

**SANLORENZO**

**REGULATION  
OF THE REMUNERATION COMMITTEE**

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Sanlorenzo S.p.A.

Approved by the Board of Directors on 14 March 2023

**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. Introduction**

- 1.1 This regulation (the "**Regulation**") regulates (i) the composition, (ii) the duties and (iii) the functioning of the Remuneration Committee (the "**Remuneration Committee**" or the "**Committee**") of Sanlorenzo S.p.A. (the "**Company**"). The Committee was established - also in implementation of the recommendations of the Corporate Governance Code of listed companies prepared by Borsa Italiana S.p.A. (the "**Corporate Governance Code**") - by resolution of the board of directors adopted on 24 October 2019 and with effect from the trading start date of the Company's shares.

## **2. Appointment, removal and composition of the Remuneration Committee**

- 2.1 The members of the Remuneration Committee and its chairperson are appointed by resolution of the board of directors.
- 2.2 The Remuneration Committee is made up of three directors, all non-executives, of which at least two must have the requirements of independence envisaged by Article 147-ter, paragraph 4 of Italian Legislative Decree no. 58 dated 24 February 1998 as well as recognised by the board of directors in possession of the requirements of independence envisaged by Article 2, Recommendation 7 of the Corporate Governance Code.
- 2.3 In any case, the chairperson of the Committee is chosen among the independent directors.
- 2.4 At least one member of the Committee possesses adequate experience in financial matters or remuneration policies, the assessment of which is deferred to the board of directors at the time of appointment.
- 2.5 The directors accept the role of members of the Remuneration Committee only when they believe that they can dedicate the necessary time to carry out diligently their duties.
- 2.6 Unless otherwise decided by the board of directors at the time of appointment, the duration in office of the members of the Remuneration Committee is equated to that of the board of directors to which the members belong. The termination for any reason of the role of director involves automatically and immediately the removal from the Committee.
- 2.7 The board of directors may revoke, at any time, the members and chairperson of the Remuneration Committee; they may not make claims or invoke rights in relation to the revocation.
- 2.8 The board of directors establishes, at the time of appointment or even later, the budget assigned to the Remuneration Committee to carry out its functions and duties.
- 2.9 Any fee for participating in the Remuneration Committee is established by the board of directors. In any case, expenses reasonably incurred and documented for the exercise of the role will be reimbursed.

## **3. Functions of the Remuneration Committee**

- 3.1 The Remuneration Committee has preliminary, propositional and consultative functions, with the task of supporting the board of directors in their assessments and decisions relating to the remuneration policy for directors invested with particular roles and managers with strategic responsibilities.
- 3.2 In exercising its functions indicated above, the Remuneration Committee, in particular, liaising with the other corporate bodies involved each time:
- (i) supports the board of directors in the development of the remuneration policy of directors, general managers and managers with strategic responsibilities;
  - (ii) presents proposals or expresses opinions to the board of directors on the remuneration of executive directors and other directors who hold specific responsibilities as well as on the establishment of the performance targets related to the variable component of that remuneration.

- (iii) monitors the actual application of the remuneration policy, verifying, in particular, the actual achievement of the performance targets;
  - (iv) periodically assesses the adequacy and overall coherence of the remuneration policy of directors and top managers;
  - (v) examines in advance the annual report on the remuneration policy and fees paid, to be made available to the public in view of the annual shareholders' meeting called to approve the financial statements;
  - (vi) formulates opinions or proposal to the board of directors on any share-based compensation plans or similar plans based on financial instruments for directors, managers with strategic responsibilities, employees and collaborators;
  - (vii) formulates opinions or proposal to the board of directors on any cash incentive compensation plans for managers with strategic responsibilities;
  - (viii) performs the additional duties that are attributed by the board of directors and in accordance with the existing regulation.
- 3.3 The Remuneration Committee reports to the board of directors and to the shareholders on the methods of exercising its functions at the earliest opportunity; for that latter purpose, at least the chairperson of the Committee or another member of the same designated by the chairperson participates at the annual shareholders' meeting for the financial statements.

#### **4. Functioning methods of the Remuneration Committee**

- 4.1 The Remuneration Committee meets upon the convocation of its chairperson each time he/she deems it opportune, and in any case, at least annually, or when two of its members, or the chairperson of the board of statutory auditors, or the chairperson of the board of directors makes a written request to the chairperson of the Committee.
- 4.2 The Remuneration Committee, at the proposal of its chairperson, may designate permanently a secretary of the Committee, who need not be member. In case of non-appointment of the permanent secretary, or if he/she is unable to attend, the chairperson of the Remuneration Committee shall appoint, at each meeting, the secretary, who need not be member. In both cases, the secretary must have the necessary requirements for the role of secretary of the board of directors in compliance with the regulation adopted by the board of directors and in effect from time to time, which defines the functioning of the board itself and its committees (the “**Regulation of the BoD**”).
- 4.3 The chairperson of the board of statutory auditors or another standing auditor designated by him/her attends at meetings of the Remuneration Committee; the other statutory auditors may also participate.
- 4.4 The directors, competent heads of the corporate functions of the Company and of the subsidiaries, or other persons whose presence may be of assistance for the best conduct of the functions of the Committee itself, who are invited by its chairperson, may also attend at meetings of the Remuneration Committee. In any case, no director may take part in the meetings of the Remuneration Committee in which proposals are made to the board of directors regarding his/her remuneration. The chairperson of the Committee, on the basis of the agenda of the Committee meeting and provided that the agenda is relevant to the functions of the Committee, may, after having given written notice to the CEO and unless the CEO communicates his/her reasoned disagreement, hold operational meetings with the competent heads of the corporate functions.
- 4.5 The Remuneration Committee is called via registered letter, certified email, fax or ordinary email, sent to the members of the Committee and to the auditors at least three days before (in urgent cases, by telegram, certified email, fax or email sent at least twenty-four hours before) the date of meeting, to the domicile or address as communicated to the Company by each member and standing auditor in office. The notice must contain the indication of the day, time and location of the meeting and the agenda.

- 4.6 Meetings of the Remuneration Committee are chaired by its chairperson or, in his/her absence or if he/she is unable to attend, by the member chosen by the attendees.
- 4.7 Meetings of the Remuneration Committee may even be held by means of telecommunication, provided that the requirements stated by Article 17.4 of the Company's By-laws for meetings of the board of directors held by way of means of telecommunication are respected for meetings of the board of directors held by way of means of telecommunication are respected and in compliance with the relevant provisions of Regulation of the BoD.
- 4.8 The Committee's chairperson ensures that the prior submission to the members of the Committee and to the chairperson of the Board of Statutory Auditors of the documentation relating to the items on the agenda complies with the due notice and the confidentiality requirements provided by the Regulation of the BoD regarding the procedures for providing information to directors ahead of the meetings.
- 4.9 Minutes must be taken of meetings of the Remuneration Committee. The minutes are prepared and signed by the chairperson of the meeting and by the secretary and they are filed with the records of the Company. The procedures for recording the minutes of the meetings of the Committee are those envisaged by the Regulation of the BoD for the meetings of the board of directors.
- 4.10 In order for meetings of the Remuneration Committee to be valid, the presence of the majority of its members in office is required; to calculate the majority for resolutions, the abstaining directors are not considered as present. In the case of equal votes, the vote of the chairperson of the Committee, if present, prevails.
- 4.11 For anything not envisaged by the Regulation, the provisions of the Regulation of the BoD and those of the By-laws of the Company, which regulate meetings of the board of directors, shall apply to meetings of the Remuneration Committee *mutatis mutandis*.
- 4.12 The chairperson of the Remuneration Committee, or another member of the Committee designated by the chairperson, informs the board of directors on the activities carried out at the earliest opportunity.

## **5. Prerogatives of the Remuneration Committee**

- 5.1 For the conduct of its functions and duties, the Remuneration Committee has the right to access the necessary company information and functions. In order to obtain information on market practices in relation to remuneration policies, it may also use, at the Company's expense and within the limits of the budget approved by the board of directors in accordance with Article 2.8 above, external consultants who are not in situations that compromise their independence. The Committee shall check in advance that the external consultant is not in situations that compromise his independence of judgment, also in light of any services that he/she may provide to the human resources department, directors or managers with strategic responsibilities of the Company.

## **6. Amendments to the Regulation**

- 6.1 The Remuneration Committee checks periodically, but at least annually, the adequacy of the Regulation and submits any amendments or additions for the examination of the board of directors.