

Salvatore Ferragamo

Report on remuneration policy
and remuneration paid pursuant to Article 123-ter of the Consolidated
Law on Finance

approved by the Board of Directors of the Company
on 9 November 2021

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INTRODUCTION

This report on the remuneration policy and remuneration paid pursuant to Article 123-ter of the Consolidated Law on Finance (the "Report") prepared by Salvatore Ferragamo S.p.A. ("**Salvatore Ferragamo**" or the "**Company**") includes:

- a) in Section I (the "**Remuneration Policy**"), a description of the general policy on the remuneration of members of the board of directors (the "**Directors**"), key management personnel (the "**Key Managers**") and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, members of the control body (the "**Statutory Auditors**") of Salvatore Ferragamo, as well as an illustration of the procedures used to adopt and implement this Remuneration Policy;
- b) in Section II:
 - (i) a representation of the items that make up the remuneration paid during the financial year ended 31 December 2020 (the "**Financial Year**" or the "**2020 Financial Year**") in favour of the members of the management and control bodies and, in aggregate, of the Key Managers of the Company, highlighting their compliance with the company's remuneration policy for the Financial Year;
 - (ii) an analytical representation of the remuneration paid in the Financial Year, for any reason and in any form, by the Company or by associated and subsidiary companies (the "**Subsidiaries**" and jointly to the Company, the "**Group**");as well as an illustration of how the Company took into account the vote cast in 2020 on Section II of the 2020 report on the remuneration policy and remuneration paid.

The Remuneration Policy - examined by the Remuneration and Appointments Committee on 4 November 2021 and approved by the Board of Directors of the Company on 9 November 2021 - updates and replaces, with effect from its approval by the Shareholders' Meeting called on 14 December 2021, the Remuneration Policy approved with a favourable vote by the Shareholders' Meeting called in ordinary session on 22 April 2021.

On the other hand, Section II of the Report remains the one already approved with a non-binding advisory vote by the Shareholders' Meeting on 22 April 2021 and is repeated below without changes.

The Remuneration Policy was prepared in accordance with the provisions of Article 123-ter of Italian Legislative Decree no. 58/1998 (the "**Consolidated Law on Finance**"), Article 84-*quater* and Annexe 3A, Schedule 7-*bis* of CONSOB Regulation no. 11971/1999 (the "**Issuers' Regulations**") and Article 5 of the Corporate Governance Code adopted by the Corporate Governance Committee of Borsa Italiana S.p.A. in the updated version of January 2020 (the "**Code**").

In compliance with regulations and in line with the values of transparency and responsibility that Salvatore Ferragamo has always pursued, this Report intends to provide clear and comprehensible information on the strategies and processes adopted to define and implement the Company's Remuneration Policy for Directors and Key Managers and how it contributes to the Company's strategy, the pursuit of long-term interests and the sustainability of the Company and the Group.

The Remuneration Policy was made available to the public at the Company's registered office and on the Company's website <https://group.ferragamo.com>, in the Governance/Shareholders' Meeting section, as required by law.

SECTION I - REMUNERATION POLICY

1 BODIES AND PERSONS INVOLVED IN THE PREPARATION, APPROVAL AND POSSIBLE REVIEW OF THE REMUNERATION POLICY AND RESPONSIBLE FOR ITS CORRECT IMPLEMENTATION

The definition of the Remuneration Policy is the result of a complex process involving the Shareholders' Meeting (the "**Shareholders' Meeting**"), the Board of Directors (the "**Board of Directors**"), the Chairman of the Board of Directors (the "**Chairman**"), the Executive Deputy Chairman (the "**Executive Deputy Chairman**"), the Chief Executive Officer (the "**Chief Executive Officer**"), the Remuneration and Appointments Committee (the "**Remuneration and Appointments Committee**" or the "**Committee**"), the Board of Statutory Auditors (the "**Board of Statutory Auditors**") and the competent corporate structures (in particular, the General Counsel Function and the Human Resources Function) of the Company.

In particular, the Remuneration Policy was drawn up on the basis of strategic guidelines defined by the Board of Directors, with the support of the Remuneration and Appointments Committee and the competent corporate structures.

The Shareholders' Meeting of the Company passed a binding resolution on the Remuneration Policy described in Section I of the Report.

The Remuneration Policy will apply until the date of approval of the financial statements of the Company as at 31 December 2021.

Periodically, the Remuneration and Appointments Committee will assess the adequacy, overall consistency and concrete application of the Remuneration Policy, making use, for the remuneration of KMP, of the information provided by the Chairman and the Chief Executive Officer, and will formulate to the Board of Directors any comments and/or proposals for revision or amendment, where necessary.

If, during the Remuneration Policy's reference period, the Board of Directors intends to make changes to it, it will convene a Shareholders' Meeting that will express its opinion, also in this case by means of a binding vote, with the help of a specific report illustrating the new Remuneration Policy.

2 (CONTINUED, IN PARTICULAR): REMUNERATION AND APPOINTMENTS COMMITTEE

The Company relies on the work of a Remuneration and Appointments Committee (the "**Committee**"), set up within the Board of Directors, composed, at the date of this Report, of 3 non-executive and independent directors.

Remuneration and Appointments Committee

Anna Zanardi Cappon (Chairman)
Annalisa Loustau Elia
Umberto Tombari

At least one member of the Committee has adequate knowledge and experience in financial matters or remuneration policies to be assessed by the Board of Directors at the time of appointment.

The Committee performs the functions laid down by the Code for the Appointments Committee and the Remuneration Committee¹.

More specifically, the Committee:

¹ This Report will refer to the functions and activities carried out by the Committee in its capacity as remuneration committee, while for the activities carried out in terms of appointments, please refer to the Report on Corporate Governance and Ownership Structure published on the Company's website <https://group.ferragamo.com>, governance section, Report on Corporate Governance and Ownership Structure.

- a) formulates an annual proposal to the Board of Directors on the Company's remuneration policy, at the latest during the meeting of the Board of Directors that decides to call the Shareholders' Meeting to approve the financial statements and the remuneration policy;
- b) periodically assesses, during the course of the financial year, the adequacy, overall consistency and concrete application of the remuneration policy adopted by the Company, making proposals to the Board of Directors and reporting, whenever it deems it appropriate, any need to amend, revise or supplement the remuneration policy, as well as any failure to implement the policy itself and/or the violation of any of the principles contained therein;
- c) expresses its opinion on the remuneration of Executive Directors, other directors holding special offices and Key Managers, as well as on the setting of performance targets related to the variable component of this remuneration, and monitors the implementation of the decisions adopted by the Board by making sure, in particular, that the performance targets are actually achieved;
- d) assesses and formulates any proposals to the Board of Directors concerning remuneration plans, including share-based plans, with reference to the adoption of measures aimed at avoiding that such plans may induce their recipients to behave in such a way as to favour the short-term increase of the market value of the shares or, in any case, short-term objectives, to the detriment of the creation of value in the medium-long term and the sustainability of the Company as a whole;
- e) if it deems it necessary or appropriate for the performance of its duties, it may, at the Company's expense and within the limits of the budget allocated to it each year, avail itself of consultants, including external consultants, experts in remuneration matters.

The Committee's work is coordinated by the Chairman and its meetings are regularly recorded by the General Counsel, acting as secretary, in a special minute book kept at the Company's registered office.

The Committee meets as often as necessary to carry out its functions and whenever the Chairman of the Committee deems it appropriate. In any case, the Committee meets before each meeting of the Board of Directors whose agenda includes matters falling within its competence. The directors on whose remuneration the Committee is called upon to express an opinion do not attend the Committee's meetings. The Chairman of the Committee reports regularly to the Board at its next meeting on the activities carried out, making available the minutes of the meetings held.

The Committee reports to the shareholders on how it exercises its functions. To this end, the Chairman or another member of the Committee is always present at the Annual General Meeting called to approve the financial statements.

During the 2020 Financial Year, the Committee met seven times: on 6 March 2020, 3 April 2020, 7 May 2020, 12 May 2020, 26 May 2020, 22 June 2020 and 21 July 2020.

The meetings lasted 60 minutes on average.

The Committee meetings were attended by all the members of the Board of Statutory Auditors and, at the invitation of the Committee, depending on the items on the agenda, the Chairman, the Chief Executive Officer, the Executive Deputy Chairman, the Director Francesco Caretti (by virtue of the special assignment conferred on him regarding corporate reporting and governance), the Human Resources Manager and some of the Company's external consultants.

The Head of Corporate Affairs and the General Counsel, acting as Secretary, attended the Committee meetings.

The Directors on whose remuneration the Committee is called upon to express an opinion did not attend the Committee meetings.

During the Financial Year, the Committee had access to information and company functions required for the carrying-out of its duties and did not use its own consultants.

In the 2021 financial year, the Committee held 11 meetings, on 3 and 29 March 2021, 25 and 30 April 2021, 7 and 28 May 2021, 21 and 30 June 2021, 6 and 28 September 2021, and 4 November 2021.

The Committee's work concerned: (i) the Remuneration Policy for the year 2021 and the Report on

remuneration paid for the year 2020; (ii) the remuneration of the Chairman, Executive Directors and the Key Managers; (iii) the governance and organisational structure of the Company; (iv) the agreements relating to the mandate of the Chief Executive Officer Micaela le Divelec Lemmi, the Executive Deputy Chairman Michele Norsa² and the appointment of the new Chief Executive Officer and General Manager Marco Gobbetti; (v) the co-optation of two directors pursuant to Article 2386, paragraph 1, of the Italian Civil Code Civil Code; (vi) the amendment of the Company's remuneration policy and share-based incentive plans.

3 PURPOSES PURSUED BY THE REMUNERATION POLICY AND ITS BASIC PRINCIPLES

The Company believes that the Remuneration Policy represents a primary tool aimed at attracting, motivating and retaining people with the professional qualities required to profitably pursue short and/or medium-long term objectives, related to the strategic objectives of the Group, thus contributing to the achievement of results aimed at strengthening the operational, economic and financial solidity of the Company in the long term and, therefore, also at safeguarding the sustainability of the Company and the Group.

The Company's Remuneration Policy was drawn up taking into account the remuneration and working conditions of its employees, the provisions of collective bargaining (applicable from time to time), without reference to remuneration policies adopted by other competing companies³, with the aim of retaining and attracting qualified and adequately motivated professional resources, in a merit-based perspective.

With the Remuneration Policy adopted for the year 2021, the Company pursues the following objectives:

- a) contributing to the company's strategy;
- b) aligning the interests of Executive Directors and Key Managers with the pursuit of value creation for shareholders over the medium to long term;
- c) retaining the Group's key resources; as well as
- d) contributing to the sustainability of the Company and the Group

In particular, the Company implements a Remuneration Policy aimed at aligning management objectives with the overriding interest of creating value for all stakeholders in the medium to long term.

The fixed remuneration is adequate for the role and guarantees satisfactory remuneration even in the event that the conditions for payment of the variable part are not met.

The variable remuneration is aimed at incentivising and retaining management by relating a component of the relative remuneration to the achievement of the Company's strategic objectives, without inducing them to take on risks in excess of the level of risk appetite set out in the relevant company strategies and approved by the Company's Board of Directors.

The variable remuneration of Executive Directors and Key Managers is related to financial and/or non-financial parameters linked to company strategies and strategic pillars approved by the Board of Directors, which may also include ESG (Environment, Social, Governance) objectives.

² Among other things, this agreement envisages, with regard to Mr Norsa's commitment to serve as Executive Deputy Chairman until 30 April 2022 or the date previously identified by the Company with 30 days' notice, a reciprocal commitment for the duration of the appointment and a related conventional agreement relating to the possible early termination of same, with payment to Mr Norsa (i) in the event of termination of the relationship in case of good leaver, of a lump sum equal to the sum of the fixed remuneration that Mr Norsa had not received from the date of any early termination until 30 April 2022 and the variable remuneration (as part of the 2021 PIP plan), in the event of full achievement of the objectives assigned to him; (ii) in the event of termination due to serious personal reasons preventing him from continuing the relationship (subject to at least 30 days' notice), of a lump sum of Euro 300,000 gross; (iii) in the event of termination at the Company's initiative and for just cause or voluntary resignation of the manager, only of the right to fixed remuneration up to the date of early termination.

³ It being understood that, from time to time, the comparison with the performance of a reference peer group can be one of the parameters used as part of incentive plans (see, in particular, the provisions of the 2019-2021 LTI Plan in section 6.3 below).

The performance targets to which the payment of the variable components is linked are determined in advance, measurable and related in a significant part to a medium-long term horizon, taking into account the best practices of the sector and the remuneration policy of comparable Italian and foreign companies.

The Company's Remuneration Policy is, in general, aligned with the best practices set out in the Code and provides that:

- a) the fixed and variable components of remuneration are adequately balanced in accordance with the Company's strategic objectives and risk management policy, taking into account the business segment in which it works and the features of the business activity actually carried on, by envisaging in any case that the variable part represents a significant part of total remuneration⁴;
- b) maximum limits are set for the payment of variable components;
- c) The fixed component is sufficient to remunerate performance in the event that the variable component is not paid due to the failure to achieve the performance targets determined by the Board of Directors;
- d) the performance targets - i.e. the economic results and any specific targets to which the payment of variable components is related (including the targets defined for share-based remuneration plans) - are determined in advance, measurable and significantly linked to the creation of value for shareholders in the medium-long term and are consistent with the strategic objectives of the company, aimed at promoting its sustainable success, including, where relevant, also non-financial parameters;
- e) where appropriate, contractual arrangements are used that allow the Company to demand the return, in whole or in part, of variable components of the remuneration paid (known as clawback clause) or to withhold the amounts subject to deferral (known as malus clause), determined on the basis of data that are subsequently found to be manifestly incorrect or on the basis of other circumstances that may be identified by the Company;
- f) any indemnity envisaged due to early termination or non-renewal of the administration relationship is defined in such a way that its total amount is determined in advance or can be determined.

4 (CONTINUED): CHANGES IN THE NEW REMUNERATION POLICY COMPARED TO THE PREVIOUS REMUNERATION POLICY APPROVED BY THE SHAREHOLDERS' MEETING OF 22 APRIL 2021

The 2021 Remuneration Policy was approved by the Shareholders' Meeting held on 22 April 2021 with the following votes.

Votes in favour	Votes against	Abstention	Non-voters
132,627,818	18,298,449	80,000	576,343
92.466%	7.273%	0.032%	0.229%

On 9 November 2021, the Board of Directors of the Company, on the proposal of the Remuneration and Appointments Committee, called the Shareholders' Meeting to submit an update of the Remuneration Policy.

This update was made necessary by the appointment of the new Chief Executive Officer and General Manager and the related economic conditions that alone made it possible but which must be duly submitted to the approval of the Shareholders' Meeting before he takes office, starting from January 2022.

5 POLICIES ON FIXED AND VARIABLE COMPONENTS OF THE REMUNERATION OF DIRECTORS, THE CONTROL BODY AND KEY MANAGEMENT PERSONNEL

5.1 Directors, Chief Executive Officer and General Manager

Directors are entitled (in addition to the reimbursement of expenses incurred by reason of their office) to remuneration determined by the Shareholders' Meeting at the time of their appointment in the light of the commitment required, the relevant responsibilities and the practices in force for members of the boards of directors of comparable companies.

⁴ On the other hand, in the light of the vesting periods provided for by the incentive plans currently in place (consistent with the characteristics of the business activity), the expectation relating to the deferral periods of any variable remuneration accrued has not yet been implemented.

Directors who participate in internal committees of the Board of Directors (Control and Risk Committee and Remuneration and Appointments Committee) receive additional fixed remuneration for their participation, taking into account the greater commitment required of them and their role as Chairman or member of the committee.

Directors vested with special offices (or special tasks) and the General Manager may be granted, subject to a resolution of the Board of Directors, after hearing the opinion of the Remuneration Committee and the Board of Statutory Auditors:

- a) a fixed remuneration (in addition to that determined by the Shareholders' Meeting⁵), of a stable and irrevocable nature, which does not create incentives to take risks and does not depend on the Company's performance⁶, to be paid on an annual basis; it is determined on the basis of the responsibilities attached to the task and the commitment required to carry it out during the year;
- b) one or more variable remunerations, related to the achievement (on an annual and/or multi-annual basis) of pre-determined measurable objectives, consistent with the Company's strategic objectives in the medium-long term and aimed at promoting its sustainable success (including financial and non-financial parameters and, where relevant, also ESG -Environmental, Social, Governance - objectives); where such remuneration involves the granting of financial instruments (or options on financial instruments), such remuneration will provide for adequate vesting periods (as a general rule, at least three years for medium to long-term plans) and adequate lock-up periods for such financial instruments.

The remuneration of non-executive directors is not, as a rule, except for an insignificant part, related to financial performance targets. Non-executive directors do not participate in share-based incentive plans.

5.2 Board of Statutory Auditors

The members of the Board of Statutory Auditors are entitled to a fixed annual remuneration determined by the Shareholders' Meeting at the time of their appointment in the light of the competence, professionalism and commitment required by the importance of the role covered and the size and sector characteristics of the Company and its situation.

During the 2020 Financial Year, the fixed annual remuneration of the members of the Board of Statutory Auditors was Euro 48,000 gross (for each statutory auditor) and Euro 64,000 gross (for the Chairman of the Board of Statutory Auditors).

For further information in this regard, reference is made to Section II of this Report approved by the Shareholders' Meeting on 22 April 2021.

5.3 Key Management Personnel, Head of Internal Audit Function and Financial Reporting Officer

The remuneration of **Key Management Personnel** can consist of:

- a) a fixed component represented by the gross annual employee remuneration (known as RAL), defined in accordance with the provisions of collective bargaining agreements (applicable from time to time) and corresponding, as a rule (and therefore unless otherwise decided by the Board of Directors, on the proposal of the Remuneration and Appointments Committee), to at least 50% of the total annual remuneration⁷;
- b) an annual short-term variable component, related to the achievement of business targets predefined by the Board of Directors, at the suggestion of the Chief Executive Officer with the support of the Remuneration Committee, in line with the guidelines contained in the Remuneration Policy and taking into account existing practices in similar companies operating in the same sector; this component, as a rule (and therefore unless otherwise decided by the Board of Directors, on the proposal of the Remuneration and Appointments Committee), does not exceed 50% of the total annual remuneration.

⁵ and additional to any employee remuneration, if the executive director is also an employee of the Company.

⁶ The fixed component must be sufficient to allow the variable component to significantly shrink or even be reduced to zero in relation to the results, adjusted for the actual risks incurred.

⁷ Also for KMP, the fixed component must be sufficient to allow the variable component to significantly shrink or even be reduced to zero in relation to the results, adjusted for the actual risks incurred.

The remuneration of Key Management Personnel can also include participation in medium-long term share and/or cash incentive plans, approved by the Company with the priority objective of ensuring an alignment of interests with the shareholders, with a view to creating value in the medium-long term. To this end, the shares, options and any other rights granted to purchase shares or be remunerated on the basis of the share price trend will have, as a rule for medium-long term plans, an average vesting period of at least three years and the benefit will be subject to the achievement of pre-determined measurable performance targets. There may also be a post-grant lock-up period in accordance with the regulations applicable from time to time.

The **Head of the Internal Audit Function** is paid a variable fee based on objectives consistent with the functions assigned, in order to ensure effectiveness and timeliness in the activities carried out. His/her remuneration can also include participation in incentive plans approved by the Company to ensure long-term alignment with shareholders' interests.

For the role of **Financial Reporting Officer**, a fixed annual fee is paid, decided by the Company's Board of Directors after consulting the Board of Statutory Auditors.

6 (CONTINUED, IN PARTICULAR): VARIABLE REMUNERATION, SUMMARY SHEETS OF INCENTIVE PLANS CURRENTLY IN PLACE AND MALUS AND CLAWBACK CLAUSES

The variable remuneration of Executive Directors, General Manager and Key Management Personnel is established, from time to time, by the competent bodies, providing for quantitative and qualitative objectives of a financial and/or non-financial nature in line with the Company's strategic plans. They are aimed at ensuring the sustainable success of the company in the medium to long term.

The Remuneration and Appointments Committee oversees the application of the decisions adopted by the Board of Directors on remuneration by ensuring the effective achievement of the performance targets to which the payment of the variable component of the remuneration of Executive Directors, General Manager and Key Managers is related, as well as the achievement of the performance targets envisaged by the incentive plans for top management. Evaluations are carried out on the basis of reports by external experts and benchmarks, analytical data produced by the management control system and income statement data approved by the competent corporate bodies.

The Company has the option to pay Executive Directors and Key Management Personnel any exceptional bonuses in relation to operations and/or projects of strategic importance and/or extraordinary results, of such significance as to have a substantial impact on the Company's business and/or on its profitability, and which, as such cannot be adequately addressed by ordinary variable remuneration systems. The criteria for determining the amount of any exceptional bonus are, on the one hand, related to the value of the transaction and/or project and, on the other hand, take into account the overall remuneration already granted to the beneficiary under the ordinary remuneration schemes.

With a view to attracting or retaining key figures, specific treatments can be granted to specific managerial figures at the time of hiring or during the employment relationship, including, by way of example: (a) welcome bonuses, also related to the loss of incentives by the previous employer and/or related, where possible, to the commitment to maintain the employment relationship with the company for a fixed period; (b) variable components guaranteed for the first year of employment (or for a different period determined by the Board of Directors, on reasoned proposal of the Remuneration and Appointments Committee); (c) payments linked to the stability of the relationship over time.

In the event of major market discontinuity with respect to the trends of the last three financial years (including, by way of example, the occurrence of material changes in macroeconomic conditions or a worsening of the financial context), or in the event of extraordinary events impacting the Group's industrial and strategic plan, the Board of Directors, as part of its governance processes on remuneration, may make the appropriate adjustments to the variable remuneration (including in relation to the reference targets, the related metrics and the evaluation methods), if and insofar as they serve to keep the economic substance of the related treatments as unchanged as possible, preserving their main incentive and loyalty-building

purposes, subject to compliance with the limits and general principles of this Remuneration Policy (known as "Market Adverse Change" clause or "MAC Clause").

As from the 2021 Financial Year, contractual mechanisms are in place to allow the Company to:

a) request a clawback in whole or in part; or to
b) withhold, in whole or in part, amounts subject to deferral ("malus");
variable remuneration components determined on the basis of data that later proved to be manifestly incorrect. The term "manifestly incorrect data" refers to data that is useful for checking the achievement of the objectives of the various incentive plans on which the vesting of rights is conditional. The manifest error that can characterise the data can be:

- a) an error in the calculation of the results resulting in the achievement of an objective (basis of payment of a variable fee) which, in the absence of the material error, would not have been achieved;
- b) a malicious corruption of data used to achieve the objectives or, in any case, of the data on the basis of which the disbursement or allocation of the bonus was decided, in order to achieve the right to the incentive; or
- c) the achievement of targets through behaviour contrary to law provisions or business rules.

The main features of the current short- and medium/long-term monetary and/or equity incentive plans are shown below and therefore:

- a) the Performance Incentive Plan (PIP), currently provided for Key management personnel and Company management⁸;
- b) the Restricted Shares plan, approved by the Board of Directors on 1 July 2021 and currently envisaged in favour of the future Chief Executive Officer and General Manager (Marco Gobbetti), without prejudice to the possibility for the Company to assess the inclusion of additional beneficiaries;
- c) the 2019-2021 LTI plan, currently provided for Key management personnel and Company management⁹;
- d) the 2022-2026 Special Award Plan, approved by the Board of Directors on 1 July 2021 and currently envisaged in favour of the future Chief Executive Officer and General Manager (Marco Gobbetti), without prejudice to the possibility for the Company to assess the inclusion of limited additional beneficiaries, within the top management.

PIP plan summary sheet

Type of plan	The PIP plan is a short-term monetary incentive plan
Vesting period	The performance measurement period is annual
Performance targets	<p>The plan is based on the following objectives:</p> <ul style="list-style-type: none"> ▪ financial (60%): <ul style="list-style-type: none"> ○ Group EBIT (50%) ○ Group Net Sales compared to a pre-established target (30%) ○ Group Net Sales Like for Like against a predefined target (20%) ▪ non-financial (40%, of which 20% business and 20% individual), linked to the 5 strategic pillars approved by the Board of Directors (within which the inter-functional and individual projects planned and implemented during the Financial Year are broken down): Brand and communication; Product;

⁸ It being understood that the future Chief Executive Officer and General Manager (Marco Gobbetti) will also participate, as from the 2022 financial year, in a short-term monetary incentive plan, whose performance targets, not yet defined at the date of this Report, will be determined in accordance with the business plan to be approved (and d. If the objectives are fully achieved, the Chief Executive Officer and General Manager may, in particular, accrue the right to receive an annual bonus equal, on target, to 130% of the fixed remuneration. With regard to the effects of the termination of the relationship, please refer to note 19 of this Report.

⁹ It being understood that, following the conclusion of the 2019-2021 LTI plan, the Company will assess whether and to what extent to launch a new three-year LTI plan, in line with the general principles set out in this Report.

Criteria for assessing the achievement of performance targets, link between change in results and remuneration and measurement of the variable component based on the achievement of targets

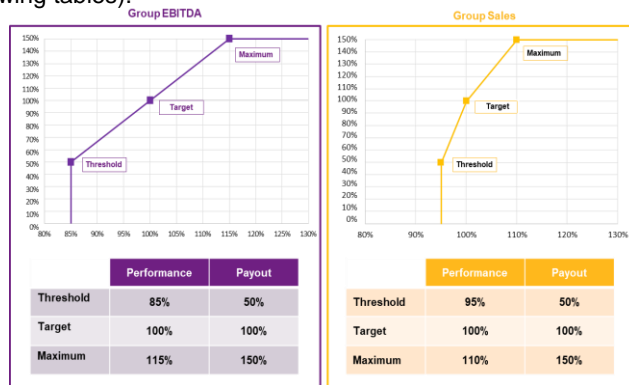
Deferral systems/Lock-up periods

Effects of termination of employment

Distribution; Digital innovation; Culture and organisation.

The bonus opportunity is a percentage of the fixed remuneration, which tends to be 41.10% for KMP.

It being understood, with regard to KMP, with an "access" target for funding the bonus system calculated on the Group's EBITDA, that a multiplier/demultiplier is applied to the value of the bonus accrued on the basis of the achievement of the targets with respect to an identified group of ¹⁰peers, without prejudice to the final maximum pay-out being equal to 150% of the target bonus (as illustrated in the following tables).



N/A

The bonus accrues on 31 December of each year (based on the achievement of performance targets) and is normally (and, therefore, unless otherwise decided by the Board of Directors, after consulting the Remuneration and Appointments Committee) paid after the approval of the financial statements for the previous year, subject to the beneficiary being employed at the time of payment and has not resigned

Restricted Shares plan summary sheet¹¹

Type of plan

Vesting period

Performance targets

The Restricted Shares plan is a short-term incentive plan based on financial instruments

The performance measurement period is annual

The plan is based on the following objectives:

- permanence of the employment; and
- maintenance, by the Company, of the following underpins:
 - level of total revenues at CER (current exchange rates) for the reporting year equivalent to at least 70% of that of the previous year;
 - level of Group ROIC at RER (reported exchange rates) for

¹⁰ Made up of listed companies in the fashion sector.

¹¹ For further information in relation to this plan (also in relation to the effects of the termination of the employment) please refer to the Information Document of the "Restricted Shares" plan, subject to approval by the shareholders' meeting on 14 December 2021.

Criteria for assessing the achievement of performance targets, link between change in results and remuneration and measurement of the variable component based on the achievement of targets

Deferral systems/Lock-up periods

Effects of termination of employment

the reporting year higher than the Group WACC.

If the objectives are achieved, the Chief Executive Officer and General Manager may accrue the right to receive, free of charge, a number of restricted shares representing 109% of the fixed remuneration.

Once vested, restricted shares will be subject to a 12-month lock-up period

Please refer to note 19 of this Report

2019-2021 LTI Plan summary sheet¹²

Type of plan

The 2019-2021 LTI plan is a medium/long-term monetary incentive plan

Vesting period

The performance measurement period is three years (2019-2021)

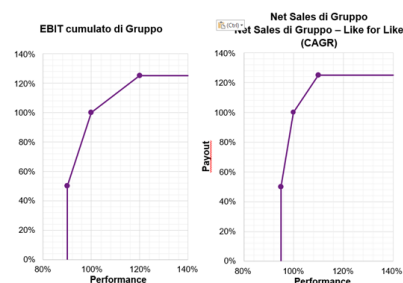
Performance targets

The bonus opportunity is a percentage of the fixed remuneration, which tends to be 41.10% for KMP

	KMP and top managers	Managers - corporate	Managers - Region	Managers - product division
Group EBIT	50%	30%	20%	-
Group Net Sales	50%	30%	20%	-
Group Net Sales – Like for Like	25%	25%	25%	25%
Product Division Net Sales	20%	20%	20%	40%

A multiplier/demultiplier is applied to the value of the bonus accrued on the basis of the achievement of the targets with respect to an identified group of ¹³peers, it being understood that the final maximum pay-out is equal to 150% of the target bonus (as illustrated in the following tables).

Criteria for assessing the achievement of performance targets, link between change in results and remuneration and measurement of the variable component based on the achievement of targets



¹² Approved by the Company's Board of Directors on 18 June 2019 for a significantly enlarged group of beneficiaries compared to the previous stock grant plans launched by the Company in the past, also with a view to creating a stronger drive to achieve business targets.

¹³ Made up of listed companies in the fashion sector (Hugo Boss, Cucinelli, Burberry, Capri Holdings, Prada, Hermés, Moncler, MSCP, Tapestry and Tod's), without prejudice to the power of the Board of Directors, at the Remuneration Committee's suggestion, to make any changes to the peer group during the performance period in relation to any extraordinary transactions.

<p>Deferral systems/Lock-up periods</p>	<p>N/A</p> <p>In the event of termination of the employment due to dismissal for just cause or justified subjective reason or due to voluntary resignation, the beneficiary will definitively lose all rights to receive the bonus.</p> <p>On the other hand, in case of termination of employment in the event of retirement, death and permanent disability, the beneficiary will retain the rights related to the plan proportionally over time.</p> <p>In all other cases of termination of employment, the beneficiary may only retain all or part of the right to receive a bonus only if the Board of Directors so resolves, and the Board of Directors will make all such determinations at its sole discretion.</p>
<p>Effects of termination of employment</p>	<p>Finally, in the event of transfer of the employment from the Company or the Subsidiary to another Group Company and/or in the event of termination of the employment and simultaneous establishment of a new employment within the Group, the beneficiary will retain, <i>mutatis mutandis</i>, the right to receive a bonus, while, in the event of a change of control or delisting, at the sole discretion of the Board of Directors, the beneficiaries may be granted the right to receive a bonus in advance of the terms set out in the Plan Regulations, in accordance with the terms and conditions defined by the Board.</p>

The 2019-2020 LTI Plan provides for the Company's right to demand that the beneficiaries of the plan return the amount allocated to them under the plan, if it was received on the basis of data that was subsequently found to be incorrect or distorted due to unlawful, fraudulent or severely gross negligent behaviour on the part of one of the beneficiaries.

2022-2026 Special Award plan summary sheet¹⁴

<p>Type of plan</p>	<p>The 2022-2026 Special Award plan is a medium to long term incentive plan based, in part, on financial instruments</p>
<p>Vesting period</p>	<p>The performance measurement period is five years¹⁵</p>
<p>Performance targets</p>	<p>The plan is based on the following objectives:</p> <ul style="list-style-type: none"> ▪ permanence of the employment; and ▪ achieving predetermined average capitalisation values of the Company (in a period between the previous 3 months and the following 3 months) at the end of the first three-year period and the five-year period from 1 January 2022, respectively.

¹⁴ For further information in relation to this plan (also in relation to the effects of termination of the employment) please refer to the Information Document of the "2022-2026 Bonus Special Award" plan, subject to approval by the shareholders' meeting on 14 December 2021.

¹⁵ It being understood that, if the FTSE-MIB Index falls by 10% or more in the 12 months prior to the time of verification of the payment condition of the second tranche of the Special Award Bonus, the time limit for verification of the payment condition of the second tranche of the Special Award Bonus will be extended for a further year (subject, in any event, to the condition relating to the actual continuation of the employment until that further date).

Criteria for assessing the achievement of performance targets, link between change in results and remuneration and measurement of the variable component based on the achievement of targets

If the objectives are achieved, the Chief Executive Officer and General Manager may accrue the right to receive the Special Award bonus in two tranches at the end of the first three years from the beginning of the relationship and at the end of the following two years, respectively, each of an amount equal to 0.50% of the average capitalisation value of the Company at each date¹⁶, to be paid 50% in financial instruments and 50% in cash.

Deferral systems/Lock-up periods

Once vested, the portion based on financial instruments of the plan will be subject to a lock-up of a further 3 months.

Effects of termination of employment

Please refer to note 19 of this Report

7 NON-MONETARY BENEFITS AND INSURANCE, SOCIAL SECURITY OR PENSION COVERAGE, OTHER THAN COMPULSORY INSURANCE

The Company may grant Executive Directors and Key Management Personnel non-monetary benefits among those listed below by way of example: home, car, clothing allowance, tax advice, supplementary health care policy, supplementary life policy and contribution to a supplementary pension fund.

The Company currently provides the following supplementary insurance, social security or pension coverage, in addition to compulsory provisions:

- a) D&O public liability insurance for directors, auditors and general managers;
- b) supplementary life insurance policy in case of death (supplementary to the compulsory cover under the collective agreement);
- c) supplementary health care policy (supplementary to the insurance cover of FASI, Supplementary Medical Insurance/Assistance Fund for managers in industry);
- d) professional and extra-professional personal accident policy.

8 POLICY RELATED TO PAYMENTS PROVIDED IN CASE OF TERMINATION OF OFFICE OR OF THE EMPLOYMENT RELATIONSHIP

In the event of termination of office and/or employment, the provisions of the law and/or contract applicable at the time necessarily apply.

With special reference to managerial personnel, the collective agreement currently in force and applied by the Company provides, in particular¹⁷, in the event of termination of employment at the Company's initiative:

- a) a range of between six and 12 months' salary (depending on length of service); and
- b) a range of between four and 24 months' salary by way of an all-inclusive "additional allowance" (depending on length of service).

No benefits are paid in case of a just cause for termination at the initiative of the Company or in the event of voluntary resignation/termination (without just cause) of the person concerned.

In the light of the above limits and criteria and in the light of the performance achieved, the Company may enter into agreements (both at the time of recruitment and during or on termination of the employment) with Directors and Key Managers that provide for certain financial payments upon termination of office and/or employment, consisting of a maximum predetermined amount related to the residual duration of the mandate.

¹⁶ It being understood that more detailed provisions (also in the event of a change of control), will be applied, for which reference is made to the Information Document of the "2022-2026 Bonus Special Award" plan.

¹⁷ In addition to specific cases of resignation for qualified cases.

At the date of this Report, the Company has two agreements in place (with the Deputy Chairman of the Board of Directors, Michele Norsa,¹⁸ and with the Chief Executive Officer and General Manager, Marco Gobetti,¹⁹ respectively) that contain specific provisions in relation to payments in the event of termination of office or termination of employment.

The Company may also stipulate non-competition or confidentiality agreements for a limited period after the termination of employment, as well as agreements aimed at granting or maintaining non-monetary benefits and consultancy contracts for a period after the termination of employment.

9 DEPARTURES FROM THE REMUNERATION POLICY

In case of exceptional circumstances, intended as situations where the departure from the remuneration policy is required to pursue the long-term interests and sustainability of the company as a whole or to ensure its ability to stay in the market, the Company may deviate from the following elements of the Remuneration Policy approved by the shareholders in order to pursue the long-term interests and sustainability of the company as a whole or to ensure its ability to stay in the market:

- a) the pay-mix and peer group for Executive Directors and Key Management Personnel;
- b) the economic parameters of the Performance Incentive Plan, the MBO Plan, the Restricted Shares Plan, the 2019-2021 LTI Plan and the 2022-2026 Special Award Plan;
- c) the criteria and maximum limits envisaged in case of termination of office or termination of employment.

Any exceptions will be decided by the Board of Directors of the Company with the approval of the Remuneration and Appointments Committee and in compliance with the procedure for transactions with related parties.

¹⁸ See note no. 2 above.

¹⁹ The agreement with Mr Gobetti regarding his appointment as Chief Executive Officer and General Manager envisages that: (i) in the event of termination of employment in case of a good leaver, the manager has the right to receive, as part of a settlement agreement, a severance equal to 24 months of fixed and variable remuneration (excluding the Special Award bonus), in addition to the Special Award bonus calculated by taking as a reference the average capitalisation value of the Company at the time of termination of employment and the MBO bonus and *restricted shares pro rata temporis* (compared to the target value); (ii) in the event of termination of employment in case of strategic misalignment, death or disability, the manager has the right to receive, as part of a settlement agreement, a severance equal to 12 months of fixed and variable remuneration (excluding the Special Award bonus), in addition to the Special Award bonus calculated taking into account the Average Value at the time of termination of employment and the MBO bonus and restricted shares pro rata temporis (compared to the target value); (iii) in the event of termination of employment in case of a bad leaver, the manager loses all rights to severance pay, MBO bonus, restricted shares and Special Award bonus. Moreover, in case of resignation of the manager in circumstances other than those referred to in points (i) and (ii) above, in addition to losing all rights to the MBO bonus, restricted shares and Special Award bonus, the manager will be required, if the resignation occurs within the first 36 months of the start date of employment, to pay the Company a non-reducible penalty and, if the resignation occurs after that date, to comply with a 6-month notice period.

SECTION II – BREAKDOWN OF REMUNERATION PAID

This Section, divided into two parts, illustrates, by name, the remuneration of the members of the Board of Directors and Board of Statutory Auditors and, in aggregate form²⁰, the remuneration of the Key Management Personnel of the Company for the 2020 Financial Year.

KPMG S.p.A., the entity engaged to perform the external audit of Salvatore Ferragamo's financial statements for the period from 2020 to 2028, checked that the directors had prepared this Second Section of the Report.

FIRST PART

Salvatore Ferragamo believes that the remuneration represents a primary tool aimed at attracting, motivating and retaining people with the professional qualities required to profitably pursue the Group's strategic objectives, with a view to creating value for all stakeholders in the medium-long term and safeguarding the sustainability of the Company and the Group.

The Company, with the aim of retaining and attracting qualified and adequately motivated professional resources, also through the definition of competitive remuneration levels and in a merit-based perspective, has carried out and implemented, during the 2020 Financial Year, the remuneration policy (Section I) approved by the Shareholders' Meeting, taking into account the remuneration and working conditions of its employees, the provisions of collective bargaining agreements (applicable from time to time), the remuneration policies of Italian and foreign competitors, comparable to the Company in terms of size and business sector, as well as the favourable vote expressed by the Shareholders' Meeting on Section II of the 2020 remuneration policy:

Votes in favour	Votes against	Abstention	Non-voters
121,542,210	20,847,061	0	76,000
85.31%	14.63%	0%	0.05%

Due to the Covid-19 pandemic and its impact on the business, certain Directors and Key Management Personnel have informed the Company that they wish to waive, in whole or in part, their fixed remuneration and/or remuneration for the office. Therefore, the attached summary tables show the amount actually received, taking into account the waivers made.

In line with the values of transparency and accountability that Salvatore Ferragamo has always pursued, the following is an illustration of the items that make up the remuneration (including remuneration in the event of termination of office or termination of employment) of the members of the board of directors, board of statutory auditors and Key Management Personnel, highlighting their compliance with the reference remuneration policy and also indicating how each fixed and variable component of remuneration contributes to the Company's long-term results, aligning the interests of all the Company's stakeholders.

²⁰ No Key Management Personnel received, in the 2020 Financial Year, a total remuneration higher than the remuneration paid to the Chief Executive Officer.

1 FIXED AND VARIABLE REMUNERATION

1.1 *Directors*

The **Directors** were granted a fixed remuneration for their office as resolved by the Company's Board of Directors on 20 April 2018, amounting to a gross annual fee of Euro 35,000.00.

Directors who were also members of the Remuneration and Appointments Committee and the Brand and Product Strategies Committee were granted an additional gross annual fee of Euro 15,000.00 for participating in each committee as a member and a gross annual fee of Euro 20,000.00 for participating as Chairman.

Directors who were also members of the Control and Risk Committee were granted an additional gross annual fee of Euro 20,000.00 per year for participating in each committee as a member and a gross annual fee of Euro 25,000.00 for participating as Chairman.

Non-executive Directors who were also members of the Executive Committee set up by a resolution of the Company's Board of Directors on 6 April 2020 to deal with the emergency caused by the Covid-19 pandemic were paid an attendance fee of Euro 1,500.00 for attending each meeting of the Executive Committee²¹. 16 meetings of the Executive Committee were held in the 2020 Financial Year.

Directors who have been entrusted with special tasks have been granted an additional fixed fee, approved by the Board of Directors, after hearing the opinion of the Remuneration and Appointments Committee and with the approval of the Board of Statutory Auditors, commensurate with the tasks assigned, the relevant responsibilities and the commitment in terms of working days required to fulfil them. During the 2020 Financial Year, special offices were held by Chairman Ferruccio Ferragamo, Deputy Chairman Giacomo Ferragamo, Executive Deputy Chairman Michele Norsa, Chief Executive Officer Micaela le Divelec Lemmi and Director Francesco Caretti, who was given the special task of supporting the Chairman in corporate governance, company disclosure and market relations activities.

1.2 *Chairman of the Board of Directors*

The **Chairman of the Board of Directors** Ferruccio Ferragamo was paid, in the 2020 Financial Year:

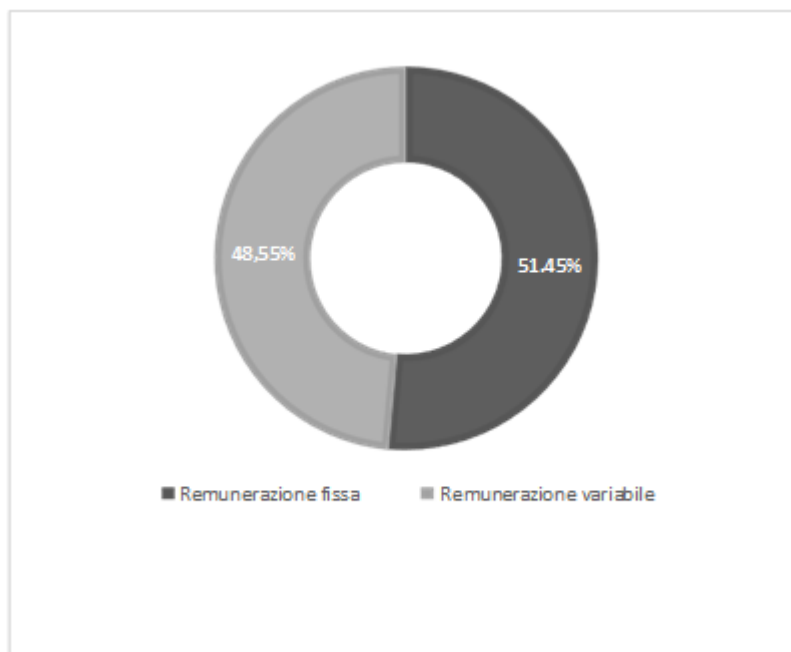
- a) a fixed remuneration:
 - (i) of Euro 288,000.00 gross for the period from 1 January 2020 to 27 May 2020 by virtue of his position as Executive Chairman of the Company; and
 - (ii) of Euro 222,727.00 gross for the period from 28 May 2020 to 31 December 2020 by virtue of his position as Non-Executive Chairman;
- b) a variable remuneration, as 2018-2020 LTI bonus, equal to the "minimum guaranteed" amount, after fixing new parameters²² proportionally over time until 27 May 2020, equal to Euro 482,000.00.

The Chairman of the Board of Directors also received non-monetary benefits amounting to a gross value of Euro 10,488.00.

The following chart summarises the pay-mix of the Chairman of the Board of Directors in the 2020 Financial Year²³.

²¹ Note that Directors Francesco Caretti and Diego Paternò Castello di San Giuliano waived their entire remuneration as members of the Executive Committee.

²² And, therefore, for the term of office as Executive Chairman from 20 April 2018 to 27 May 2020.



1.3 Deputy Chairman of the Board of Directors (until 27 May 2020)

The **Deputy Chairman** Giacomo Ferragamo was paid for the 2020 Financial Year (in the period from 1 January 2020 to 27 May 2020):

- a fixed remuneration for his position as director and Deputy Chairman equal to a gross amount of Euro 20,147;
- a gross remuneration by virtue of his employment relationship that, for the period of office, was equal to Euro 156,250.00²⁴.

With regard to the short-term variable remuneration (Performance Incentive Plan), which envisaged the payment of a target amount to be determined on the basis of the level of achievement of financial targets (Group Product sales, Group Ebitda, Group products sales v. peer group, by 60%) and non-financial targets (by 40%), it should be noted that the impact of the Covid-19 pandemic on the business did not allow the achievement of the minimum objective of "access" to the ²⁵funding of the bonus system, resulting in the ineffectiveness of the Plan for 2020.

Giacomo Ferragamo participated (in his capacity as Deputy Chairman, until 27 May 2020) and participates (in his capacity as Key Management Personnel, from 28 May 2020), also in the 2019-2021 LTI Plan (currently still in progress), which provides, depending on the achievement of a series of ²⁶performance

²³ The amount of Euro 510,727 was taken into account in the calculation of the fixed remuneration. In the calculation of the variable remuneration, the amount of Euro 482,000 was taken into account as the 2018-2020 LTI bonus. See Table 1 in this Section II for more information.

²⁴ The remuneration received by Giacomo Ferragamo in the period subsequent to 27 May 2020 by virtue of his executive position with the Company is presented in aggregate form under the item "Key management personnel".

²⁵ Reference is made to the protection mechanism, known as demultiplier, which in the event of a deviation in economic results of more than 85% compared to the budget determines the cancellation of the Plan.

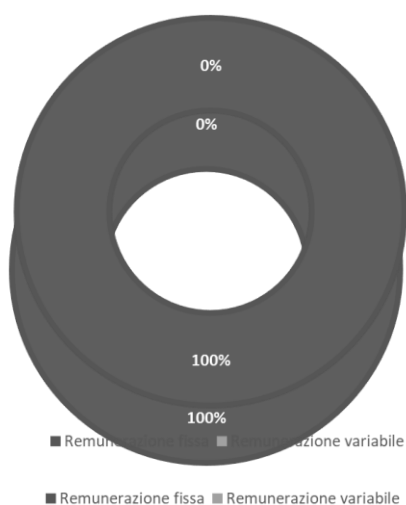
²⁶ Represented by: (i) Group EBIT with a weight of 50%; (ii) Group Net Sales compared to a pre-established target with a weight of 30%; and (iii) Group Net Sales - Like for Like compared to a pre-established target with a weight of 20%. There is also a Bonus Multiplier/Demultiplier consisting of a comparison of Group Net Sales with a Peer Group (Hugo Boss, Brunello Cucinelli, Burberry, Capri Holdings Limited, Hermes, Moncler, Prada, SMCP, Tapestry, Tod's), and will have an impact with a premium equal to 0 in the event of performance below the Median, equal to 1 in the event of alignment with the Median, equal to 1.1 in the event of performance between the Median and the 3rd Quartile and 1.2 in the event of performance above the 3rd Quartile. The final payout, including the multiplier, can never be more than 150% of the target bonus.

targets, the right of Giacomo Ferragamo, in his capacity as Deputy Chairman, to receive a bonus equal to a gross target amount of up to Euro 66,667.00.

The remuneration of Giacomo Ferragamo by virtue of his executive position with the Company is reported in aggregate form under "Key management personnel", since he only served as a director of the Company for a limited period of the year.

The Deputy Chairman Giacomo Ferragamo also received non-monetary benefits amounting to a gross value of Euro 15,347.00.

The following chart summarises the pay-mix of the Deputy Chairman Giacomo Ferragamo in the 2020 Financial Year²⁷.



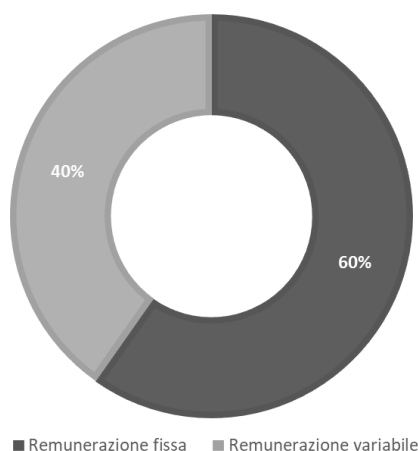
1.4 Executive Deputy Chairman of the Board of Directors (from 28 May 2020)

The **Executive Deputy Chairman** Michele Norsa was granted in the 2020 Financial Year (in the period from 28 May 2020 to 31 December 2020):

- a fixed remuneration for the office of Euro 445,454.00 gross, in line with the remuneration paid to the Chairman when he held an executive position;
- a variable remuneration of Euro 300,000.00 gross for the period of office from his appointment until the Shareholders' Meeting called to approve the financial statements as at 31 December 2020. This remuneration was determined on the basis of the exceptional circumstances in which the appointment as Executive Deputy Chairman took place, and related to specific objectives (related to initiatives aimed at pursuing management efficiency, the functionality of governance and an adequate supervision of the Company's financial management, each by 33.3%, and all achieved to the extent of 100%), assigned at the time of the appointment taking into account the residual duration of the Board's mandate and the emergency phase in which it took place.

The following chart summarises the pay-mix of the Executive Deputy Chairman of the Board of Directors in the 2020 Financial Year²⁸.

²⁷ Only the fixed remuneration of Euro 176,397 was taken into account in the calculation. See Table 1 in this Section II for more information.



During the Financial Year, the Company entered into an agreement with Michele Norsa, due to the exceptional circumstances in which the appointment as Executive Deputy Chairman took place, an agreement entitling the Executive Deputy Chairman to receive severance pay, if, between the date of his appointment to the Board of Directors and the approval of the Company's financial statements for the year ended 31 December 2020, he is removed without just cause from his position as director or Executive Deputy Chairman or, in any case, should his powers be reduced to such an extent as to cause him to resign from office, equal to 50% of what he would have received as remuneration during the period between the date of his appointment and the date of approval of the financial statements as at 31 December 2020 (less what has already been received).

1.5 Chief Executive Officer

The **Chief Executive Officer**, Micaela le Divelec Lemmi, was granted in the 2020 Financial Year:

- a) a fixed annual remuneration of Euro 680,000.00, down compared to the remuneration approved by the Board of Directors (equal to Euro 800,000.00 on an annual basis) following the partial waiver formalised by the Chief Executive Officer due to the health emergency period;
- b) an additional remuneration (in the form of TFM, to be paid on a specific insurance policy and to be paid in each year of the duration of the relationship, including the year in which the employment relationship is terminated²⁹) equal to Euro 300,000 gross;
- c) a short-term variable remuneration (Performance Incentive Plan) amounting to Euro 160,000.00, determined on the basis of the level of achievement of financial targets (Group Product sales, Group Ebitda, Group products sales v. peer group, with a weight of 60% that were not achieved) and non-financial targets (with a total weight of 40% that were achieved to the extent of 100% each), the latter related to initiatives aimed at ensuring management efficiency, optimisation of working capital, and support for the restart of the post-Covid-19 pandemic business;
- d) a variable remuneration related to the three-year term of office from 2018 to 2020 (2018-2020 LTIP), up to a three-year cumulative maximum of Euro 1,000,000.00³⁰ based on the level of achievement of the

²⁸ The amount of Euro 445,454 was taken into account in the calculation of the fixed remuneration. In the calculation of the variable remuneration, the amount of Euro 300,000 was taken into account as a variable remuneration. See Table 1 in this Section II for more information.

²⁹ It being understood that, in that year, the additional remuneration will be paid in proportion to the twelfths of the year in which the office took place.

³⁰ At the date of this Report, the final calculation of the variable remuneration related to the 2018-2020 LTIP has not yet been carried out and therefore the maximum amount attributable for the Financial Year is shown.

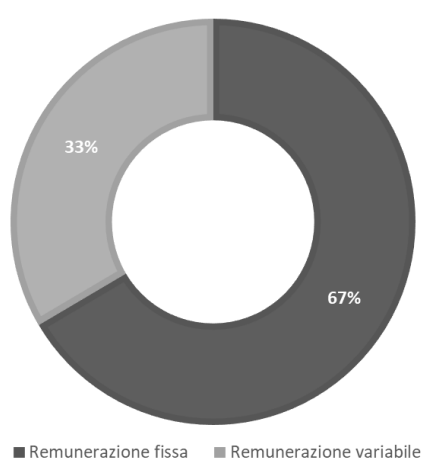
Report on remuneration policy and remuneration paid Report on remuneration policy and remuneration paid
pursuant to Article 123-ter of the Consolidated Law on Finance of Salvatore Ferragamo S.p.A.
9 November 2021

performance targets set out in the 2018-2020 LTI Plan³¹, with a "minimum guaranteed" value of Euro 333,000 for the entire three-year term.

The Chief Executive Officer participated also in the 2019-2021 LTI Plan (currently still in progress), which provides, depending on the achievement of a series of ³²performance targets, the right of the Chief Executive Officer to receive a bonus equal to a target amount of up to Euro 480,000.

The Chief Executive Officer also received non-monetary benefits amounting to a gross value of Euro 14,951.00.

The following chart summarises the pay-mix of the Chief Executive Officer of the Board of Directors in the 2020 Financial Year³³.



The Company has also entered into an agreement with the Chief Executive Officer (Micaela le Divelec Lemmi) which provides for:

- a) in case of termination of employment (prior to the date of approval of the financial statements for the year 2024, except in cases of malicious intent or serious misconduct), the payment of an amount determined in advance, equal to Euro 1,500,000.00, as indemnity for the termination of employment (without prejudice to the loss of all rights assigned under the incentive plans in force);
- b) the commitment of the Chief Executive Officer to comply, at the end of employment (for any reason whatsoever and unless the Company waives this obligation), with a non-competition agreement in relation to a defined number of competitors for a period of 6 months from the termination of employment and against a monthly fee of Euro 66,000 gross.

³¹ Represented by 50% (in line with the provisions of the objectives of the second cycle of the 2016-2020 stock grant plan) by quantitative performance targets (relative TSR measured on the basis of a set of reference peers represented by leading companies in the luxury fashion sector listed in Italy and abroad and pre-tax Gross Profit) and 50% by qualitative performance targets (Change in the Company's turnover in the three-year period from 2018 to 2020 compared to a set of "peers" - Hermès, Prada, Burberry, Boss, Moncler, Tod's and Cucinelli; Growth in "retail" turnover for the period on a "like-for-like" basis; E-business/omnichannel evolution; Reorganisation of top and first line management).

³² Represented by: (i) Group EBIT with a weight of 50%; (ii) Group Net Sales compared to a pre-established target with a weight of 30%; and (iii) Group *Net Sales - Like for Like* compared to a pre-established target with a weight of 20%. There is also a Bonus Multiplier/Demultiplier consisting of a comparison of Group Net Sales with a Peer Group (Hugo Boss, Brunello Cucinelli, Burberry, Capri Holdings Limited, Hermes, Moncler, Prada, SMCP, Tapestry, Tod's), and will have an impact with a premium equal to 0 in the event of performance below the Median, equal to 1 in the event of alignment with the Median, equal to 1.1 in the event of performance between the Median and the 3rd Quartile and 1.2 in the event of performance above the 3rd Quartile. The final payout, including the multiplier, can never be more than 150% of the target bonus.

³³ The amount of Euro 980,000 was taken into account in the calculation of the fixed remuneration. In the calculation of the variable remuneration, the amount of Euro 160,000.00 was taken into account as the 2020 PIP and Euro 333,333.00 as the 2018-2020 LTI bonus. See Table 1 in this Section II for more information.

1.6 Statutory Auditors

In the 2020 Financial Year, the Statutory Auditors were paid:

- a) a fixed remuneration represented by the amount resolved by the Company's Shareholders' Meeting at the time of their appointment, equal to a gross annual fee of Euro 64,000.00 for the Chairman and a gross annual fee of Euro 48,000.00 for the other members of the Board, in addition to the reimbursement of expenses incurred for the performance of their duties;
- b) an additional fee for the appointment to the Board of Statutory Auditors of the Supervisory Body pursuant to Decree 231, amounting to a gross annual fee of Euro 15,000.00 for the Chairman and a gross annual fee of Euro 12,000.00 for the members of the Supervisory Body, as resolved by the Company's Board of Directors on 12 May 2020.

1.7 Key Management Personnel

For Key Management Personnel, the remuneration for the 2020 Financial Year is represented by the gross annual remuneration from employment (known as RAL) and the annual variable remuneration (Performance Incentive Plan) linked to the achievement of economic/financial (60%) and non-financial (40%) performance targets, as represented below.

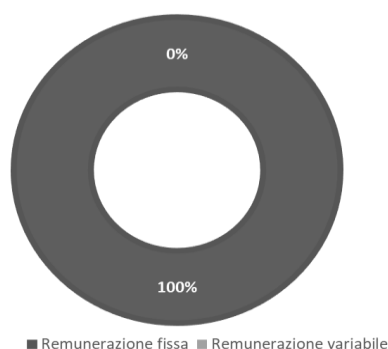
Financial performance targets	Non-financial performance targets	
60%	20% Business	20% Individual
Objectives: <ul style="list-style-type: none"> ✓ Group EBIT (50%) ✓ Group Net Sales compared to a pre-established target (30%) ✓ Group Net Sales Like for Like against a predefined target (20%) 	Objectives linked to the 5 strategic pillars approved by the Board of Directors (within which the inter-functional and individual projects planned and implemented during the Financial Year are broken down): <ul style="list-style-type: none"> ✓ Brand and communication ✓ Product ✓ Distribution ✓ Digital innovation ✓ Culture and organisation 	
Multiplier/demultiplier: see Group Net Sales with a peer group with an incidence of: <ul style="list-style-type: none"> ✓ 0 if performance is below median; ✓ 1 if performance aligned to median; ✓ 1.1 if performance between median and 3rd quartile; ✓ 1.2 if performance is above the 3rd quartile; it being understood that the pay-out can never be higher than 150% of the target.		

The bonus opportunity is a percentage, amounting (on average) to 41.10%, of the fixed remuneration. It should be noted that the impact of the Covid-19 pandemic on the business did not allow the achievement of the minimum objective of "access" to the ³⁴funding of the bonus system, resulting in the ineffectiveness of the Plan for 2020.

³⁴ Reference is made to the protection mechanism, known as demultiplier, which in the event of a deviation in economic results of more than 85% compared to the budget determines the cancellation of the Plan.

Key Management Personnel are also beneficiaries of the 2019-2021 LTI plan, which will provide for the possible disbursement, at the end of the three-year period and on the basis of the achievement of a series of performance objectives, of a bonus equal, at most, to 50% of the fixed remuneration.

The following chart summarises the pay-mix of the Key Management Personnel of the Board of Directors in the 2020 Financial Year³⁵.



2 **(CONTINUED): INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS**

The Board of Directors on 17 March 2016 and the Shareholders' Meeting on 21 April 2016 approved the adoption, pursuant to article 114-bis of the Consolidated Law on Finance, of an incentive plan for the management of the Ferragamo Group (the "2016-2020 Stock Grant Plan") concerning the free allocation to the beneficiaries of the Plan of the rights to the free allocation of a maximum of 600,000 shares, bearing dividend, at the end of the performance period and subject to the achievement of pre-established performance targets.

The beneficiaries have been identified by the Board of Directors, after hearing the opinion of the Remuneration Committee, from among the managers and/or executive directors of the Company or of the companies in the Ferragamo Group who hold key positions with a significant impact on the creation of value for the Company and the shareholders.

The Plan was divided into two cycles:

First cycle	Second cycle
2016-2018 performance period	2017-2019 performance period

Each Cycle envisaged the free allocation to the beneficiaries of the plan of a certain number of rights to receive free ordinary shares of the Company, a three-year performance period and the allocation and delivery of the ordinary shares of the Company covered by the Plan, subject to verification by the Board of Directors of the performance targets achieved during the three-year period.

The performance targets were identified by the Board of Directors, for each Cycle, at the time the rights were assigned and consist of parameters aimed at measuring the Company's stock market performance such as Total Shareholder Return (TSR) compared to a specifically identified peer group and the Company's economic-financial performance.

³⁵ Only the fixed remuneration of Euro 692,000 was taken into account in the calculation. See Table 1 in this Section II for more information.

Objectives of the First cycle	Objectives of the Second cycle
✓ Relative Total Shareholder Return (TSR)	✓ Relative Total Shareholder Return (TSR)
✓ Consolidated gross profit (before tax)	(50%)
	✓ Consolidated gross profit (before tax)
	(50%)

For both cycles of the aforesaid Plan, the Board of Directors of the Company, on 30 June 2019 for the First Cycle and on 25 June 2020 for the Second Cycle, respectively, acknowledged the failure to achieve the Performance Targets and resolved to close the Plan without any allocation of Salvatore Ferragamo S.p.A. shares.

3 ALLOCATION OF INDEMNITIES AND/OR OTHER BENEFITS FOR TERMINATION OF OFFICE OR TERMINATION OF EMPLOYMENT DURING THE FINANCIAL YEAR

During the 2020 Financial Year, the Company did not pay any indemnity and/or other benefits for termination of office or termination of employment.

During the Financial Year, no ex-post correction mechanisms were applied to the variable component (known as malus and clawback clauses).

4 DEPARTURES FROM THE 2020 REMUNERATION POLICY

During the 2020 Financial Year and, in particular, in May 2020, as already disclosed to the market, the Company's Board of Directors approved a new governance structure for the Company (with the controlling shareholder Ferragamo Finanziaria playing the role of guide and strategic approach of the Company and management entrusted entirely to managerial figures), appointing, by co-optation, Michele Norsa, until the approval of the financial statements at 31 December 2020.

As part of the definition of the terms and conditions governing the relationship with the manager (appointed Executive Deputy Chairman), also in the light of the particular circumstances in which he was appointed and consistent with what was done, in the past, for the Chief Executive Officer, the Company entered into an agreement that entitles the Executive Deputy Chairman to receive a severance payment equal to 50% of what he would have received as remuneration in the period between the date of his appointment and the date of approval of the financial statements as at 31 December 2020, less what has already been received (for an amount theoretically equal, at the date of this Report, to Euro 45.606 gross).

This amount would have been paid to the manager only if, between the date of his appointment to the Board of Directors and the approval of the Company's financial statements as at 31 December 2020, he had been removed without just cause from his position as director or Executive Deputy Chairman or, in any case, his powers had been reduced to such an extent as to cause him to resign from office.

The expectation of this agreement is a derogation from the Company's 2020 Remuneration Policy, Section I, let. L) that envisaged a general principle according to which, without prejudice to the obligations envisaged by law and the applicable collective bargaining agreement, the Company does not enter into agreements with Directors and Key Managers that regulate ex ante the economic aspects relating to the possible early termination of employment or management at the initiative of the Company and the individual (the only exception being the agreement with the Chief Executive Officer, which provides, in the event of early termination, except in cases of malicious intent or serious misconduct, for the payment of an amount determined in advance, equal to Euro 1,500,000.00 as indemnity for the termination of the employment).

The approval of the remuneration was deemed to be in line with the interests of the Company and all stakeholders in order to guarantee, immediately and in the (extraordinary and unpredictable) context brought about by the Covid-19 epidemiological phenomenon, the support of a manager of particular standing to ensure the sustainability of the Company as a whole or to ensure its ability to stay on the market.

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The remuneration was approved by the Board of Directors (unanimously), after hearing the (favourable) opinion of the Remuneration Committee and the (favourable) opinion of the Board of Statutory Auditors.

5 COMPARISON INFORMATION BETWEEN THE ANNUAL CHANGE IN THE TOTAL REMUNERATION OF THE MEMBERS OF THE MANAGEMENT AND CONTROL BODY, THE COMPANY'S RESULTS AND THE AVERAGE GROSS ANNUAL REMUNERATION OF EMPLOYEES

The Company provides below a comparative statement of changes in the following information for the 2019 and 2020 financial years:

- a) total remuneration of each of the members of the Company's Board of Directors and Board of Statutory Auditors.

Total remuneration of each of the members of the Company's Board of Directors and Board of Statutory Auditors	Change		
	2019	2020	%
Ferruccio Ferragamo	911,499	1,003,215 ³⁶	+10.1%
Michele Norsa	-	745,454 ³⁷	-
Giacomo Ferragamo	556,310	183,061 ³⁸	-67%
Micaela le Divelec Lemmi	1,528,396	1,488,284 ³⁹	-2.6%
Giovanna Ferragamo	200,000	-	-100%
Leonardo Ferragamo	35,000	35,000	+0%
Diego Paterno Castello di San Giuliano	50,000	50,000	+0%
Francesco Caretti	285,000	242,250	-15%
Chiara Ambrosetti	61,000	70,000	+14.8%
Lidia Fiori	63,000	70,000	+11.1%
Marzio Alessandro Alberto Saà	75,000	99,000	+32%
Umberto Tombari	75,000	75,000	+0%
Angelica Visconti	293,168	251,036 ⁴⁰	-14%
Peter K.C. Woo	-	-	-
Andrea Balelli	77,000	79,000	+2.6%
Paola Caramella	58,000	60,000	+3.4%
Giovanni Crostarosa Guicciardi	-	39,557	-
Fulvio Favini	58,000	20,443	-64.8%

- b) of the Company's results (in terms of EBIT and Net sales);

Index	Company results		Change %
	2019	2020	
Revenue	€836,947,210	€561,058,332	-33%
EBIT	€148,120,169	€ -39,127,297	-126.4%

- c) of average gross annual remuneration, benchmarked on full-time employees.

Average gross annual remuneration, benchmarked on full-time employees	Change	
	2019	2020
€44,839	€46,667	+4.1%

³⁶The value includes the amount of the variable remuneration approved by the Board of Directors, with the approval of the Remuneration and Appointments Committee, in relation to the 2018 - 2020 LTIP for the period of office as Executive Chairman, from 20 April 2018 to 27 May 2020.

³⁷ The value includes the amount of variable remuneration for the Financial Year.

³⁸ The value includes the amount of the remuneration for the office as Director and Vice Chairman for the period of office, from 1 January 2020 to 27 May 2020, as well as the amounts accrued during this period by the company by virtue of the position of director.

³⁹ The value includes the amount pertaining to the Financial Year of the variable remuneration related to the 2020 Performance Incentive Plan as well as the amount pertaining to the Financial Year of the maximum variable remuneration envisaged in relation to the 2018 - 2020 LTIP.

⁴⁰ The value includes only the fixed remuneration as the impact of the Covid-19 pandemic on the business did not allow the achievement of the minimum target of "access" to the funding of the bonus system calculated on the Group's EBITDA and, consequently, led to the ineffectiveness of the 2020 Performance Incentive Plan.

SECOND PART

The remuneration paid in the 2020 Financial Year for any reason and in any form by the Company and the other companies in the Group, using the tables prepared in accordance with the provisions of the Issuers' Regulations, is detailed below.

Information is provided separately with respect to positions held in the Company and for those held in listed and unlisted subsidiaries and associates of the Group.

In compliance with the provisions of Article 84-*quater* and Annexe 3A, Diagram 7-*ter* of the Issuers' Regulations, the Report includes a table indicating the shareholdings, held in the Company and its subsidiaries, by members of the management and control bodies and by Key Managers, as well as by their non-legally separated spouses and minor children, either directly or through subsidiaries, by proxy or through a trust, resulting from the shareholders' register, communications received and other information acquired by the members of the administrative and control bodies and by Key Managers.

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The Chairman of the Board of Directors

Leonardo Ferragamo

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Table 1 Remuneration paid and/or accrued in favour of members of management and control bodies and Key Managers (KM).

(A)	(B)	(C)	(D)	-1	-2	-3		-4	-5	-6	-7	-8
Name and surname	Office	Term of office	Expiry of office	Fixed remuneration	Remuneration for attending committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Total Employee termination benefits
						Bonus and other incentives	Profit sharing					
Ferruccio Ferragamo	Chairman	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020									
(I) Remuneration in the company preparing the financial statements				510,727		482,000		10,488		1,003,215		
(II) Remuneration from subsidiaries and associates												
(III) Total				510,727		482,000		10,488		1,003,215		
Giacomo Ferragamo ⁽¹⁾	Deputy Chairman	From 1 January 2020 to 27 May 2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020									
(I) Remuneration in the company preparing the financial statements				170,542	6,125			6,394		183,061		
(II) Remuneration from subsidiaries and associates												
(III) Total				170,542	6,125			6,394		183,061		

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Michele Norsa ⁽²⁾	Executive Deputy Chairman	From 28 May 2020 to 31 December 2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020							
(I) Remuneration in the company preparing the financial statements				445,454		300,000				745,454
(II) Remuneration from subsidiaries and associates										
(III) Total				445,454		300,000				745,454
Micaela le Divelec Lemmi ⁽³⁾	Chief Executive Officer	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020							
(I) Remuneration in the company preparing the financial statements				980,000		493,333		14,951		1,488,284
(II) Remuneration from subsidiaries and associates										
(III) Total				980,000		493,333		14,951		1,488,284
Giovanna Ferragamo ⁽⁴⁾	Director	2020	Director until the Shareholders' Meeting approving the financial statements as at 31 December 2020							
(I) Remuneration in the company preparing the financial statements				-						-
(II) Remuneration from subsidiaries and associates										
(III) Total				-						-

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Leonardo Ferragamo	Director	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020									
(I) Remuneration in the company preparing the financial statements				35,000						35,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				35,000						35,000		
Diego Paternò Castello	Director	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020									
(I) Remuneration in the company preparing the financial statements				35,000	15,000					50,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				35,000	15,000					50,000		
Francesco Caretti ⁽⁵⁾	Director	2019	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020									
(I) Remuneration in the company preparing the financial statements				242,250						242,250		
(II) Remuneration from subsidiaries and associates												
(III) Total				242,250						242,250		

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Peter K. Woo	Director	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020																
(I) Remuneration in the company preparing the financial statements				-															
(II) Remuneration from subsidiaries and associates																			
(III) Total				-															
Angelica Visconti ⁽⁶⁾	Director	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020																
(I) Remuneration in the company preparing the financial statements				222,500	15,000				13,536						251,036				
(II) Remuneration from subsidiaries and associates																			
(III) Total				222,500	15,000				13,536					251,036					
Marzio Alessandro Alberto Saà ⁽⁷⁾	Director	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020																
(I) Remuneration in the company preparing the financial statements				35,000	64,000									99,000					
(II) Remuneration from subsidiaries and associates																			
(III) Total				35,000	64,000									99,000					

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Umberto Tombari ⁽⁸⁾	Director	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020									
(I) Remuneration in the company preparing the financial statements				35,000	40,000					75,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				35,000	40,000					75,000		
Lidia Fiori ⁽⁹⁾	Director	2020	Until the Shareholders' Meeting approving the financial statements as at 31 December 2020									
(I) Remuneration in the company preparing the financial statements				35,000	35,000					70,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				35,000	35,000					70,000		
Chiara Ambrosetti ⁽¹⁰⁾	Director	2019	Until the Shareholders' Meeting approving the financial statements for the year ended 31 December 2020									
(I) Remuneration in the company preparing the financial statements				35,000	35,000					70,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				35,000	35,000					70,000		

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Andrea Balelli	Chairman of the Board of Statutory Auditors	2020	Until the Shareholders' Meeting approving the financial statements for the year ended 31 December 2022										
				(I) Remuneration in the company preparing the financial statements	64,000	..				15,000	79,000		
				(II) Remuneration from subsidiaries and associates									
				(III) Total	64,000					15,000	79,000		
Fulvio Favini	Statutory Auditor	From 1 January 2020 to 8 May 2020	Shareholders' meeting that approved the financial statements for the year ended 31 December 2019										
				(I) Remuneration in the company preparing the financial statements	16,918					3,525	20,443		
				(II) Remuneration from subsidiaries and associates									
				(III) Total	16,918					3,525	20,443		
Giovanni Crostarosa Guicciardi	Statutory Auditor	From 8 May 2020 to 31 December 2020	Until the Shareholders' Meeting approving the financial statements for the year ended 31 December 2022										

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(I) Remuneration in the company preparing the financial statements				31,082					8,475	39,557		
(II) Remuneration from subsidiaries and associates												
(III) Total				31,082					8,475	39,557		
Paola Caramella	Statutory Auditor	2020	Until the Shareholders' Meeting approving the financial statements for the year ended 31 December 2022									
(I) Remuneration in the company preparing the financial statements				48,000					12,000	60,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				48,000					12,000	60,000		
2 Key Managers⁽¹¹⁾	Key Managers	2020										
(I) Remuneration in the company preparing the financial statements				692,000				30,923		722,923		
(II) Remuneration from subsidiaries and associates												
(III) Total				692,000				30,923		722,923		

NOTES

⁽¹⁾ Director Giacomo (James) Ferragamo served as Director and member of the Brand and Product Strategy Committee for the period from 1 January 2020 to 27 May 2020. Note that Giacomo (James) Ferragamo, in the light of the Covid-19 pandemic and its impact on the business, informed the Company Salvatore Ferragamo S.p.A. that he waives 15% of his remuneration as a Manager for the period from 1 April 2020 to 31 August 2020. The value shown in the table for fixed remuneration includes Euro 14,292 as Director and Deputy Chairman of the Company and Euro 156,250 as a Manager of the Company; both amounts have been pro-rated for the period of office on the Board of Directors.

⁽²⁾ On 27 May 2020, the Board of Directors of the Company appointed Michele Norsa as a new Director by co-optation, pursuant to article 2386, paragraph 1, of the Italian Civil Code, with the approval of the Remuneration and Appointments Committee and the Board of Statutory Auditors, to replace Giacomo (James) Ferragamo, also appointing him as Executive Deputy Chairman and granting him the executive powers previously exercised by Chairman Ferruccio Ferragamo.

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- ⁽³⁾ The Chief Executive Officer, in the light of the Covid-19 pandemic and its impact on the business, informed the Company Salvatore Ferragamo S.p.A. that he waives 20% of his fixed remuneration of Euro 800,000 for the period from 1 April 2020 to 31 December 2020.
- ⁽⁴⁾ Director Giovanna Gentile, in the light of the Covid-19 pandemic and its impact on the business, informed the Company Salvatore Ferragamo S.p.A. that she waives the entirety of her remuneration of Euro 200,000 for the year 2020.
- ⁽⁵⁾ Director Francesco Caretti, in the light of the Covid-19 pandemic and its impact on the business, informed the Company Salvatore Ferragamo S.p.A. that he waives 20% of his remuneration of Euro 35,000 as Director and Euro 250,000 for the special office granted to him for the period between 1 April 2020 and 31 December 2020.
- ⁽⁶⁾ Note that Director Angelica Visconti, in the light of the Covid-19 pandemic and its impact on the business, informed the Company Salvatore Ferragamo S.p.A. that she waives 15% of her remuneration as a Manager for the period from 1 April 2020 to 31 August 2020. Therefore, the value shown in the table for fixed remuneration includes Euro 35,000 as Director and Deputy Chairman of the Company and Euro 187,500 as a Manager of the Company.
- ⁽⁷⁾ In addition to the fixed remuneration, Director Marzio Alessandro Alberto Saà received a remuneration of Euro 25,000 as Chairman of the Control and Risk Committee, Euro 15,000 as a member of the Remuneration and Appointments Committee and Euro 24,000 as a member of the Executive Committee.
- ⁽⁸⁾ In addition to the fixed remuneration, Director Umberto Tombari received a remuneration of Euro 20,000 as Chairman of the Remuneration and Appointments Committee and Euro 20,000 as a member of the Control and Risk Committee.
- ⁽⁹⁾ In addition to the fixed remuneration, Director Lidia Fiori received a remuneration of Euro 15,000 as member of the Remuneration and Appointments Committee and Euro 20,000 as a member of the Control and Risk Committee.
- ⁽¹⁰⁾ In addition to the fixed remuneration, Director Chiara Ambrosetti received a remuneration of Euro 15,000 as member of the Remuneration and Appointments Committee and Euro 20,000 as a member of the Control and Risk Committee.
- ⁽¹¹⁾ The remuneration includes the amount paid to Key Manager Giacomo Ferragamo as Brand, Product and Communication Director for 2020. The pro rata amount for the period of office, from 1 January 2020 to 27 May 2020, is set out in Table 1, note 1.

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LEGEND

"**Fixed remuneration**" is shown separately, possibly in the notes and on an accrual basis: (i) the payments for the year resolved by the Shareholders' Meeting, even if not paid; (ii) attendance fees; (iii) reimbursement of lump-sum expenses; (iv) remuneration received for holding special offices, pursuant to Article 2389, paragraph 3, of the Italian Civil Code (e.g. chairman, deputy chairman); (v) fixed remuneration for employees gross of social security contributions and income taxes payable by the employee, excluding mandatory collective social security contributions payable by the company and Employee Severance Indemnity (TFR) provision. Other components of any employee remuneration (bonuses, other remuneration, non-monetary benefits, etc.) should be indicated in the relevant columns, specifying in the note the part paid by virtue of the administrative relationship and the part paid by virtue of the employee relationship.

"**Remuneration for attending committees**" are shown on an accrual basis and can be shown on an aggregate level. The note indicates the committees of which the director is a member and, if he/she is a member of more than one committee, the remuneration he/she receives for each.

Column (3), "**Bonuses and other incentives**" section, includes the portion of remuneration accrued (vested), even if not yet paid, during the year for objectives achieved during the year, for monetary incentive plans. The amount is disclosed on an accrual basis even if the financial statements have not yet been approved and also for the portion of the bonus that may be subject to deferral. The values of stock options granted or exercised or other remuneration in financial instruments are not included in any case. This value is the sum of the amounts shown in Table 3B, columns 2A, 2B and 4, row (III).

With regard to column (3), "**Profit sharing**" section, the amount is shown on an accrual basis even though the approval of the financial statements and the distribution of profits have not yet taken place.

Column (4), "**Non-monetary benefits**" shows the value of fringe benefits (on a taxable basis) including any insurance policies and supplementary pension funds.

In column (5), "**Other remuneration**", any further remuneration resulting from other services provided is shown separately and on an accrual basis. The notes provide information on any loans, advance payments and guarantees granted by the company or its subsidiaries to executive directors and the chairman of the board, if, taking into account the particular terms and conditions (other than market terms or those applicable in a standardised manner to categories of persons), they represent a form of indirect remuneration.

In column (6) "**Total**", the items (1) to (5) are added together.

Column (7), "**Fair value of equity remuneration**" shows the fair value at the date of allocation of remuneration for the year for equity-based incentive plans, estimated in accordance with International Accounting Standards. This value corresponds to the sum of the amounts shown in column 16, row III, of Table 2 and column 12, row III, of Table 3A.

Column (8), "**Employee termination benefits**", shows the remuneration accrued, even if not yet paid, for termination of offices during the financial year in question, with reference to the financial year in which the effective termination of office occurred. The estimated value of any non-monetary benefit payments, the amount of any consultancy contracts and non-competition undertakings are also disclosed. The amount of remuneration for non-competition commitments is disclosed only once at the time of termination of office, specifying in the first part of the second section of the report the duration of the non-competition commitment and the date of actual payment.

Row (III) adds together, for each column, the remuneration received by the reporting company and the remuneration received for work in subsidiaries and associates.

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TABLE 3B: Monetary incentive plans for the Chairman, Chief Executive Officer and Key Managers

	B	(1)	(2)			(3)			(4)
Surname and name	Office	Plan	Bonus for year			Bonus of previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Ferruccio Ferragamo	Chairman		Disbursable/Disbursed	Deferred	Deferment period	No longer payable	Allocated	Still deferred	
Remuneration in the Company preparing the financial statements		2018	200,000 ⁽ⁱ⁾						
		2019	200,000 ⁽ⁱ⁾						
		2020	82,000 ⁽ⁱ⁾						
(III) Total			482,000						
⁽ⁱ⁾ Pro-rata amount of the guaranteed minimum remuneration for the three-year term of office under the Long Term Incentive Plan for the financial years from 2018 to 2020.									
Micaela le Divelec Lemmi	Chief Executive Officer		Disbursable/Disbursed	Deferred	Deferment period	No longer payable	Allocated	Still deferred	
Remuneration in the Company preparing the financial statements		2018		333,333 ⁽ⁱⁱ⁾	2021				
		2019		333,333 ⁽ⁱⁱ⁾	2021				
		2020		333,333 ⁽ⁱⁱ⁾	2021				
				1,000,000					
		2019		160,000 ⁽ⁱⁱⁱ⁾	2022				
		2020		160,000 ⁽ⁱⁱⁱ⁾	2022				
		2021		160,000 ⁽ⁱⁱⁱ⁾	2022				
				480,000					
(III) Total				1,480,000					
⁽ⁱⁱ⁾ Maximum long-term variable component for the period from 2018 to 2020, still to be calculated based on the achievement of the assigned objectives, with payment deferred in the twelve months following the end of the three-year period ⁽ⁱⁱⁱ⁾ Long-term variable component relating to the period from 2019 to 2021 deferred until the end of the three-year period and subject to the achievement of performance targets determined in advance.									

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Key Managers									
Remuneration in the Company preparing the financial statements	2019		120,000 ^(v)	2022					
	2020		120,000 ^(v)	2022					
	2021		120,000 ^(v)	2022					
(III) Total			360,000						
^(v) Long-term variable component relating to the period from 2019 to 2021 deferred to 2022 and subject to the achievement of performance targets determined in advance.									

The total (III) is given for all columns except for column (2C).

“**Column 2A**” shows the bonus accrued for the year for the objectives reached during the year and paid or payable because not subject to further conditions (known as upfront remuneration).

“**Column 2B**” shows the bonus dependent on the objectives to be reached during the year but not payable because subject to further conditions (known as deferred bonus).

“**Column 3A**” shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and no longer payable for failure to meet the conditions to which they are subject.

“**Column 3B**” shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and paid during the year or payable.

“**Column 3C**” shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and still deferred.

The sum of the amounts shown in columns 3A, 3B and 3C corresponds to the sum of the amounts shown in columns 2B and 3C of the previous year.

The column “**Other Bonuses**” shows the bonuses for the year not explicitly included in specific ex ante defined plans.

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Equity investments of members of management and control bodies

NAME AND SURNAME	OFFICE	INVESTEES COMPANY	NUMBER OF SHARES HELD AS AT 31 December 2019	NUMBER OF SHARES PURCHASED IN 2020	NUMBER OF SHARES PURCHASED IN 2020	NUMBER OF SHARES HELD AS AT 31 December 2020
Ferruccio Ferragamo	Chairman	Salvatore Ferragamo S.p.A.	3,992,420	0	0	3,992,420
Giacomo Ferragamo	Deputy Chairman (from 1 January 2020 to 27 May 2020)	Salvatore Ferragamo S.p.A.	10,000	0	0	10,000
Michele Norsa	Executive Deputy Chairman	Salvatore Ferragamo S.p.A.	0	0	0	0
Micaela le Divelec Lemmi	CEO	Salvatore Ferragamo S.p.A.	0	0	0	0
Giovanna Ferragamo	Director	Salvatore Ferragamo S.p.A.	3,992,420	0	0	3,992,420
Leonardo Ferragamo	Director	Salvatore Ferragamo S.p.A.	3,386,090	0	0	3,386,090
Diego di San Giuliano	Director	Salvatore Ferragamo S.p.A.	0	0	0	0
Francesco Caretti	Director	Salvatore Ferragamo S.p.A.	0	0	0	0
Umberto Tombari	Director	Salvatore Ferragamo S.p.A.	0	0	0	0
Marzio Alessandro Alberto Saà	Director	Salvatore Ferragamo S.p.A.	0	0	0	0
Peter K. Woo	Director	Salvatore Ferragamo S.p.A.	10,104,600	0	0	10,104,600

Report on remuneration policy and remuneration paid
pursuant to Articles 123-ter of the Consolidated Law on Finance of Salvatore Ferragamo S.p.A.
9 November 2021

Angelica Visconti	Director	Salvatore Ferragamo S.p.A.	101,266	0	0	101,266
Chiara Ambrosetti	Director	Salvatore Ferragamo S.p.A.	0	0	0	0
Lidia Fiori	Director	Salvatore Ferragamo S.p.A.	0	0	0	0
Andrea Balelli	Chairman of the Board of Statutory Auditors	Salvatore Ferragamo S.p.A.	0	0	0	0
Fulvio Favini	Standing Auditor (from 1 January 2020 to 8 May 2020)	Salvatore Ferragamo S.p.A.	0	0	0	0
Giovanni Crostarosa Guicciardi	Standing Auditor (as from 8 May 2020)	Salvatore Ferragamo S.p.A.	0	0	0	0
Paola Caramella	Statutory Auditor	Salvatore Ferragamo S.p.A.	0	0	0	0

Equity investments of key management personnel

NUMBER OF KEY MANAGEMENT PERSONNEL	INVESTEES COMPANY	NUMBER OF SHARES HELD AS AT 31 DECEMBER 2019	NUMBER OF SHARES PURCHASED IN 2020	NUMBER OF SHARES SOLD IN 2020	NUMBER OF SHARES HELD AS AT 31 December 2020
1 *	Salvatore Ferragamo S.p.A.	0	0	0	0

*Information relating to Key Manager Giacomo Ferragamo is shown in the table above. The information in this table refers to the Chief Financial Officer and Key Manager Alessandro Corsi.