

SANLORENZO

**ORGANISATION, MANAGEMENT AND
CONTROL MODEL IN ACCORDANCE WITH
ITALIAN LEGISLATIVE DECREE 231/01**

Sanlorenzo S.p.A.

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LEGAL NOTICE

This document is an informal translation of the original Italian document. In case of inconsistency between this document and the original document in Italian, the latter will prevail.

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1. ITALIAN LEGISLATIVE DECREE 231/2001 “CORPORATE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS EVEN WITHOUT LEGAL PERSONALITY”

Italian Legislative Decree no. 231 of 8 June 2001, laying down the “*Rules on the corporate liability of legal persons, companies and associations even without legal personality in accordance with Article 11 of Italian Law no. 300 of 29 September 2000*”, introduced into the national legal system a regime of corporate liability which adds to that of the natural person, belonging to the entity, who materially committed the unlawful act.

The 231 Decree establishes the general principles of corporate liability, the criteria of attributing the same, the applicable sanctions, the process for ascertaining liability and aspects relating to the application of the sanction.

The administrative sanction may be applied to the company only by the criminal court in the guarantee context of the criminal trial and only if all objective and subjective requirements established by the legislator are in place, namely:

- a “predicate crime” has been committed;
- the perpetrator of the “predicate crime” is attributable to one of the entities indicated by the legislator;
- the crime is committed in the interest or to the benefit of the entity.

In addition, the entity's liability is autonomous, in the sense that it exists even when the perpetrator of the crime has not been identified or is not indictable and when the crime is extinguished for a cause other than amnesty.

1.1 Predicate crimes

Corporate liability does not derive from any crime committed by persons belonging to the Company, as described in more detail in the paragraph below, but results only from the commission of some cases strictly indicated by the legislator.

Those cases, also known as “predicate crimes”, are indicated in Article 24 to Article 25 *duodecies* of Italian Legislative Decree 231/01 or in some special laws.

For reasons of clarity of this General Part, the list of individual crimes is set out in Annex I.

Corporate liability may also derive from the commission of a “predicate crime” in the forms of the attempt, where the latter is legally configurable.

1.2 Objective attribution criteria

With regard to the natural persons responsible for the cases of crime, which lead to the onset of corporate liability, Article 5 of the Decree refers to two categories of persons.

The entity is liable for crimes committed by:

- (a) persons in senior positions, meaning persons discharging functions of representation, administration or management of the Entity or of one of its organisational units having financial and functional autonomy, as well as by persons who, even de facto, manage and control the same;
- (b) subordinate persons, meaning persons subject to the management or supervision of one of the persons indicated in letter a) (in essence, in the case of companies, the employees of the Entity).

In addition, the legislator requires that the crime is committed “in the interest or to the benefit of the Entity”.

The “benefit” or the “interest” represent two separate criteria of attribution of liability: the company's interest should be assessed ex ante while the benefit requires an ex post verification.

The entity is not liable only in cases where the crime was committed exclusively to pursue a personal interest or an interest of third parties.

1.3 Subjective attribution criteria. The adoption of the “Organisation, Management and Control Model” as a possible exemption from corporate liability

For the purposes of assessing corporate liability, it must also be demonstrated that the crime represents an expression of the company policy or at least derives from the fault of the organisation, as the entity is reproached for not having adopted adequate measures to prevent the crime risk.

The criterion of subjective attribution, linked to the fault of the organisation, is different when the crime was committed by senior persons rather than by subordinate persons.

In fact, Article 6 of the Decree establishes that, if senior persons commit one of the crimes contemplated by the Decree, the entity is not held liable if it demonstrates that:

- the management body adopted and effectively implemented, prior to the commission of the unlawful act, organisation, management and control models suitable to prevent the commission of the criminal offences in question;
- supervising the functioning of and complying with the model as well as dealing with its update was entrusted to a body within the entity having autonomous powers of initiative and control;
- the persons committed the crime while fraudulently evading the organisation and management models;
- there was no omitted or insufficient supervision by the body.

The Decree defines the mandatory minimum characteristics that the Model must possess in order to be considered fit for purpose and more specifically (Article 6 paragraph 2):

- 1) identify the activities in which there is a possibility of crimes being committed;
- 2) envisage specific protocols to plan the formation and implementation of the entity's decisions in relation to the crimes to be prevented;
- 3) identify methods of managing financial resources suitable to prevent the committing of the crimes;
- 4) identify a body to be entrusted with the duty of supervising the functioning of and compliance with the Model and dealing with its update;
- 5) envisage reporting obligations to the Body in charge of supervising the functioning of and compliance with the Model;
- 6) introduce a private disciplinary system suitable to sanction any lack of respect of the measures indicated in the Model.

If, on the other hand, the crime is committed by subordinate persons, Article 7 states that “*the entity will be liable if the commission of the crime was made possible by the breach of management or supervision obligations*” while “*the breach of the management and supervision obligations is excluded if the entity, prior to the commission of the crime, adopted and effectively implemented an organisation, management and control model suitable to prevent crimes of the nature of that which occurred*”. The burden of proof on the collective entity is, in that case, less strict.

Paragraph 3 of Article 7 establishes that the Model must envisage, in relation to the nature and dimensions of the organisation as well as the type of activity performed, measures suitable to:

- guarantee the activity is conducted in respect of the law;
- detect and promptly remove risk situations.

The adoption of the organisation, management and control Model is optional and not mandatory. Any failure to adopt it, therefore, does not involve any sanction; however, it exposes the entity to liability for crimes committed by directors and employees.

1.4 Applicable sanctions

Italian Legislative Decree 231/01 includes an articulated system of sanctions, which can be quite severe depending on the crime committed.

In fact, Article 9 of the Decree provides that pecuniary sanctions and disqualification sanctions may be applied and that the confiscation of the price or profit from the crime and the publication of the judgment may be ordered.

The pecuniary sanction always follows the final sentence and is determined by shares (in a number not less than one hundred and not more than one thousand).

The amount of one share varies from a minimum of Euro 258.00 to a maximum of Euro 1,549.00.

The legislator indicates, with reference to each crime, the minimum and maximum prescribed amount within which the Judge must quantify the penalty.

The number of shares is determined, at the Judge's discretion, based upon the severity of the act, the degree of liability of the entity and the activity performed to eliminate or mitigate the consequences of the act and to prevent the commission of other crimes (Article 11, paragraph 1).

The quantification of each share is also deferred to the discretion of the Judge who assesses, as a parameter with the aim of guaranteeing the effectiveness of the sanction, the economic and financial position of the Entity (Article 11, paragraph 2).

Article 12 of Italian Legislative Decree 231/01 envisages, moreover, some circumstances in which the pecuniary sanctions are reduced:

- if the perpetrator of the crime committed the act in his/her own prevailing interest or that of third parties and the entity did not obtain any benefit or obtained a minimum benefit from it;
- if the pecuniary damage caused was particularly slight;
- if, before the declaration of the start of the first instance hearing, the entity has fully compensated the damage and has removed the harmful or dangerous consequences of the crime or has in any case taken effective steps in that sense;
- if, before the declaration of the start of the first instance hearing, an organisation model suitable to prevent crimes of the nature of that which occurred has been adopted and implemented.

On the other hand, Article 21 of the Decree in the case of multiple offences envisage increased penalties.

Disqualification sanctions are applied only in relation to crimes for which they are envisaged and they consist of the following measures:

- disqualification from carrying out the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the crime;
- prohibition on contracting with the Public Administration, except to obtain the performance of a public service;
- exclusion from subsidies, funding, contributions or grants and possible revocation of those already granted;
- prohibition on advertising goods or services.

The application of disqualification sanctions is subject to the presence of one of the following prerequisites:

1. the Entity obtained from the crime a significant profit and, at the same time, the crime was committed by a person in a senior position or, if committed by subordinate persons, the commission of the crime was determined or facilitated by serious organisational deficiencies;
2. the crimes were reiterated.

On the other hand, disqualification sanctions may not be applied if the pecuniary damage caused is particularly slight, the perpetrator of the crime committed the act in his own prevailing interest or that of third parties and the entity did not obtain a benefit or obtained a minimum benefit from it.

There is also a further circumstance of exemption. In fact, the disqualification sanction is not applied if all the following conditions are in place before the declaration of the start of the hearing:

- the entity has fully compensated the damage and has removed the harmful or dangerous consequences of the crime or it has effectively taken steps in that sense;
- the entity has removed the organisational deficiencies that determined the crime by adopting and implementing organisation models suitable to prevent crimes of the nature of that occurred;
- the entity has made the profit earned available for the purposes of confiscation.

If these conditions are implemented tardily, and provided that the Entity has made such an express request within 20 days from service of the extract of the judgment, the disqualification sanction may be converted into a pecuniary sanction (Article 78).

In selecting the disqualification sanction suitable to prevent crimes of the nature of that committed, the Judge must respect the same criteria already indicated above for pecuniary measures.

Multiple disqualification sanctions may be applied jointly.

In particular, the disqualification sanction must have the nature of specificity, namely it concerns the specific activity to which the Entity's crime refers.

The prohibition on contracting with the public administration may be limited, in fact, to certain types of contract or to certain administrations.

From the various disqualification measures, that of disqualification from exercising the activity (involving the suspension or revocation of the authorisations, licences or concessions functional to the conduct of that activity) may not be applied except where the application of any other sanction is inadequate.

Disqualification measures are, in principle, temporary: their duration may not be less than three months or more than two years.

However, if the entity obtained from the crime a significant profit and has already sentenced, at least three times in the last seven years, to the temporary disqualification from exercising the activity, that sanction may be ordered on a final basis. Similarly, the Judge may apply to the entity, on a final basis, the sanction of a prohibition of contracting with the public administration or a prohibition on advertising goods or services when the Entity has already sentenced to the same sanction at least three times in the last seven years.

The final disqualification from exercising the activity is always ordered if the entity, or one of its organisational units, is permanently used for the sole or prevalent purpose of permitting or facilitating the commission of crimes in relation to which its liability is envisaged.

If the prerequisites are in place to apply a disqualification sanction that involves the interruption of the Entity's activity and it performs a public service or a service of public utility whose interruption may cause serious prejudice to the community, or the interruption of the activity, given the dimensions of the Entity and the economic conditions of the local area in which it is found, may have significant repercussions on employment, the Judge may, in place of the disqualification sanction, order that the Entity's activity continues under the guidance of a commissioner for a period equal to the duration of the sanction that would have been applied.

The confiscation of the price or profit of the crime is always ordered in the case of conviction. If it is not possible to confiscate the assets that constituted the price or the profit of the crime, the confiscation may cover sums of cash, assets or other utilities of equivalent value.

The publication of the conviction judgment, even just by extract, in one or more newspapers indicated by the judge at the expense of the convicted Entity may be ordered in cases where a disqualification sanction is applied.

1.5 Precautionary measures

Pending the criminal proceedings, at the request of the Public Prosecutor, the judge may order the disqualification measures described above on a precautionary basis.

A condition for applying precautionary measures is that there are serious indications of the liability of the entity as well as elements, which indicate the concrete danger of further crimes of the same nature being committed.

Similarly to precautionary measures in the trial against the natural person, those relating to entities must also have requirements of proportionality, suitability and adequacy (Article 46). They must be proportionate to the extent of the act and to the sanction that is deemed may be applied, suited to the nature and degree of precautionary requirements and adequate to the concrete precautionary requirement for which the measure was requested, if the same cannot be satisfied with a different measure.

The duration of sanction measures applied as a precaution (Article 51) is determined by the judge and may not be, in any case, more than one year.

If a first instance conviction has already been passed, the duration of the precautionary measure may correspond to that of the conviction, subject to the limit of three and a half years (Article 51, paragraph 2).

The legislator then provides circumstances of suspension of the precautionary measures as well as revocation and replacement of the same.

The judge may, on a precautionary basis, order that the entity be managed by a commissioner for the whole period of the duration of the sanction that would be applied, in place of disqualification sanctions.

1.6 Crimes committed abroad

In accordance with Article 4 of Italian Legislative Decree 231/2001, the entity may be held liable in Italy for crimes - contemplated by Italian Legislative Decree 231/2001 - committed abroad. The explanatory report to Italian Legislative Decree 231/2001 emphasises the need to sanction a situation of crime that may occur frequently, also to avoid simple circumventions of the entire regulatory system in question.

The prerequisites forming the basis of corporate liability for crimes committed abroad are:

- the crime must be committed abroad by a person functionally linked to the entity, in accordance with Article 5, paragraph 1 of Italian Legislative Decree 231/2001;
- the entity must have its main office in the territory of the Italian State;
- the entity may be liable only in the cases and under the conditions envisaged by Articles 7, 8, 9, 10 of the Italian Criminal Code (in cases where the law envisages that the offender - natural person - is punished at the request of the Justice Minister, action is taken against the entity only if the request is also made against the entity itself);
- if the cases and conditions indicated in the aforementioned articles of the Italian Criminal Code are in place, the entity is liable provided that the State of the location in which the act was committed is not taking action against it.

1.7 Confindustria “guidelines”

Article 6 of Italian Legislative Decree 231/2001 expressly states that organisation, management and control models may be adopted based upon codes of conduct prepared by associations representing the entities.

The Confindustria Guidelines were approved by the Ministry of Justice with Italian Ministerial Decree 4.12.2003. The subsequent update, published by Confindustria on 24.05.2004, was approved by the Ministry of Justice, which deemed those Guidelines suitable for achieving the purposes envisaged by the Decree.

Those Guidelines were updated in the year 2008 and, most recently, in the month of March 2014 and approved by the Ministry of Justice in July 2014.

In defining the organisation, management and control model, the Confindustria Guidelines outline the following planning phases:

- identification of the risks, namely the analysis of the business context, in order to highlight the areas of activity in which the crimes envisaged by Italian Legislative Decree 231/2001 may occur and in what ways;
- preparation of a control system (known as protocols) suitable to prevent the risks of crime identified in the previous phase, by assessing the control system existing within the entity and its level of adjustment to the requirements expressed by Italian Legislative Decree 231/2001.

The most significant components of the control system outlined in the Confindustria Guidelines for guaranteeing the effectiveness of the organisation, management and control model are the following:

- the identification of ethical principles and rules of conduct in a Code of Ethics;
- a sufficiently formalised and clear organisational system, particularly with regard to the attribution of responsibilities, hierarchical lines and the description of duties with specific inclusion of principles of control;
- manual and/or electronic procedures that regulate the conduct of the activities, including appropriate controls;
- authorisation powers and powers of signature coherent with the organisational and managerial responsibilities attributed by the entity and, where appropriate, the inclusion of limits on expenditure;
- management control systems, capable of promptly reporting any criticalities;
- informing to and training of personnel.

It is worth noting that any differences compared to the specific points of the Confindustria Guidelines do not affect, in themselves, the validity of the Model. The individual Model, in fact, being prepared with regard to the actual situation of the entity to which it refers, may very well deviate from the Guidelines that, by their nature, are of general nature.

2. THE COMPANY

General information on the company Sanlorenzo is provided in the table below:

Company Name	Sanlorenzo S.p.A.
Registered Office	Ameglia (SP) Via Armezzone, 3 - 19031
<u>Operating Offices</u>	<ul style="list-style-type: none">• Ameglia (SP) Via Crociata SNC, 19031• La Spezia (SP), Viale San Bartolomeo 362, 19126• Viareggio (LU), Via Marina di Levante snc - 55049• Viareggio (LU), Via Salvatori 56/58 – 55049• Massa (MS), Via Massa Avenza 85, 54100• Massa (MS), Via Dorsale 13 - 54100
Companies Register	La Spezia 00142240464
R.E.A. no.	SP - 97566
Share Capital	€ 34.500.000,00 fully paid-up
National Collective Labour Agreement applied	Plastic Rubber Industry
INPS Position	3902395616
INAIL Position	<ul style="list-style-type: none">• 07283171/90• 07283170/44• 92578140/65
Website	www.sanlorenzoyacht.com

2.1 Corporate Purpose

Sanlorenzo, a recognised “atelier” of Italian boating, has designed, manufactured and marketed luxury motor boats tailor-made to the requirements and style of each individual owner for over fifty years.

In particular, Sanlorenzo deals with the design, manufacture and marketing of crafts and recreational ships made from fibreglass, steel and aluminium, together with any other material, as well as the maintenance and rental of crafts and vessels in general. The Company also performs, even on behalf of third parties, design, construction, even partial, finishing, fit-out and maintenance activities of crafts and recreational ships.

SL S.p.A. also deals with representation and importing in the sector of crafts and recreational vessels.

The construction of each yacht is different and customised depending on the owner's style and requirements; in fact, Sanlorenzo's activity stands out for its individuality, without formal structures or extreme languages, and its excellent capacity and traditional labour.

These values, associated with the utmost attention to detail, crafted finishes and the use of valuable materials, make every Sanlorenzo product truly unique.

In addition, the Company performs construction and management activities, in Italy and abroad, of tourist ports and other maritime works of tourist interest, as well as the construction and maintenance of all those installations and infrastructures that contribute to completing tourist port services.

The Company Sanlorenzo, established by Viareggio in 1958 and transferring to Ameglia in 1998, is constantly increasing its production; therefore, the Company, to address the need for more space, from 2006 to today, has purchased new production sites in Viareggio, Massa and La Spezia.

2.2 Governance Model and organisational structure

The management system adopted is traditional, with a Board of Directors consisting of 9 members.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors and, in his/her absence, in order, by the Vice Chairman or by another person chosen by the Shareholders' Meeting by majority vote of the attendees.

The control body is the Board of Statutory Auditors, consisting of five auditors, of which three are standing and two are alternate.

The causes of ineligibility, forfeiture, incompatibility, as well as the appointment, termination and replacement of the auditors are regulated by legal provisions.

An independent auditing company listed in the Register of Statutory Auditors carries out the statutory audit on the company.

The management body is invested with all powers of ordinary and extraordinary administration of the company; the Directors are exclusively responsible for managing the company and they carry out the operations necessary to implement the corporate purpose, subject to the need for specific shareholders' meeting authorisation in the cases required by Law and in those envisaged by the by-laws.

- the resolution of merger in the cases indicated in Articles 2505 and 2505-*bis* of the Italian Civil Code;
- the opening and closure of secondary offices;
- the indication of directors responsible for representing the Company in addition to what is envisaged by the by-laws;
- the reduction of the share capital in the case of shareholder withdrawal;
- the adjustment of the by-laws to mandatory regulatory provisions;
- the transfer of the registered office within the national territory;
- the constitution of assets intended for a specific deal in accordance with Articles 2447-*bis et seq.* of the Italian Civil Code;
- the purchase, sale and any act of disposition concerning businesses or business branches.

The Board of Directors may delegate its powers, within the limits indicated in Article 2381 of the Italian Civil Code, to one or more of its members and/or to an executive committee, determining the content and limits of the delegation.

The powers indicated in Article 2381, paragraph 4 of the Italian Civil Code may not be attributed to the delegated bodies.

The Board of Directors may determine the objectives and methods of exercising the powers granted to the Delegated Directors and to the Executive Committee.

The Board of Directors in any case has the power to issue directives to the delegated directors and to the executive committee and it may retain responsibility itself for operations falling within the delegation, as well as having the power to revoke the delegations.

The Board of Directors, the Chief Executive Officers and the Executive Committee may resolve on the appointment and revocation of general managers and attorneys for individual acts or categories of acts, determining their powers.

The Chairman of the Board of Directors and the Chief Executive Officers - the latter within the limits of the delegation granted to them by the Board of Directors - are responsible for representing the Company, severally, and for using the company signature.

The Chairman of the Board of Directors exercises all rights and necessary powers to complete any operation and any act of management of the Company, including executing the resolutions of the Board of Directors, with the right of delegation by way of specific acts and excluding only the powers reserved to the Board of

Directors (in accordance with the by-laws). All rights and necessary powers are also granted in order to complete any operation and any act of management of the company, contemplated by the budget approved by the Board of Directors, even when those operations are abstractly included in one of the matters reserved to the remit of the Board of Directors.

The Chief Executive Officer exercises all rights and necessary powers to complete all acts and operations, even relating to administration and management, and severally from other delegated directors, in relation to what the Board of Directors resolve, along with all acts and operations relating to design, manufacture and marketing yachts, including, by way of example and without limitation:

- sign contracts of construction and supply for the sale of crafts and/or ships manufactured and/or marketed by the Company;
- represent the company at all public or private offices and the technical bodies in charge of performing the formalities of testing, approval, registration, etc.;
- sign all necessary documents and contracts required by the harbourmaster and by any other competent office;
- sign all documents relating to the testing, acceptance and delivery of all crafts and/or ships manufactured and/or marketed by the Company, carrying out all related and/or consequent activities (sign deed of transfer of ownership, sign testing and acceptance report, sign delivery report, etc.);
- sign, with sole signature, in the name and on behalf of the company, in the capacity of purchaser or principal, tender contracts, contracts for the provision of services, leases, contracts for works and for the sale and purchase of goods even following auctions, tenders or competitions called by public or private entities or administrations, for individual amounts up to Euro 2,000,000.00, excluding the possibility of purchasing properties, shares, shareholdings and rights related to them, businesses and business branches;
- collect, by way of endorsement on the company bank accounts, banker's and current account cheques, postal orders, and promissory notes issued or signed by third parties in favour of the company;
- complete bank transactions in general, issue cheques, send payment orders and bank transfers, and make withdrawals up to the amount of Euro 1,000,000.00 per transaction; for higher sums, that power is granted with joint signature with one of the managing directors or attorneys;
- negotiate, sign and use credit lines granted to the Company, therein including loans with total duration not exceeding 18 months within the limits of what is resolved by the Board of Directors;
- complete all operations necessary or useful for the purposes of the rules on privacy with reference to the delegation granted;
- recruit and dismiss managers, employees, middle managers and labourers, determining their duties and remuneration within the approved budget, also applying the disciplinary measures envisaged by the applicable laws and collective labour contracts;
- sign and issue declarations, certifications and attestations in the name of the Company as "withholding agent".
- negotiate and sign any type of contract, aimed at the management of risks of foreign exchange and/or rates on medium to long-term debts of the company;
- purchase, sell and/or sign leasing contracts relating to movable assets even registered in public businesses and in public registers.

The Chief Executive Officer is also granted, exclusively, powers and duties relating to matters of workplace health and safety, ecology, protection of the external environment and the territory, fire prevention, as well as management of contracts, held by the employer and principal in accordance with Italian Legislative Decree 81/2008, as well as legal representation in environmental matters.

Within the Board of Directors a Delegated Director has also been identified, to whom powers are granted - to complete all acts and operations, even relating to administration and management, concerning the design, manufacture and marketing of yachts - including, by way of example but without limitation:

- sign construction and supply contracts for the sale of crafts and/or ships manufactured and marketed by the Company;
- represent the company at all public or private offices and the technical bodies in charge of performing the formalities of testing, approval, registration, etc.;
- sign all necessary documents and contracts required by the harbourmaster and by any other competent office;
- sign all documents relating to the testing, acceptance and delivery of all crafts and/or ships manufactured and/or marketed by the Company, carrying out all related and/or consequent activities (sign deed of transfer of ownership, sign testing and acceptance report, sign delivery report, etc.);
- sign, with sole signature, in the name and on behalf of the company, in the capacity of purchaser or principal, tender contracts, contracts for the provision of services, leases, contracts for works and for the sale and purchase of goods even following auctions, tenders or competitions called by public or private entities or administrations, for individual amounts up to Euro 2,000,000.00, excluding the possibility of purchasing properties, shares, shareholdings and rights related to them, businesses and business branches;
- collect, by way of endorsement on the company bank accounts, banker's and current account cheques, postal orders, and promissory notes issued or signed by third parties in favour of the company;
- complete bank transactions in general, issue cheques, send payment orders and bank transfers, and make withdrawals up to the amount of Euro 1,000,000.00 per transaction; for higher sums, that power is granted with joint signature with one of the managing directors or attorneys;
- negotiate, sign and use credit lines granted to the Company, therein including loans with total duration not exceeding 18 months within the limits of what is resolved by the Board of Directors;
- complete all operations necessary or useful for the purposes of the rules on privacy with reference to the delegation granted;
- recruit and dismiss managers, employees, middle managers and labourers, determining their duties and remuneration within the approved budget, also applying the disciplinary measures envisaged by the applicable laws and collective contracts;
- sign and issue declarations, certifications and attestations in the name of the Company as "withholding agent";
- negotiate and sign any type of contract, aimed at the management of risks of foreign exchange and/or rates on medium to long-term debts of the company;
- purchase, sell and/or sign leasing contracts relating to movable assets even registered in public businesses and in public registers.

The Delegated Director is also granted, in accordance with Article 16 of Italian Legislative Decree 81/2008, by way of special power of attorney, the powers of organisation, management and control in relation to workplace health and safety and fire prevention, protection of the environment and the territory, with reference to the plants of the Yacht Business Unit.

In addition, two Directors are identified within the Board to whom special powers of attorney are granted for certain deals. In addition, the Company has granted other powers of attorney for specific deals.

All powers of attorney are retained at the Company's registered office.

Sanlorenzo periodically checks the system of delegations and powers of attorney in force, making the necessary changes if the management functions and/or the qualification do not correspond to the powers of representation granted.

With regard to the organisational structure, the Company is split into two Business Units, known as Yacht and Super Yacht. In order to clarify the role and responsibilities of each person within the company decision-making process, Sanlorenzo has developed a summary chart, which outlines its organisational structure.

The Organisation Chart, in particular, specifies:

- the areas into which the company activity is broken down;
- the hierarchical lines;
- the persons who operate in the individual areas and the respective organisational role.

The organisation chart is officially communicated to all personnel of the Company by way of specific organisational communications and it is promptly updated based upon any changes that actually occur in the organisational structure.

The organisation chart is attached (Annex II).

2.3 Management systems

Sanlorenzo pursues, even internationally, the aim of offering a product that meets the requirements of its customers.

This aim must be pursued by way of constant respect for persons who work in the Company and through respect of the environment.

In fact, Sanlorenzo considers the protection of workplace health and safety, as well as environmental protection, to be a value.

In order to protect these values and to integrate them constantly into the company's daily life, it has adopted a safety and environment policy.

In particular, Sanlorenzo has obtained with respect to the Ameglia office:

- the environmental certification in conformity with the UNI EN ISO 14001 standard, which defines the environmental policy, plans activities that require monitoring, highlights roles and responsibilities, creates control procedures and establishes a verification system;
- a certified system of procedures and management protocols of workplace health and safety, broken down in accordance with OHSAS 18001 international standards;

With respect to the Viareggio office, Sanlorenzo has obtained a certified system of procedures and management protocols of workplace health and safety, broken down in accordance with OHSAS 18001 international standards.

For the La Spezia and Massa offices, the Company is implementing an integrated environment and safety management system in order to obtain the certification under the ISO 45001:2018 standard.

The management systems and procedures cited therein are an integral part of the Organisation Model.

2.4 Information system

The Information System plays a significant role in the different elements that make up the control environment.

The Information System used by Sanlorenzo is a traditional system based upon a client-server type architecture in Microsoft environment (standard Active Directory) which tracks, via logs, the connections.

The company processes are managed by competence by specialised applications (ERP, Business Intelligence, Documentary, BPM, CRM) which use the infrastructure described above, but each has its own rules and safety standards. They do not systematically track activities and authors.

To guarantee the security of the Information System, the Company has implemented all measures necessary to guarantee data protection both from accidental events and from intentional events.

2.5 Code of Ethics

The Code of Ethics (Annex III), which forms an essential part of the Organisation Model, was adopted by the Board of Directors of Sanlorenzo S.p.A. together with this Model.

The Code of Ethics expresses the commitments and ethical responsibilities in running the business and in the company activities performed by employees, collaborators in various capacities, or by the members of Sanlorenzo's corporate bodies.

In that perspective, the principles contained therein also constitute a useful interpretative reference for the concrete application of the Model in relation to the company's dynamics.

The Model meets the need to prevent, insofar as possible, the commission of the crimes envisaged by the Decree through the establishment of specific rules of conduct.

This is where the difference with the Code of Ethics emerges, as the latter is a tool of general scope, aimed at promoting “business ethics” but not having specific procedures. The effectiveness of the internal control system, in fact, depends upon the integrity and ethical values of the people who work within the organisation and certainly of those who manage and perform monitoring of the controls. However, the Organisation Model and the Code of Ethics must be closely integrated so as to form a corpus of internal rules that are aimed at incentivising a culture of ethics and business transparency.

The Code of Ethics is, therefore, mandatorily effective for the recipients.

3. ORGANISATION, MANAGEMENT AND CONTROL MODEL

In light of the indications provided by Italian Legislative Decree 231/01, Sanlorenzo has decided, in compliance with its company policy, to establish the Organisation, Management and Control Model to prepare a structured and organic system of prevention, dissuasion and control, aimed at reducing the risk of commission of the crimes by identifying the sensitive activities and consequently regulating them.

The Model was formally adopted for the first time by the Company at the meeting of the Board of Directors on 13.06.2013.

This version, approved by resolution of the Board of Directors dated 24 October 2019 thus constitutes an update of the Model adopted by Sanlorenzo, rendered necessary, on one side, in light of the changes made to the organisational structure over time and its listing on regulated markets, and, on the other, based upon the regulatory interventions concerning Italian Legislative Decree 231, and, in particular:

- Law no. 3/2019, which introduced the case of Trafficking of unlawful influences, provided and punished by Article 346 bis of the Italian Criminal Code, into the list of predicate crimes pursuant to Italian Legislative Decree 231/01;
- Law no. 39/2019, which introduced into Italian Legislative Decree 231/2001 Article 25 quaterdecies "Fraud in sporting competitions, abusive gambling or betting and gambling exercised by means of prohibited devices", in relation to the commission of the crimes indicated in Articles 1 and 4 of Italian Law no. 401 of 13 December 1989.

The Company believes that its adoption of the Model constitutes, together with the codification of precise rules of conduct, an effective awareness-raising tool for all persons who operate in the Company's interest, so that, when carrying out their activities, they are inclined towards behaviours inspired by ethics, in line with the rules and procedures contained in the Model.

The purpose of the Model is therefore to establish a structured and organic system of prevention, dissuasion and control, aimed at reducing the risk of commission of the crimes by identifying the sensitive activities and regulating them.

The Organisation Model is a "deed issued by the management body", in accordance with Article 6 paragraph 1 letter a) of Italian Legislative Decree 231/2001, and, therefore, Sanlorenzo's Board of Directors is responsible for any amendments and additions to the Model.

In particular, the Model must be modified and supplemented upon the occurrence of particular circumstances, such as, by way of example but without limitation, legislative interventions introducing into Italian Legislative Decree 231/01 new cases of crime of interest to the Company, significant changes to the corporate structure, the involvement of the company in proceedings relating to the ascertainment of its liability, or the revision of the procedures cited in the Model.

The Supervisory Body, liaising with the functions involved, may propose to the Board of Directors any amendments or additions to the Model that it considers appropriate as a consequence of conducting its functions.

Amendments of non-substantial nature will be communicated to the Board of Directors on an annual basis and ratified by the latter.

3.1 Scope and purposes

The adoption of the Model, for Sanlorenzo, is not just a means of being able to benefit from the exemption envisaged by the 231 Decree, but it is also a tool for improving its business management system and the control of the same.

In addition, thanks to the identification of "sensitive processes" constituted by the activities most "at risk of crime" and their consequent inclusion in procedures, the Company aims to:

- make all those who operate in the name and on behalf of the Company fully aware that unlawful behaviours are strongly condemned and contrary to Sanlorenzo's interests even when it may apparently draw a benefit from them, as they are behaviours contrary to its ethical-social principles as well as legal provisions;
- make persons aware that they may be perpetrating, if the provisions contained in that document are violated, an offence punishable with both criminal and administrative sanctions;
- determine full awareness that unlawful behaviours may involve administrative sanctions even against the company;
- allow the Company, thanks to its constant monitoring of the sensitive processes and therefore the risks of commission of the crimes, to react promptly to prevent and combat the commission of those crimes.

3.2 Recipients

The following are recipients of the Model, with the consequent commitment to respect the same at all times:

1. the Directors and Auditors of the Company;
2. all Managers;
3. all Employees;
4. the collaborators, agents, representatives, consultants, suppliers and commercial partners of Sanlorenzo, if they find themselves operating in the areas of activity known as sensitive, within the limits and by the methods described in paragraph 4.3 below.

3.3 Activity preliminary to the creation of the Organisation Model

The elements that must characterise an Organisation Model, in order to be effective in accordance with the Italian Legislative Decree 231/01, are effectiveness and adequacy.

Effectiveness is achieved through the correct adoption and application of the Model also by way of the activity of the Supervisory Body, which performs verification and monitoring actions and, therefore, assesses the coherence between the concrete behaviours and the established Model.

Adequacy depends, on the other hand, on the actual suitability of the Model to prevent the crimes contemplated in the Decree.

It is guaranteed by the existence of mechanisms of preventive and corrective control, in a manner suitable to identify those operations or "sensitive processes" with anomalous characteristics.

Therefore, the preparation of the Sanlorenzo Model required a series of activities aimed at establishing a risk prevention and management system, in line with the provisions of Italian Legislative Decree 231/2001.

Therefore, the following were analysed:

- the governance model;
- the organisational structure and the system of delegations;
- the management systems;
- the information system.

3.3.1. Risk assessment

Having assessed the Company's organisational structure, Sanlorenzo's whole activity was analysed in order to identify from the "predicate crimes" envisaged by the 231 Decree those that, albeit hypothetically and abstractly, may be committed within the company structure.

In this context, the fact that the assessment in question cannot be based solely on the concept of "acceptable risk", as considered normal in the economic-corporate context, was kept firmly in mind.

In fact, from the economic point of view, the risk is considered "acceptable" when the additional controls "cost" more than the resource to be protected.

Obviously, that logical stance is not sufficient to respect the principles envisaged by the 231 Decree.

However, it is essential to identify a risk threshold, given that, otherwise, the quantity of preventive controls would become virtually infinite, with clear consequences in terms of the effectiveness of the Model and the Company's operational continuity.

With reference to intentional cases, the risk is deemed to be adequately addressed when the preventive control system cannot be circumvented other than by fraudulent means, thus adhering to the regulatory dictate of the 231 Decree.

On the other hand, in relation to unintentional crimes, the conceptual threshold of acceptability is represented by the implementation of a behaviour, obviously connoted by involuntariness and not compliant with the principles and rules envisaged by the Model, despite the provision of specific protocols and precise compliance with the supervisory obligations envisaged by the Decree by the specific Supervisory Body.

Therefore, given that the Model must address both intentional and unintentional circumstances, the initial objective to be pursued is the regulation and control of activities that involve a risk of crime in order to avoid their commission.

On this logical presupposition, the areas potentially exposed to risks of crime were mapped, taking as a reference point the best practices and indications provided by the Confindustria guidelines.

The activity involved in some interviews with the senior persons of the Company, the analysis of internal documents from which to obtain information and the analysis of any organisational controls already implemented, as specified in the paragraph below.

3.3.2. Analysis of existing protocols

The following were analysed during the risk assessment phase:

- procedures,
- operating instructions,
- records or documents evidencing the internal processes,
- management methods and exercise of control activities,

to take into due consideration what is already implemented by the company and to assess its suitability as a prevention measure of the crimes and for the control of sensitive processes.

Therefore, in the face of activities at risk, which are not sufficiently protected, the interested parties were asked to identify interventions considered effective and suitable to address the risk comprehensively.

3.4 Identification of areas potentially at risk ("sensitive areas") in relation to some types of crime

Following the analysis, study and investigation activity described above, it emerged that the "sensitive areas" concern, at present, mainly the following categories of crime:

- A. Crimes in relation to the Public Administrations;
- B. Crimes in relation to workplace health and safety;
- C. Environmental crimes;
- D. Corporate crimes - bribery between private entities;
- E. Crimes in relation to IT criminality;

F. Crimes against the individual person and use of citizens staying illegally;

G. Crimes in relation to market abuse indicated in Article 25 sexies.

For each category of crime, there is a specific Special Part, which describes analytically the individual "sensitive processes" identified at the end of the assessment.

The Model may be implemented with additional special parts relating to crimes newly introduced into Italian Legislative Decree 231/01 if, following the risk assessment process, the Company identifies the existence of sensitive areas with reference to those cases of crime.

The Board of Directors, in collaboration with the Supervisory Body, will perform the appropriate assessments with regard to any extension/supplementation of the risk assessment activities and the consequent update of the Model.

For greater clarity, the "Risk Mapping" document is attached to the General Part (Annex IV).

3.5 Structure of the Organisational Model

In light of the results of the risk assessment, the Sanlorenzo Organisation, Management and Control Model is made up of:

- this "General Part" which illustrates the contents of the Decree, the function of the Organisation and Management Model, the duties of the Supervisory Body, the disciplinary system and, in general, the principles, logics and structure of the Model itself;
- the individual "Special Parts" which, as stated above, refer to the specific types of crime analysed and to the Sensitive Activities, identified therein, for the purposes of preventing the crimes envisaged by the Decree;
- the Code of Ethics;
- the annexes cited in the individual parts of the Model (for example, organisation charts, management systems, etc.).

The General Part, the Special Part and the Annexes constitute an integral and essential part of the Model.

In general, the Sanlorenzo Model is based upon the following principles:

- every operation or act that occurs in a sensitive area must be verifiable, documented, coherent and congruous;
- in principle, nobody must be able to manage in full autonomy an entire process falling within a sensitive area; therefore, the principle of separation of functions must be respected;
- the attribution of powers is coherent with organisational responsibility;
- a Supervisory Body (see chapter 5), in close contact with the senior persons of the company, is responsible for promoting the effective and correct implementation of the Model also by monitoring the business conduct in the areas of activity relevant for the purposes of the Decree and assessed in the Model itself;
- adequate resources are made available to the Supervisory Body so that the latter is supported in the duties entrusted to it in order to achieve results that are reasonably obtainable;
- the ex post verification of the Company's conduct and the functioning of the Model is guaranteed, with consequent periodic update;
- the dissemination and involvement of all company levels in the implementation of the rules of conduct and established procedures are effectively implemented;
- an adequate sanction system is in place for violations of the rules of the Code of Ethics and the provisions contained in the Model;

- a reporting obligation to the Supervisory Body is established.

3.6 Protocols and preventive control system

The Company aims at guarantying optimal standards of transparency and traceability of the processes and activities in which the crimes envisaged by the Decree may potentially be committed.

Based upon the risk assessment described above, and illustrated in more detail in the individual Special Parts, protocols (and procedures) for controlling the potential crime-risk areas have been developed.

With reference to those processes, the existing management and control procedures have, therefore, been examined and any necessary implementations have been defined, where deemed necessary, in respect of the following principles:

- the Company's internal organisation, in general, must respect the fundamental requirements of formalisation and clarity, communication and separation of roles, with specific reference to the attribution of powers of representation and operating functions;
- the system of delegations and articulation of powers must be characterised by elements of "certainty" in relation to the identification of the attributed powers and facilitate the efficient management of the business activity;
- the internal procedures and protocols must be characterised by the following elements:
 - separation within each process (known as segregation of functions), between the person who makes the decision, the person who authorises it, the person who carries out that decision and the person in charge of controlling the process;
 - written record of each significant step of the process, including the control (known as "traceability");
 - adequate level of formalisation and dissemination.

The behavioural procedures attributable to the Model are, clearly, integrated with other organisational guidelines, with the organisation charts, the system of attribution of powers and the company powers of attorney – as they are functional to the Model - already used or effective within the Company, which it was not considered necessary to modify for the purposes of Italian Legislative Decree 231/01.

If, in the application phase, critical factors emerge, the Company will promptly adapt the same to make them compliant with the requirements underlying the application of the Decree.

For an examination of the procedures, see the individual Special Parts.

4. DISSEMINATION OF THE ORGANISATION MODEL

Sanlorenzo promotes the dissemination and knowledge of the Model by all its Recipients, as specified in paragraph 3.2 above.

The Model is disseminated by:

- sending of communication, signed by the Chief Executive Officer, illustrating the principles underlying the Model and its contents;
- publishing the whole Model on the intranet for easy consultation by all Recipients.

In addition, the Model, excluding some parts that are purely intended for internal company use and therefore not disseminated to third parties, is published on the Company's website.

4.1 Personnel training

To guarantee the effectiveness of this Model, the Company aims to ensure that its resources already present in the company and those to be inserted in future are correctly aware of the rules of conduct contained therein, with a different level of detail for the different level of involvement of those resources in the "sensitive" areas and processes.

Therefore, all training programmes will have common minimum content, consisting of an illustration of the principles of Italian Legislative Decree 231/01, the elements making up the Model, the individual cases of "predicate crime" and the behaviours considered sensitive in relation to the above.

In addition to this common matrix, each training programme will then be modulated to provide to its users the necessary tools to fully respect the requirements of Italian Legislative Decree 231/2001 in relation to their specific area of operations and duties.

Attendance on the training programmes described above is mandatory and the issues concerning the dissemination of the 231 regulations are dealt with in the training, with respective signature for attendance.

4.2 Information to Directors, Auditors and Independent Auditing Company

This Model is delivered to each Director and Auditor.

In addition, its adoption is also communicated to the Independent Auditing Company.

4.3 Information to third parties

Third parties (suppliers, consultants, collaborators and commercial partners) are provided with specific information on the Company's adjustment to the requirements of Italian Legislative Decree 231/2001, on the adoption of the Code of Ethics, as well as on the consequences that any behaviours contrary to the regulations in force or to that Code may have on the contractual relationship.

As stated in the next section of this Model relating to the system of sanctions, specific clauses are entered into contracts with third parties in order to regulate those aspects.

5. DISCIPLINARY SYSTEM

The definition of a system of sanctions commensurate to the violation and having deterrent measures applicable in the case of any violation of the rules indicated in this Model is, in accordance with Article 6 paragraph 2 letter e) of Italian Legislative Decree 231/2001, an essential requirement of the same in order to guarantee its effectiveness.

The application of disciplinary sanctions does not take account of the outcome of any criminal proceedings begun by the Judicial Authority if the conduct to be censured is deemed to be of criminal significance.

All employed workers, directors and collaborators of Sanlorenzo, along with all those who hold contractual relationships with the company, are subject to the disciplinary system indicated in this Model as part of those relationships.

The procedure for applying sanctions indicated in this disciplinary system takes account of the particular characteristics of the legal status of the person against whom action is taken.

For the purposes of applying the disciplinary system, the following, by way of example, are considered to be sanctioned behaviours:

- 1) commission of the crimes envisaged by Italian Legislative Decree 231/01;
- 2) violation of the internal rules and procedures envisaged by the Model (for example, failure to comply with protocols, lack of communications to the Supervisory Body in relation to required information, failure to perform controls);
- 3) adoption, in carrying out activity connected to the "sensitive processes", of behaviours not compliant with the requirements of the Model;
- 4) violations of the general rules of conduct contained in the Code of Ethics.

The disciplinary sanctions indicated in this chapter also apply to those who violate the protection measures adopted for reports to the Supervisory Body (indicated in paragraph 6.4. below and the "Information Flows to the Supervisory Body" procedure) as well as to those who make, with wilful intent or gross negligence, reports that are found to be groundless.

5.1 Measures against employed workers (labourers, employees, managers)

Any violation by employees of the individual rules of conduct indicated in this Model constitutes a disciplinary offence.

Article 2104 of the Italian Civil Code, identifying the worker's duty of "obedience", states that the work provider must comply, in the conduct of his/her duties, with the instructions imparted by the employer and by senior collaborators.

Compliance with the requirements of this Model and the Code of Ethics is part of the worker's general obligation to respect the instructions established by management to satisfy the Company's technical, organisational and productive requirements.

The applicable sanctions fall among those envisaged by existing regulations and by the applicable collective labour contract which, in this specific case, is the National Collective Labour Agreement for the Plastic Rubber Industry, in respect of existing legislation, the procedures envisaged by Italian Law no. 300 of 30 May 1970 (Workers' Statute), and the respective provisions contained in the NCLA.

Offences will be ascertained and the consequent disciplinary proceedings launched in accordance with the contents of the aforementioned rules.

Workers may therefore be subject to the measures envisaged by Articles 53 et seq. of the indicated NCLA and precisely:

- verbal warning;
- written warning;
- fine of up to the amount of 3 hours' pay and cost of living allowance;
- suspension from work and remuneration for up to a maximum of three days;
- dismissal with notice;
- dismissal without notice.

In particular, by way of example and without limitation:

- any worker who violates the Code of Ethics or behaves, when carrying out his/her activity, in a manner not compliant with the requirements of the Model (e.g. does not respect the prescribed procedures, fails to carry out controls, etc.) will receive a verbal warning or written warning, depending on the severity of the offence;
- any worker who, in violating the Code of Ethics or behaves, when carrying out his/her activity, in a manner not compliant with the requirements of the model, or who performs acts contrary to the interests of the Company or implements behaviours deemed to be more serious than those sanctioned in letter a) will receive a fine or suspension from work;
- any worker who behaves, in carrying out his/her activity, in a manner not compliant with the requirements of the model, aimed solely at committing a crime will be dismissed with notice;
- any worker who behaves, in carrying out his/her activity, in a manner not compliant with the requirements of the Model which determines the concrete application against the Company, even only as a precaution, of the measures envisaged by the Decree will be dismissed without notice.

The application procedure of the disciplinary sanction must occur in respect of the rules indicated in the NCLA and in the applicable regulations. Accordingly, it is subject to:

- the obligation - in relation to the application of any disciplinary measure - to notify the employee in advance of the charge and to hear the same in relation to his/her defence;
- the obligation - except for the verbal warning - for the dispute to be made in writing and for the measure not to be issued until 5 days have passed from notifying the employee of the charge (during which he/she may present justifications);
- the obligation to motivate to the employee and to communicate in writing the application of the measure;
- the relevance, for the purposes of the appropriate selection of the sanction, of previous disciplinary measures against the employee and the intentional nature of the behaviour.

The types and extent of the sanctions applied in each case of violation will be proportionate to the severity of the deficiencies; in particular, consideration will be given to the severity of the conduct, also in light of previous disciplinary measures against the worker, the duties carried out by the same and the circumstances in which the act or omission occurred and was committed.

The disciplinary system is verified constantly by the Head of Human Resources who is responsible for the concrete application of disciplinary measures upon any report by the Supervisory Body and having heard from the hierarchical superior of the perpetrator of the censured conduct.

5.2 Measures against managers

Any violation by managers of the procedures envisaged by this Model or any behaviour, in carrying out activities involved in the “sensitive processes”, not compliant with the requirements of the Model, also taking account of the particular fiduciary nature of the employment relationship, will determine the application of suitable measures in conformity with the provisions of existing regulations and the applicable National Collective Labour Agreement.

5.3 Measures against Directors, Auditors and Independent Auditors

Upon learning of violations of the Organisation and Management Model by members of the Board of Directors, the Supervisory Body must promptly inform the entire Board of Directors and the Board of Statutory Auditors, so that they may take the appropriate steps, including, for example, the convocation of the Shareholders' Meeting to adopt the most suitable measures.

Upon learning of violations of the Organisation and Management Model by one or more members of the Board of Statutory Auditors, the Supervisory Body must inform the Chairman of the Board of Directors of the violation committed. The Board of Directors will call the Shareholders' Meeting urgently to arrange for any revocation in accordance with Article 2400, paragraph 2 of the Italian Civil Code.

Upon learning of violations of the Organisation and Management Model (insofar as it is applicable) by the independent auditors, the Supervisory Body must promptly inform the Board of Directors and the Board of Statutory Auditors so that they may take the appropriate steps, including, for example, the convocation of the Shareholders' Meeting to adopt the most suitable measures.

5.4 Measures against external collaborators, consultants and third parties

Any violation of this Model by external collaborators in the case of behaviours likely to determine the risk of commission of a crime sanctioned by Italian Legislative Decree 231/2001 may involve, in relation to the provisions of the specific contractual clauses included in the engagement letters, the termination of the contractual relationship.

Based upon the foregoing, all contracts which grant to third parties the management of goods or services must include the following clause:

“You/your Company acknowledges that Sanlorenzo has adopted a Code of Ethics and an Organisation, Management and Control Model in accordance with Italian Legislative Decree 231/2001, as amended and supplemented.

The adoption of the 231 Model aims at preventing the commission of the crimes envisaged by the aforementioned Legislative Decree and avoiding the application of the related sanctions. A copy of the Code of Ethics, which you/your Company expressly declares to know and accept, is provided on Sanlorenzo's website.

The contracting parties declare not to be aware of “relevant” facts in accordance with Italian Legislative Decree 231/2001 in the phase of negotiation and stipulation of this contract. The parties also undertake to fulfil the obligations deriving from this contract in respect of the principles of the Code of Ethics and to supervise the execution of the contract itself in a manner which avoids the risk of commission of the crimes envisaged by Italian Legislative Decree 231/2001.

You/your Company acknowledges and accepts that, in the event of any failure to respect the principles and rules envisaged by the Code of Ethics, Sanlorenzo may expressly terminate the contract by law in accordance with Article 1456 of the Italian Civil Code.”

6. SUPERVISORY BODY

The 231 Decree also requires, in order for the exemption envisaged by Article 6 to be effective, the establishment of a Supervisory Body, internal to the entity, having autonomous powers of initiative and control.

6.1 Identification of the Supervisory Body

In light of the foregoing and the duties that the 231 Decree imposes on the Supervisory Body, the latter must possess the following requirements:

A. Autonomy, independence and impartiality

The requirements of autonomy and independence are fundamental and presuppose that the Supervisory Body is not directly involved in management activities that constitute the subject of its control activity, thereby avoiding any conditioning due to the conduct of operational tasks within the company.

Precisely for this reason, the Company has decided to appoint as members of the Supervisory Body three external persons, so as not to compromise their independence of judgment or create hypothetical situations of conflict of interests.

A further guarantee is provided by the fact that the Supervisory Body reports to the senior body of the company, the Board of Directors.

B. Professionalism

The Supervisory Body must possess within it technical-professional expertise adequate to the functions that it is asked to perform. Those characteristics, together with the independence and autonomy described above, guarantee objectiveness of judgment.

C. Integrity

The members of the Supervisory Body have not received, even on a non-final basis, convictions, or agreed a plea bargain, for the crimes envisaged by Italian Legislative Decree 231/01 and they have not been sentenced to a penalty that involves disqualification, even temporary, from public offices or temporary disqualification from management roles in legal entities or enterprises.

D. Continuity of action

The Supervisory Body must constantly monitor the application of the Model, guaranteeing the continuity of that activity.

In order to comply with its requirements, the Supervisory Body is provided with an expenses fund, approved - as part of the overall company budget - by the Board of Directors, which may be used for any requirement functional to the correct conduct of its duties.

Therefore, if the Supervisory Body requires professional expertise of specific and additional nature, which cannot be found among its members, it may obtain assistance from external consultants appointed by the same at its discretion.

In addition, in conducting its duties of supervision and control, the Supervisory Body may make use of all personnel functions internal to the Company.

In compliance with the principles illustrated above and in line with the necessary autonomy that must be possessed by the Supervisory Body for the effectiveness of the Model, Sanlorenzo's Board of Directors has appointed that Supervisory Body in the persons of Mr Maurizio Bortolotto, Mr Maurizio Ferrero and Mr Gianluca Magrini who, each due to their own professional competences and by virtue of the experience acquired by them, appear to be the persons most suitable to fulfil the duties attributed by law to the Supervisory Body.

The characteristics of the individual members are described in more detail in the minutes of the Board of Directors approving the Model and simultaneously appointing the Supervisory Body.

The definition of aspects relating to the methods of conducting the Supervisory Body's assignment, such as the scheduling of its activities, the minute-taking of the meetings, and the rules on information flows by the company functions involved, is deferred to the Supervisory Body itself, which will regulate its own internal functioning in a specific regulation.

6.2 Term of office, revocation and forfeiture

The appointment and revocation of the Supervisory Body are acts under the remit of the Board of Directors.

The members of the Supervisory Body remain in office for three years and the mandate may be renewed.

The members of the Supervisory Body must communicate immediately to the Board of Directors and to the Body itself the onset of any conditions which affect the requirements of eligibility and integrity necessary for the role as member of that Body.

If the characteristics of the members of the Supervisory Body fail to be in place during the assignment, the Board of Directors will revoke the assignment and replace them with a different person having the necessary requirements.

The assignment may be revoked for just cause, due to supervening impossibility or when the requirements of impartiality, autonomy, independence and integrity are no longer held by the members of the Supervisory Body.

Just cause for revocation means:

- disqualification or debarment, or serious infirmity that renders one of the members of the Supervisory Body unsuitable to perform the functions of supervision, or an infirmity that, in any case, involves an absence for a period longer than six months;
- a serious breach of duties as defined in this Model;
- a final conviction ruling against the Company in accordance with the Decree, or criminal proceedings concluded by way of so-called "plea bargaining", if the trial documents note the "omitted or insufficient supervision" by the Supervisory Body, in accordance with the provisions of Article 6, paragraph 1, letter d) of the Decree;
- a final conviction ruling against one of the members of the Supervisory Body for having personally committed one of the crimes envisaged by the Decree;
- a final conviction ruling against one of the members of the Supervisory Body with a penalty that involves disqualification, even temporary, from public roles, or temporary disqualification from management offices of legal persons and enterprises.

In the cases described above, the Board of Directors will appoint the new member of the Supervisory Body to replace the person whose mandate has been revoked.

If, on the other hand, the revocation is exercised, again for just cause, against all members of the Supervisory Body, the Board of Directors will appoint a new Supervisory Body.

The resignation by the members of the Supervisory Body may be exercised at any time and must be communicated to the Board of Directors in writing, together with the motivations.

6.3 Functions and powers

The Supervisory Body is granted the duty to oversee:

- 1) respect of the requirements of the Model by the directors, managers and employees, consultants and partners;

- 2) the effectiveness and adequacy of the Model in relation to the company structure;
- 3) the opportunity of updating the Model, if the same needs to be adapted in relation to regulatory changes or company alterations.

To that end, the Supervisory Body is also granted the duties of:

- verifying respect of the Organisation Model and the respective procedures and protocols, for which, however, the primary responsibility of control remains with management which operates in the field of sensitive processes;
- performing periodically, with the coordination of the company functions involved each time, targeted checks aimed at ascertaining respect of the provisions of the Model. In particular, the aforementioned checks must ascertain that the procedures and controls are executed and documented in a compliant manner and that the ethical principles are respected;
- agreeing with the heads of the relevant area in charge of the verification activity described above the appropriate corrective measures, if situations of criticality are ascertained;
- promoting suitable initiatives for the dissemination of knowledge and understanding of the Model, also preparing any instructions for use, clarifications or updates of the same;
- providing information of which it becomes aware when conducting its duties to the Person in Charge of the disciplinary action where the circumstances for commencing disciplinary proceedings are deemed to be in place;
- conducting investigations on the company activity to update the mapping of the "sensitive processes", particularly if new business activities and new business processes are activated;
- constantly verifying the adequacy of the Model in terms of regulatory requirements and, in collaboration with the company functions (also through specific meetings), assessing the adequacy and update requirements of the Model.

In carrying out its activity, the Supervisory Body:

- may issue instructions and service orders aimed at regulating the activity of the Supervisory Body as well as the information flow from and to the same;
- may obtain assistance from all structures of the Company or external consultants;
- may question all persons having specific functions within the Company to obtain any information or data deemed necessary for the conduct of the duties envisaged by Italian Legislative Decree 231/2001 and by this Model;
- is authorised to acquire and process all information, data, documents and correspondence relating to the activities carried out in the individual company areas deemed necessary for the conduct of its activities, in respect of existing regulations on personal data processing;
- is sufficiently protected against any forms of retaliation to its detriment that may occur following the conduct or conclusion of assessments undertaken by the same;
- fulfils the confidentiality obligation upon it due to the breadth of the type of information of which it becomes aware by way of conducting its duties.

6.4 Information flows to the Supervisory Body and Whistleblowing

Italian Legislative Decree 231/2001 illustrates, among the requirements that must be satisfied by the Model, the establishment of specific reporting obligations to the Supervisory Body by the company functions, with a view to allowing the Body to conduct its supervisory and verification activities.

Therefore, every Director, Auditor, manager and employee of the Company must send to the Supervisory Body all information deemed useful to facilitate the supervisory activity on the effectiveness of the Model, or on

events that may generate or have generated violations of the Model, its general principles and the Code of Ethics, as well as in relation to their unsuitability, ineffectiveness and any other aspect potentially relevant for those purposes.

By way of example, the following must be communicated to the Supervisory Body:

- on a periodic basis: information, data, news and documents as identified in the protocols and procedures envisaged by this Organisation Model and, specifically, by its Special Parts;
- on an occasional basis: any other information, of any nature, relating to the implementation of the Model in the areas of activity at risk of crime, which may be useful for the purposes of fulfilling the Body's duties, as well as anything formally requested by the same from the individual company functions, according to the methods and timescales defined by the Body itself.

In addition, information concerning the following must mandatorily and immediately be sent to the Supervisory Body:

- anomalies, deformities and violations of the Model ascertained in the carrying out of working activities included in "risk areas";
- measures and/or information originating from judicial police bodies, or from any other authority, revealing the conduct of investigations, even against unknown persons, for the crimes indicated by the Decree;
- audits, inspections and assessments begun by the competent bodies (merely by way of example: Local Health Authority, INPS, INAIL, Finance Police, etc.) and, upon their conclusion, any findings and sanctions applied;
- requests for legal assistance sent by managers and employees if judicial proceedings are brought for the crimes indicated by the Decree;
- reports prepared by heads of other company functions as part of their control activity, which may reveal facts, actions, events or omissions having profiles of criticality with respect to compliance with the rules of the Decree;
- internal reports revealing responsibility by persons within the company for the circumstances of crime envisaged by the Decree;
- information on any disciplinary proceedings held and any sanctions applied (therein including measures against employees) or any dismissals of those proceedings, including the respective motivations.

The Supervisory Body must also be promptly informed of:

- changes to the composition of the corporate bodies;
- changes to the company organisational structure;
- changes to assigned delegations and powers of attorneys;
- participation in the incorporation of companies and joint venture agreements.

To improve the information flow to the Supervisory Body a communication channel is established, consisting of a dedicated email address, and more specifically odv@sanlorenzoyacht.com to which any reports may be sent and only by members of the Body may access.

Anonymous reports are not permitted and, as a result, will not be considered.

The Supervisory Body will assess the reports received and may convene, if deemed appropriate, both the whistleblower to obtain further information and the alleged perpetrator of the violation, performing, in addition, all assessments and investigations necessary to ascertain the foundation of the report.

Any information acquired by the Supervisory Body, irrespective of the means of communication used, will be processed in such a way as to guarantee:

- respect of the confidentiality of the whistleblower and the report sent;

- the avoidance of acts of retaliation, penalisation or discrimination against the whistleblowers;
- the protection of the rights of persons in relation to whom reports have been made in bad faith and are subsequently found to be groundless without prejudice, in that case, to the possibility of taking appropriate action against those intentionally making false reports.

6.5 Collection and storage of information

Any information or report envisaged in this Model is stored by the Supervisory Body in a specific database, strictly confidential, for a period of 10 years.

6.6 Reporting to the corporate bodies

The Supervisory Body reports on the implementation of the Model and on the emergence of any criticalities; in particular, an annual reporting line has been established to the Board of Statutory Auditors and the Board of Directors.

The report concerns the activity performed by the Supervisory Body and any criticalities that emerge in terms of any both conduct and events internal to the Company, and in terms of the effectiveness of the Model.

The Supervisory Body suggests to the Board of Directors, based upon the criticalities ascertained, the corrective actions deemed adequate to improve the effectiveness of the Model.

Minutes must be taken of the meetings with the bodies to which the Supervisory Body reports and a copy of the minutes must be stored by the Supervisory Body itself and by the bodies involved each time.

The Board of Statutory Auditors, the Board of Directors, the Chairman of the Board of Directors and the Chief Executive Officer have the right to call the Supervisory Body at any time, which, in turn, has the right to request, through the competent functions or entities, the convocation of the aforementioned bodies for urgent reasons.