

# FERRAGAMO

## ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSAL UNDER ITEM 1 ON THE AGENDA, IN EXTRAORDINARY 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

*Report prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented (the "TUF") and Article 72 of the Regulations adopted by Consob with Resolution No. 11971 of May 14, 1999, as amended and supplemented (the "Issuers' Regulations"), in accordance with Annex 3A, Schedule 3, of the Issuers' Regulations, on the proposed resolution related to point 1 on the agenda of the Extraordinary Shareholders' Meeting.*

**1. Proposal to amend the Articles of Association with reference to Article 5, subject to revocation of the resolutions referred to in points 1 and 2 taken by the Extraordinary Shareholders' Meeting on April 21, 2016. Related and consequent resolutions.**

Shareholders,

The purpose of this explanatory report (the "**Report**") is to illustrate the proposals that the Board of Directors of Salvatore Ferragamo S.p.A. (the "**Company**") intends to submit for your approval to:

- I. the amendment of Article 5 of the current Article of Association with regard to the elimination of the explicit reference to the unit par value of shares;
- II. the amendment of Article 5 of the current Article of Association regarding the elimination of the delegation of authority for a divisible capital increase of up to a maximum nominal amount of 60,000 euros and a maximum of 600,000 shares as a result of the failure to achieve the targets under the "2016-2020 Stock Grant Plan."

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**1. Proposed amendment to Article 5 of the current Article of Association regarding the elimination of the explicit reference to the par value per share.**

**1.1 The proposal of amendment of Article of Association.**

The purpose of the proposed amendment is to revise the clause in the Article of Association that requires the indication of the par value of the Company's ordinary shares to repeal the expression of this value in the Article of Association, which is currently 0.10 euros, with the consequent amendment of Article 5.

Under Articles 2328 and 2346 of the Civil Code, in fact, companies can issue shares without par value: where this happens, the par value of shares is implied by the ratio of the amount of share capital to the number of outstanding shares.

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## 1.2 Reasons for the proposal to amend the Article of Association

The proposed amendment to the Article of Association, regarding the elimination of the indication of the par value of shares, is intended to provide greater operational flexibility and allow for administrative simplification, which is useful in the case of share capital transactions.

The proposal makes it possible to simplify and speed up operations on share capital, avoiding, for example, that any cancellation of shares leads to a reduction in share capital. Specifically, when shares are cancelled, the absence of par value results in a reduction in the number of outstanding shares and an increase in the implied accounting parity of the shares, which can be derived from the ratio of nominal share capital, which remains unchanged, to the total number of shares issued. It will also be possible to undertake, among others, free capital increase operations without issuing new shares, through a simple increase in the accounting parity, the issuance of new shares in a paid capital increase, even with an implied value different from the pre-existing accounting parity, as well as other extraordinary operations, involving share exchanges (e.g.: mergers and demergers), according to simpler and more flexible operating methods.

Please refer to the table in Section 3 for a comparison of the current text of the Articles of Incorporation and the proposed Articles of Incorporation, including an illustration of the changes made.

## 2. Proposed amendment to Article 5 of the current Article of Association regarding the elimination of reference to the capital increase to service the "2016-2020 Stock Grant Plan."

### 2.1 The proposed amendment to the Article of Association

It is recalled that on April 21, 2016, the Shareholders' Meeting of the Company, in ordinary session, had approved the Stock Grant Plan 2016-2020 (the "**Plan**"), described in the information document prepared pursuant to Article *144-bis* of Legislative Decree No. 58/1998 (the "**TUF**") and Article 84-bis of Consob Regulation No. 11971 of May 14, 1999 (the "**Issuers' Regulations**"), concerning the assignment in favor of the Group's management, of the right to receive a maximum of 600,000 ordinary shares of the Company free of charge, subject to the achievement of certain performance targets for each of the two cycles in which the Plan was divided (1st cycle: 2016-2018 and 2nd cycle: 2017-2019).

In order to ensure a sufficient supply of shares to service the Plan, at the proposal of the Board, the Extraordinary Shareholders' Meeting had resolved a free share capital increase in the maximum nominal amount of 60,000 euros, by means of the allocation pursuant to Article 2349 of the Civil Code of a corresponding maximum amount to be executed through the use of a profit reserve tied up to service said capital increase.

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Once the Plan had been approved, the Shareholders' Meeting in extraordinary session had approved the free capital increase pursuant to Article 2349 of the Civil Code and Article 5 of the Articles of Association, amending the text of the latter to incorporate the capital increase resolution by adding the following paragraphs:

*"On April 21, 2016, the Extraordinary Shareholders' Meeting resolved, in accordance with Article 2349 of the Italian Civil Code, a free share capital increase in divisible form for a maximum nominal amount of €60,000 corresponding to a maximum number of 600,000 ordinary shares with a nominal value of €0.10 each, to serve the 2016-2020 Stock Grant Plan in favor of the management of the Ferragamo Group (as identified by the Plan itself) (hereinafter the "2016-2020 Stock Grant Plan" or the "Plan") approved by the Ordinary Shareholders' Meeting on April 21, 2016. This capital increase, in accordance with the 2016-2020 Stock Grant Plan, will be carried out in two tranches, subject to the achievement of certain performance targets, at the end of the three-year period 2016/2018 for the 1st Cycle and at the end of the three-year period 2017/2019 for the 2nd Cycle, through the use of a special capital reserve that is being set up as of now in the amount of 60,000 euros, taken from other free capital reserves fed by "undivided earnings," or in accordance with the different methods indicated by the regulations in force from time to time.*

*The shares to be issued under the preceding paragraph will be granted under the terms and conditions set forth in the 2016-2020 Stock Grant Plan.*

*The Board of Directors is delegated with all necessary powers relating to the execution of the above-mentioned capital increase and, in particular, to the allocation and issuance of the new shares to service the 2016-2020 Stock Grant Plan, under the terms and conditions set forth in the Plan itself, in accordance with the implementing regulations approved by the Board, as well as the power to make any consequent amendments to this article, in order to adjust the amount of share capital accordingly.*

*After the deadline by which the above-mentioned capital increase must be executed, under the conditions set forth in the 2016-2020 Stock Grant Plan, in accordance with the implementing regulations approved by the Board of Directors, the share capital shall be deemed to be increased by an amount equal to the shares issued.*

*The purpose of the proposed amendment is to revise the clause in the Article of Association that makes express reference to the Plan, resulting in the amendment of Article 5."*

## **2.2 Reasons for the proposed amendment to the Article of Association**

As reported analytically in the 2021 Remuneration Policy submitted to the Shareholders' Meeting on April 22, 2021, the Plan was divided into two cycles and, for both cycles, the Company's Board of Directors - on June 30, 2019 for the First Cycle and on June 25, 2020 for the Second Cycle,

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respectively - took note of the failure to achieve the performance targets and resolved to terminate the Plan without making any award of Company shares.

Consequently, the proposed amendment to the Article of Association is aimed at removing from Article 5 of the Article of Association references to the delegation of authority given to the Board of Directors to approve the increase in share capital, given that this is a definitively unfeasible operation.

This amendment is proposed subject to revocation of the resolutions passed in items 1 and 2 by the same Extraordinary Shareholders' Meeting of April 21, 2016, which respectively provided for: a) *a free share capital increase pursuant to Article 2349 of the Civil Code, in divisible form, for a maximum nominal amount of Euro 60,000 corresponding to a maximum number of no. 600.000 ordinary shares with a par value of Euro 0.10 each, to service the Plan, to be issued by the Board of Directors in several tranches, granting the Board of Directors the powers relating to the issuance of the Company's new shares, and b) the amendment of Article 5 with the consequent approval of the share capital increase.*

Please refer to the table in Section 3 for a comparison of the current text of the Articles of Incorporation and the proposed Articles of Incorporation, including an illustration of the changes made.

### 3 Proposed amendments to the Article of Association

In light of the foregoing, we submit to you the statutory amendments set forth below in tabular form with the comparative text of Article 5 in the current text (left column) and in the text containing the changes intended to be adopted (right column) inviting you, if you agree, to approve the above proposals, all highlighted in bold strikethrough.

It should be noted that the amendments in question will be effective as of the registration at the competent Companies Registry of the resolution at the Extraordinary Shareholders' Meeting convened for April 26, 2023 in a single call, and that they do not fall within the scope of Article 2437 of the Civil Code and, therefore, those shareholders who do not participate in the relevant resolutions will not have the right to withdraw for all or part of their shares.

<p style="text-align: center;"><b>Art. 5</b></p> <p style="text-align: center;"><b>Current text</b></p>	<p style="text-align: center;"><b>Art. 5</b></p> <p style="text-align: center;"><b>Proposed Text</b></p>
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The share capital of the Company is EUR 16,879,000.00 (sixteen million, eight hundred and seventy-nine- thousand point zero zero), represented by 168,790,000 (one hundred and sixty- eight million, seven hundred and ninety thousand) shares with a nominal value of EUR 0.10 (zero point one zero) each. The extraordinary Shareholders' Meeting can resolve to increase the share capital of the Company once or several times upon payment, through contributions of capital or in kind, or at no charge, by transferring the reserves and/or other available funds to the capital account.

The extraordinary Shareholders' Meeting can decide to increase the share capital with the exclusion of the pre-emption right, in addition to the other cases prescribed by law, for up to a maximum of ten per cent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report prepared by the auditing company entrusted with the statutory auditing of the Company accounts.

The Shareholders' Meeting, in a special resolution adopted in the extraordinary session, may assign the administrative body the power to increase the share capital, once or several times, up to a fixed amount and for the maximum period of 5 (five) years from the date of the resolution, once again with the exclusion of the pre-emption right pursuant to article 2443 of the Italian Civil Code. The resolution made by the administrative body to increase the share capital in exercising the

The share capital of the Company is EUR 16,879,000.00 (sixteen million, eight hundred and seventy-nine- thousand point zero zero), represented by 168,790,000 (one hundred and sixty- eight million, seven hundred and ninety thousand) shares ~~without par value—with a nominal value of EUR 0.10 (zero point one zero) each~~. The extraordinary Shareholders' Meeting can resolve to increase the share capital of the Company once or several times upon payment, through contributions of capital or in kind, or at no charge, by transferring the reserves and/or other available funds to the capital account.

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The Shareholders' Meeting, in a special resolution adopted in the extraordinary session, may assign the administrative body the power to increase the share capital, once or several times, up to a fixed amount and for the maximum period of 5 (five) years from the date of the resolution, once again with the exclusion of the pre-emption right pursuant to article 2443 of the Italian Civil Code. The resolution made by the administrative body to increase the share capital in exercising the

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<p>aforesaid power must be recorded in minutes, which are to be drawn up by a notary.</p> <p>The share capital can also be increased with the issue of preferential shares or with rights other than those incorporated in the shares that are already issued. The Company can also issue the special categories of shares and financial instruments prescribed in article 2349 of the Italian Civil Code.</p> <p>The Company can issue financial instruments with proprietary or also administrative rights, with the exclusion of the right to vote in the General Meeting of Shareholders. This resolution is to be adopted in the extraordinary Shareholders' Meeting, which regulates the characteristics of the aforesaid instruments in detail, specifying their conditions of issue, administrative and/or proprietary rights and penalties in the event of their non-performance, as well as their transfer, circulation or reimbursement methods.</p> <p>The share capital can be reduced in the cases and in accordance with the methods prescribed by law through the resolution of the extraordinary Shareholders' meeting.</p> <p>On 21 April 2016 the Extraordinary Meeting of Shareholders resolved, pursuant to article 2349 of the Italian Civil Code, to increase the Company's share capital in one or more instalments free of charge, up to a maximum sum of EUR 60,000 corresponding to a maximum of</p>	<p>aforesaid power must be recorded in minutes, which are to be drawn up by a notary.</p> <p>The share capital can also be increased with the issue of preferential shares or with rights other than those incorporated in the shares that are already issued. The Company can also issue the special categories of shares and financial instruments prescribed in article 2349 of the Italian Civil Code.</p> <p>The Company can issue financial instruments with proprietary or also administrative rights, with the exclusion of the right to vote in the General Meeting of Shareholders. This resolution is to be adopted in the extraordinary Shareholders' Meeting, which regulates the characteristics of the aforesaid instruments in detail, specifying their conditions of issue, administrative and/or proprietary rights and penalties in the event of their non-performance, as well as their transfer, circulation or reimbursement methods.</p> <p>The share capital can be reduced in the cases and in accordance with the methods prescribed by law through the resolution of the extraordinary Shareholders' meeting.</p> <p><del>On 21 April 2016 the Extraordinary Meeting of Shareholders resolved, pursuant to article 2349 of the Italian Civil Code, to increase the Company's share capital in one or more instalments free of charge, up to a maximum sum of EUR 60,000 corresponding to a maximum</del></p>
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<p>600,000 ordinary shares with a par value of EUR 0.10 each, in favour of the management of the Ferragamo Group, in the implementation of the 2016 – 2020 Stock Grant Plan (hereinafter the “2016 – 2020 Stock Grant Plan” or the “Plan”) approved by the Ordinary Meeting of Shareholders on 21 April 2016. This capital increase, in compliance with the 2016 – 2020 Stock Grant Plan, will be executed in two tranches, subject to the achievement of fixed performance objectives, at the end of the 2016/2018 three-year period for the 1st Cycle and at the end of the 2017/2019 three-year period for the 2nd Cycle, through the use of a specific equity reserve to be created totalling EUR 60,000, withdrawn from other free equity reserves containing “undistributed profits”, or in accordance with the different methods prescribed by the applicable laws in force.</p> <p>The shares to be issued under the previous paragraph will be allocated within the time limits and under the conditions set forth in the 2016 – 2020 Stock Grant Plan.</p> <p>The Board of Directors is granted all the necessary powers to proceed with the increase in capital stated above and in particular to allocate and issue the new shares under the 2016 – 2020 Stock Grant Plan, within the time limits and under the conditions set forth in the aforesaid Plan, in compliance with the implementing regulations approved by the Board, as well as the power to make the consequent amendments to this article,</p>	<p><del>of 600,000 ordinary shares with a par value of EUR 0.10 each, in favour of the management of the Ferragamo Group, in the implementation of the 2016 – 2020 Stock Grant Plan (hereinafter the “2016 – 2020 Stock Grant Plan” or the “Plan”) approved by the Ordinary Meeting of Shareholders on 21 April 2016. This capital increase, in compliance with the 2016 – 2020 Stock Grant Plan, will be executed in two tranches, subject to the achievement of fixed performance objectives, at the end of the 2016/2018 three-year period for the 1st Cycle and at the end of the 2017/2019 three-year period for the 2nd Cycle, through the use of a specific equity reserve to be created totalling EUR 60,000, withdrawn from other free equity reserves containing “undistributed profits”, or in accordance with the different methods prescribed by the applicable laws in force.</del></p> <p><del>The shares to be issued under the previous paragraph will be allocated within the time limits and under the conditions set forth in the 2016 – 2020 Stock Grant Plan.</del></p> <p><del>The Board of Directors is granted all the necessary powers to proceed with the increase in capital stated above and in particular to allocate and issue the new shares under the 2016 – 2020 Stock Grant Plan, within the time limits and under the conditions set forth in the aforesaid Plan, in compliance with the implementing regulations approved by the Board, as well as the power to make the consequent amendments to this article, for the</del></p>
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<p>for the purposes of consequently adapting the total of the share capital.</p> <p>Once the time limit by which the aforesaid capital increase must be performed has expired, under the conditions set forth in the 2016 – 2020 Stock Grant Plan, in compliance with the implementing regulations approved by the Board of Directors, the share capital will be increased by an amount equal to the shares issued.</p>	<p><del>purposes of consequently adapting the total of the share capital.</del></p> <p><del>Once the time limit by which the aforesaid capital increase must be performed has expired, under the conditions set forth in the 2016 – 2020 Stock Grant Plan, in compliance with the implementing regulations approved by the Board of Directors, the share capital will be increased by an amount equal to the shares issued.</del></p>
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Being said that, we submit the following proposal of resolution to your approval:

*"The Shareholders' Meeting of Salvatore Ferragamo S.p.A. convened in extraordinary session,*

*- hearing and approving the statement of the Board of Directors;*

*resolves*

1. *to eliminate the explicit reference in Article 5 of the Articles of Association to the unit par value of the shares representing the Company's share capital;*
2. *to remove, subject to revocation of the resolutions under items 1 and 2 on the agenda passed by the Extraordinary Shareholders' Meeting on April 21, 2016, the reference in Article 5 of the Articles of Association to the capital increase to service the "2016-2020 Stock Grant Plan."*
3. *as a result of the above resolved, to amend Article 5 of the Articles of Association, according to the text opposite contained in the illustrative report of the Board of Directors, which will, therefore, take the following wording:*

*"The share capital of the Company is EUR 16,879,000.00 (sixteen million, eight hundred and seventy-nine- thousand point zero zero), represented by 168,790,000 (one hundred and sixty-eight million, seven hundred and ninety thousand) shares without par value. The extraordinary Shareholders' Meeting can resolve to increase the share capital of the Company once or several times upon payment, through contributions of capital or in kind, or at no charge, by transferring the reserves and/or other available funds to the capital account.*

*The extraordinary Shareholders' Meeting can decide to increase the share capital with the exclusion of the pre-emption right, in addition to the other cases prescribed by law, for up to*



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*a maximum of ten per cent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report prepared by the auditing company entrusted with the statutory auditing of the Company accounts.*

*The Shareholders' Meeting, in a special resolution adopted in the extraordinary session, may assign the administrative body the power to increase the share capital, once or several times, up to a fixed amount and for the maximum period of 5 (five) years from the date of the resolution, once again with the exclusion of the pre-emption right pursuant to article 2443 of the Italian Civil Code. The resolution made by the administrative body to increase the share capital in exercising the aforesaid power must be recorded in minutes, which are to be drawn up by a notary.*

*The share capital can also be increased with the issue of preferential shares or with rights other than those incorporated in the shares that are already issued. The Company can also issue the special categories of shares and financial instruments prescribed in article 2349 of the Italian Civil Code.*

*The Company can issue financial instruments with proprietary or also administrative rights, with the exclusion of the right to vote in the General Meeting of Shareholders. This resolution is to be adopted in the extraordinary Shareholders' Meeting, which regulates the characteristics of the aforesaid instruments in detail, specifying their conditions of issue, administrative and/or proprietary rights and penalties in the event of their non-performance, as well as their transfer, circulation or reimbursement methods.*

*The share capital can be reduced in the cases and in accordance with the methods prescribed by law through the resolution of the extraordinary Shareholders' meeting."*

- 4. to empower the Board of Directors, and on its behalf the legal representatives pro tempore, also severally, to execute the above resolution and fulfill the necessary formalities, including the registration of the resolution in the Registry of Companies, so that the adopted resolution obtains the approvals required by law, with the power to introduce any non-substantial amendments, additions or deletions that may be required for the purpose, including at the time of registration, and in general to do whatever is necessary for the complete execution of the resolution itself, with any and all powers for this purpose necessary and appropriate, none excluded and excepted, including for the purpose of fulfilling any formalities, acts, filing of petitions or documents, required by the competent market supervisory authorities and/or by the provisions of law or regulations however applicable."*

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Florence, March 16, 2023

**For the Board of Directors.**

**The President**

**Leonardo Ferragamo**