

# FERRAGAMO

## REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSAL UNDER ITEM 8 ON THE AGENDA, IN ORDINARY PART, OF THE SHAREHOLDERS' MEETING OF SALVATORE FERRAGAMO S.P.A., CONVENED IN A SINGLE CALL, IN ORDINARY AND EXTRAORDINARY SESSION, FOR APRIL 26, 2023

- 8. Integration, upon motivated proposal of the Board of Statutory Auditors, of the remuneration of the auditing firm KPMG S.p.A., competent for the legal audit of the accounts for the period 2020-2028. Related and consequent resolutions.**

Shareholders,

the Ordinary Shareholders' Meeting held on April 18, 2019, upon motivated proposal of the Board of Statutory Auditors, pursuant to Article 13, paragraph 1, of Legislative Decree No. 39 of January 27, 2010 (the "Decree No. 39"), resolved to appoint KPMG S.p.A. (hereinafter respectively the "Engagement" and "KPMG") as the independent auditors for the fiscal years 2020-2028.

KPMG's engagement, in paragraph 6.2, provides the following: *"Should circumstances arise that would result in an aggravation of time, significant changes in the timing of the engagement, and/or a change in the professional level of the members of the audit team assigned to the engagement, including the involvement of different or additional specialists or external experts, compared to what is estimated in this letter (such as, by way of example, the change in the group structure, size and activities of the Company and/or the investee companies included in this engagement letter, changes in the internal control system and/or the Company's financial reporting preparation process, including information systems, the non-delivery or delayed delivery of necessary documentation the unavailability of the persons from whom we would deem it necessary to acquire evidence, the performance of additional procedures to the work performed by the component auditors, regulatory changes (including any supplementary and corrective provisions to the Decree) as well as any clarifications by the competent Authorities or different interpretations of the Decree and the Regulations, changes in accounting and/or auditing standards, new professional guidelines, the performance of complex or extraordinary transactions by the Company, they will be discussed and agreed with you and the Board of Statutory Auditors to formulate, by virtue of this paragraph, a consequent integration of the original fees indicated in paragraph 6 above.1, which may cover, depending on the circumstances, the individual fiscal year or even the remaining fiscal years covered by this letter. Likewise, should less time be taken than anticipated, the fees will be reduced proportionally."*

KPMG, in a letter dated December 21, 2022, submitted to the attention of the Company and the Board of Statutory Auditors a request for the integration of the fees, previously approved by said Shareholders' Meeting, related to Salvatore Ferragamo S.p.A., representing how the regulatory

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framework related to the statutory audit and the reference auditing standards (ISA Italia) was subject to important changes that, with reference to companies whose fiscal year coincides with the calendar year 2022, came into force starting with the audit of the financial statements as of December 31, 2022.

KPMG represented that:

- (i) the application of the new auditing standard ISA 315 Revised "Identification and Assessment of Significant Misstatement Risks."
- (ii) the specific audit procedures on the reporting packages of some subsidiaries,
- (iii) Delegated Regulation (EU) 2019/815, adopted by the European Commission on December 17, 2018, which determined the obligation for issuers of securities admitted to an EU regulated market, such as the Company, to prepare annual financial reports in the XHTML format and mark IFRS consolidated financial statements using the XBRL markup language,

have a material impact on the scope of the statutory audit of Salvatore Ferragamo S.p.A.'s statutory and consolidated financial statements and will result in an increase in the estimated commitments for the performance of the audit for each of the fiscal years 2022- 2028.

In addition to the above, with regard to the financial statements as of December 31, 2022 only, KPMG represented how additional procedures were necessary with regard to some activities that occurred during the period.

In addition, KPMG, in a letter dated February 27, 2023, brought to the attention of the Company and the Board of Statutory Auditors a request for the integration of the fees, previously approved by the said Shareholders' Meeting, related also to the foreign subsidiaries of the Salvatore Ferragamo Group, representing how the regulatory framework related to statutory audit and international auditing standards had undergone important changes.

In addition to this, as a result of the pandemic from Covid-19, the global economy, in general, and the reference "market" of audit firms have undergone a major *disruption* from which has resulted, as one of the major effects, the so-called "great resignation" phenomenon with the consequent need to have to counterbalance the large number of resignations with higher-paid hires with the aim of attracting and retaining talent. In addition, and with particular reference to Japan, the effects of recent changes in labor regulations, which have introduced severe restrictions on overtime work, have made it necessary to structurally intervene in order to maintain an adequate level of overhaul garrison while creating a work environment that complies with the changing demands of regulations and the population.

With reference to the above, KPMG represented that:

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- (i) the application of the new auditing standards ISA 315 Revised "Identification and Assessment of Significant Misstatement Risks" and ISA 540 "Review of Accounting Estimates and Related Disclosures.";
- (ii) the introduction and implementation of the international standard on quality management-"International Standard on Quality Management 1" (ISQM1), which came into effect on December 15, 2022;
- (iii) the macroeconomic effects brought about by the Covid-19 pandemic resulted in a severe and permanent change to the audit service delivery arrangements and a particular strain on the personnel front and concomitant difficulty in hiring, with major effects on the service cost structure and the consequent need to revise contracts with clients in order to maintain an adequate level of audit quality;
- (iv) a significant inflationary recovery in essentially all countries of the world

have had a significant impact on the scope of the statutory audit of the reporting packages and financial statements of some of the Ferragamo Group's foreign subsidiaries and will result in an increase in the estimated commitments to carry out the audit for each of the fiscal years 2022- 2028.

\* \* \*

Taking into account the reasoned proposal expressed by the Board of Statutory Auditors and attached to this Explanatory Report, the Board of Directors invites the Shareholders' Meeting to adopt the following proposed resolution:

*"The Ordinary Shareholders' Meeting" of Ferragamo S.p.A:*

- *having regard to the motivated proposal of the Board of Auditors and the Explanatory Report of the Board of Directors;*
- *taking into account the request for the integration of fees related to Salvatore Ferragamo S.p.A. made by KPMG, by letter dated December 21, 2022, and by letter dated February 27, 2023, as a result of the additional commitments of a recurring nature related to the application of the new auditing standards for each year from 2022 to 2028 and the additional activities for the year 2022 only;*
- *considering the provision in section 6.2 of the KPMG proposal ("Update and changes in fees for the period covered by this engagement letter");*

*resolves*

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- to approve the supplement of the total annual fee for fiscal year 2022 to be paid to the auditing firm KPMG S.p.A. for the performance of the statutory audit engagement in the amount indicated below:

Annual 2022

<b>Services on Salvatore Ferragamo S.p.A.</b>	<b>Integration hours</b>	<b>Integration Fees</b>
Integration of other non-recurring elements	60	€6.600

- to approve the integration of the total annual fees for each fiscal year of the period 2022-2028 to be paid to the Auditing Firm KPMG S.p.A. for the performance of the statutory audit assignment in the amounts indicated below, to which must be added the ISTAT integration provided for in point 6.2 of the Assignment:

Annuities 2022 - 2028

<b>Services on Salvatore Ferragamo S.p.A.</b>	<b>Integration hours</b>	<b>Integration Fees</b>
Integration of fees ISA 315 Revised	150	€ 15.000
Integration of ESEF fees	350	€ 35.000
Integration of specific audit procedure fees on foreign company reporting package	200	€ 15.000
<b>Total integration recurring fees</b>	<b>700</b>	<b>€ 65.000</b>

Following this integration, the audit fees for the years 2022 to 2028 will amount to:

	Hours n.	Fees €
Assignment letter dated December 3, 2018 and fee adjustment letters dated October 14, 2021 and March 2, 2022 and July 29, 2022	2.673	198.419
Integration of fees (ANNEX 1)	700	65.000
<b>Total general recurring fees 2022 - 2028</b>	<b>3.373</b>	<b>263.419</b>
Integration of other non-recurring items 2022	60	6.600
<b>General total consideration 2022</b>	<b>3.433</b>	<b>270.019</b>

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In addition,

- *taking into account the request made by KPMG, in a letter dated February 27, 2023, to supplement the fees for some foreign subsidiaries of the Ferragamo Group as a result of the additional recurring commitments related to the application of the new auditing standards for each year from 2022 to 2028 and the ongoing change in the economics of auditing firms;*

*resolves, also,*

- *to approve the integration of the total annual fees for each fiscal year of the period 2022-2028 to be paid to the Audit Firms of the KPMG S.p.A. network for the performance of the statutory audit assignment at some foreign subsidiaries of the Salvatore Ferragamo Group in the amounts indicated below:*

Annuities 2022 - 2028

<b>Services on ether subsidiaries</b>	<b>Integration hours</b>	<b>Integration Fees</b>
Integration of fees	2.148	€ 94.569*

\* Does not include inflation effect and foreign exchange effect, amounting to Euro 73,536. Including these effects, the total is Euro 168,105.

Florence, March 16, 2023

**For the Board of Directors**  
**The President**  
**Leonardo Ferragamo**

**Attachments:**

- letter from KPMG SpA dated December 21, 2022;
- letter from KPMG SpA dated February 27, 2023;
- reasoned proposal of the Board of Statutory Auditors.



KPMG S.p.A.  
 Auditing and accounting organization  
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Reserved  
 Dear  
 Salvatore Ferragamo S.p.A.  
 Via dei Tornabuoni, 2  
 50123 Florence FI

To the kind attention of Dr. Alessandro Corsi, Chief Financial Officer and  
 p.c.  
 Of Dr. Andrea Balelli, Chairman of the Board of Statutory Auditors

December 21, 2022

Statutory audit assignment conferred pursuant to Article 13 of Legislative  
 Decree No. 39 of January 27, 2010 - Communication pursuant to  
 paragraph 6.2 of our letter of Appointment dated December 3, 2018

Dear Sirs

as anticipated during our recent meetings, with reference to the engagement of Salvatore Ferragamo S.p.A. (hereinafter the "Company") to audit the statutory financial statements and the consolidated financial statements of the Ferragamo Group with respect to the fiscal years ending December 31, 2020 through December 31, 2028 conferred on us by the Shareholders' Meeting on April 18, 2019 on the basis of our letter of Appointment dated December 3, 2018 and the fee adjustment letters dated October 14, 2021 and March 2, 2022, the need has arisen to make certain additions as a result of the following considerations.

*New Auditing Standard ISA 315 Revised*

With a Determination of the Ministry of Economy and Finance/State General Accounting Office dated September 1, 2022, new international auditing standards were adopted including, of utmost importance, Principle No. 315 on "Identification and Evaluation of Risks of Significant Errors." Indeed, this standard is the centerpiece of the entire audit process as it aims to provide the auditor with the rules for identifying and assessing the risks of significant errors, whether due to fraud or unintentional behavior, at the level of financial statements and assertions, so as to define and implement appropriate audit responses to these risks.

The new version introduces many new features, including:

- gaining an understanding of the company and the context in which it operates requires the auditor to place special emphasis on the business model,



including the extent to which this model incorporates the use of IT, and on how the enterprise measures its performance

with reference to the internal control system, as part of gaining an understanding of the information and communication system relevant to the preparation of the financial statements, the auditor should understand, among other aspects, the resources that the enterprise uses in information processing activities, with specific emphasis on IT. In particular, information on the human resources involved that may be relevant to an understanding of the risks to the integrity of the information system includes such aspects as the competence of the people doing the work, the existence of adequate resources, and the existence of appropriate segregation of duties. The auditor must also gain an understanding of the IT environment (applications, infrastructure, processes, and personnel) and the company's use of IT to arrive at an identification of any risks arising from that use.

Lastly, as part of the control activities performed by the firm, a specific list of controls is now identified that the auditor is required to identify and perform tests on in terms of their configuration and implementation, such as controls that address a risk deemed significant or those on accounting records, including non-standard records used to record nonrecurring or unusual transactions or adjusting records.

a more granular determination of risk, particularly inherent risk, through the exercise of professional judgment, based on consideration of inherent risk factors such as complexity, subjectivity, change, uncertainty, and the possibility of error due to management interference or other fraud risk factors.

#### ESEF

The European Commission, on December 17, 2018, adopted Delegated Regulation (EU) 2019/815 (hereinafter "Delegated Regulation") under which issuers whose securities are admitted to trading on an EU regulated market (hereinafter "Issuers") are required to:

- To prepare annual financial reports in XHTML, a format readable by human users;
- Mark IFRS consolidated financial statements, where prepared, using the XBRL markup language.

The obligation to prepare annual financial reports in XHTML format takes effect from the fiscal year beginning January 1, 2021, and, also as of that date, Issuers must mark all numbers in a declared currency present:

- In the statement of financial position;
- in the statement of profit/(loss) for the year and other comprehensive income;
- In the statement of changes in equity;
- in the cash flow statement

that make up the IFRS consolidated financial statements.





Salvatore Ferragamo S. p.A.  
Dec. 21, 2022

In addition, in addition to the numbers in a stated currency above and again with specific reference to the marking of IFRS consolidated financial statements, Issuers must mark:

beginning with the fiscal year beginning January 1, 2021, the information disclosed in the IFRS consolidated financial statements that corresponds to the items in Table 1 of Annex II of the Delegated Regulations and

beginning with the fiscal year beginning January 1, 2022, the information disclosed in the IFRS consolidated financial statements that corresponds to the items in Table 2 of Allegato II of the Delegated Regulations.

The Legislature aligned the annual financial report regulations with European regulations through an amendment to Article 154-ter of Legislative Decree 58/98 by inserting two new paragraphs effective February 1, 2022. Specifically, the new paragraph 1.1 indicates that the directors shall see to the application of the provisions of the Delegated Regulations to the annual financial reports that Issuers publish in accordance with paragraph 1 of the same article, while the new paragraph 1.2 defines the responsibilities of the statutory auditor. The latter, in fact, in the audit report referred to in Article 14 of Legislative Decree No. 39 of January 27, 2010, must also express an opinion on the conformity of the draft annual financial statements and consolidated financial statements, if any, included in the annual financial report, with the provisions of the Delegated Regulations, on the basis of an auditing standard developed, for this purpose, pursuant to Article 11, paragraph 2, of Legislative Decree No. 39 of January 27, 2010. In this regard, by a Determination of the Ministry of Economy and Finance (State General Accounting Office) dated February 11, 2022, the Auditing Standard (SA) Italia 700B "The Responsibilities of the Statutory Auditor with Respect to Financial Statements Prepared in Accordance with the *European Single Electronic Format (ESEF)*" was adopted, effective for audits of financial statements for administrative periods beginning on or after January 1, 2021.

Taking into account the changed regulatory framework as compared to our original engagement letter dated December 3, 2018, paragraphs 1, 2.1, 2.3 and 3 of that letter relating, respectively, to the "Subject matter and purpose of the engagement", "Nature of the engagement - Statutory Audit", "Nature of the engagement - Directors' responsibilities" and "Manner of conducting the engagement", shall be deemed to have been changed for the above aspects with effect from the engagement for the statutory audit of the balance of your Company from the fiscal year ending December 31, 2022.

#### Specific review procedures on foreign reporting packages

We have agreed with you that the Italian team, as part of the audit of the consolidated financial statements as of December 31, 2022, will be responsible for conducting certain specific audit procedures on the reporting packages of the following subsidiaries: Ferragamo U.K. Limited, Ferragamo Deutschland GmbH, Ferragamo Espana S.L., Ferragamo Retail Nederland B.V., Ferragamo Austria GmbH.

#### Other non-recurring items

In addition to the above, with regard only to the financial statements with a closing date of December 31, 2022, additional procedures were necessary with regard to the migration activities on the SAP information system with regard to the subsidiary Ferragamo Mexico S. de R.L. de CV, the analysis of the new incentive plan aimed at the CEO, the signing of the contract with Farfetch Platform Solution Limited and the renewal of the *Advance Price Agreement (APA)*.





Salvatore Ferragamo S.p.A.  
Dec. 21, 2022

The issuance of the new ISA Italia standards, the changes related to the ESEF Regulations, other non-recurring items, and the resulting additional required audit procedures result, at present, in the need to supplement our fees provided for in our engagement letter of December 3, 2018, to take into account the new time estimate pursuant to Section 6.2', effective from the engagement for the statutory audit of the Company's financial statements from the fiscal year ending December 31, 2022.

The following table summarizes the additions made to the fees in relation to the above aspects:

Statutory audit of the statutory and consolidated financial statements , including verification that the company's accounts are properly kept and that the operating events are correctly recorded in the accounting records

	Hours	Fees
Assignment letter dated December 3, 2018 and letters of adjustment Of the fees of October 14, 2021 and March 2, 2022 and 29 July 2022	2.673	198.419
Integration of fees ISA 315 Revised	150	15.000
Integration of ESEF fees	350	35.000
Integration of specific audit procedure fees on foreign reporting packages	200	15.000
<b>Total general recurring fees</b>	<b>3.373</b>	<b>263.419</b>
Integration of other non-recurring elements	60	6.600
<b>General total consideration 2022</b>	<b>3.433</b>	<b>270.019</b>

<sup>1</sup> Should circumstances arise that result in an aggravation of the timeframe, significant changes in the timeframe for the svo/clearance of the engagement, and/or a change in the professional level of the members of the audit team assigned to the engagement, including the involvement of specialists or external experts other than or in addition to what is estimated in this letter (such as, but not limited to, change in the group structure, size, and activities of the Company and/or the investee companies included in this letter of Engagement, changes in the internal control system and/or the preparation of the Company's financial disclosures, including information systems, non-delivery or delayed delivery of necessary documentation, unavailability of persons from whom we deem it necessary to acquire e/evidence, the performance of additional procedures over and above the lwork performed by component auditors, regulatory changes (including including any supplementary and corrective provisions to the Decree) as well as any clarifications by the relevant authorities or different interpretations of the Decree and the Regulations, changes in accounting and/or auditing standards, new professional guidelines, the Company's performance of complex or extraordinary transactions, they shall be discussed and agreed upon with you and the Board of Auditors in order to formulate, by virtue of this paragraph fo, a consequent supplement to the original fees set forth in paragraph 6. f above, which may cover, depending on the circumstances, the single fiscal year or even the remaining fiscal years covered by this letter. Likewise, should it be taken less time than expected, the fees will be reduced proportionally."



Salvatore Ferragamo S.p.A.  
Dec. 21, 2022

It is understood that the above letter of Assignment dated December 3, 2018 remains in effect for all matters not expressly covered in this supplement letter.

We enclose a copy of this letter which you must return to us signed for acceptance. We remain at your disposal for any clarification you deem necessary on its contents.

On this occasion we send you our best regards.

KPMG S.p.A.

A handwritten signature in black ink, appearing to read 'Andrea Rossi'.

Andrea Rossi  
Member

KPMG S.p.A.  
 Review and organization cantabile  
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**Reserved**

Dear  
 Salvatore Ferragamo S.p.A.  
 Via dei Tornabuoni, 2  
 50123 Florence FI

To the kind attention of Datt. Leonardo Ferragamo, Chairman of the Board of Directors and p.c.  
 by Datt. Andrea Balelli, Chairman of the Board of Statutory

Auditors Feb. 27, 2023

**Statutory audit engagement conferred pursuant to Article 13 of Legislative Decree No. 39 of January 27, 2010 - Communication pursuant to paragraph 6.2 of our engagement letter dated December 3, 2018**

Dear Sirs

with reference to the engagement of Salvatore Ferragamo for the statutory audit of the company's financial statements

S.p.A. (hereinafter the "Company") and the consolidated financial statements of the Ferragamo Group in respect of the fiscal years ending December 31, 2020 to December 31, 2028 conferred on us by the Shareholders' Meeting on April 18, 2019 on the basis of our engagement letter dated December 3, 2018 and the fee adjustment letters dated October 14, 2021 and March 2, 2022, we report below some aspects, already shared with your administrative structure, which have led to the request for additional fees. This request IS consistent with the conditions contained in Section 6.<sup>21</sup> of the our letter of assignment andwith the indications contained in Consob Communication No. DAC/RM/96003556 of April 18, 1996, which states to *"adjust ii fee for carrying out*

<sup>1</sup> "Should *circumstances arise that would result in an aggravation of time, significant changes in the timing of the engagement and/or a change in the professional live/lo of the members def audit team assigned to the engagement, including the intervention of different or additional specialists or external experts, than what is estimated in this letter (such as, but not limited to, ii change def/a group structure, size and activities def/a Company and/or of the investee companies inc/use in this engagement letter, changes in the system of control/a inferno and/or in the process of preparing the disclosure financial def/a Company, including information systems, the non-delivery or delayed delivery def/a necessary documentation, the unavailability of the person(s) from whom we deem it necessary to acquire evidence, the performance of additional procedures with respect to the work performed by the auditors of the components, regulatory changes (including any provisions supplementing and correcting the Decree) as well as any clarifications by the competent Authorities or different interpretations of the Decree and the Regulations, changes in accounting and/or auditing standards, new professional guidelines, the performance of complex or extraordinary transactions by the Company, they shall be discussed and agreed upon with you and the Board of Statutory Auditors in order to formulate, by virtue of this paragraph, a consequent supplement to the original fees indicated in paragraph 6 above. 1, which may relate, depending on the circumstances, to the individual fiscal year or even to the remaining fiscal years covered by this letter. Likewise, should less time def be taken, the fees will be reduced proportionally."*



Salvatore Ferragamo S.p.A.  
Letter from/ February 27, 2023

*of the engagement upon the occurrence of exceptional and/or unforeseeable circumstances, given that Jo must be commensurate with the specific characteristics of the audited company and must guarantee the quality and reliability of the work performed as well as the independence of the auditor.*

The issues referred to below concerned both the audit work carried out in Italy for ii the separate and consolidated financial statements of the Ferragamo Group and, for partly different reasons, the audit of subsidiaries carried out by companies in the KPMG network.

With particular reference to foreign subsidiaries, without prejudice to the adjustment of fees set out below, we have proposed and shared with your administrative structure to re-evaluate ii the scope of our interventions from 2023 onwards in a "risk based" perspective more consistent with the significance of subsidiaries with respect to relative size or specific risks potentially attributable to the companies. Such a revision could make ii audit process more effective and efficient, increasing the incisiveness of controls also by you on the most significant companies and, finally, with a potential reduction in overall costs, of which you will be given specific information. Please note that the audit of financial statements and/or reporting packages of foreign subsidiaries will have to be conferred according to specific engagements that will be independently conferred by the individual companies and generally renewed annually as provided by local regulations and reported in our engagement letter dated December 3, 2018.

Attached to this letter is ii detail of the fee adjustment request, the summary of which IS given below:

**Statutory audit of the statutory and consolidated financial statements, including verification that the company's accounts are properly kept and that the operating events are correctly recorded in the accounting records (fiscal years ending December 31, 2022 - December 31, 2028)**

	Hour s no.	Fees €
Assignment letter dated December 3, 2018 and fee adjustment letters dated October 14, 2021 and March 2, 2022 and July 29, 2022	2.673	198.419
Integration of fees (ANNEX 1)	700	65.000
<b>Total general recurring fees 2022 - 2028</b>	<b>3.373</b>	<b>263.419</b>
Integration other non-recurring items 2022	60	6.600
<b>General total fees 2022</b>	<b>3.433</b>	<b>270.019</b>



Salvatore Ferragamo S.p.A.  
Letter del February 27, 2023

**Audit of Ferragamo Group subsidiaries (fiscal years ending December 31, 2022 - December 31, 2028)**

	Hou rs no.	Fees €
Assignment letter dated December 3, 2018	9.795	503.232
Integration of fees (ANNEX 2)	2.148	168.105*
<b>General total fees 2022</b>	<b>11.943</b>	<b>671.337</b>

\*Includes the amount of €73,536 related to inflation effect and foreign exchange effect.

It is understood that the aforementioned letter of assignment dated December 3, 2018 remains in effect for everything not expressly covered in this supplement letter.

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We remain at your disposal for any clarification you deem necessary on its contents. On this occasion we send you our best regards.

KPMG S.p.A.

  
Andrea Rossi  
Socio

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Salvatore Ferragamo S.p.A.

Letter del February 27, 2023

## Annex 1

### Audit of the separate and consolidated financial statements of the Ferragamo Group

With reference to the financial statements of Salvatore Ferragamo S.p.A. and the consolidated financial statements of the Ferragamo Group, the reasons for the request for increased consideration are given below. This

request **has** already been brought to the attention of your administrative structure by letter sent on December 21, 2022.

#### New Auditing Standard/SA 315 Revised

With a Determination of the Ministry of Economy and Finance/State General Accounting Office of September 1, 2022, new international auditing standards were adopted, among which, of extreme relevance, is principle No. 315 on "Identification and assessment of risks of significant errors." This standard is in fact the central point of the entire audit process as it aims to provide the auditor with the means to identify and assess the risks of significant errors, whether due to fraud or unintentional behavior, at the level of financial statements and assertions, so as to define and implement appropriate audit responses to these risks.

The new version introduces many new features, including:

- gaining an understanding of the enterprise and the context in which it operates requires the auditor to place special attention on the business model, including the extent to which that model incorporates the use of IT, and the ways in which the enterprise measures its performance;
- with reference to the internal control system, as part of gaining an understanding of the information and communication system relevant to the preparation of the financial statements, the auditor should include, among other aspects, the resources that the enterprise uses in information processing activities, with specific emphasis on IT. In particular, information on the human resources involved that may be relevant to understanding the risks to the integrity of the information system includes such aspects as the competence of the people doing the work, the existence of adequate resources, and the existence of appropriate segregation of duties. The auditor must also gain an understanding of the IT environment (applications, infrastructure, processes, and personnel) and the firm's use of IT to arrive at an identification of any risks arising from that use.

Lastly, as part of the control activities carried out by the firm, a specific list of controls is now identified that the auditor is required to identify and on which he or she must perform checks regarding the configuration and implementation, such as controls that address a risk deemed significant or those on accounting records, including nonstandard records used to record nonrecurring or unusual transactions or adjusting entries;

- a more granular determination of risk, particularly inherent risk, through the exercise of professional judgment, based on consideration of inherent risk factors such as complexity, subjectivity, change, uncertainty, and the possibility of error due to management interference or other fraud risk factors.

#### ESEF

The European Commission, on December 17, 2018, adopted the Delegated Regulation (EU) 2019/815 (hereinafter "Delegated Regulation") under which issuers whose securities are admitted to trading on an EU regulated market (hereinafter "Issuers") are required to:



Salvatore Ferragamo S.p.A.

Letter del February 27, 2023

- Draft annual financial reports in human-readable XHTML formate;
- Mark IFRS consolidated financial statements, ave prepared, using ii XBRL marking language.

The obligation to prepare annual financial reports in the XHTML formate takes effect from the fiscal year beginning ii January 1, 2021, and, also as of that date, Issuers must mark all numbers in a currency declared present:

- In the statement of financial position;
- in the statement of profit/(loss) for the year and other comprehensive income;
- In the statement of changes in equity;
- In the cash flow statement;

that make up ii IFRS consolidated financial statements.

In addition to the numbers in a stated currency above and again with specific reference to the marking of IFRS consolidated financial statements, Issuers must mark:

- beginning with the fiscal year beginning ii January 1, 2021, the information disclosed in the IFRS consolidated financial statements that correspond to the items in Table 1 of Annex II of the Delegated Regulations and
- from the fiscal year beginning ii January 1, 2022, the information disclosed in the IFRS consolidated financial statements that correspond to the items in Table 2 of Annex II of the Delegated Regulations.

In particular, the new paragraph 1.1 indicates that the Directors shall see to the application of the provisions of the Delegated Regulations to the annual financial reports that Issuers publish in accordance with paragraph 1 of the same article, while the new paragraph 1.2 defines the responsibilities of the statutory auditor. The latter, in fact, in the audit report referred to in Article 14 of Legislative Decree No. 39 of January 27, 2010, shall express altresl an opinion on the conformity of the draft annual financial statements and consolidated financial statements, if any, included in the annual financial report, with the provisions of the

Delegated Regulations, based on an auditing standard prepared for this purpose pursuant to Article 11, paragraph 2, of Legislative Decree No. 39 of January 27, 2010. In this regard, it was adopted by Determination of the

Ministry of Economy and Finance (Ragioneria Generale dello Stato) of February 11, 2022, ii auditing standard **(SA)** Italy 7008 "The responsibilities of the person in charge of the statutory audit with reference to the financial statements prepared according to ii single electronic format of communication (ESEF - *European Single Electronic Format*)," in force for te audits of financial statements of administrative periods beginning on or after January 1, 2021.

Taking into account the changed regulatory framework from what was provided in our original engagement letter dated December 3, 2018, paragraphs 1, 2.1, 2.3 and 3 of that letter regarding, respectively, the "Subject and Purpose of the Engagement," the "Nature of the Engagement - Statutory Audit," the "Nature of the Engagement

- Directors' Responsibilities" and to the "Terms of Engagement," shall be deemed to have been changed in the above respects with effect from the engagement for the statutory audit of your Company's financial statements as of the fiscal year ending December 31, 2022.



**Salvatore Ferragamo S.p.A.**

Letter def February 27, 2023

**Specific audit procedures on foreign reporting packages**

We have agreed with you, as part of the audit of the consolidated financial statements as of December 31, 2022, to carry out some specific audit procedures on the reporting packages of the following subsidiaries: Ferragamo U.K. Limited, Ferragamo Deutschland GmbH, Ferragamo Espana S.L., Ferragamo Retail Nederland B.V., Ferragamo Austria GmbH carried out directly by the Italian team.

**Other non-recurring items**

In addition to the above, with respect to the financial statements with a closing date of December 31, 2022 only, additional procedures were necessary with respect to the migration activities on the SAP information system with regard to the subsidiary Ferragamo Mexico S. de R.L. de CV, the analysis of the new incentive plan addressed to the CEO, the signing of the contract with Farfetch Platform Solution Limited and the renewal of *the Advance Price Agreement (APA)*.

**Summary of request for increase in consideration**

The following table summarizes the additions made to the fees in relation to the above aspects to be applied from the financial statements as of December 31, 2022:

**Statutory audit of the statutory and consolidated financial statements, including verification that the company's accounts are properly kept and that the operating events are correctly recorded in the accounting records**

	Hours	Fees €
Assignment letter dated December 3, 2018 and fee adjustment letters dated October 14, 2021 and March 2, 2022 and July 29, 2022	2.673	198.419
Integration of fees ISA 315 Revised	150	15.000
Integration of ESEF fees	350	35.000
Integration fees specific audit procedures on foreign reporting packages.	200	15.000
<b>General total recurring fees</b>	<b>3.373</b>	<b>263.419</b>
Integration other non-recurring elements	60	6.600
<b>General total consideration 2022</b>	<b>3.433</b>	<b>270.019</b>

It is understood that the aforementioned letter of assignment dated December 3, 2018 remains in effect for everything not expressly covered in this supplement letter.



Salvatore Ferragamo S.p.A.  
Letter from/ February 27, 2023

## Annex 2

### Audit of Ferragamo Group subsidiaries

During FY2022, a number of requests for supplementary consideration were received from our foreign correspondents mainly due to the following issues, some of which have already been mentioned above:

- The introduction of the new international auditing standards ISA 540 "Review of Accounting Estimates and Related Disclosures" and ISA 315 "Identification and Evaluation of Risks of Significant Errors."
- The introduction of *the International Standard on Quality Management 1 (ISQM1)*, described below;
- macroeconomic effects that, starting with the pandemic shock, have led to a severe and permanent change in the way the auditing service is *delivered* and to particular tension on the personnel front with a significant increase in resignations (the so-called "Great Resignation" phenomenon) on the one hand and a concomitant difficulty in hiring, with major effects on the structure of service costs and the consequent need to revise contracts with clients in order to maintain an adequate level of audit quality. With particular reference to Japan, moreover, the effects of recent changes in the labor regulations "Labor Standard Law" have significantly impacted the way the audit service is delivered. Specifically, the severe restrictions introduced on overtime work in response to the "karoshi" phenomenon, i.e., ii death due to overwork, have in fact changed behavior and made it necessary to structurally intervene in order to maintain an adequate level of audit risk oversight while creating a work environment that conforms to the changing regulatory and population demands;
- significant inflationary recovery in essentially all countries of the world.

The requests for fee increases are therefore attributable to situations that have arisen since the original audit proposal and make the circumstances then existing no longer relevant. It should also be pointed out that audit engagements for subsidiaries are mainly for one year and are therefore subject to renewal at each financial year-end.

#### International Standard on Quality Management 1 (ISQM1)

Our auditing firm and the KPMG network are working toward the implementation of the international standard on quality management - International Standard on Quality Management 1 (ISQM1). As of December 15, 2022, ii principle **has in** fact come into force internationally.

International Standard on Quality Management 1 (**ISQM 1**). This standard represents a significant evolution from the past with the aim of facilitating the process of improving the quality of audit work, increasing the level of confidence of users of financial statements. In the regulatory framework outlined by ISQM 1, the technological resources available to the audit firm assume increasing importance in view of the technological evolution found in the market in recent years. In fact, ISQM 1, in paragraph 32, letter (f), expressly requires the audit firm that appropriate technological resources are acquired or developed, implemented, maintained and used to enable the audit firm's quality management system to be operational and to enable the performance of assignments. The same principle then identifies as relevant to quality management those technologies that are:

- directly used to configure, implement and operationalize ii quality management system;
- directly used by audit teams in the performance of their assignments;



**Salvatore Ferragamo S.p.A.**  
Letter del February 27, 2023

- essential to enable the operational effectiveness of the resources mentioned in the previous points, for example, an IT infrastructure, an IT application, and the IT processes that support it.

The implementation activities of the ISQM 1 regals being carried out by our company are leading to significant implications in terms of investment in technological resources required to comply with these regals, also in relation to the increased technological risks arising from flexible work modes (*smart working, hybrid working, etc.*), with impact on service costs.

**Summary of request for increase in consideration**

Below is the integration of audit fees discussed with your administrative structure for the year 2022 and which, with the same scope of intervention, will also be applied for subsequent years. As mentioned above, however, the current scope of intervention may be subject to discussion subsequent to the Shareholders' Meeting that will approve the 2022 financial statements in order to define an approach that takes into account the relative size of the individual subsidiaries with respect to the Group, the existence of specific risks, any local regulatory requirements.

The Board of Directors will be promptly informed of this comparison in order to share the outcome that may be applicable from FY2023.

**Salvatore Ferragamo S.p.A.**  
Letter def February 27, 2023

Society	Hours2022	Fees (euros)	Fees	Change (euros)	hoursChange	Fees	Fees	Fees	Fees	Fees	Fees	
	from proposal	2022 by proposal	Other (local currency) 2022 by proposal	New Scenario	Inflation effect and exchange rate effect	More	2022 hours	(euro) 2022	(local currency) 2022	2022 hours	(euro) 2022	(local currency) 2022
Ferragamo Japan K.K.	837	57.276	7.390.855	90	125	330		(2,885)	119.488	1.382	173.879	24.000.000
Ferragamo Mexico S. de R.L. de CV	747	15.083	345.132	90	88	150		4.902	9.562	1.075	29.547	626.000
Ferragamo Espana S.L.	340	15.330	12.264	40	20			1.348	13.322	400	30.000	30.000
Ferragamo Brazil Roupas e Accessorios Ltda.	396	13.907	62.407	40	20	150		59	5.887	606	19.853	108.000
Ferragamo France S.A. S.	306	24.948	24.948	40	20			2.398	2.154	366	29.500	29.500
Ferragamo Deutschland GmbH	306	24.939	19.397	20	10	60		3.122	(16.961)	276	11.100	11.100
Ferragamo Suisse SA	290	31.051	35.923	20	10	110		6.584	(16.733)	210	20.902	21.000
Ferragamo Austria GmbH	270	21.017	16.814	20	10	40		2.845	(3.247)	260	20.615	20.615
Ferragamo Retail Taiwan Limited	441	13.309	471.866	20	10	200		1.775	(15)	271	15.069	471.865
Ferragamo Fashion Trading (Shanghai) Co. Ltd	801	37.368	288.370	80	40			5.085	(1.716)		40.737	288.370
										411		
Ferragamo Australia Pty Ltd	540	36.291	57.293	40	20			4.964	(3.480)	600	37.775	57.293
Ferragamo Malaysia Sdn. Bhd	300	6.068	28.566	40	20			333	(228)	360	6.173	28.566
Ferragamo Retail Macau Limited	290	11.128	104.509	20	10			2.385	(1.198)	320	12.315	104.556
Ferragamo Hong Kong Ltd	495	28.829	263.690	40	20	200		4.835	(1.888)	755	31.776	263.690
Ferragamo Retail HK Ltd	477	27.781	254.109	40	20			4.659	(1.621)	537	30.819	254.109
Ferrimag Limited	240	13.967	127.749	15	10			2.342	(815)	265	15.494	127.749
Ferragamo Korea Ltd	891	44.004	57.060.160	80	40			2.546	(1.022)	1.011	45.528	61.830.000
Ferragamo Singapore Pte Ltd	441	26.727	42.485	40	20			3.928	551	501	31.206	45.285
Ferragamo (Thailand) Limited	270	6.654	205.290	20	10			569	227	300	7.450	274.575
Ferragamo Argentina S.A.	255	4.121	137.537	40	20	100		15.474	(7.249)	415	12.346	1.691.490
Ferragamo Chile S.A.	255	6.847	5.179.658	40	20	100		495	503	415	7.845	7.192.573
Ferragamo Belgique SA	255	20.202	20.202	20	10			3.541	(197)	285	23.546	23.546
	9.795	503.232		935	593	620		73.536	94.569	11.943	671.337	

The "Other" column includes changes def perimeter of activity carried out, deepening of bifurcation areas risufted particofarmente significant and/or changes in hours from those budgeted.

**Reasoned proposal of the Board of Statutory Auditors of Salvatore Ferragamo S.p.A.**  
**On the integration of the fees of KPMG S.p.A., the company in charge of the statutory audit for the period 2020-2028**  
(Pursuant to Article 13, Paragraph 1, Legislative Decree No. 39 of January 27, 2010)

Shareholders,

as part of the Ordinary Shareholders' Meeting, you are called upon to resolve on the integration of the fees to be paid to the company KPMG S.p.A. (hereinafter also "KPMG" or "Auditing Firm") for the performance of the statutory audit of the statutory and consolidated financial statements of the company Salvatore Ferragamo S.p.A. (hereinafter also "Ferragamo" or "Company") for the years 2022-2028.

Pursuant to Article 13(1) of Legislative Decree No. 39 of January 27, 2010 (hereinafter also referred to as "Legislative Decree 39/2010"), the determination of the fees of the statutory auditing firm is the responsibility of the Shareholders' Meeting *"upon the reasoned proposal of the auditing body."*

As a reminder, KPMG was appointed as the statutory auditors for the 2020-2028 fiscal years by a resolution of the Ordinary Shareholders' Meeting of Ferragamo held on April 18, 2019.

The engagement pertaining to statutory audit services (hereinafter also "Engagement") is governed by the "Proposal for statutory audit services for the nine-year period 2020- 2028 pursuant to Legislative Decree No. 39 of January 27, 2010," submitted by KPMG on December 3, 2018 (hereinafter also "Proposal").

The subject of the Assignment is the performance of statutory audit services, for the period 2020-2028 as outlined below:

- Statutory audit of the annual financial statements;
- Statutory audit of consolidated financial statements;
- Verification that the company's accounts are properly kept and that management events are correctly recorded in the accounting records, pursuant to Article 14, paragraph 1, letter b) of Legislative Decree No. 39/2010;
- Check on the consistency of the management report required by Article 14 paragraph 2, (e) of Legislative Decree No. 39/2010 and the information in paragraph 1 (c), (d), (f), (l), m) and paragraph 2 (b) of Article 123 - bis of the TUF with the annual financial statements and the consolidated financial statements;
- Limited audit of the condensed interim consolidated financial statements.

In a letter dated December 21, 2022 and a letter dated February 27, 2023, KPMG (hereinafter also jointly referred to as the "Supplementary Proposal") submitted for the attention of the Company an integration of consideration, with respect to both Salvatore Ferragamo S.p.A. and its foreign subsidiaries, based on the following:

**Salvatore Ferragamo S.p.A.**

- on September 1, 2022, by Determination of the Ministry of Economy and Finance/General Accounting Office of the State, the new international auditing standards were adopted including ISA Standard No. 315 on "Identification

and assessment of the risks of significant errors." The main changes introduced concerned:

- understanding of the enterprise and the context in which it operates with a focus on the business model, the extent to which that model integrates the use of IT, and the ways in which the enterprise measures its performance;
  - Understanding of the risks inherent in the integrity of the information system (competence of the people doing the work, existence of adequate resources, and existence of appropriate segregation of duties). Understanding of the IT environment (applications, infrastructure, processes, and personnel) and the enterprise's use of IT to arrive at identifying any risks arising from that use;
  - Introduction of a specific list of controls that the auditor is required to identify and perform checks on as to their configuration and implementation;
  - More granular determination of risks, with particular reference to the so-called "inherent risk."
- The European Commission, on December 17, 2018, adopted Delegated Regulation (EU) 2019/815 (hereafter "Delegated Regulation") under which issuers whose securities are admitted to trading on an EU regulated market (hereafter "Issuers") are required to:
    - To prepare annual financial reports in XHTML, a format readable by human users;
    - Mark IFRS consolidated financial statements, where prepared, using the XBRL markup language
    - Mark all numbers in a stated currency on the statement of financial position; statement of profit/(loss) for the year and other comprehensive income; statement of changes in equity; and statement of cash flows.
  - By a Determination of the Ministry of Economy and Finance (State General Accounting Office) dated February 11, 2022, Auditing Standard (SA) Italy 700B, "The Responsibilities of the Statutory Auditor with Respect to Financial Statements Prepared in Accordance with the European Single Electronic Format (ESEF)," was adopted, effective for audits of financial statements for administrative periods beginning on or after January 1, 2021;
  - As part of the audit of the consolidated financial statements as of December 31, 2022, some specific audit procedures were agreed upon on the *reporting packages* of the following subsidiaries: Ferragamo U.K. Limited, Ferragamo Deutschland GmbH, Ferragamo Espana S.L, Ferragamo Retail Nederland B.V., Ferragamo Austria GmbH;
  - with respect only to the financial statements with a closing date of December 31, 2022, additional procedures were necessary with respect to (i) migration activities on the SAP information system with regard to the subsidiary Ferragamo Mexico S. de R.L. de CV, (ii) analysis of the new incentive plan aimed at the CEO, (iii) signing of the contract with Farfetch Platform Solution Limited, and finally (iv) renewal of the Advance Price Agreement (APA).

In light of the foregoing, (i) the review and application of the new auditing standards, (ii) the modification of certain audit procedures on the *reporting packages* of certain subsidiaries, and (iii) the need to prepare annual financial reports in XHTML format and mark IFRS consolidated financial statements using XBRL markup language, will have a material impact on the scope of Ferragamo's statutory audit of its statutory and consolidated financial statements resulting in an increase in the estimated commitments to perform the audit for each of the fiscal years in the period 2022-2028.

Pursuant to section 6.2 "Update and Changes in Fees for the period covered by this engagement letter" of the Proposal, KPMG has, therefore, quantified the

extent of the increase in honorarium related to each of the fiscal years from December 31, 2022 to December 31, 2028 in Euro 65,000 (plus Euro 6,600 for non-recurring activities and related only to the year 2022). Specifically, for each of the fiscal years from 2022 to 2028, the details of the additional hours separately for each activity to be carried out are shown below:

Activity Description	Assignment (no. of hours planned)	Integration (no. hours)	Total (no. hours)	Total fees (Euro)
Assignment letter dated December 3, 2018, and fee adjustment letters dated October 14, 2021, March 2, 2022, and July 29, 2022	2.673	-	2.673	198.419
Integration of fees ISA 315 Revised	-	150	150	15.000
Integration of ESEF fees	-	350	350	35.000
Integration of specific audit procedure fees on foreign reporting packages	-	200	200	15.000
<b>ANNUAL GRAND TOTAL (2022-2028)</b>	<b>2.673</b>	<b>700</b>	<b>3.373</b>	<b>263.419</b>
Integration of other non-recurring elements	-	60	60	6.600
<b>TOTAL (2022)</b>	<b>2.673</b>	<b>760</b>	<b>3.433</b>	<b>270.019</b>

Given the originally agreed upon hours and fees, the Auditing Firm in its letter dated February 27, 2023, informs that, starting with the audit activities performed on the financial statements as of December 31, 2022, and for future audit activities related to the years of further term of the Assignment, the hours and fees provided for the performance of the mandatory activities, including the above supplement, will be equal to what is shown in the table below:

Mandatory activities 2022-2028			
No. of hours Assignment	No. of integrated hours	No. of total hours	Annual total fee (Euro)
2.673	700	3.373	263.419

The total annual consideration, for Salvatore Ferragamo S.p.A., is therefore increased from Euro 198,419 to Euro 263,419 as a result of the requested integration. To this amount must be added the ISTAT integration provided for in point 6.2 of the Proposal (amounting to a total of Euro 15,602).

### **Foreign subsidiaries**

- Introduction of the new International Standards on Auditing ISA 540 "Review of Accounting Estimates and Related Disclosures" and ISA 315 "Identification and Assessment of Significant Misstatement Risks."
- Introduction of the international standard called "*International Standard on Quality Management 1*" (ISQM1), effective as of December 15, 2022, which expressly requires audit firms to acquire/develop and use appropriate technological resources to enable the audit firm's quality management system to be operational and enable the smooth performance of assignments. The adoption of this principle results in significant investment in technological resources with a consequent impact on service costs;
- with particular reference to Japan, in addition, the effects of recent changes in labor regulations have significantly impacted the way the audit service is provided. Specifically, the severe restrictions introduced on overtime work have changed behavior and made it necessary to structurally intervene to maintain an adequate level of audit risk oversight.



Pursuant to paragraph 6.2 of "Update and changes in fees for the period covered by this engagement letter" of the Proposal, KPMG has, therefore, quantified the extent of the fee increase relating to each of the fiscal years from December 31, 2022 to December 31, 2028 - assuming the same scope of intervention - as 94,569 euros (plus 73,536 euros for inflation and exchange rate effects due to the significant inflationary recovery in substantially all countries of the world). It should also be recalled that the current scope of intervention may be subject to discussion subsequent to the Shareholders' Meeting that will approve the 2022 financial statements, in order to share the outcome that may be applicable as of fiscal year 2023, in order to define an approach that takes into account the relative size of the individual subsidiaries with respect to the Group, the existence of specific risks, and any local regulatory requirements.

That said, for each fiscal year from 2022 to 2028, details of the additional hours separately for each activity to be carried out are given below:

Activity Description	Assignment (no. of hours planned)	Integration (no. hours)	Total (no. hours)	Total fees (Euro)
Assignment letter dated December 3, 2018	9.795	-	9.795	503.232
Integration of fees	-	-	2.148	94.569
- <i>Integration fees new principles</i>	-	935	-	42.147
- <i>Integration consideration macro scenario</i>	-	593	-	29.502
- <i>Integration of fees perimeter change</i>	-	620	-	22.920
Inflation and exchange rate effect	-	-	-	73.536
<b>ANNUAL GRAND TOTAL (2022-2028)</b>	<b>9.795</b>	<b>2.148</b>	<b>11.943</b>	<b>671.337</b>

Given the originally agreed upon hours and fees, the Auditing Firm in its letter dated February 27, 2023, informs that, starting with the audit activities performed on the financial statements as of December 31, 2022, and for future audit activities related to the years of further term of the Assignment, the hours and fees provided for the performance of the mandatory activities, including the above supplement, will be equal to what is shown in the table below:

Mandatory activities 2022-2028			
No. of hours Assignment	No. of integrated hours	No. of total hours	Annual total fee (Euro)
<b>9.795</b>	<b>2.148</b>	<b>11.943</b>	<b>671.337</b>

Ferragamo's *Chief Financial Officer* has provided the Board of Statutory Auditors with his assessments of the Auditor's request and, as a result of them, has represented to the Board of Statutory Auditors that the aforementioned integration of fees - subject to negotiation between the parties in order to contain costs - for Ferragamo's fiscal years 2022-2028 is reasonable due to the following factors:

- paragraph 6.2 of the Proposal, "Update and Changes in Fees for the Period Covered by this Engagement Letter," provides that "*should circumstances arise that would result in an increase in time, significant changes in the timing of the engagement [...] changes in accounting and/or auditing standards [...] these will be discussed and agreed with you and the Board of Statutory Auditors to formulate, a consequent supplement to the fees [...].*"
- the number of hours being supplemented appears to be consistent with what is included in the Proposal (including in terms of the mix of professional categories

employed); and

represents a reflection of an appropriate assessment of the increased commitment required of the Auditing Firm;

- the valuation of fees, based on the hours subject to integration, appears consistent with the professional hourly rates by category established in the Proposal.

In relation to the request for supplementation of the fees to be paid to KPMG for the additional activities outlined above, taking into account that:

- the Approved Statutory Audit Proposal contained a clause to revise time and fees when circumstances arise that would result in increased work time, including for the introduction of new auditing standards;
- the quantification of the commitment in terms of hours and the related fees indicated in the Supplementary Proposal refer to recurring activities that will also be carried out in the coming fiscal years, so they will be counted for each of the remaining fiscal years covered by the mandate (2022-2028);
- the original engagement letter dated December 3, 2018 remains in effect for anything not expressly covered in the Supplemental Proposal;
- In formulating the request for supplementation of the above fees, KPMG has provided appropriate evaluative elements.

Over the past 12 months, the Board of Statutory Auditors has met on numerous occasions both with the auditing firm in order to have more details about the activities to be carried out and the rationale pertaining to the audit process, and with the relevant corporate structures, which have set out their assessments of the integration request and the reasonableness of its contents.

As a result of the above activities, the Board of Statutory Auditors, having noted and shared the assessments of the Company's *Chief Financial Officer*, on the basis of the considerations made and the verifications conducted, finds that the request for the integration of audit activities is consistent with the statutory audit process under the Assignment, adequate in view of the new audit activities related to the events listed above, congruous in relation to the professional commitment required as well as aligned with the conditions already in place.

That being said, the Board of Statutory Auditors submits for your approval, in the terms stated above, the proposal for supplementation of fees formulated by KPMG on December 21, 2022 and February 27, 2023, as per the following proposed resolution:

\* \* \*

*"The Ordinary Shareholders' Meeting of Salvatore Ferragamo S.p.A:*

- *Having regard to the reasoned proposal of the Board of Auditors and the Explanatory Report of the Board of Directors;*
- *taking into account the request by KPMG, in a letter dated December 21, 2022, and in a letter dated February 27, 2023, to supplement the fees related to Salvatore Ferragamo S.p.A., as a result of the additional commitments of a recurring nature related to the application of the new auditing standards for each year from 2022 to 2028 and the additional activities for the year 2022 only;*
- *considering the provision in paragraph 6.2 of the KPMG proposal ("Update and changes in fees for the period covered by this engagement letter");*

*resolution*

- *To approve the supplement of the total annual fee for fiscal year 2022 to be paid to the auditing firm KPMG S.p.A. for the performance of the statutory audit engagement in the amount indicated below:*

<b>Annual 2022</b>		
<b>Services on Salvatore Ferragamo S.p.A.</b>	<b>Integration hours</b>	<b>Integration fees (Euro)</b>
Integration of other non-recurring elements	60	6.600

- *to approve the integration of the total annual fees for each fiscal year of the period 2022-2028 to be paid to the Auditing Firm KPMG S.p.A. for the performance of the statutory audit assignment in the amounts indicated below, to which must be added the ISTAT integration provided for in point 6.2 of the Assignment:*

<b>Annuality 2022-2028</b>		
<b>Services on Salvatore Ferragamo S.p.A.</b>	<b>Integration hours</b>	<b>Integration fees (Euro)</b>
Integration of fees ISA 315 Revised	150	15.000
Integration of ESEF fees	350	35.000
Integration of specific audit procedure fees on foreign reporting package	200	15.000
<b>TOTAL INTEGRATION RECURRING FEES</b>	<b>700</b>	<b>65.000</b>

*Following this integration, the audit fees for the years 2022 to 2028 will amount to*

<b>Services on Salvatore Ferragamo S.p.A.</b>	<b>Integration hours</b>	<b>Integration fees (Euro)</b>
Assignment letter dated December 3, 2018 and fee adjustment letters dated October 14, 2021 and March 2, 2022 and 29 July 2022	2.673	198.419
Integration of fees (ANNEX 1)	700	65.000
<b>Total general recurring fees 2022 - 2028</b>	<b>3.373</b>	<b>263.419</b>
Integration of other non-recurring items 2022	60	6.600
<b>GENERAL TOTAL FEES 2022</b>	<b>3.433</b>	<b>270.019</b>

*In addition,*

- *taking into account the request made by KPMG, in a letter dated February 27, 2023, to supplement the fees for some foreign subsidiaries of the Ferragamo Group as a result of the additional recurring commitments related to the application of the new auditing standards for each year from 2022 to 2028 and the ongoing change in the economics of auditing firms;*

resolves, also,

- To approve the integration of the total annual fees for each fiscal year of the period 2022-2028 to be paid to the Audit Firms of the KPMG S.p.A. network for the performance of the statutory audit assignment at some foreign subsidiaries of the Salvatore Ferragamo Group in the amounts indicated below:

Annuality 2022-2028		
Services on foreign subsidiaries	Assignment hours	Integration fees
Integration of fees	2.148	94.569 (*)

*\* Does not include the inflation effect and the foreign exchange effect, amounting to Euro 73,536. Including these effects, the total is Euro 168,105."*

Rome, March 10, 2023

For the Board of  
Statutory Auditors  
The Chairman  
Andrea Balelli

