Sanlorenzo S.p.A.

Registered office in via Armezzone 3, Ameglia (SP) – Share capital €34,810,125 fully paid-in
Company Register of Riviere di Liguria – Imperia La Spezia Savona and tax code: 00142240464
www.sanlorenzoyacht.com
Traditional management and control system

Explanatory report on the third item on the agenda of the ordinary shareholders' meeting

Resolutions following the resignation of two directors.

<u>Explanatory report on the third item on the agenda of the ordinary shareholders' meeting</u>

3. Resolutions following the resignation of two directors:

- **3.1 determination of the number of members of the Board of Directors: confirmation of the composition of the Board of Directors at 12 members, or reduction of the composition to 11 members, or reduction of the composition to 10 members;**
- **3.2 in the event of confirmation of the 12-member composition of the Board of Directors or determination of the 11-member composition:**
  - **3.2.1 appointment of two new directors or one new director;**
  - **3.2.2 determination of the related term of office;**
  - **3.2.3 determination of the related remuneration.**

Shareholders,

The Board of Directors of Your Company, which will remain in office until the date of the Shareholders' Meeting to be called to approve the financial statements for the year ending 31 December 2024, was appointed by the Ordinary Shareholders' Meeting of 28 April 2022, which set the number of its members at 12 and appointed as directors Massimo Perotti, Paolo Olivieri, Marco Viti, Carla Demaria, Ferruccio Rossi, Cecilia Maria Perotti, Pietro Gussalli Beretta, Licia Mattioli, Silvia Merlo, Leonardo Luca Etro and Francesca Culasso – drawn from the majority list, submitted by the controlling shareholder Holding Happy Life and which received 43,789,758 votes, equal to 87.615% of the votes cast – as well as Mr. Marco Francesco Mazzù – taken from the minority list, presented by a number of asset management companies on behalf of their funds and which received 6,182,972 votes, equal to 12.371% of the votes cast.

Directors Pietro Gussalli Beretta, Licia Mattioli, Silvia Merlo, Leonardo Luca Etro, Francesca Culasso and Marco Francesco Mazzù qualified on said occasion as independent pursuant to both Article 148, paragraph 3 of Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended (the Italian Consolidated Law on Finance or "**TUF**"), as referred to in Article 147-*ter*, paragraph 4 of the TUF, and pursuant to Recommendation 7 of the Code of Corporate Governance for Listed Companies approved by the Corporate Governance Committee set up, in its current configuration, in June 2011 by the Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni) (the "**Corporate Governance Code**").

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Subsequent to the appointment of the Board of Directors, on 26 August 2022, Mr. Marco Viti, who had been an executive director until 30 May 2022, when he had renounced his management powers (so that at the time of his resignation he was a non-executive director), resigned for personal reasons. The related press release to the market is published on the Company's website www.sanlorenzoyacht.com ("Corporate Governance/Investors/Financial press releases" section).

The Board of Directors of the Company, after receiving a favourable opinion from the Nomination Committee, resolved not to co-opt a new director to replace the resigning director and to submit to this Shareholders' Meeting a resolution to reduce the composition of the Board of Directors from twelve to eleven members and, should the Shareholders' Meeting fail to resolve on the reduction, to appoint a new director to replace the resigning director.

This determination was made, on the one hand, considering that the members of the Board of Directors, Massimo Perotti, Carla Demaria and Ferruccio Rossi, are all executive directors of the Company with extensive experience in the specific sector that constitutes the core business of the Company and all actively engaged in company activities, and that therefore, from a qualitative standpoint, the field of specific knowledge in the core sector of the Company was adequately covered, without the need for further integration, also following the resignation of Marco Viti, who also possesses such specific skills; on the other hand, considering that, from a quantitative standpoint, the composition of the Board of Directors had been increased from nine to twelve members only with the Shareholders' Meeting of 28 April 2022, and that therefore, the Board of Directors itself was to be considered numerically adequately formed even if, instead of appointing a new director to replace the resigning director, it had remained composed of eleven members. Furthermore, the Board of Directors verified that the composition of the Board of Directors, reduced to eleven, was in any case such as to respect diversity, not only in terms of educational and professional background, but also in terms of gender (six male members and five female members) and age (the youngest director was twenty-nine and the oldest sixty-three) and was also adequate with regard to the number of independent directors (in the twelve-member composition, six out of twelve and, following the resignation of Marco Viti, six out of eleven).

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On 14 March 2023, the non-executive and independent director Pietro Gussalli Beretta, also lead independent director and chairman of the Nomination Committee, resigned from his position as director, for personal and professional reasons in particular related to his commitments in other international companies. This resignation was effective as of 27 April 2023, the date on which the Shareholders' Meeting will be held; until that date, Pietro Gussalli Berretta will retain the positions of non-executive director, chairman of the Nomination Committee and lead independent director. The related press release to the market is published on the Company's website www.sanlorenzoyacht.com ("Corporate Governance/Investors/Financial press releases" section).

Therefore, the Board of Directors has not replaced the resigning director, since he has not yet left office and since the effectiveness of the resignation will occur on the day of the Shareholders' Meeting, which will be able to decide directly on his replacement.

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On 16 March 2023, the director Silvia Merlo informed the Company that she had lost the independence requirements, which she had possessed up to that time, due to the signing of a non-binding agreement for a potential start of a significant financial relationship with Mr. Massimo Perotti, Chairman and Chief Executive Officer of Sanlorenzo and director of the majority shareholder, Holding Happy Life S.r.l. The related press release to the market is published on the Company's website www.sanlorenzoyacht.com ("Corporate Governance/Investors/Financial press releases" section).

As a result, the current independent directors of the Company are five – Pietro Gussalli Beretta, Licia Mattioli, Leonardo Luca Etro, Francesca Culasso and Marco Francesco Mazzù – and, following the effectiveness resignation of Pietro Gussalli Beretta and if the Shareholders' Meeting does not appoint a new independent director, there will be four – Licia Mattioli, Leonardo Luca Etro, Francesca Culasso and Marco Francesco Mazzù.

Article 12.4 of the Company's By-laws (the "**By-laws**") provides that "*the loss of the independence requirement must be immediately communicated to the board of directors and, in any event, shall result in the director falling from office unless, and save for other mandatory provisions of law, the requirements continue to be met by a number of directors corresponding to the minimum number of directors that, according to law, must meet the independence requirements*", so that Silvia Merlo, despite having lost her independence requisite, did not forfeit her office, since a number of independent directors remained in office that exceeded the minimum required by law (which is two, pursuant to Article 147-*ter*, paragraph 4 of the TUF).

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It is therefore necessary for the Shareholders' Meeting to pass the resolutions resulting from the aforementioned resignations of the directors Marco Viti and Pietro Gussalli Beretta.

In this regard, please recall, in particular, the following:

Composition of the Board of Directors

Pursuant to Article 12 of the By-laws, the Company is managed by a Board of Directors consisting of between 7 and 15 members.

The number of members of the Board of Directors, within the aforementioned limits, is set by the Shareholders' Meeting.

Directors shall meet the requirements of the law; failure to meet the requirements shall result in the disqualification of the director.

A minimum number of Directors corresponding to the minimum required by law must possess the independence requirements pursuant to Article 148, paragraph 3 of the TUF, as referred to in Article 147-*ter*, paragraph 4 of the TUF. The failure to meet the independence requirement must be immediately notified to the Board of Directors and, in any case, shall result in the forfeiture of office of the director, unless, and except otherwise required by law, the requirements are still met by a number of directors corresponding to the minimum number of directors required by law to meet the independence requirements.

It should be noted that the shares of Your Company are admitted to trading on the Euronext STAR Milan segment of the Euronext Milan market organised and managed by Borsa Italiana S.p.A. and that Your Company adheres to the Code of Corporate Governance, therefore: (i) the independence criteria set forth in Recommendation 7 of the Corporate Governance Code itself also apply to the independent directors: in this regard, the Board of Directors, most recently at its meeting of 14 March 2023, after receiving the favourable opinion of the Nomination Committee and the Board of Statutory Auditors, identified as the parameter of the significance of direct and indirect business relations and additional remuneration referred to respectively in letters c) and d) of the aforementioned Recommendation 7 of the Corporate Governance Code the amount of €30,000.00 per year (collectively, the "**Significance Criteria**"[1]); and (ii) the provisions of Article 2.2.3, paragraph 3, letter m) of the Rules of Markets organised and managed by Borsa Italiana S.p.A. apply. (the "**Stock**

[1] The Board of Directors has not set any further parameters in this regard, considering it preferable, without prejudice to the aforementioned limits, for any reports or remuneration to be assessed on a case-by-case basis by the Board of Directors.

Exchange Rules") and Article IA.2.10.6 of the Instructions accompanying the Rules of Markets organised and managed by Borsa Italiana S.p.A. (the "**Stock Exchange Instructions**"), pursuant to which the number of independent directors is deemed adequate when there are (a) at least 2 independent directors for boards of directors composed of up to 8 members, (b) at least 3 independent directors for boards of directors composed of 9 to 14 members and (c) at least 4 independent directors for boards of directors composed of more than 14 members, it being understood that for these purposes the independent directors must be different from the chair.

The composition of the Board of Directors must also respect the gender balance, pursuant to Article 147-*ter*, paragraph 1-*ter* of the TUF and Article 13 of the By-laws. At least two-fifths (rounded upwards) of the directors must therefore belong to the least represented gender.

Mechanism for appointing new directors to replace resigning ones

The procedures for replacing members of the Board of Directors are governed by Article 2386 of the Italian Civil Code, Article 147-*ter* of the TUF and Article 13.17 of the By-laws.

In particular, the statutory majorities apply to the appointment by the shareholders' meeting of directors to replace those who have ceased to hold office, and therefore list voting does not apply, without prejudice to the need to comply with the law in force from time to time concerning gender balance and the appointment of independent directors.

Term of office and determination of remuneration of new directors

Pursuant to Article 2386 of the Italian Civil Code, directors appointed by the shareholders' meeting to replace other directors, *"unless otherwise provided for in the By-laws or by the shareholders' meeting*", "*shall cease to hold office at the same time as those in office at the time of their appointment*". The By-laws do not derogate from this provision.

The Meeting held 28 April 2022 also resolved "*to set at a maximum of €4,000,000.00 (four million) gross per annum the amount of the total compensation to be attributed to the Board of Directors, for each of the three fiscal years of the term of office, compensation which is to be understood to include the remuneration to directors invested with special offices, to be divided among the directors by the Board of Directors"*.

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Therefore, the Shareholders' Meeting shall be entitled to (a) confirm the 12-member composition of the Board of Directors, appointing two new directors to replace those who resigned; or, (b) establish the 11-member composition of the Board of Directors, appointing only one new director to replace those who resigned; or, (c) establish the composition of the Board of Directors at 10 members, appointing no new directors to replace those who resigned; in the cases under (a) and (b), moreover, the Shareholders' Meeting shall not be restricted in identifying the profiles of the new directors (in particular, they may be of both genders and may not be independent), without prejudice to the need to comply with the requirements set forth by law. In particular, the following is noted:

a) if the Shareholders' Meeting confirms the 12-member composition of the Board of Directors – given that there is currently a director representing the minority (Mr. Marco Francesco Mazzù) and there are (not considering the director who has left office and the director who has resigned) four independent directors and five directors of each gender – the Shareholders' Meeting may appoint two new directors, including non-independent directors (in which case the independent component would remain equal to four out of twelve, and therefore equal to one-third, higher than the above-mentioned provisions of law and provided for by the Stock Exchange Rules and the Stock Exchange Instructions[2]) and also two new directors belonging to the same gender (in which case the less represented gender would be five out of twelve and therefore would have a representation in compliance with the provisions of the law and the By-laws);

b) the same considerations as above apply in the event that the Shareholders' Meeting should decide on the composition of the Board of Directors, and should consequently appoint only one new director, who, for the same considerations as above, may also not be independent and may belong to one or the other gender;

c) should the Shareholders' Meeting reduce the composition of the Board of Directors to 10 members and not appoint any new directors, the current composition of the Board of Directors is already such as to comply with both the rules on the number of independent directors (which are four out of ten, and therefore in a number higher than that required by the above-mentioned

[2] The component of independents would also comply with Recommendation 5, third paragraph of the Corporate Governance Code, although not applicable to the Company, which is not a 'large company' as defined therein. It should be noted that the Company is "concentrated ownership" as defined in the Corporate Governance Code. Therefore, Recommendation 5, fourth paragraph of the Corporate Governance Code itself, dictated for "large, non-concentrated-ownership companies", is not and will not be applicable to it in any case.

provisions of law and set forth in the Stock Exchange Rules and Instructions[3]), as well as those on gender (with genders equally represented).

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The Board of Directors invites interested Shareholders to submit resolution proposals regarding the third item on the agenda – by sending a registered letter with return receipt addressed to Sanlorenzo S.p.A., via Armezzone 3, Ameglia (SP), or by electronic communication to the certified e-mail (PEC) address corporate.affairs@cert.sanlorenzoyacht.com – well in advance of the date of the Shareholders' Meeting; in case of nomination proposals, please accompany them with the candidate's personal and professional *curriculum* and with declarations in which the candidate accepts the nomination and attests, under his/her own responsibility, that he/she meets the legal requirements (requisites of honourableness, absence of causes of ineligibility, disqualification and incompatibility and of obstructive conditions pursuant to the laws in force) and any mention of his/her eligibility to qualify as independent pursuant to Article 148, paragraph 3 of the TUF, as referred to in Article 147-*ter*, paragraph 4 TUF, and Recommendation 7 of the Corporate Governance Code (with specific reference, with regard to business relations, direct and indirect, and additional remuneration referred to respectively in letters c) and d) thereof, the aforementioned Significance Criteria), as well as with the proposals regarding the duration of the relative office (the Board of Directors suggests that it be equal to that of the directors in office) and the determination of the relative remuneration (the Board of Directors suggests that this be left to the decision of the Board itself in the context of what was resolved by the Shareholders' Meeting of 28 April 2022).

La Spezia, 28 March 2023

For the Board of Directors

The Chairman, Massimo Perotti

[3] The component of independents also complies with Recommendation 5, third paragraph of the Corporate Governance Code, although not applicable to the Company, which is not a 'large company' as defined therein. It should be noted that the Company is "concentrated ownership" as defined in the Corporate Governance Code. Therefore, Recommendation 5, fourth paragraph of the Corporate Governance Code itself, dictated for "large, non-concentrated-ownership companies", is not and will not be applicable to it in any case.