

# **SANLORENZO**

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

Registered office: Ameglia (SP), via Armezzone 3 – Share capital: Euro 34,500,000 fully paid-in  
Company Register of Riviere di Liguria – Imperia La Spezia Savona and fiscal code: 00142240464

### **Explanatory report for the first item on the agenda of the extraordinary shareholders' meeting**

**Increase in share capital, free of charge and divisible, with exclusion of option rights pursuant to Article 2441, paragraph 8 of the Italian Civil Code, for a maximum amount of € 884,615.00; consequent proposal to amend Article 5 of the current By-laws.  
Related and consequent resolutions.**

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## **Explanatory report for the first item on the agenda of the extraordinary shareholders' meeting**

***Item no. 1 on the agenda - Increase in share capital, free of charge and divisible, with exclusion of option rights pursuant to Article 2441, paragraph 8 of the Italian Civil Code, for a maximum amount of € 884,615.00; consequent proposal to amend Article 5 of the current By-laws. Related and consequent resolutions.***

Dear Shareholders,

we submit for your approval the proposal to increase the share capital in divisible form, with the exclusion of option rights pursuant to Article 2441, paragraph 8 of the Italian Civil Code, by a maximum nominal value of € 884,615 (eight hundred and eighty four thousand, six hundred and fifteen euro), to be executed no later than 30 June 2029, by issuing a maximum number of 884,615 (eight hundred and eighty four thousand, six hundred and fifteen) ordinary shares of Sanlorenzo S.p.A. (the "**Company**") with no par value and intended, exclusively and irrevocably, to service the 2020 Stock Option Plan (the "**Plan**"), acknowledging that the partial subscriptions will be immediately effective, with consequent amendment of Article 5 of the By-laws in force.

This report is prepared by the Board of Directors of the Company pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (the "**TUF**") and Articles 72 and 84-ter of Consob Regulation No. 11971 of 14 May 1999 concerning the regulation of issuers, as subsequently amended (hereinafter the "**Issuers' Regulations**"), and in compliance with Annex 3A of the Issuers' Regulations and is made available to the public in the manner and within the time limits required by law.

### **1. Reason for the capital increase**

The Board of Directors' meeting of 13 March 2020 resolved, among other things, to submit for examination and approval, as the third item on the agenda of the ordinary part of the Shareholders' Meeting, the adoption of an incentive and retention plan known as the "2020 Stock Option Plan" (the "**Plan**"), reserved for executive directors, general managers, executives with strategic responsibilities and employees with permanent employment contracts and at least as employees of the Company and its directly or indirectly controlled companies (hereinafter the "**Subsidiaries**" and, together with Sanlorenzo, the "**Group**"), pursuant to Article 114-bis of the TUF, to be implemented through the free assignment of option rights ("**Options**") valid for the subscription of ordinary shares of the Company (the "**Shares**"), in the ratio of one Share for each Option exercised.

The details of the Plan are described in the specific explanatory report and in the information document prepared pursuant to Art. 84-*bis* of the Issuers' Regulations - to which reference should be made for further information - made available to Shareholders in accordance with the law for the examination of the above mentioned item on the agenda of the ordinary part of the Shareholders' Meeting and available on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "*Corporate Governance*" Section).

As part of the Plan, the Shares will be derived from the capital increase, which the Board of Directors shall submit for your approval, to be carried out in a divisible manner, with the exclusion of option rights pursuant to Article 2441, paragraph 8 of the Italian Civil Code, by a maximum nominal value of € 884,615 (eight hundred and eighty four thousand, six hundred and fifteen euro), to be executed no later than 30 June 2029, by issuing a maximum number of 884,615 (eight hundred and eighty four thousand, six hundred and fifteen) ordinary shares of the Company.

The purposes and objectives of the Plan, to which the capital increase is subject, are to establish an incentive mechanism in favour of executive directors, general managers, executives with strategic responsibilities and employees with permanent employment contracts and at least as employees of the Company and its Subsidiaries, through their involvement in the corporate structure of Sanlorenzo, for both incentive and retention purposes, aligning the interests of management with the pursuit of the priority objective of creating value for shareholders in the medium-long term and at the same time retaining the Beneficiaries.

## **2. Criteria for determining the issue price of the Shares**

The Plan provides that the exercise price of the Options to subscribe for the Shares is equal to € 16.00 per Share, corresponding to the price at which Sanlorenzo shares were placed at the time when they began trading on the stock exchange organised and managed by Borsa Italiana S.p.A. This criterion has been identified, in accordance with the provisions of Part One, Section XIII of the prospectus approved by the Board of Directors and published by the Company in view of the start of trading of the shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. (which can be consulted on the Company's website at [www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "*Investors*" Section), in order to provide incentives to the recipients, taking into account the growth in value achieved since the start of the listing of the Company's shares on the Mercato Telematico Azionario (MTA) organised and managed by Borsa Italiana S.p.A.

### **3. Period envisaged for the execution of the transaction**

The Plan envisages that the Options for the subscription of the Shares assigned to the beneficiary may be exercised no earlier than one year after the resolution to increase the share capital; therefore, the capital increase can be performed from that date.

The conditions and terms for the exercise of Options are described in the specific explanatory report and in the information document prepared pursuant to Art. 84-*bis* of the Issuers' Regulations - to which reference should be made for further information - made available to Shareholders for the examination of the third item on the agenda of the ordinary part of the Shareholders' Meeting and available on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "*Corporate Governance*" Section).

The deadline for implementing the capital increase shall be 30 June 2029.

### **4. Characteristics of newly issued shares**

The Shares to be issued in execution of the capital increase shall be ordinary shares of the Company, with no par value and regular dividend entitlement.

Each Option granted to the beneficiaries under the Plan will give the right to the beneficiary, on the occurrence of the conditions of exercisability established under the Plan, to subscribe 1 Share, with regular dividend entitlement, against payment to Sanlorenzo of the exercise price.

### **5. Proposal to amend Article 5 of the By-laws and comparison**

As a result of the proposed resolution that is submitted for your approval, it will be necessary to supplement Article 5 of the current By-laws by including a clause concerning the resolution of the Shareholders' Meeting to increase the share capital to be carried out in a divisible manner, with the exclusion of option rights pursuant to Article 2441, paragraph 8, of the Italian Civil Code, by a maximum nominal amount of € 884,615 (eight hundred and eighty four thousand, six hundred and fifteen), to be executed no later than 30 June 2029, by issuing a maximum number of 884,615 (eight hundred and eighty four thousand, six hundred and fifteen) ordinary shares of the Company.

It should be noted that the proposed amendment to the By-laws in question does not provide the right of withdrawal to shareholders who do not contribute to its approval, since it does not include the details of any of the types of withdrawal identified in Article 2437 of the Italian Civil Code.

Below is the current text of Article 5 of the Company's Bylaws compared with the text in the version that the Board of Directors proposes to adopt (by inserting a new paragraph in Article 5.2 thereof).

Current text	Proposed text
<p>5.1 The share capital amounts to EUR 34,500,000.00 (thirty four million, five hundred thousand and 00/100) and is divided into 34,500,000 (thirty four million, five hundred thousand) shares without indication of nominal value. The shares are in dematerialised form pursuant to Article 83-<i>bis et seq.</i> of Italian Legislative Decree No. 58 of 24 February 1998.</p>	<p><i>Unchanged</i></p>
	<p><b><u>5.2 On 21 April 2020, the Extraordinary Shareholders' Meeting approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of Euro 884,615.00 (eight hundred and eighty-four thousand, six hundred and fifteen and 00/100), to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 (eight hundred and eighty-four thousand, six hundred and fifteen) ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, all under the terms and conditions set out in the resolution.</u></b></p>
<p>5.2 The share capital may be increased, also through the issue of shares with rights different to those of outstanding shares and also with consideration of types other than cash. Option rights may be ruled out or limited in all cases envisaged by law, as well as pursuant to Article</p>	<p><b><u>5.2 5.3</u></b> <i>Text unchanged</i></p>

2441, paragraph 4, point two of the Italian Civil Code, in compliance with that set out therein.	
5.3 The shareholders' meeting may also delegate to the directors the right to increase, one or more times, pursuant to and in compliance with that set out in Article 2443 of the Italian Civil Code, the share capital against payment or free of charge, with or without option rights, also pursuant to Article 2441, paragraph 4, part 2, and paragraph 5 of the Italian Civil Code.	<p><b><u>5.3 5.4</u></b></p> <p><i>Text unchanged</i></p>
5.4 According to the methods and in the forms permitted by law, profits and/or profit reserves may be assigned to employees of the company or of subsidiaries, through the issue of shares pursuant to that set out in Article 2349, paragraph 1 of the Italian Civil Code.	<p><b><u>5.4 5.5</u></b></p> <p><i>Text unchanged</i></p>

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

**Proposed resolution**

*“The Shareholders' Meeting of Sanlorenzo S.p.A., which met in extraordinary session,*

- (i) having heard from the Board of Directors;*
- (ii) having examined the Explanatory Report of the Board of Directors and the proposals contained therein;*
- (iii) having shared the reasons for the proposals contained therein;*
- (iv) given that the share capital is fully subscribed and paid up;*
- (v) given that there is no objection from the Board of Auditors;*
- (vi) given that all the prerequisites are in place;*

***resolves***

1. *to increase the share capital in divisible form, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, for a maximum nominal amount of €884,615.00 (eight hundred and eighty-four thousand, six hundred and fifteen and zero cents), to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 (eight hundred and eighty four thousand, six hundred and fifteen) ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, acknowledging that partial subscriptions will be effective immediately.*
2. *If the capital increase is not fully subscribed by 30 June 2029, the share capital shall be deemed to be increased by an amount equal to the subscriptions collected until the deadline.*
3. *To establish that the issue price is €16.00 (sixteen and zero cents) per share.*
4. *To therefore amend the By-laws, currently in force, by inserting in Article 5 the following new paragraph 5.2:*

*“On 21 April 2020, the Extraordinary Shareholders' Meeting approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615.00 (eight hundred and eighty-four thousand, six hundred and fifteen and 00/100), to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 (eight hundred and eighty-four thousand, six hundred and fifteen) ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, all under the terms and conditions set out in the resolution.”,*

*the rest of the article remains unchanged.*

5. *to grant the Chairperson of the Board of Directors, with the power to sub-delegate, to mandate the pro tempore legal representatives, to take all the necessary steps to ensure that the resolutions are entered in the Companies' Register, with the power to introduce any non-substantial changes, adjustments or additions that are appropriate for the purpose or required by the competent authorities, including at the time of entry and, in general, to take all the necessary steps for the complete execution of the resolutions themselves, with any and all powers necessary and appropriate for this purpose, none excluded and excepted.”*

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La Spezia, 20 March 2020

For the Board of Directors

The Chairman, Massimo Perotti