

**SANLORENZO**

**REGULATIONS  
OF THE BOARD OF DIRECTORS**

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Sanlorenzo S.p.A.

Approved by the Board of Directors on 14 March 2023

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## **1. Foreword**

- 1.1 These regulations (the "**Regulations**") regulate the role, organisation and operating procedures of the board of directors of Sanlorenzo S.p.A. (the "**Company**"), as well as the main organisational profiles of the corporate governance model, in compliance with the recommendations of the Corporate Governance Code of listed companies prepared by Borsa Italiana S.p.A. (the "**Corporate Governance Code**"), which the Company complies with.
- 1.2 The Regulations do not derogate from or amend the applicable provisions of the law and of the Company's By-laws (the "**By-laws**"), which prevail in the event of any conflict.

## **2. Board of Directors: General Principles**

- 2.1 The Company is governed by a board of directors (the "**Board**") consisting, in accordance with the By-laws, of between seven and fifteen members, all of whom have the professionalism and expertise appropriate to the tasks entrusted to them.
- 2.2 The Board guides the Company in the pursuit of its sustainable success and, in line with this, defines the strategies of the Company and of its group and monitors their implementation.
- 2.3 The composition of the Board is governed by law and the By-laws.
- 2.4 The independent directors must meet the requirements provided for by law as well as by Article 2, Recommendation 7 of the Corporate Governance Code. The Board shall establish, at the beginning of its term of office, the quantitative and qualitative criteria for assessing the significance referred to in letters c) and d) of Recommendation 7. The independence of the independent directors shall be assessed by the Board immediately after their appointment, as well as during their term of office if circumstances relevant to independence arise and, in any case, at least once a year.
- 2.5 The Directors of the Company accept and hold the position because they believe they can devote the necessary time to the diligent performance of their duties, taking into account the commitment related to their work and professional activities, as well as the total number of positions as director or auditor held in other companies listed on regulated markets, including foreign markets, or in financial, banking, insurance or other large companies and the related commitment, also in light of their participation in Board committees.
- 2.6 On the basis of the information received from the directors, the Board notes annually and discloses, in the Corporate Governance Report, the positions of director or auditor held by the directors in other companies.

## **3. Powers of the Board**

- 3.1 Without prejudice to the provisions of the By-laws and applicable laws, the Board, also pursuant to the Corporate Governance Code:
  - a. defines the corporate governance system that is most functional to the structure and performance of the Company's business and to the pursuit of its strategies, and assesses the adequacy of the organisational, administrative and accounting structure of the Company and its subsidiaries of strategic relevance;
  - b. defines the strategies of the Company and the group, monitoring their implementation and pursuing their sustainable success;
  - c. examines and approves the business plan of the Company and the group, also on the basis of the analysis of the issues relevant to the generation of value in the long term, and periodically monitors its implementation, assessing the general operating performance, periodically comparing the actual results with those planned;

- d. defines the allocation of management powers and determines who among the executive directors holds the position of chief executive officer;
  - e. approves the transactions of the Company and of its subsidiaries that have a significant impact on the Company's strategies, profitability, assets and liabilities or financial position, also establishing the general criteria for identifying significant transactions;
  - f. in order to ensure the proper management of corporate information, adopts, on the proposal of the Chairperson of the Board (the "**Chairperson**"), a procedure for the internal management and public disclosure of information concerning the Company, with particular reference to inside information;
  - g. promotes dialogue with shareholders and other stakeholders relevant to the Company.
- 3.2 With regard to remuneration, the Board, also pursuant to the Corporate Governance Code and with the assistance of the Remuneration Committee, defines the remuneration policy, ensures that the remuneration paid and accrued is consistent with the principles and criteria defined by the remuneration policy, determines the remuneration of executive directors and other directors who hold special offices, sets the performance objectives related to the variable component of such remuneration and performs the other functions provided for by the remuneration policy.
- 3.3 With regard to internal control and risk management, the Board, also pursuant to the Corporate Governance Code and with the assistance of the Control, Risk and Sustainability Committee, plays a role in guiding and assessing the adequacy of the internal control and risk management system and in particular:
- a. defines the guidelines in line with the Company's strategies and assesses, at least once a year, the adequacy of said system with respect to the characteristics of the Company and the risk profile assumed, as well as its effectiveness;
  - b. appoints and revokes the head of the internal audit function, defining his/her remuneration in line with the Company's policies and ensuring that said person is provided with adequate resources to carry out his/her specific duties;
  - c. approves, at least once a year, the work plan prepared by the head of *internal audit*, after consulting the control body;
  - d. assesses the appropriateness of adopting measures to ensure the effectiveness and the impartial judgement of the other corporate functions involved in the controls, verifying that they possess adequate expertise and resources;
  - e. assigns to the control body or to a body specifically set up for this purpose the supervisory functions under Article 6, paragraph 1, letter b) of Legislative Decree no. 231/2001;
  - f. assesses, after hearing the control body, the results presented by the statutory auditor in the letter of suggestions, if any, and in the additional report addressed to the control body;
  - g. describes, in the Corporate Governance Report, the main features of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating the models and national and international best practices of reference, and expresses its overall assessment of the adequacy of the system, also giving an account of the choices made regarding the composition of the supervisory body.
- 3.4 When granting powers to its members, with the option of subsequently supplementing and amending its resolution, the Board must identify the matters reserved for the exclusive collective competence of the Board itself, and which therefore may not be delegated to any director or to any executive committee; such reserved matters, without prejudice to the matters that cannot be delegated pursuant to the law and the By-laws, must be in line with those indicated above.

#### **4. The Chairperson**

- 4.1 The Chairperson, regardless of whether the same receives management powers or is the chief executive officer, plays a liaison role between the executive directors and the non-executive directors and ensures the effective functioning of the Board proceedings.
- 4.2 In particular, the Chairperson, with the assistance of the Secretary, makes sure:
- a. that the pre-meeting information and additional information provided during meetings are suitable to enable directors to act in an informed manner in performing their role, in accordance with the provisions of Article 6 below;
  - b. that the activity of Board committees with investigative, proposing and advisory functions is coordinated with the activity of the Board;
  - c. in agreement with the chief executive officer, if this is a person other than the Chairperson, that the managers of the Company and those of the group, responsible for the relevant corporate functions according to the subject matter, attend Board meetings, also at the request of individual directors, in order to provide the appropriate in-depth analyses of the items on the agenda; the invitation to attend Board meetings is the responsibility of the Chairperson pursuant to Article 17.4 of the By-laws and the persons invited are in any case required to comply with the same confidentiality obligations provided for directors and statutory auditors;
  - d. that the induction process referred to in Article 13 below is carried out regularly;
  - e. of the adequacy and transparency of the self-evaluation process of the Board of Directors.
- 4.3 Without prejudice to the provisions of Article 9 below concerning the appointment of the lead independent director, if the Chairperson is appointed chief executive officer or is granted significant management powers, the Board shall explain the reasons for this choice in the Corporate Governance Report.
- 4.4 The Chairperson of the Board of Directors may, and in the event of a reasoned request by the lead independent director shall, hold operational meetings with the competent heads of the corporate functions where these can be useful in preparation for specific Board meetings.

#### **5. The Secretary**

- 5.1 The Secretary of the Board of Directors (the "**Secretary**") is appointed permanently by the Board, on the proposal of the Chairman, pursuant to Article 14 of the By-laws, or, in the absence of the appointment of a permanent Secretary or in the event that the same is unavailable, by the Chairman at each meeting of the Board and limited to that meeting. The Board removes the Permanent Secretary on the proposal of the Chairperson.
- 5.2 The Secretary must have the requisites of respectability for appointment as a director of the Company as well as adequate professional requisites and significant experience in the legal and corporate affairs field; possession of these requisites is ascertained by the Board when appointing the permanent Secretary pursuant to Article 14 of the By-laws or by the Chairperson when appointing the non-permanent Secretary of each meeting of the Committee.
- 5.3 The Secretary supports the activities of the Chairperson, also in accordance with the provisions of Article 6 below, and provides impartial assistance and advice on legal matters to the Board on any aspect relevant to the proper functioning of the corporate governance system.

## **6. Supporting Documentation and Information**

- 6.1 For the discussion of the documents on the agenda, the Chairperson makes available to the directors and statutory auditors the supporting documentation containing the necessary information to enable them to express an informed opinion on the matters on the agenda.
- 6.2 Such documentation is uploaded reasonably in advance of the date of the Board meeting onto an IT platform, access to which is restricted to the persons concerned, that is organised and managed by the Company in such a way as to guarantee the confidentiality of the information and documents uploaded thereon. Each interested party can access the individual section of their competence using personal authentication credentials. Access may be granted on a read-only basis, and the documents uploaded cannot be modified.
- 6.3 As a general rule, the documentation is made available to directors and auditors by the second day prior to the day fixed for the meeting, except in cases of urgency where the documentation is made available with less notice. Under conditions of particular urgency or confidentiality, it is admissible for the documentation to be made available during the meeting and not in advance. In any case, the possibility of adequate and in-depth examination during the meeting remains unaffected. In no case failure to comply with the terms for making documentation available in advance may be cause for postponing resolutions on items on the agenda or for challenging resolutions adopted by the Board.
- 6.4 The Chairperson, also with the help of the Manager responsible for preparing the company's financial reports, is to check that the information is regularly made available to the directors and statutory auditors. Where possible, directors and statutory auditors are notified in advance of the documentation being uploaded onto the IT platform, or of the fact that the Chairman deems it appropriate, in relation to the content of the issue and the related resolution, that the informative documentation be provided directly at the meeting, it being understood that it is the responsibility of each interested party to check the documentation available.
- 6.5 Supporting documentation distributed to directors and auditors is kept on file at the Board.

## **7. Participation in Meetings by Means of Telecommunications**

- 7.1 In accordance with Article 17.4 of the By-laws, Board meetings may also be attended by telecommunication means (videoconference or teleconference), in compliance with the collective method. In this case, the Board meeting is deemed to be held in the place where the Chairperson or, in absence of the same, the person chairing the meeting, is located. The Chairperson, with the assistance of the competent company functions, defines the procedures for participation by telecommunications means and ensures that they are communicated to the interested parties, who, if they wish to participate by telecommunications means, are required to use the procedures indicated.
- 7.2 Until the end of the health emergency caused by the Covid-19 pandemic, in order to avoid, in compliance with the relevant regulations, movements and gatherings, participation in Board meetings via telecommunications means shall be favoured, without prejudice to the fact that minutes may still be taken of meetings with the Chairperson and Secretary participating from different places, even if they do not correspond to the place where the meeting has been convened.

## **8. Minutes of the Meetings**

- 8.1 The minutes of Board meetings are made available to all directors and statutory auditors, to take note of their contents, by the first subsequent Board meeting and are then transcribed in the book of meetings and resolutions of the Board by the competent company departments.

## **9. The Lead Independent Director**

- 9.1 The Board shall appoint a Lead Independent Director.
- 9.2 The Lead Independent Director shall represent a point of reference and coordination of the requests and contributions of the non-executive directors and, in particular, of the independent ones, and shall convene and coordinate the meetings, at least once a year, of the independent directors only.
- 9.3 In particular, the Lead Independent Director shall collaborate with the Chairman in order to ensure that directors receive complete and timely information and to define the initiatives aimed at enabling directors and auditors to have a better knowledge of the Company, the Group and, in general, of the dynamics of the Company.
- 9.4 The Lead Independent Director shall promote the annual evaluation of the Board referred to in Article 12 below.

## **10. Internal Committees of the Board**

- 10.1 The Board must ensure an adequate internal division of its functions and shall establish from among its members the Control, Risk and Sustainability Committee - with the task of supporting the Board's evaluations and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports, as well as on sustainability -, the Nomination Committee - with the task of supporting the Board in identifying the optimal composition of the Board itself and its committees, as well as in the self-assessment process - and the Remuneration Committee - with the task of supporting the Board's assessments and decisions relating to the remuneration policy for directors holding special offices and executives with strategic responsibilities.
- 10.2 The functions of the committees are of an investigative, propositional and advisory nature and are defined in their respective regulations, approved by the Board.
- 10.3 The members of the committees shall be appointed and dismissed by the Board of Directors in accordance with the provisions of the respective regulations and in any case giving priority to the expertise and experience of the relevant members. The regulations also govern the requirements for being a member or chairperson, in any case in compliance with the applicable provisions of the Corporate Governance Code. The committee regulations also govern the operating procedures and powers of each committee.
- 10.4 The committee for transactions with related parties is appointed by the Board in compliance with the provisions of the law, the Regulation of Transactions with Related Parties adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently supplemented and amended, and the Procedure Governing Related Party Transactions adopted by the Company in compliance with the aforesaid regulation, which also regulates the operation of such committee.

## **11. Confidentiality**

- 11.1 Directors and statutory auditors are required to keep confidential the documents, news, information and data acquired in the performance of their duties even after their term of office has expired, without prejudice to the obligations imposed by law, judicial or supervisory authorities.
- 11.2 The members of the Board shall refrain from seeking and using confidential information for purposes that do not comply with their office and shall comply with the regulations on market abuse and the procedures adopted by the Company for the internal management and public disclosure of material and inside information.
- 11.3 Persons invited to attend board meetings pursuant to the provisions of Article 4.2, letter c) above shall comply with the same confidentiality obligations to which directors and statutory auditors are subject pursuant to this Article, in any event without prejudice to any further confidentiality obligations imposed

on them pursuant to any applicable law, including professional law, or pursuant to specific confidentiality agreements to which they are party.

## **12. Evaluation of the Board**

- 12.1 Once a year and in view of the Board called to approve the annual financial report, the Board carries out an evaluation of the functioning of the Board itself and its committees as well as of their size, composition and actual functioning, also taking into account the professional characteristics, experience - including managerial and international experience - and gender of its members, as well as their seniority in office.
- 12.2 The Board also takes into account in its evaluation the role it has played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.
- 12.3 The Corporate Governance Report provides information on how the above evaluation process was carried out. Taking into account the results of such evaluation, before appointing the new administrative body, the Board provides shareholders with guidelines on the quantitative and qualitative composition of the Board considered optimal and on the managerial and professional figures whose presence is considered appropriate. If deemed necessary to define a corporate governance system that is more functional to the Company's needs, the Board shall also prepare reasoned proposals to be submitted to the Shareholders' Meeting on the following issues:
- a) choice and characteristics of the corporate model (traditional, "one-tier", "two-tier");
  - b) size, composition and appointment of the Board of Directors and term of office of its members;
  - c) breakdown of the administrative and property rights of the shares;
  - d) percentages established for the exercise of the protections afforded to minorities.

## **13. Forms of Induction**

- 13.1 The Chairperson encourages the participation of all the members of the management and control bodies, after their appointment and, if necessary, also during their term of office, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company operates, of the business dynamics and of their development also with a view to the sustainable success of the Company itself, as well as of the principles for an adequate risk management and the reference regulatory and self-regulatory framework.
- 13.2 The Company also provides, with the help of the Secretary as well, information to directors and statutory auditors on the main legislative and regulatory innovations concerning the Company and its corporate bodies and provides support in the examination of particular issues of specific relevance, also by providing a dedicated collection of the relevant corporate and business documents useful for the performance of the mandate.

## **14. Amendments to the Regulations**

- 14.1 Amendments to the Regulations are approved by the Board, which annually verifies their adequacy.