sanlorenzo, upon the proposal or prior opinion of the Remuneration Committee, from among those it deems to hold key positions for the Company or the Subsidiaries;
- (ii) deadline for last allocation: 31 July 2024;
- (iii) maximum number of shares serving the plan: 192,500;
- (iv) the beneficiaries will be assigned rights, free of charge, which will allow them to receive ordinary Sanlorenzo shares upon achievement of the performance targets;
- (v) the performance targets to which the effective assignment of shares is linked shall be set by the Board of Directors, upon the proposal or prior opinion of the Remuneration Committee and also subject to the opinion of the Control, Risks and Sustainability Committee as regards ESG targets, and having consulted with the Board of Statutory Auditors. They will be linked to:
  - a. group financial parameters, specifically (x) the Group's cumulative EBITDA for the years 2024, 2025 and 2026, and (y) the Group's Net Financial Position as of 31 December 2026;
  - b. non-financial ESG (Environmental, Social and Governance) parameters;
- (vi) performance targets will be identified, uniformly for all Beneficiaries, at the time of the allocation of the rights with reference to the entire three-year duration of the plan;
- (vii) the following will be envisaged:
  - a. Threshold Level of achievement of performance targets below which entitlement to receive shares does not accrue;
  - b. an area between the Threshold Level and the Target Performance Level, in which the number of shares assigned for each right attributed increases in a linear fashion from a minimum of 50% (equal to 0.5 shares per right attributed), at the Threshold Level, to a maximum of 100% (equal to 1 Share per right attributed), at the Target Performance Level; and
  - c. an area above the Target Performance Level, in which the number of shares assigned for each right attributed increases in a linear fashion from a minimum of 100% (equal to 1 share per right attributed), at the Target Performance Level, to a maximum of 110% (equal to 1.1 share per right attributed), at the Target Performance Level, beyond which the number of shares to

be granted to the beneficiary does not grow any further;

the number of shares allocated will be determined by rounding down to the nearest unit;

- (viii) the award of shares is conditional on the achievement of performance equal to at least the Threshold Level for all targets;
- (ix) the allotment of shares is also subject to the condition that the beneficiary is still employed, except in the case of termination of employment in the event of a good leaver;
- (x) there will be a 12-month lock-up on 50% of the shares actually assigned to the beneficiaries;
- (xi) claw-back clauses will be provided for in the event the beneficiaries commit fraudulent or grossly negligent conduct to the detriment of the Company and/or the Group that may result in financial loss. In such cases, the Company shall be entitled to obtain restitution from the beneficiary, alternatively: (a) of the shares actually allotted, less an amount corresponding to the tax, social security and welfare charges related to the allotment of the shares, or (b) if the shares have already been sold, of the sale value, less an amount corresponding to the tax, social security and welfare charges related to the allotment of the shares;
- (xii) a timely review will be carried out by the Board of Directors, after consulting the Remuneration Committee and the Control, Risks and Sustainability Committee with regard to ESG targets and with the involvement of the relevant corporate functions, on the achievement of performance targets.

### **2024-2028 LTI Plan**

**39.** Subject to the approval by the shareholders' meeting called for 26 April 2024, the board of directors intends to implement a second long-term incentive compensation plan (LTI), in the form of a compensation plan based on financial instruments involving Sanlorenzo shares (the “**2024-2028 LTI Plan**”), aimed at executive directors, general managers, managers with strategic responsibilities, managers and collaborators not employed by the Company and the Group companies and holding senior positions. The 2024-2028 LTI Plan will also be a performance share plan.

**40.** The 2024-2028 LTI Plan differs from the 2024 Performance Shares Plan due to the different vesting period; moreover, the 2024-2028 Plan makes the vesting of the Rights conditional upon the achievement of performance targets but, unlike the 2024 Performance Shares Plan, the achievement of the targets results in the grant of a fixed number of shares (while failure to achieve the targets results in the shares not being granted).

By setting up two long term incentive plans involving Sanlorenzo shares, the Company intends to provide itself with the most effective, flexible and suitable instruments possible to incentivise and retain key resources of the Company and the Group, which are able to respond to the specific needs linked to the concrete responsibilities and roles of the beneficiaries.

**41.** The 2024-2028 LTI Plan is better described in the explanatory report and the related information document submitted to the approval of the Shareholders' Meeting of 26 April 2024, which can be consulted on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), in the Section “Corporate Governance/Shareholders'

Meeting/Ordinary and Extraordinary Shareholders' Meeting 26 April 2024"). Its basic characteristics are as follows:

- (i) the beneficiaries and the number of rights to be assigned to each of them shall be identified by the Board of Directors of Sanlorenzo, upon the proposal or prior opinion of the Remuneration Committee, from among those it deems to hold key positions for the Company or the Subsidiaries;
- (ii) deadline for last allocation: 31 July 2024;
- (iii) maximum number of shares serving the plan: 200,000;
- (iv) the beneficiaries will be assigned rights, free of charge, which will allow them to receive ordinary Sanlorenzo shares upon achievement of the performance targets in annual instalments distributed over a period of five years from the grant; a portion equal to at least half of the rights granted to each beneficiary shall relate to the fourth and fifth year and a portion of the same shall accrue in the fifth year<sup>3</sup>;
- (v) the performance targets to which the effective assignment of shares is linked shall be set by the Board of Directors, upon the proposal or prior opinion of the Remuneration Committee and also subject to the opinion of the Control, Risks and Sustainability Committee as regards ESG targets, and having consulted with the Board of Statutory Auditors. They will be linked to:
  - a. Group financial parameters, specifically (x) the Group's cumulative EBITDA and (y) the Group's Net Financial Position;
  - b. non-financial ESG (Environmental, Social and Governance) parameters;
- (vi) the allotment of shares is subject to the condition that, at the date of assignment, the Beneficiary is still employed, except in the case of termination of employment in the event of a good leaver;
- (vii) there will be a 12-month lock-up on 50% of the shares actually assigned to the beneficiaries;
- (viii) claw-back clauses will be provided for in the event the Beneficiaries commit fraudulent or grossly negligent conduct to the detriment of the Company and/or the Group that may result in financial loss. In such cases, the Company shall be entitled to obtain restitution from the beneficiary, alternatively: **(a)** of the shares actually allotted, less an amount corresponding to the tax, social security and welfare charges related to the allotment of the shares, or **(b)** if the shares have already been sold, of the sale value, less an amount corresponding to the tax, social security and welfare charges related to the allotment of the shares;
- (ix) a timely review will be carried out by the Board of Directors, after consulting the Remuneration Committee and the Control, Risks and Sustainability Committee with regard to ESG targets and with the involvement of the relevant corporate functions, on the achievement of performance targets.

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<sup>3</sup> And so, by way of example, if a beneficiary were to be granted 50 rights, Sanlorenzo's board of directors could decide that 5 would vest after one year, 5 after two years, 10 after three years, 10 after four years and 20 after 5 years, as well as identify a different annual subdivision of the vesting of rights, without prejudice to the requirement that at least 25 rights vest in the fourth and fifth years and that at least a portion of the same vest in the fifth year.

### Simpson Marine Plan

42. Subject to the approval of the shareholders' meeting convened for 26 April 2024, the board of directors intends to implement an additional incentive compensation plan involving financial instruments, intended for a limited number of executive directors, managers, employees and associates of Simpson Marine Ltd (“Simpson”), a subsidiary of the Company, and involving Simpson shares (unlisted) (the “Simpson Marine Plan”).

At present, none of Simpson's directors, employees and collaborators are executive directors or managers with strategic responsibilities of Sanlorenzo, but it cannot be excluded that they may become so in the future.

43. The Simpson Marine Plan is better described in the explanatory report and the related information document submitted to the approval of the Shareholders' Meeting of 26 April 2024, which can be consulted on the Company's website (www.sanlorenzoyacht.com, in the Section “Corporate Governance/Shareholders' Meeting/Ordinary and Extraordinary Shareholders' Meeting 26 April 2024”). Its basic characteristics are as follows:

- (i) the Plan will be restricted to a small number of Simpson's directors, employees and associates, from among those whom it deems to have key functions for Simpson;
- (ii) the beneficiaries and the number of rights attributed to each of them will be identified by Sanlorenzo's Board of Directors, upon proposal or after consulting the Remuneration Committee;
- (iii) the deadline for the last allocation will be 31 December 2024;
- (iv) the beneficiaries shall be entitled to subscribe at nominal value (equal to HK\$ 100 per share) a number of Simpson's shares determined by the board of directors of Sanlorenzo (in accordance with paragraph (i) above and subject to the limit set out in paragraph (v) below) which Simpson shall issue in execution of a specific capital increase dedicated to the plan (the “Simpson Capital Increase”); it is envisaged that Simpson may grant financing on market terms to the beneficiaries for the subscription of the shares issued in execution of the Simpson Capital Increase;
- (v) the maximum number of Simpson shares to be issued under the Simpson Capital Increase to service the plan will be 18,154, representing 15% of Simpson's share capital as resulting from (a) the Simpson Capital Increase itself and (b) a second capital increase of Simpson to be resolved upon after the Capital Increase and reserved for the minority shareholder Michael Rowland Simpson, for anti-dilutive purposes, to be carried out by the issue of a maximum total of 482 new shares;
- (vi) the plan will also provide for the following:
  - a. an exercisable Call Option in favour of Sanlorenzo:
    - i. in the event of termination of the Beneficiary's directorship, employment contract or collaboration with Simpson before the expiry of three (3) years from the date of the Simpson Capital Increase (“Vesting Period”) in the event of a bad leaver: in such event, the exercise price of the Call Option (and therefore of the Simpson shares held by the Beneficiary) shall be equal to the par value of the Simpson share multiplied by the

number of Simpson shares held by the Beneficiary;

*ii.* in the event of termination of the Beneficiary's directorship, employment contract or collaboration with Simpson after the expiry of the Vesting Period in the event of a bad leaver: in such event, the exercise price of the Call Option (and therefore of the Simpson shares held by the Beneficiary) shall be calculated as follows (“**Interim Value**”): *pro rata* corresponding to the percentage of Simpson's share capital represented by the Simpson shares held by the beneficiary of the amount equal to US\$10,000,000 (ten million US dollars)<sup>4</sup>;

*iii.* in any case of termination of the directorship, or of the employment contract, or of the collaboration with Simpson of the Beneficiary, before and after the expiry of the Vesting Period, in the event of good leaver: in this case the exercise price of the Call Option (and therefore of the Simpson shares held by the Beneficiary) shall be calculated as follows (“**Premium Value**”): *pro rata* corresponding to the percentage of Simpson's share capital represented by the Simpson shares held by the Beneficiary of the result of the following calculation: [US\$10,000,000 (ten million US dollars) + amount of royalties paid by Simpson to Michael Rowland Simpson, pursuant to the Royalty Agreement entered into between Simpson and Michael Rowland Simpson, from the date of the Capital Increase and up to the date of exercise of the Call Option]<sup>5</sup>;

b. a Put Option in favour of the Beneficiary in respect of the Simpson shares held by him/her, exercisable after three years in the event of the termination of his/her directorship, employment or collaboration with Simpson before the expiry of the Vesting Period and by 31 March 2024: in this case, the exercise price of the Put Option (and therefore of the Simpson shares held by the Beneficiary) shall be equal to the Interim Value;

(vii) there will be no performance targets for the accrual of entitlements assigned to the Beneficiaries (for the reasons explained in Point 7 above);

(viii) as the subject of the Call Option in favour of Sanlorenzo, the Simpson shares subscribed by the beneficiaries may not be transferred for any reason or in any way negotiated, pledged or subject to any other right in rem or granted as a guarantee;

(ix) there will be no claw-back clauses (for the reasons set out in Point 7 above);

(x) 40% of Simpson's distributable profits will be distributed annually, with *pro rata* payment of the dividend to Simpson's shareholders, including the beneficiaries as long as they remain shareholders of Simpson.

### **Non-compete agreements**

**44.** The Company may enter into non-competition agreements with executive directors and managers with

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<sup>4</sup> Thus, by way of example, if the beneficiary's Simpson shares represented 1% of Simpson's share capital, the Interim Value (and thus the price to be paid to the beneficiary) would be US\$[1% of 10,000,000 =] 100,000.00.

<sup>5</sup> Thus, by way of example, if the beneficiary's Simpson shares represented 1% of Simpson's share capital and, on the date of exercise of the Call Option, Simpson had paid Mike Simpson a total of US\$ 1,000,000.00 by way of royalties, the Premium Value (and thus the price to be paid to the Beneficiary) would be US\$[1% of (10,000,000 + 1,000,000) =] 110,000.

strategic responsibilities (as well as with other executives and employees).

The Company has entered into non-competition agreements with the executive director and general manager Ferruccio Rossi and with certain managers with strategic responsibilities, which provide for the right of the Company to request them to refrain from performing activities in competition with that of the Company, or in favour of competitors of the Company, within continental Europe and for a predefined period following the termination of their employment relationship with the Company (for the director Ferruccio Rossi, this is 12 months), in return for the payment of a predetermined amount, usually corresponding to a percentage of the obliged party's last total annual remuneration (for director Ferruccio Rossi, this is 50%).

**(g) Non-monetary benefits**

45. The Company assigns to executive directors, general managers and managers with strategic responsibilities non-monetary benefits (including, but not limited to, the use of a company car, housing, health, life, accident and professional insurance coverage as well as the following work tools: mobile telephone and laptop computer) in line with practice and to be recognised in accordance with the criteria established by the Policy.

**(h) End-of-term indemnity**

46. 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.

In accordance with this provision of the By-laws and in line with what has been resolved by the Shareholders' Meeting since 2013 with the remuneration policies approved by the Shareholders' Meetings of 21 April 2020 and 21 April 2021, the Shareholders' Meeting of 28 April 2022 confirmed the provision in favour of the Chairman of the Board of Directors Massimo Perotti of a termination indemnity - TFM in the annual amount of €50,000, by taking out a special insurance policy.

47. Apart from the provisions of Point 36 above, the payment is not provided for executive directors, general managers and managers with strategic responsibilities of indemnities for early termination of office or non-renewal or termination of employment, without prejudice to the rules applicable to executive employment under the law and the applicable collective agreement.

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

## **SECTION II**

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

remuneration attributed to managers with strategic responsibilities:

- a. in the first part, (i) each of the items that make up the remuneration, including the payments envisaged in the event of termination of the office or termination of the employment relationship, highlighting compliance with the remuneration policy approved by the Company's Shareholders' Meeting on 27 April 2023, (ii) comparative information on the annual change in remuneration since the listing date, (iii) how the Company took into account the vote expressed the previous year by the shareholders' meeting on Section II of the Report on the policy regarding remuneration and fees paid (related to 2022);
- b. in the second part, (i) the remuneration paid in the reference year for any reason and in any form by the Company and by subsidiaries or associates, reporting any components of the aforementioned remuneration that refer to activities carried out in previous years to the reference amount and also showing the remuneration to be paid in one or more subsequent years for the activity carried out in the reference year, possibly indicating an estimate value for the components that cannot be objectively quantified in the reference year, (ii) information on the allocation of financial instruments to directors, managers and other employees of the Company and its subsidiaries and (iii) with the criteria established in Annex 3A, Schedule 7-ter of the Issuers' Regulation, the equity investments held in the Company and in its subsidiaries by the members of the management and control bodies and by other managers with strategic responsibilities as well as by the spouses not legally separated and by their minor children, directly or through subsidiaries, trust companies or third parties, resulting from the register of shareholders, from the communications received and from other information acquired from the same members of the administration and control bodies and by other managers with strategic responsibilities.

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

## Section II - Part One - Items making up remuneration

### Remuneration of members of the Board of Directors

1. On 28 April 2022, at the same time as the integration of the Board of Directors, the Shareholders' Meeting resolved to set the overall gross annual remuneration payable to all directors, including those holding special offices, at €4,000,000, delegating the Board of Directors to determine the emoluments of each individual director.

During the year under review and in accordance with the allocation of the aforementioned total remuneration determined by the shareholders' meeting (as resolved by the board of directors on 28 April 2022), the following fixed compensation was paid to the executive directors:

- Chair of the Board of Directors and chief executive officer (Massimo Perotti)<sup>(\*)</sup>: €2,000,000 gross.
- Executive Director and General Manager (Ferruccio Rossi): €100,000 gross.
- Executive Director (Carla Demaria): €250,000 gross.

<sup>(\*)</sup> There is no specific additional remuneration for the position of Chair of the Board of Directors and the position of Vice Chair.

During the year under review and in accordance with the allocation of the aforementioned total remuneration determined by the shareholders' meeting (as resolved by the board of directors on 28 April 2022), the following fixed compensation was paid to the executive directors, differentiated according to the different offices and roles actually held by them in the Company during the year:

- Non-executive Directors<sup>(\*)</sup>: €20,000 gross each.
- Chair of the Control, Risks and Sustainability Committee<sup>(\*\*)</sup>: €6,000 gross.
- Chair of the Related Parties Committee, Chair of the Remuneration Committee and Chair of the Appointments Committee<sup>(\*\*)</sup>: €5,000 gross each.
- Control, Risks and Sustainability Committee members<sup>(\*\*)</sup>: €4,000 gross each.
- Members of the Related Party Transactions Committee, members of the Remuneration Committee and members of the Appointments Committee<sup>(\*\*)</sup>: €2,500 gross each.

<sup>(\*)</sup> Non-executive Director Pietro Gussalli Beretta tendered his resignation on 15 March 2023, effective as of 27 April 2023.

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

The nominal details of the compensation received by each director are set out in the Table in Point 19.

2. The Board of Directors meeting of 28 April 2022 confirmed the provision in favour of the Chairman of the Board of Directors and CEO Massimo Perotti of a Termination Indemnity in the annual amount of €50,000, by taking out a specific insurance policy with a leading institution, in accordance with Article 16.2 of the By-laws, the Remuneration Policy approved by the Company's Shareholders' Meeting on 28 April 2022

(and the Remuneration Policy approved by the Company's Shareholders' Meeting on 27 April 2023 and the Policy described in Section I of this Report), and as resolved by the Shareholders' Meeting on 28 April 2022 and previously on 23 December 2013, 1 June 2016, 30 August 2018, 21 December 2018, 14 January 2019, 24 June 2019 and 24 October 2019.

3. In accordance with Point 35 of Section I of the Report on the policy regarding remuneration and fees paid approved by the ordinary Shareholders' Meeting of 27 April 2023 (the “**2023 Policy approved by the Shareholders' Meeting**”), the Company has taken out an insurance policy known as D&O (Directors & Officers Liability), for its directors and statutory auditors and for those of its subsidiaries, with a limit of liability of €20 million.

4. The Company granted the executive directors Massimo Perotti, Ferruccio Rossi and Carla Demaria the following non-monetary benefits: company car, life insurance and professional and non-professional accident insurance, as well as the following work tools: laptop and mobile phone.

Life insurance policies (covering the risks of death and permanent disability) have been stipulated in favour of executive directors Massimo Perotti and Ferruccio Rossi (by the Company) and Carla Demaria (by Bluegame S.r.l.) with a limit of €470,000 (in respect of Massimo Perotti and Ferruccio Rossi) and €300,000 (in respect of Carla Demaria).

The Company has taken out a special policy for the Chairman and CEO Massimo Perotti in the event of death by accident with a limit of up to €1,900,000 and up to a maximum cumulative amount of €2,000,000; in the event of permanent disability by accident with a limit of up to €1,800,000 and up to a maximum cumulative amount of €2,500,000.

These non-monetary benefits are in accordance with Point 35 of the 2023 Policy approved by the Shareholders' Meeting (and with the equivalent provisions of the remuneration policies approved by the Shareholders' Meeting for previous years).

5. On 17 October 2014, the Company signed a non-competition agreement with the executive director, general manager and employee with strategic responsibilities Ferruccio Rossi, which provides for the right of the Company to request him to refrain from carrying out activities in competition with that of the Company or the Group, or in favour of competitors of the Company, or not to assume or hold equity investments in companies that carry out activities in competition with that of the Company or the Group. The non-competition obligation is valid within the territory of continental Europe and for a period of 12 months following (i) the Company's request to observe the non-competition obligation, or (ii) the termination of his employment relationship with the Company. Should either of the two conditions for triggering the non-competition obligation occur, the Company shall pay a total gross compensation equal to 50% of Ferruccio Rossi's gross fixed annual remuneration at the time of termination of employment. The consideration shall be paid to Ferruccio Rossi in equal monthly instalments for the duration of the non-competition obligation.

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.

This non-competition agreement is in accordance with Point 34 of the 2023 Policy approved by the Shareholders' Meeting (and with the equivalent provisions of the remuneration policies approved by the

Shareholders' Meeting for previous years).

6. The Chairman of the Board of Directors and CEO Massimo Perotti is also chairman and director of the subsidiaries Bluegame S.r.l., PN Sviluppo S.r.l., Sanlorenzo Baleari SL, Sanlorenzo Monaco SAM and Sanlorenzo of the Americas LLC, having received no remuneration in 2023 related to these positions.

The executive director and general manager Ferruccio Rossi is also chairman of the subsidiary Equinoxe S.r.l. and director of the subsidiaries Bluegame S.r.l., Sanlorenzo Arbatax S.r.l., PN Sviluppo S.r.l., Sanlorenzo Baleari SL, Sanlorenzo Monaco Sam, Duerre S.r.l. and the associated company Carpensalda Yacht Division S.r.l., having received no remuneration for these offices in 2022.

The executive director Carla Demaria is also a director and CEO of the subsidiary Bluegame S.r.l., having received in 2023 a remuneration related to this office amounting to €250,000 gross per annum (Carla Demaria declared during the Company's board meeting held on 28 April 2022 that she would waive half of the fixed remuneration paid to her by Bluegame for her office as CEO of the same, thus reducing it to €250,000 gross per annum). Carla Demaria is also chair and CEO of ICY S.r.l., a subsidiary of Bluegame S.r.l., and she did not receive any remuneration for this office in the financial year 2023.

7. The executive directors Massimo Perotti (Chairman of the Board of Directors and CEO) and Ferruccio Rossi are also executives of the Company.

As executives of the Company, Massimo Perotti and Ferruccio Rossi received in the financial year 2023 a fixed gross remuneration of €95,105.92 and €500,000 per year, respectively.

8. The executive directors Ferruccio Rossi and Carla Demaria were assigned, in accordance with Point 31 of the 2023 Policy approved by the Shareholders' Meeting, in execution of the MBO Plan (as defined and described in the 2023 Policy approved by the Shareholders' Meeting), a variable remuneration for the financial year 2023 equal to €600,000 gross (by way of executive remuneration) and €500,000 gross (by way of remuneration for the position as CEO of the subsidiary Bluegame S.r.l., and therefore to be paid by the latter).

The performance targets assigned in the 2023 financial year with reference to the aforesaid MBO Plan to the above mentioned persons (Ferruccio Rossi and Carla Demaria), in accordance with those described in Point 31 of the 2023 Policy approved by the Shareholders' Meeting, are set forth in the following table:

Name	Financial Targets		Non-Financial Targets	Personal Targets		
	Group EBITDA as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €129.63 million	Group NFP as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €115.0 million (net cash)	ESG Parameters	Bluegame's divisional EBITDA as at 31/12/2023 of at least €8.0 million, as ascertained by the Board of Directors at the time of the 2023 draft financial statements	Individual parameters Marketing and Communication	Superyacht's divisional EBITDA as at 31/12/2023 of at least €23.0 million, as ascertained by the Board of Directors at the time of the FY 2023 draft financial statements
Carla Demaria	35%	20%	15%	20%	10%	N/A
Ferruccio Rossi	35%	20%	15%	N/A	N/A	30%

The right of Ferruccio Rossi and Carla Demaria to receive the variable monetary compensation corresponding to each of the above-mentioned performance targets accrues only if each of the above-mentioned targets is attained at least 85% (gateway).

Provision has been made for the total amount of variable remuneration actually accrued by Ferruccio Rossi and Carla Demaria - to be increased by 20% if Maximum Performance targets are achieved.

The MBO system provides for 3 levels of achievement: Threshold Performance - Target and Maximum.

- At Threshold Performance (minimum level of target achievement), the bonus accrued is 50% of the Target bonus (Threshold Bonus);
- at Target Performance (full achievement of objectives), the bonus accrued is equal to the Target Bonus;
- for performance scenarios between Threshold and Target, the bonus accrued varies in a linear fashion;
- at Maximum Performance (maximum level of achievement of targets - overperformance), the bonus accrued is 120% of the Target Bonus (Maximum Bonus);
- for performance scenarios between Target and Maximum, the bonus accrued varies in a linear fashion;
- above Maximum performance, the bonus ceases to grow.

Note that the Threshold, Target and Maximum levels may be different depending on the specific objectives assigned to individual beneficiaries.

As ascertained by the Board of Directors on 15 March 2024, following the favourable opinion given by the Remuneration Committee on 14 March 2024 and the Control, Risks and Sustainability Committee on 14 March 2024, the percentage achievement of the financial and non-financial performance objectives of the MBO Plan is as shown in the following Table.

Name	Financial Targets		Non-Financial Targets	Personal Targets		
	Group EBITDA as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €129.63 million	Group NFP as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €115.0 million (net cash)	ESG Parameters	Bluegame's divisional EBITDA as at 31/12/2023 of at least €8.0 million, as ascertained by the Board of Directors at the time of the 2023 draft financial statements	Individual parameters Marketing and Communication	Superyacht's divisional EBITDA as at 31/12/2023 of at least €23.0 million, as ascertained by the Board of Directors at the time of the FY 2023 draft financial statements
Carla Demaria	113.3%	120%	104%	83.41%	0%	N/A
Ferruccio Rossi	113.3%	120%	104%	N/A	N/A	0%

Therefore, (i) Ferruccio Rossi accrued the right to receive 79.25% of the variable remuneration assigned to him, and thus amounting to €475,521.6; and (ii) Carla Demaria accrued the right to receive 95.95% of the variable remuneration assigned to her, and thus amounting to €479,758.2.

The proportion between the fixed and variable remuneration of the executive directors Ferruccio Rossi and Carla Demaria (including what they receive as directors and as executives) is therefore such that (i) the variable remuneration awarded is equal to 100% of their fixed remuneration;(ii) the variable remuneration actually received (based on the achievement of performance targets) is 79.25% for Ferruccio Rossi and 95.95% for Carla Demaria, respectively.

In accordance with Points 26 and 29 of the 2023 Policy approved by the Shareholders' Meeting, in the financial year 2023 the Chairman of the Board of Directors and CEO Massimo Perotti did not receive and accrue any variable remuneration since his role as the Company's controlling shareholder is considered suitable in itself to ensure both the alignment of his interests to the pursuit of the objective of sustainable success and creating value for shareholders in the medium-long term and his loyalty and motivation.

In accordance with Point 20 of the 2023 Policy approved by the Shareholders' Meeting, in the financial year 2023, the non-executive directors did not receive variable remuneration.

9. During the year under review, no indemnities or other benefits were granted to the Company's directors for leaving office, not even to director Pietro Gussalli Beretta, who resigned on 15 March 2023, effective as of 27 April 2023.

#### **Remuneration of the members of the control body**

10. On 28 April 2022, 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 Chair 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.

11. In accordance with Point 35 of 2023 Policy approved by the Shareholders' Meeting, the Company has taken out an insurance policy known as D&O (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**

12. The remuneration paid by the Group and intended for any reason and in any form whatsoever to the managers with strategic responsibilities of the Company and the Group for the year ended 31 December 2023, amounted to a total of €1,542,756 gross, including variable components of €349,166 in aggregate gross values. These amounts do not include amounts paid to managers with strategic responsibilities who are also executive directors (Massimo Perotti, Ferruccio Rossi and Carla Demaria).

13. Pursuant to Point 35 of the 2023 Policy approved by the Shareholders' Meeting, the Company recognised the following non-monetary benefits to managers with strategic responsibilities (other than executive directors Massimo Perotti, Ferruccio Rossi and Carla Demaria): company car and use of home, the latter recognised on a case-by-case basis to certain managers with strategic responsibilities not resident in the place where they perform their work, in addition to the following work tools: laptop and mobile phone.

In accordance with Point 35 of the 2023 Policy approved by the Shareholders' Meeting, the Company has also stipulated the following insurance coverage, i.e. social security or pension coverage, in addition to the compulsory coverage, in favour of managers with strategic responsibilities (other than executive directors Massimo Perotti, Ferruccio Rossi and Carla Demaria), with different conditions and maximum amounts from time to time: (i) supplementary life policy, with sums insured in the event of death and permanent disability equal to €470,000; (ii) supplementary accident policy - professional and extra-professional - in the event of death, with sums and limits insured: in the event of death due to an accident, equal to 6 times the RAL, with a maximum of €1,600,000; for permanent disability due to an accident, equal to 7 times the RAL, with a maximum of €1,800,000; (iii) supplementary health policy (in addition to the Fasi, with specific limits).

14. Pursuant to Point 34 of the 2023 Policy approved by the Shareholders' Meeting, the Company signed 12-month non-competition agreements with certain managers with strategic responsibilities (other than the executive directors Massimo Perotti, Ferruccio Rossi and Carla Demaria), which provide for the right of the Company to request them to refrain from carrying out activities in competition with that of the Company, or in favour of competitors of the Company, within the territory of the European Union and for a predefined period following the termination of their employment relationship with the Company, in exchange for the payment of a predetermined amount, usually corresponding to a percentage of the last total annual remuneration of the obligated party.

15. In addition to the executive directors Carla Demaria and Ferruccio Rossi, eight managers with strategic responsibilities were assigned the MBO Plan in 2023, described in Point 31 of the 2023 Policy approved by the Shareholders' Meeting. As ascertained by the Board of Directors on 15 March 2024, following the favourable opinion of the Remuneration Committee on 14 March 2024 and of the Control, Risks and Sustainability Committee on 14 March 2024, the performance targets assigned to these managers with strategic responsibilities, established in accordance with the 2023 Policy approved by the Shareholders' Meeting, have been generally met and, taking into account the other personal objectives, the average payout achieved in 2023 was 80%.

Name	Financial Targets		Non-Financial Target	Personal Target
	Group EBITDA as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €129.63 million	Group NFP as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €115.0 million (net cash)	ESG Parameters	Different for each Manager with strategic responsibilities
8 MSR	113,3%	120%	104%	80%

The total amount accrued by managers with strategic responsibilities (other than the executive directors) in relation to short-term variable monetary remuneration for 2023 is a total of €409,501.2 gross.

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

17. The proportion between fixed and variable remuneration of managers with strategic responsibilities

(excluding managers with strategic responsibilities Massimo Perotti, Ferruccio Rossi and Carla Demaria, as they are also executive directors) within the total remuneration is such that variable remuneration is on average 28% of total remuneration, with a minimum incidence of 10% and a maximum incidence of 69%.

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

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

- of the total remuneration of each of the persons for whom the information in this Section II is provided by name (expressed as gross amounts);
- of the Company's results (expressed as the net profit figure for the year);
- 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 (expressed with gross amounts).

	2019	2020	2021	2022	2023
<b>Massimo Perotti</b>	€1,841,749	€1,841,749	€1,843,428	€2,011,127	€2,095,106
	--	0%	0.09%	9.10%	4.2%
<b>Ferruccio Rossi (*)</b>	--	--	--	€1,221,452	€1,200,000
	--	--	--	--	-1.8%
<b>Carla Demaria (**)</b>	€454,723	€500,000	€617,917	€1,000,000	€1,000,000
	--	10%	23.58%	61.83%	0%
<b>Paolo Olivieri</b>	€1,375	€22,500	€22,500	€24,167	€23,233
	--	--	--	7.41%	-3.9%
<b>Cecilia Maria Perotti</b>	€4,716.67	€24,000	€24,000	€21,333	€20,000
	--	--	--	-11.11%	-6.2%
<b>Pietro Gussalli Beretta (***)</b>	€1,375	€22,500	€22,500	€24,167	€8,333
	--	--	--	7.41%	-65.5%
<b>Silvia Merlo</b>	€1,925	€31,500	€31,500	€31,500	€27,966
	--	--	--	--	-11.2%
<b>Licia Mattioli</b>	€1,527.78	€25,000	€25,000	€25,000	€28,397
	--	--	--	--	13.6%
<b>Leonardo Luca Etro</b>	€1,741.67	€28,500	€28,500	€30,167	€32,767
	--	--	--	5.85%	8.6%
<b>Francesca Culasso</b>	--	--	--	€16,000	€27,534
	--	--	--	--	72.1%
<b>Marco Francesco Mazzù</b>	--	--	--	€15,000	22,500
	--	--	--	--	50%
<b>Andrea Caretti</b>	€5,750	€30,000	€34,000	€32,667	€25,000
	--	--	13.33%	-3.92%	-23.5%
<b>Enrico Fossa</b>	--	--	--	€20,000	€30,000
	--	--	--	--	50%
<b>Margherita Spaini</b>	€4,791.67	€25,000	€25,000	€25,000	€25,000
	--	--	--	--	0%
<b>Company results</b>	€29,059,398	€33,997,047	€44,378,158	€63,474,554	€86,959,944
	--	17%	30.54%	43.03%	37%
<b>Average</b>	€41,073	€43,663	€42,298	€42,742	€44,645

<b>remuneration of employees</b>	--	6.3%	-3.13%	1.05%	4.5%
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(\*) Ferruccio Rossi has been a director only as of the year 2022. His remuneration for the years 2019, 2020 and 2021 are therefore not indicated in the Table by name, as they are not expressed in this way even in the remuneration reports pursuant to Article 123-ter of the TUF relating to previous years, and they contribute to forming the figure in the item "Average employee remuneration" relating to those years.

(\*\*) Carla Demaria is a beneficiary of remuneration partly from the Company, partly from Bluegame S.r.l. However, the figures in the table also take into account the remuneration paid by Bluegame S.r.l.

(\*\*\*) Pietro Gussalli Beretta tendered his resignation on 15 March 2023, effective as of 27 April 2023.

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**20.** The remuneration paid in 2023 to directors, statutory auditors and managers with strategic responsibilities complies, in its amount and in the items that make it up, with the 2023 Policy approved by the Shareholders' Meeting.

**21.** Although at the Shareholders' Meeting of 27 April 2023, the shareholders did not express any assessment or comments on Section II of the Report on the policy regarding remuneration and fees paid submitted to them for a vote - and, on the contrary, voted in favour by a large majority - the Company organised a discussion with the major institutional investors who had voted against or abstained from voting, in which a number of points for improvement emerged. In drafting this Section II of the Report, the Board of Directors, with the support of the Remuneration Committee, has essentially taken into account what emerged at the aforementioned meetings.

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

#### **2020 Stock Option Plans**

**22.** 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 2023 Policy approved by the Shareholders' meeting (and with the equivalent provisions of remuneration policies approved by the Shareholders' Meeting for previous years).

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.

**23.** The Beneficiaries of the 2020 Stock Option Plan include managers with strategic responsibilities (other than executive directors Massimo Perotti, Ferruccio Rossi and Carla Demaria); the value of the options granted to them has an average incidence of 78.45% compared to their fixed remuneration. No director is a recipient of the 2020 Stock Option Plan.

**24.** During the financial year 2023, a total of 23,277 Option Rights were granted, of which 5,000 Option

Rights were granted to managers with strategic responsibilities (other than executive directors Massimo Perotti, Ferruccio Rossi and Carla Demaria).

**25.** The financial objectives established for 2023, as described in Item 32 of the First Section of this Report, have been achieved, as determined by the Board of Directors on 15 March 2024, subject to the approval of the Remuneration Committee on 14 March 2024. Objectives of a personal nature assigned to managers with strategic responsibilities who are beneficiaries of the Stock Option Plan were achieved 63.92%. In the financial year 2023, managers with strategic responsibilities who are beneficiaries of the Stock Option Plan thus accrued 73,616 Option rights, equal to 62.47%.

Name	Financial Targets		Non-Financial Target	Personal Target
	Group EBITDA as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €129.63 million	Group NFP as at 31/12/2023, as emerging from the 2023 consolidated financial statements, of at least €115.0 million (net cash)	ESG Parameters	Different for each Manager with strategic responsibilities
10 MSR	113,3%	120%	104%	63,92%

For the beneficiaries of the Stock Option Plan other than those referred to in the previous paragraph, the objectives of a personal nature were achieved on average 95%; consequently, of the total no. 105,542 Option rights that were expected to vest in 2023, no. 105,542, or 100%, vested.

**26.** The total cost of the 2020 Stock Option Plan pertaining to the reference year (2023) is equal to €1,743,968 as regards the Options assigned to managers with strategic responsibilities and a total of €1,794,214 as regards all other beneficiaries and was charged to the income statement under personnel expenses.

**27.** 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](http://www.sanlorenzoyacht.com) in the "Corporate Governance/Shareholders' Meeting/Ordinary and Extraordinary Shareholders' Meeting 21 April 2020" Section.

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

**28.** 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, Scheme 7-bis of the Issuers' Regulations

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

### Members of the management and control bodies

(A) Name and surname	(B) Position	(C) Period for which the office was held	(D) Expiry date of office	(1) Fixed remuneration <sup>6</sup>	(2) Remuneration for participation in committees	(3) Non-equity variable remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration	(8) Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing <sup>7</sup>					
<b>(I) Remuneration in the reporting company</b>												
<b>Board of Directors in office from 1 January 2023</b>												
Massimo Perotti	Chairman and CEO	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	2,000,000					<sup>8</sup>	2,000,000		
Carla Demaria <sup>9</sup>	Executive Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	250,000					<sup>10</sup>	250,000		
Ferruccio Rossi	Executive Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	100,000					<sup>11</sup>	100,000		
Paolo Olivieri <sup>12</sup>	Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	20,000	3,233					23,233		
Cecilia Maria Perotti <sup>13</sup>	Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	20,000						20,000		
Pietro Gussalli Beretta <sup>14</sup>	Director	01/01/2023 - 27/04/2023	-	6,667	1,666.33					8,333.33		
Silvia Merlo <sup>15</sup>	Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	20,000	7,966					27,966		
Licia Mattioli <sup>16</sup>	Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	20,000	8,397					28,397		
Leonardo Luca Etro <sup>17</sup>	Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	20,000	12,767					32,767		
Francesca Culasso <sup>18</sup>	Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	20,000	7,534					27,534		
Marco Francesco Mazzù <sup>19</sup>	Director	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	20,000	2,500					22,500		
<b>Board of Statutory Auditors in office from 1 January 2023</b>												
Enrico Fossa	Chair of the Board of Statutory Auditors	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	30,000						30,000		
Andrea Caretti	Standing Statutory Auditor	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	25,000						25,000		
Margherita Spaini	Standing Statutory Auditor	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	25,000						25,000		
<b>(II) Remuneration from subsidiaries and associates</b>												
Carla Demaria	CEO Bluegame S.r.l.	01/01/2023 - 31/12/2023	Approval of the FS at 31/12/2024	250,000		500,000			<sup>20</sup>	750,000		
<b>(I+II) Total</b>				<b>2,826,667</b>	<b>44,063.33</b>	<b>500,000</b>				<b>3,370,730.33</b>		

<sup>6</sup> Fees do not take into account any reimbursement of expenses incurred and accessories provided for by law.

<sup>7</sup> No profit sharing is envisaged, except for the receipt of dividends if the position of shareholder or beneficiary is vested.

<sup>8</sup> Benefits are shown in the table for other managers with strategic responsibilities.

<sup>9</sup> Carla Demaria is an executive director of Sanlorenzo S.p.A. and managing director of Bluegame S.r.l. (position for which on 20 April 2023 the variable compensation of €500,000 was determined and on 13 June 2022 the fixed compensation was reduced from €500,000 to €250,000, effective from 28 April 2022).

<sup>10</sup> Benefits are shown in the table for other managers with strategic responsibilities.

<sup>11</sup> Benefits are shown in the table for other managers with strategic responsibilities.

<sup>12</sup> Paolo Olivieri is a member of the Board of Directors (annual remuneration €20,000), a member of the Remuneration Committee until 27 April 2023 (annual remuneration €2,500) and a member of the Nomination Committee (annual remuneration €2,500).

<sup>13</sup> Cecilia Maria Perotti is a member of the Board of Directors (annual remuneration €20,000).

<sup>14</sup> Pietro Gussalli Beretta tendered his resignation on 15 March 2023 effective as of 27 April 2023 as a member of the Board of Directors (annual remuneration €20,000), as chairman of the Nomination Committee (annual remuneration €5,000).

<sup>15</sup> Silvia Merlo announced on 16 March 2023 that she no longer meets the independence requirements. She is a member of the Board of Directors (annual remuneration €20,000), until 27 April 2023 she was chairman of the Remuneration Committee (annual remuneration €5,000), a member of the Related Party Transactions Committee (annual remuneration €2,500) and a member of the Control, Risks and Sustainability Committee (annual remuneration €4,000). As of 27 April 2023, she will hold the following positions as a member of the Remuneration Committee (annual compensation €5,000) and as a member of the Control, Risks and Sustainability Committee (annual compensation €4,000).

<sup>16</sup> Licia Mattioli is a member of the Board of Directors (annual remuneration €20,000), Chairman of the Related Party Transactions Committee (annual remuneration €5,000), and from 27 April 2023 Chairman of the Nomination Committee (annual remuneration €5,000).

<sup>17</sup> Leonardo Luca Etro is a member of the Board of Directors (annual remuneration €20,000), Chairman of the Control, Risks and Sustainability Committee (annual remuneration €6,000), member of the Related Party Transactions Committee (annual remuneration €2,500) and of the Remuneration Committee (annual remuneration €2,500) until 27 April 2023. From 27 April 2023 chairman of the Control, Risks and Sustainability Committee (annual remuneration €6,000) and of the Remuneration Committee (annual remuneration €5,000), member of the Related Party Transactions Committee (annual remuneration €2,500).

<sup>18</sup> Francesca Culasso is a member of the Board of Directors (annual remuneration €20,000) and a member of the Control, Risks and Sustainability Committee (annual remuneration €4,000). Since 27 April 2023, she is a member of the Remuneration Committee (annual remuneration €2,500) and of the Related Party Transactions Committee (annual remuneration €2,500).

<sup>19</sup> Marco Francesco Mazzù is a member of the Board of Directors (annual remuneration €20,000) and a member of the Nomination Committee (annual remuneration €2,500).

<sup>20</sup> Benefits are shown in the table for other managers with strategic responsibilities.

## Other managers with strategic responsibilities

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Position	Period for which the office was held	Expiry date of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits <sup>21</sup>	Other remuneration	Total	Fair value of equity remuneration	Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit sharing <sup>22</sup>					
<b>(I) Remuneration in the reporting company</b>												
Massimo Perotti	Chairman and CEO	01/01/2023 - 31/12/2023		95,105.92				7,921.69		103,027.61		
Ferruccio Rossi	General Manager	01/01/2023 - 31/12/2023		500,000		475,521.60		9,453.00		984,974.60		
no. 12 MSR <sup>23</sup>		01/01/2023 - 31/12/2023		1,042,795.75		409,501.20		34,844.73		1,487,141.68		
<b>(II) Remuneration from subsidiaries and associates</b>												
no. 1 MSR of Bluegame S.r.l.			01/01/2023 - 06/09/2023		19,015.28		-		-		19,015.28	
no.1 MSR of Bluegame S.r.l.			01/01/2023 - 15/03/2023		44,597.50							
no. 1 MSR of Sanlorenzo of the Americas LLC			01/01/2023 - 14/03/2023		69,341.73		-		-		69,341.73	
<b>(I+II) Total</b>				<b>1,770,856.17</b>	<b>-</b>	<b>885,022.80</b>	<b>-</b>	<b>52,219.42</b>		<b>2,708,098.39</b>		

<sup>21</sup> Car and life and professional/non-professional accident insurance benefit.

<sup>22</sup> No profit sharing is envisaged, except for the receipt of dividends if the position of shareholder or beneficiary is vested.

<sup>23</sup> This item also includes no. 8 MRS that were such until 14 March 2023 and no. 1 MRS that became such from 7 September 2023.

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

A	B	(1)	Options held at the beginning of the year			Options assigned during the year						Options exercised during the year			(14)	Options held at the end of the year (15) = (2) + (5) - (11) - (14)	(16)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
Name and surname	Position	Plan	Number of options <sup>24</sup>	Exercise price	Period of possible exercise (from - to)	Number of options	Exercise price	Period of possible exercise (from - to)	Fair value at allocation date	Allocation date	Market price of the underlying shares at the allocation of the options	Number of options <sup>25</sup>	Exercise price	Market price of the underlying shares at the exercise date <sup>26</sup>	Number of options	Number of options	Fair value
<b>(I) Remuneration in the reporting company</b>		2020 Stock Option Plan (resolution of the Shareholders' Meeting of 21/04/2020 and subsequent resolution of BoD of 09/02/2023)	17,693	16.00	From 10/12/2021 to 31/05/2027	5,000	16.00	From 09/02/2023 to 31/05/2029				8,846	16.00	36.24	-	13,847	1,667
<b>(II) Remuneration from subsidiaries and associates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(I+II) Total</b>			<b>17,693</b>			<b>5,000</b>						<b>8,846</b>			<b>-</b>	<b>13,847</b>	<b>1,667</b>

<sup>24</sup> The aggregate value shown in the table refers to no. 2 other managers with strategic responsibilities of Sanlorenzo S.p.A. who were assigned options of the 2020 Stock Option Plan, resolved by the Ordinary and Extraordinary Shareholders' Meeting of Sanlorenzo S.p.A. on 21 April 2020 and no. 1 new assignment resolved by the Board of Directors on 9 February 2023.

<sup>25</sup> Options exercised by no. 1 other manager with strategic responsibilities of Sanlorenzo S.p.A.

<sup>26</sup> The value reported in the table corresponds to the average market price of the underlying shares at the exercise date.

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

A	B	(1)	(2)			(3)			(4)
Surname and Name	Position	Plan	Bonus for the year			Bonuses from previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/ Paid	Deferred	Reference period	No longer payable	Payable/ Paid	Still deferred	
<b>(I) Remuneration in the reporting company</b>									
Rossi Ferruccio <sup>27</sup>	General Manager		600,000		2023				
no. 11 MSR			430.833		2023				
<b>(II) Remuneration from subsidiaries and associates</b>									
Carla Demaria <sup>28</sup>	CEO Bluegame S.r.l.		500,000		2023				
<b>(III) Total</b>			<b>1,530,833</b>						

<sup>27</sup> Ferruccio Rossi = maximum theoretical MBO value €600,000 - Value achieved €475,521.60 (value approved by the BoD on 15 March 2024).

<sup>28</sup> Carla Demaria = maximum theoretical MBO value €500,000 - Value achieved €479,758.2 (value approved by the BoD on 15 March 2024).

## Table 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	COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR
Massimo Perotti (through Holding Happy Life S.r.l.)	Chairman e CEO	Sanlorenzo S.p.A.	21,145,315		939,521	20,205,794
Massimo Perotti (through Luchi Fiduciaria S.r.l.)	Chairman e CEO	Sanlorenzo S.p.A.	9,275		9,275	0
Paolo Olivieri (through Holding Happy Life S.r.l.)	Deputy Chair	Sanlorenzo S.p.A.	5,394		240	5,154
Paolo Olivieri (through Luchi Fiduciaria S.r.l.)	Deputy Chair	Sanlorenzo S.p.A.	135,000		9,000 <sup>29</sup>	126,000
Ferruccio Rossi	Executive Director and General Manager	Sanlorenzo S.p.A.	408,973		44,605	364,368
Carla Demaria	Executive Director	Sanlorenzo S.p.A.	356,056			356,056
Cecilia Maria Perotti	Director	Sanlorenzo S.p.A.	1,300			1,300
Silvia Merlo	Director	Sanlorenzo S.p.A.	106,000	940,000 <sup>30</sup>		1,046,000

<sup>29</sup> Of which no. 3,000 shares sold by Cervino S.r.l.

<sup>30</sup> Shares purchased by Ocean S.r.l.

**Table 2: Shareholdings of other managers with strategic responsibilities**

NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITIES	COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR
no. 3 MSR	Sanlorenzo S.p.A.	124,077	8,846 <sup>31</sup>	27,570	105,353

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<sup>31</sup> Shares purchased as a result of the exercise of stock options under the 2020 Stock Option Plan.