

# SANLORENZO

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

Registered office in via Armezzone 3, Ameglia (SP) – Share capital €35,542,472 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

### **Explanatory report on the sixth item on the agenda of the ordinary shareholders' meeting**

**Resolutions pursuant to Article 114-*bis* of Italian Legislative Decree no. 58 of 24 February 1998 and subsequent amendments, regarding the establishment of a compensation plan based on financial instruments called “2025 Performance Shares Plan”. Related and consequent resolutions.**

## Explanatory report on the sixth item on the agenda of the ordinary shareholders' meeting

- 6. Resolutions pursuant to Article 114-bis of Italian Legislative Decree no. 58 of 24 February 1998 and subsequent amendments, regarding the establishment of a compensation plan based on financial instruments called “2025 Performance Shares Plan”. Related and consequent resolutions.**

Dear Shareholders,

we would submit for your approval a compensation plan based on financial instruments, aiming to ensure incentive and loyalty, called the “2025 Performance Shares Plan” (hereinafter, the “**Plan**”); it is reserved to executive directors, general managers, managers and collaborators not bound by employment contracts, who are key to Sanlorenzo S.p.A. (“**Sanlorenzo**” or the “**Company**”) and its direct or indirect Italian and foreign subsidiaries pursuant to Article 93 of Italian Legislative Decree no. 58 of 24 February 1998 (the Italian Consolidated Law on Finance or “**TUF**”), or qualifying as subsidiaries in accordance with the accounting standards applicable over time or included in the consolidation perimeter (hereinafter the “**Subsidiaries**” and, together with Sanlorenzo, the “**Group**”), pursuant to Article 114-bis of the TUF, to be implemented through the free assignment of rights valid for the free assignment of ordinary treasury shares in the Company’s portfolio.

Sanlorenzo ordinary treasury shares will be used to service the Plan, subject to prior authorisation pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of the TUF and related implementing provisions, granted over time by the Company’s Shareholders’ Meeting; in this regard, please note (i) Sanlorenzo’s Shareholders’ Meeting on 12 December 2023 authorised the purchase of up to a maximum of 3,491,956 treasury shares, subject in any case to compliance with the maximum limit set forth in Article 2357, paragraph 3, of the Italian Civil Code, also for the purpose of “*disposing of treasury shares to service compensation plans based on financial instruments pursuant to applicable regulations in favour of directors, employees and/or collaborators of the Company and/or its subsidiaries*” (details of such authorisation can be found in the related explanatory report, available on Sanlorenzo’s website, [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), “*Corporate Governance/Shareholders’ Meeting/Ordinary Shareholders’ Meeting 12 December 2023*” Section) and (ii) that the Ordinary Shareholders’ Meeting called to resolve on the 2025 Performance Shares Plan is also called to resolve, as the seventh item on the agenda, on a new authorisation to purchase treasury shares up to a maximum of 3,554,247 treasury shares, subject in any case to compliance with the maximum limit set forth by Article 2357, paragraph 3, of the Italian Civil Code, also with the same aforementioned purpose “*to dispose of treasury shares to service compensation plans based on financial instruments pursuant to applicable regulations for the benefit of directors, employees and/or collaborators of the Company and/or its subsidiaries*” (for details of which please refer to the related explanatory report, available on Sanlorenzo’s website, [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), “*Corporate Governance/Ordinary and Extraordinary Shareholders’ Meeting 29 April 2025*” Section).

The information document on the Plan (the “**Information Document**”), prepared pursuant to Article 84-bis of Consob Regulation no. 11971 of 14 May 1999 as subsequently amended (hereinafter the

“**Issuers’ Regulation**”) and in accordance with Annex 3A, Scheme 7 of such Issuers’ Regulation, is attached to this Explanatory Report and made available to the public, together with this report, in the manner and within the terms set forth by law. Please refer to the Information Document for any further information on the Plan.

## **1. Reasons for adopting the Plan**

The purpose of the Plan is to contribute to the pursuit of the Company’s sustainable success and the generation of long-term value, through the incentive and retention of key resources of the Company and its Subsidiaries. More specifically, the Plan seeks to set up an incentive mechanism in favour of the Group’s key resources, through their involvement in Sanlorenzo’s corporate structure, incentivising their alignment with the interests of the shareholders and in the pursuit of the Company and the Group’s sustainable success and the generation of long-term value, while at the same time retaining the Beneficiaries and contributing to the retention of their specific skills in the Company and the Group.

The proposal relating to the adoption of the Plan was formulated by the Board of Directors with the involvement and prior favourable opinion of the Remuneration Committee established within the Board of Directors in accordance with the applicable provisions of the Corporate Governance Code approved by the Corporate Governance Committee, to which the Company adheres.

Sanlorenzo intends to set up the new 2025 Performance Shares Plan in order to have a medium-long term incentive instrument to be used for beneficiaries (including new hires or employees promoted to senior roles) not included in the 2024 Performance Share Plan, for which no more rights can be assigned.

Furthermore, the adoption of compensation plans based on financial instruments complies with both the recommendations of Article 5 of the Corporate Governance Code, and in particular with Principle XV and Recommendations 27 and 28, as well as Article 2.2.3, paragraph 3, letter o) of the Rules of the markets organised and managed by Borsa Italiana S.p.A. (we would recall that Sanlorenzo shares are listed on the Euronext STAR Milan segment of the Euronext Milan market of Borsa Italiana S.p.A.), and the Company’s “Remuneration Policy”, as described in the Report on the policy regarding remuneration and fees paid drafted pursuant to Article 123-ter of the TUF and related implementing rules, which will be available within the terms of the law on Sanlorenzo’s website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), “*Corporate Governance/Shareholders’ Meeting/Ordinary and Extraordinary Shareholders’ Meeting 29 April 2025*” Section).

## **2. Purpose and methods of implementation of the Plan**

The Plan provides for the grant, free of charge, to each of the Beneficiaries identified by the Board of Directors, subject to the opinion or proposal of the Remuneration Committee, within the categories of recipients indicated in Paragraph 3 below (hereinafter, the “**Beneficiaries**”), of rights (hereinafter,

the “**Rights**”) that entitle the Beneficiary, upon the occurrence of the vesting conditions provided for in the Plan (described in Paragraph 4 below), the free allotment of ordinary treasury shares in Sanlorenzo’s portfolio, in the ratio indicated in Paragraph 4 below.

It is proposed to determine the maximum total number of Sanlorenzo ordinary shares to be allocated to the Beneficiaries for the execution of the Plan as 60,000 ordinary shares.

For the execution of the Plan, (i) the Company already has the authorisation pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of the TUF and related implementing provisions, resolved upon by the shareholders’ meeting of 12 December 2023 and mentioned in the introduction to this report (details can be found in the related explanatory report, available for consultation on the Sanlorenzo’s website, [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), “*Corporate Governance/Shareholders’ Meeting/Ordinary Shareholders’ Meeting 12 December 2023*” Section) and (ii) that the Ordinary Shareholders’ Meeting called to resolve on the 2025 Performance Shares Plan is also called to resolve, as the seventh item on the agenda, on a new authorisation to purchase treasury shares up to a maximum of 3,554,247 treasury shares, also mentioned in the introduction to this report (details can be found in the related explanatory report, available for consultation on the Sanlorenzo’s website, [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), “*Corporate Governance/Ordinary and Extraordinary Shareholders’ Meeting 29 April 2025*” Section). Further proposals for authorisation to purchase treasury shares may also be submitted to the Shareholders’ Meeting if necessary or appropriate.

At the date of this Report, the Company holds a total of 358,546 treasury shares, equal to 1.01% of the share capital. The Subsidiaries do not hold any Sanlorenzo shares.

The Rights to be granted pursuant to the Plan shall therefore grant the Beneficiaries the right to receive, free of charge, a maximum of 60,000 ordinary shares, in the ratio indicated in Paragraph 4 below, all under the terms and conditions of the Plan itself, as illustrated below and as also specified in the Information Document.

The Company shall make available to the Beneficiary the shares to which the Beneficiary is entitled following the effective vesting of the Rights no later than 30 (thirty) business days following the close of the calendar month in which the relevant vesting conditions occurred; the shares to which the Beneficiary is entitled following the vesting of the Rights shall have regular dividend entitlement.

The Plan will not receive any support from the Special Fund for the Encouragement of Workers’ Participation in Enterprises, referred to in Article 4, paragraph 112, of Law no. 350 of 24 December 2003.

### **3. Plan recipients**

The Plan is aimed at key resources who, on the date of assignment of the Rights by the Board of Directors (the “**Assignment Date**”), are managing directors or vested with special offices of Sanlorenzo and its Subsidiaries (or vested with comparable offices pursuant to the legislation,

including non-Italian legislation, as may be applicable over time) or general managers, directors assigned specific duties, managers (or in any case employees with a comparable position pursuant to Italian and foreign laws and regulations applicable over time) or employees/non-employee collaborators of the Company or of its Subsidiaries.

On the proposal or advice of the Remuneration Committee, the Board of Directors shall identify individual Beneficiaries from within the above categories, choosing them from among those it deems to hold key positions for the Company or Subsidiaries, and determine the number of Rights to be granted to each Beneficiary, taking into account the number, category, organisational level, responsibilities and professional skills of the Beneficiaries.

The Plan provides that the Rights may be granted to the Beneficiaries by the Board of Directors by 31 July 2025.

A condition for participation in the Plan and for the vesting of the Rights granted to the Beneficiaries is that the Beneficiaries must maintain their directorship, employment or collaboration with Sanlorenzo or a Subsidiary (hereinafter, the “**Relationship**”) until the vesting of the Rights.

In particular, the Plan provides that, in the event of termination of the Relationship due to a bad leaver scenario, all Rights granted to the Beneficiary shall lapse and be devoid of any effect and validity.

The following events are included in the bad leaver hypothesis:

- (i) revocation or dismissal of the Beneficiary, or termination or withdrawal of the Beneficiary’s employment, due to gross misconduct, or: (a) breach by the Beneficiary of any provision of law or contract that constitutes, in the case of Beneficiaries who are directors, just cause for removal from their directorships, or just cause for revocation, entirely or partially, of their delegated management powers, or, in the case of Beneficiaries who are employees, just cause or subjective grounds for dismissal, or, in the case of Beneficiaries who are collaborators, cause for termination of the Relationship due to breach and/or cause for termination for just cause; (b) criminal conviction, even if not final, of the Beneficiary for an intentional or culpable offence committed in the performance of the Relationship or, if not committed in the performance of the Relationship, if the sentence imposed is equal to or greater than two years of imprisonment;
- (ii) in the case of Beneficiaries who are directors, resignation from the office of director, or total or partial relinquishment or non-acceptance of management powers or, in the case of Beneficiaries who are employees, resignation or, in the case of Beneficiaries who are collaborators, termination of the Relationship or withdrawal from the same by the Beneficiary, if such events are not justified by the occurrence of (a) physical or mental incapacity (due to illness or injury) of the Beneficiary resulting in a period of inability to work for more than 6 (six) months, or (b) just cause attributable to the Group company with which the Relationship is in place.

In the event of termination of the Relationship in a good leaver scenario, the Beneficiary (or in the event of death, his or her successors in title) shall retain the Rights granted (i) already vested, as well

as (ii) not yet vested, the latter in a number proportionate to the duration of the Relationship following the Assignment Date with respect to the period elapsing under the Plan between such Assignment Date and the vesting date of the Rights and always provided that the vesting conditions set forth below are met.

Good leaver cases include termination of the Relationship due to:

- (i) revocation or dismissal or termination or without cause;
- (ii) in the case of Beneficiaries who are directors, resignation from the office of director, or total or partial relinquishment or non-acceptance of management powers or, in the case of Beneficiaries who are employees, resignation or, in the case of Beneficiaries who are collaborators, termination of or withdrawal from the Relationship, if such events are justified by (a) physical or mental incapacity (due to illness or injury) of the Beneficiary resulting in a period of inability to work for more than 6 (six) months, or (b) just cause attributable to the Group company with which the Relationship is in place;
- (iii) death of the Beneficiary;
- (iv) for Beneficiaries who are employees, retirement of the Beneficiary;
- (v) loss of the status of Subsidiary by the Group company with which the Beneficiary's Relationship exists.

If, on the Assignment Date, a Beneficiary is simultaneously a director and an employee and/or collaborator, the termination of the Relationship shall be deemed to occur at the time of the termination of the last of the directorship and the employment and/or collaboration relationship.

If the Relationship between a Beneficiary and Sanlorenzo or a Subsidiary is interrupted but a new Relationship is established immediately, even of a different nature, between the same Beneficiary and the same or a different company of the Group, the Relationship shall not be deemed to have been terminated for the purposes of the forfeiture of the Rights and/or their early vesting.

Rights that have not vested will automatically expire, releasing Sanlorenzo from any obligation or liability, and may be re-allocated, always in compliance with the final assignment deadline indicated above.

The Plan also provides for a "claw back" mechanism, better described in Paragraph 3.3 of the Information Document.

#### **4. Duration of the Plan and terms and vesting conditions the Rights**

The Rights granted to the Beneficiary will be governed by the regulations of the Plan and/or by the relevant contract entered into by Sanlorenzo with each Beneficiary, the adoption and preparation of which will be referred to the Board of Directors and will take place in accordance with the provisions of the Plan.

The Plan provides that the Rights shall vest no earlier than after the lapse of a minimum term of three (3) years from the Assignment Date and, subject to the provisions of Paragraph 3 above in relation to early termination of the Relationship and the provisions below in relation to exceptional cases of early vesting, only if the vesting conditions set out below are met.

The vesting conditions must be established by the Board of Directors, after receiving the opinion or proposal of the Remuneration Committee and after hearing the opinion of the Control, Risks and Sustainability Committee set up within the Board of Directors, also in accordance with the applicable provisions of the Corporate Governance Code (the “**Control, Risks and Sustainability Committee**”) with regard to the ESG (Environmental, Social and Governance) targets, in accordance with the provisions of the Plan and shall consist of predetermined, measurable and pre-established performance targets, necessarily referring to the following parameters (it being specified that their occurrence may be required severally or jointly):

- (i) financial targets, specifically (x) cumulative Group EBITDA of the financial years 2025, 2026 and 2027 and (y) Group Net Financial Position as at 31 December 2027;
- (ii) ESG targets, and in particular (x) Environmental parameters (Scope 1 and Scope 2 emissions reduction) and (y) Governance parameters (ESG rating S&P).

The following must be envisaged:

- (i) a Threshold Level of achievement of the performance targets below which the Beneficiary does not accrue the right to receive the shares, it being specified that the achievement of the Threshold Level of all assigned performance target will be required for the achievement of the Threshold Level;
- (ii) an area between the Threshold Level and the Target Performance Level, in which the number of shares for which the Beneficiary’s entitlement vests, increases in a linear fashion from a minimum of 50% (equal to 0.5 Shares per Right), at the Threshold Level, to a maximum of 100% (equal to 1 Share per Right), at the Target Performance Level; and
- (iii) an area above the Target Performance Level, in which the number of shares for which the Beneficiary’s entitlement vests, increases in a linear fashion from a minimum of 100% (equal to one Share per Right), at the Target Performance Level, to a maximum of 110% (equal to 1.1 Share per Right), 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 default.

The performance goals that are the subject of the Vesting Conditions shall be set by the Board of Directors at the time of the grant of Rights to the Beneficiaries, uniformly for all Grantees, with reference to the entire vesting period.

The verification of the fulfilment of the Vesting Conditions assigned to the Beneficiaries is carried out by the Board of Directors, subject to the opinion of the Remuneration Committee, as well as the

Control, Risks and Sustainability Committee with regard to ESG (Environmental, Social and Governance) target.

Rights that have not vested due to the failure of the relevant Vesting Conditions to occur will automatically terminate resulting in Sanlorenzo being released from any obligation or liability.

Notwithstanding the above, there are scenarios for early vesting of the Rights upon the occurrence of certain events, namely:

- (i) change of control over Sanlorenzo pursuant to Article 93 of the TUF, even if this does not entail the obligation to launch a tender offer; or
- (ii) promotion of a tender offer for Sanlorenzo shares pursuant to Article 102 *et seq.* of the TUF; or
- (iii) resolution on transactions that could result in the delisting of Sanlorenzo ordinary shares from a regulated market.

The Plan also provides that the assignment of the Shares to the Beneficiaries is suspended in the period between (i) the day on which the meeting of the Board of Directors was held that resolved to call the shareholders' meeting called to approve the financial statements for the year and at the same time the proposal to distribute dividends or the proposal to distribute extraordinary dividends and (ii) the day on which the related meeting was actually held (both dates included).

If the shareholders' meeting resolves on the distribution of a dividend, even of an extraordinary nature, the suspension period will in any case expire on the day following the ex-dividend date of the relevant coupon.

## **5. Restrictions on the transfer of Rights and Shares**

The Rights will be granted on a personal basis and may be enforced by the Beneficiaries (except for *mortis causa* transfers, which will have the consequences described in Paragraph 3 above). Unless otherwise resolved by the Board of Directors and without prejudice to *mortis causa* transfers, which shall have the consequences described in Paragraph 3 above, the Rights may not be transferred for any reason or in any way negotiated, pledged or subject to any other right *in rem* and/or granted as a guarantee by the Beneficiary, even if in application of the law.

The Plan provides that 50% (rounded down) of the Sanlorenzo shares received by the Beneficiaries in the event of vesting of the Rights may not be transferred for any reason or in any way traded, pledged or subjected to any other right *in rem* and/or granted as a guarantee by the Beneficiary, even if pursuant to law, for a period of 12 (twelve) months from their receipt by the Beneficiary.

## **6. Plan Regulation and other implementing acts of the Plan**

The Board of Directors will be responsible for the execution of the Plan and will be entrusted by the Shareholders' Meeting with the management and implementation of the Plan and thus, *inter alia*, with the approval of the Plan's implementing Regulation.

The Board of Directors may delegate its powers, duties and responsibilities with respect to the execution and implementation of the Plan to one or more of its members, even severally, it being understood that any decision relating and/or pertaining to the assignment of the Rights to the Beneficiary who is also a director of the Company (like any other decision relating and/or pertaining to the management and/or implementation of the Plan with respect to them) shall remain the exclusive competence of the Board of Directors.

The Remuneration Committee performs advisory and proposing functions in relation to the implementation of the Plan, pursuant to the Corporate Governance Code, Sanlorenzo's "Remuneration Policy" and the Remuneration Committee Regulation, adopted by the Board of Directors and defining the functions and powers of the Remuneration Committee itself (available on Sanlorenzo's website, [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "*Corporate Governance/Internal Committees*" Section).

The Control, Risks and Sustainability Committee performs advisory functions in relation to the implementation of the Plan with regard to ESG (Environmental, Social and Governance) targets, pursuant to Sanlorenzo's "Remuneration Policy" and the Regulation of the Control, Risks and Sustainability Committee, adopted by the Board of Directors and defining the functions and powers of the Control, Risks and Sustainability Committee itself (available on Sanlorenzo's website, [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "*Corporate Governance/Internal Committees*" Section).

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In light of the foregoing, the Board of Directors therefore submits the following proposal for resolution for your approval.

#### **Proposed resolution**

*"The Shareholders' Meeting of Sanlorenzo S.p.A., convened in ordinary session,*

- (i) having heard and approved the presentation of the Board of Directors;*
- (ii) having examined the Explanatory Report of the Board of Directors and the Information Document attached thereto and the proposals contained therein;*
- (iii) having shared the reasons for the proposals contained therein*

#### ***resolves***

- I.** *to approve, pursuant to Article 114-bis of Italian Legislative Decree no. 58 of 24 February 1998, the establishment of a compensation plan based on financial instruments called the "2025 Performance Shares Plan" having the characteristics (including the conditions and assumptions of implementation) indicated in the Report of the Board of Directors and in the Information Document drafted pursuant to Article 84-bis of the Issuers' Regulation (CONSOB Resolution no. 11971/1999, as amended), attached to the same Report as Annex A;*

2. *to confirm and confer, to the extent necessary, the faculties and powers to the Board of Directors to act in any way, pass any resolution and enter into any deed to implement the “2025 Performance Shares Plan”, and in particular, merely by way of example, any power to adopt the relative regulation, to identify the Beneficiaries and determine the number of Rights to be assigned to each of them, determine the vesting conditions in accordance with the plan, make the allocations to the beneficiaries, to draft the contracts with the beneficiaries, as well as carry out any other act, fulfilment, formality, communication that is necessary or appropriate for the purposes of managing and/or implementing the plan itself, with the power to delegate its powers, duties and responsibilities regarding the execution and implementation to one or more of its members, even separately, it being understood that any decision relating and/or pertaining to the allocation of Rights to the beneficiaries who are also directors of Sanlorenzo S.p.A. (as well as any other decision relating to and/or pertaining to the management and/or implementation of the plan in respect of them) shall remain the sole responsibility of the Board of Directors.”*

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La Spezia, 10 March 2025

For the Board of Directors

The Chairman, Mr. Massimo Perotti