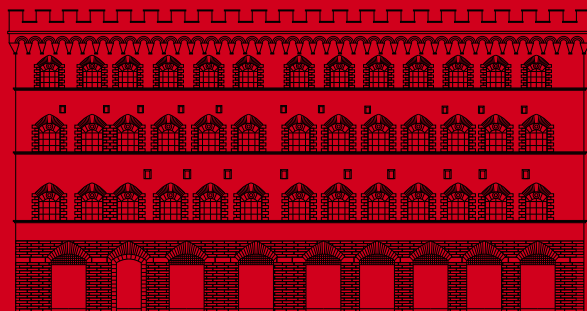


# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

PURSUANT TO ARTICLE 123-BIS  
OF CONSOLIDATED LAW ON FINANCE



# FERRAGAMO

# Summary

5	Glossary and abbreviations
7	Introduction
8	1. ISSUER PROFILE
9	Our Society
	Company <i>Mission</i> and Consolidated Non-Financial Statement
	Statement on the SME nature of the Issuer
10	Our <i>Governance</i>
	The corporate governance of Salvatore Ferragamo SpA
11	Sustainability policies
12	2. INFORMATION ON SHAREHOLDERS (pursuant to Article 123-bis, paragraph 1, Consolidated Law on Finance)
20	3. COMPLIANCE
21	Informazioni essenziali
	<i>Status</i> di adesione alle raccomandazioni del codice
30	4. THE BOARD OF DIRECTORS
31	4.1. Role of the Board of Directors
33	4.2. Appointment and replacement (pursuant to article 123-bis(1)(l) consolidated law on Finance)
36	4.3 Composition (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), Consolidated Law on Finance)
46	4.4. Operation of the Board of Directors (pursuant to Article 123-bis(2)(d) Consolidate Law on Finance)
48	4.5. Role of the Chairman of the Board of Directors
51	4.6. Executive Directors
53	4.7 Independent Directors and Lead Independent Director
55	5. MANAGEMENT OF CORPORATE INFORMATION
56	Internal rules for the management and external communication of confidential, potentially privileged and inside information
57	Procedure for keeping and updating the register of persons with access to privileged and potentially privileged information
	<i>Internal dealing</i> Procedure
59	6. INTERNAL COMMITTEES OF THE BOARD (pursuant to Art. 123-bis, paragraph 2, letter d), Consolidated Law on Finance)
62	7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - NOMINATION COMMITTEE
63	7.1 Self-assessment and succession of Directors
64	7.2 Nomination Committee

67	8. REMUNERATION OF DIRECTORS
68	8.1 Remuneration of Directors
	8.2 Remuneration Committee
69	9. SISTEMA DI CONTROLLO INTERNO E DI GESTIONE DEI RISCHI
76	9.1 Chief Executive Officer
77	9.2 Control and Risk Committee
81	9.3 Head of the Internal Audit Department
83	9.4 Organisational model pursuant to Legislative Decree 231/2001
84	9.5 Auditing firm
	9.6 Manager responsible for the preparation of corporate accounting documents and other corporate roles and functions
85	9.7 Coordination between parties involved in the internal control and risk management system
86	10. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES
89	11. BOARD OF STATUTORY AUDITORS
90	11.1 Appointment and replacement
92	11.2 Composition and operation (pursuant to Art. 123-bis, par. 2, letters d) and d-bis), Consolidated Law on Finance)
99	12. Relations with shareholders
102	13. Shareholders' meetings (pursuant to Article 123-bis(1)(l) and (2)(c) of the Consolidated Law on Finance)
106	14. FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to Article 123-bis(2)(a), second part, Consolidated Law on Finance)
107	15. CHANGES SINCE THE END OF THE FINANCIAL YEAR
109	Main organisational changes in 2022 and early 2023
110	16. CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE
114	Table 1: Information on ownership structure
115	Table 2: Structure of the board of directors at the end of the financial year
116	Table 3: Board Committee structure at the end of the financial year
117	Table 4: Structure of the Board of Auditors at the end of the financial year

# Corporate Bodies as of 2 march 2023

**Chairman**

Leonardo Ferragamo

**Vice Chairman**

Angelica Visconti

**Chief Executive Officer**

Marco Gobbetti

**Board Members**

Frédéric Biousse

Giacomo Ferragamo

Patrizia Michela Giangualano

Annalisa Loustau Elia

Umberto Tombari

Peter K.C. Woo

Anna Zanardi Cappon<sup>1</sup>

**Board of Statutory Auditors**

Andrea Balelli (Chairman)

Giovanni Crostarosa Guicciardi

Paola Caramella

Roberto Coccia (Alternate)

Antonella Andrea (Alternate)

**Board Secretary**

Claudia Ricchetti

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

Registered office in Florence (Italy), via Tornabuoni 2

Share capital Euro 16,879,000.00 fully paid up

Tax code and registration number in the Florence Company Register 02175200480

VAT no. 02175200480

Certified email (Pec): [salvatore.ferragamo@legalmail.it](mailto:salvatore.ferragamo@legalmail.it)

Website: [www.ferragamo.com](http://www.ferragamo.com)

1.

On 27 February 2023, Anna Zanardi Cappon resigned as a Director, effective as of the date of the Shareholders' Meeting to approve the financial statements for the year 2022..

# Glossary and abbreviations

**Directors/Board Members:** the Members of the Board of Directors of the Company

**General Meeting or Shareholders' Meeting:** the Shareholders' Meeting of the Issuer.

**Shares:** the ordinary shares of the Company, with a nominal value of Euro 0.10 each.

**Shareholders:** the Shareholders of the Company

**CRN or Control and Risk Committee:** the Company's Control and Risk Committee, established in accordance with the recommendations of the CG Code

**CG Code or Code or Corporate Governance Code:** the Corporate Governance Code of listed companies approved in December 2019 by the Corporate Governance Committee to whose principles the Company has fully adhered.

**C.C.:** the Italian Civil Code.

**RAC or Remuneration and Appointments Committee:** the Company's Remuneration and Appointments Committee, established in accordance with the recommendations of the CG Code

**Board or Board of Auditors:** the Board of Auditors of the Issuer.

**Endoconsiliar Committees or Committees:** the RAC and CRN

**CG Committee or Corporate Governance Committee:** the Italian Corporate Governance Committee of listed companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria.

**Board of Directors or Board or BoD:** the Board of Directors of the Company.

**Issuer or Company:** Salvatore Ferragamo S.p.A. (ISIN code: IT0004712375), Issuer of the securities referred to in the Report.

**Financial Year:** the Financial Year ending 31 December 2022 to which this Report refers.

**Group or Salvatore Ferragamo Group:** collectively, the Company and the Italian and foreign companies it controls pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance.

**MAR:** the Market Abuse Regulation (EU) No 596/2014 (as subsequently amended).

**Board of Directors Regulations or Rules:** the Board of Directors Regulations adopted on 28 January 2021 and last updated on 26 January 2023.

**Issuers' Regulations:** the Regulations issued by Consob with resolution No. 11971 of 14 May 1999 and subsequent amendments concerning the discipline of Issuers, implementing the Consolidated Law on Financial Intermediation (TUF)

**Consob Market Regulations:** the Regulations issued by Consob with Resolution No. 20249 of 2017 on markets (as subsequently amended).

**RPT Regulation:** the Regulation issued by Consob with Resolution No. 17221 of 12 March 2010 (as subsequently amended) concerning related party transactions.

**Report:** this Report on corporate governance and ownership structure prepared by the Company pursuant to Article 123-bis of the TUF.

**Remuneration Report:** the Report on the Remuneration Policy and compensation paid by the Company, drafted and published pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Consob Regulation on Issuers.

**Articles of Association:** the Issuer's Articles of Association in their updated version, approved by the Shareholders' Meeting in extraordinary session on 20 April 2018 and last amended on 22 April 2021.

**Consolidated Law on Finance or TUF:** Legislative Decree No. 58 of 24 February 1998, "Consolidated Law on Financial Intermediation, pursuant to Articles 8 and 21 of Law No. 52 of 6 February 1996", in the wording in force at the date of this Report.

Where not otherwise specified, the CG Code definitions of: **Directors, Executive Directors, Independent Directors, Significant Shareholder, Chief Executive Officer (Ceo), Board Of Directors, Control Body, Business Plan, Concentrated Ownership Company, Large Company, Sustainable Success, Top Management.**

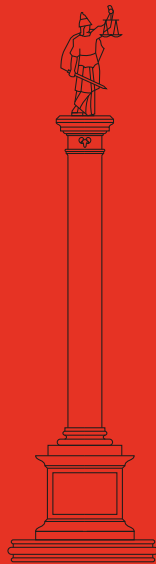
# Introduction

Our Report, which was approved by the Board of Directors on 2 March 2023 after examination by the Control and Risk Committee, fulfils the disclosure obligations dictated by Article 123-*bis* of the Consolidated Law on Finance, which requires Italian issuers to provide the market with annual information on their ownership structure, whether they adhere to corporate governance codes of conduct, on the structure and functioning of corporate bodies, and on the *governance* practices actually applied.

This Report was drafted in compliance with the indications of the *format* prepared by Borsa Italiana for the Corporate Governance Report (9<sup>th</sup> Edition January 2022), taking into account the Principles and Recommendations formulated by the Corporate Governance Code.

According to the '*comply or explain*' principle underpinning the Code, this Report gives an account of the measures and safeguards adopted by the Company to ensure the effective implementation of the Principles and Recommendations of the Code itself, with reasons for any deviations from them.

# ISSUER PROFILE





# Our Society

Salvatore Ferragamo S.p.A. is the parent Company of the Salvatore Ferragamo Group, one of the leading players in the luxury sector, whose origins date back to 1927. The Company is renowned for the creation, production and worldwide distribution of luxury collections of shoes, leather goods, clothing, silk products and other accessories for men and women, including eyewear, watches and perfumes made under licence.

The Company continues to reinterpret and evolve the spirit of its Founder and its *heritage* with creativity, innovation and a sustainable approach. Uniqueness and exclusivity, together with the perfect combination of style and refined *Made in Italy savoir-faire*, are the hallmarks of all Ferragamo products.

The Company's shares are traded on the Euronext Milan market (formerly Mercato Telematico Azionario – MTA) organised and managed by Borsa Italiana S.p.A., as of 29 June 2011.

The Company is subject to the management and coordination of Ferragamo Finanziaria S.p.A. pursuant to Article 2497 et seq. of the Italian Civil Code.

## Company Mission and Consolidated Non-Financial Statement

Over the years, the Company has implemented projects and initiatives that demonstrate commitment and attention to the topic of 'sustainability' and sustainable success understood as long-term success.

Lastly, and in line with the recommendations of the Corporate Governance Code, which assign the Board of Directors the task of guiding the Company in the pursuit of sustainable success, the Strategic Plan presented to the market on 10 May 2022 – available at <https://group.ferragamo.com>, in the Investor Relations/Presentations 2022 section – includes the following enabling factors among its *building blocks*: (i) the *supply chain*; (ii) the reduction of carbon emissions; (iii) the use of sustainable materials and circular economy; (iv) the promotion of a *Diversity & Inclusion* policy; and (v) the development of human capital and a talent-based organisation.

In addition – and again in line with the recommendations of the Corporate Governance Code – the 2023 Remuneration Policy that will be submitted to the Shareholders' Meeting on 26 April 2023 for a vote provides for the variable remuneration of top management to be linked to the achievement of ESG objectives consistent with the provisions of the Strategic Plan.

For further information, please refer to the consolidated non-financial statement ('DNF') prepared pursuant to Legislative Decree 254/2016 and published within the Annual Financial Report for the 2022 Financial Year, available on the Company's website at <https://group.ferragamo.com>, in the Investor Relations/Financial Documents 2022 section, as well as the Remuneration Policy 2023, available on the Company's website at <https://group.ferragamo.com>, in the Governance/Corporate Governance/Remuneration Report section.

## Statement on the SME nature of the Issuer

The Company does not fall within the definition of an SME pursuant to Article 1, Paragraph 1, letter *w-quater*. 1) of the Consolidated Law on Finance and Article 2-ter of the Consob Regulation on Issuers because for three consecutive years – in the 2020, 2021 and 2022 Financial Years – the market capitalisation of the shares exceeded the limit of Euro 500,000,000. Specifically, the average market capitalisation during the Financial Year was Euro 2,794,203,066.21.

In light of the foregoing, it should be noted that the relevant threshold for disclosure obligations pursuant to Article 120 of the Consolidated Law on Finance is 3% of the share capital. Under the Corporate Governance Code, the Company qualifies as a:

- (i) 'large' company, as its capitalisation exceeded Euro 1 billion on the last trading day in the 2020, 2021 and 2022 Financial Years; and
- (ii) 'concentrated ownership' company insofar as the Shareholder Ferragamo Finanziaria S.p.A. directly holds the majority of the votes that can be exercised in the Issuer's ordinary Shareholders' Meeting, with 65.85% of the voting rights, also by virtue of the increases achieved and better detailed later in this Report.

At the date of this Report, the Company has not made use of the flexibility options provided by the Code for large, concentrated-ownership companies.

# Our Governance

## The corporate governance of Salvatore Ferragamo SpA

The Company has adopted the traditional administration and control model, in accordance with the provisions of Article 2380 of the Italian Civil Code, which outlines a tripartite organisational structure providing for:

- a Shareholders' Meeting which, in matters within its competence, expresses the will of the Shareholders;
- a Board of Directors, which is entrusted with the guidance and management of the Company by carrying out the operations necessary to implement its corporate purpose. Pursuant to Article 20 of the Articles of Association, the Board consists of a minimum of five and a maximum of fifteen Directors, who may also be chosen from outside the Shareholders and may be re-elected upon expiry. Within the limits allowed by law and the Articles of Association, the Board may delegate all or part of its powers for the management of the Company to one or more Chief Executive Officers, establishing their powers;
- a Board of Statutory Auditors, with the function of supervising compliance with the law and the Articles of Association, the principles of proper administration and the adequacy of the organisational, administrative and accounting structure adopted by the Company as well as its actual functioning.

The legal auditing of the accounts is entrusted to an Auditing Firm, appointed through the Shareholders' Meeting on the proposal of the Board of Statutory Auditors from among companies listed in the appropriate register, which performs its activities independently and autonomously.

The powers and operating rules of the corporate bodies are governed by the provisions of the law and regulations in force at the *time*, the Articles of Association, the Rules of Procedure of the Shareholders' Meeting, the Regulations of the Board of Directors and of the relevant Endoconsiliar Committees, as well as the applicable corporate procedures.

The characteristics of these bodies are set out below in the relevant chapters of this Report (Chapters 4 for the Board, Chapters 6-9 for the Endoconsiliar Committees, Chapter 9 for the Auditing Firm, Chapter 11 for the Board of Auditors and Chapter 13 for the Shareholders' Meeting).

During the Financial Year, the Company continued the activities to verify and adapt its *governance* structures and tools to the Code, which had already been started when the latter came into force. In particular: (i) on 8 March 2022, the Board approved an adjustment to the *Engagement Policy* to reflect the Company's *governance* structure as of 1 January 2022, following the entry of the new CEO and the appointment of a Non-Executive Vice-Chairman; (ii) in November 2022, *Board Evaluation* activities were resumed for the second year of the Board's mandate (as in 2021, these were carried out with the support of a specialised consultancy firm through the administration of questionnaires and the conduct of individual interviews); (iii) the process of strengthening the internal control and risk management system already undertaken in 2021 continued through *a) the start*, as of June 2022, of the review of the integrated risk management model (ERM Model) with the dual objective of quantifying the potential impacts of the risks in achieving the *targets* of the Strategic Plan presented to the market on 10 May 2022 and introducing, for the risks considered a priority in terms of potential impacts, a monitoring and management model integrated with the managerial decisions taken by the competent *business* functions. As a result of these review activities, concluded in 2022, an update to the "ERM Framework" Policy was approved by the Board of Directors on 26 January 2023, containing methodological references and guidelines for the *governance* of the Group's Enterprise Risk Management (ERM) system. The monitoring activity is based on a dynamic concept of risk assessment that guarantees a constant update of the corporate risk profile. To this end, the ERM Framework envisages, for each relevant risk, the identification of specific *forward-looking* scenarios;<sup>2</sup> scenarios, which are then assessed in terms of estimated combined impact according to the *revenue risk logic*;<sup>3</sup> *b) the launch* in the course of 2022 of a project to strengthen the role of the *compliance* function with

2. Forward-looking scenarios, related to certain adverse events that, if verified, could have financial and/or reputational impacts on the Group.

3. In the case of scenarios related to a compliance risk, the estimated impact may be defined on the basis of different factors, such as exposure in terms of penalties and business interruption in the event of non-compliance with applicable laws or regulations.

the aim of establishing Group-wide oversight aimed at ensuring compliance with the legislative and regulatory context and at promoting, supporting and consolidating appropriate behaviour in relation to the Company's ethical principles and the economic, social and environmental context in which it operates. As a result of these activities, a Regulatory Compliance Manager has been set up within the Company's General Counsel Department, who is in charge of overseeing the risk of non-compliance with the regulations applicable to the Group, and who therefore assesses - with the support of the specialised internal structure for the matters entrusted to them - the prescriptions contained in the regulations, verifying that the internal procedures and processes are adjusted to prevent possible violations. Also in the area of *compliance* activities, the Board of Directors approved: (iv) on 8 March 2022, adherence to the so-called of *Cooperative Compliance*, which allows the taxpayer to initiate a constant and preventive dialogue with the Inland Revenue Office on the most significant tax transactions, sharing the positions to be taken with the competent office of the Large Taxpayers Central Directorate before sending the tax returns; (v) on 12 July 2022, an updated *Statement on Modern Slavery*, pursuant to the UK's Modern Slavery Act 2015, California's Transparency in Supply Chains Act 2010 and the Australian Modern Slavery Act 2018, describing the measures implemented by the Company to ensure the prevention of all forms of "modern slavery, forced labour and human trafficking" within its own operations and supply chain; and (vi) on 13 December 2022, the revision of the organisation, management and control model ex Legislative Decree 231/2001 of the Company (hereinafter referred to as "Model 231") to adapt it to the legislative changes that occurred between the end of 2021 and the first months of 2022. Specifically, the revision concerned the regulatory update of the General Section, the integration of the already existing Special Section protocols, and the drafting of new *ad hoc* protocols aimed at presiding over processes abstractly at risk of the commission of the new alleged offences (Special Section T - Crimes concerning non-cash payment instruments, and Special Section U - Crimes against cultural heritage).

In addition, in 2022 the Company (vii) initiated - with the support of a specialised consulting firm - a thorough review of the Remuneration Policy that will be submitted for the approval of the Shareholders' Meeting on 26 April, through the drafting, inter alia, of a proposal for a *Short-Term Incentive Plan* and a proposal for a *Long-Term Incentive Plan* that aim to strengthen the commitment to achieving not only the financial targets of the Strategic Plan, but also the ESG objectives envisaged by the latter. For further information on this, please refer to the Report on the 2023 Remuneration Policy and 2022 Remuneration Payments available on the website <https://group.ferragamo.com>, in the Governance/Corporate Governance/Remuneration Report and Governance/Shareholders' Meeting 2023 sections.

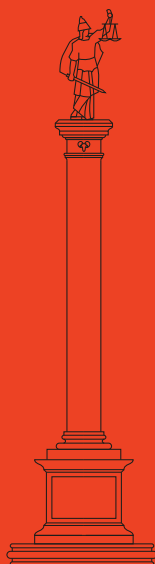
Lastly, (viii) on 26 January 2023, an updated version of the Rules of the Board of Directors was approved, which is available on the website <https://group.ferragamo.com>, Governance/Board of Directors Section; and (ix) on 6 September 2022, in compliance with the Code's Recommendations, the Board ascertained the continued existence of the independence requirements for each of the Non-Executive and Independent Directors. In performing the aforementioned assessment, the Board considered all the information available (in particular, the information provided by the Directors being assessed, who made available all the elements necessary or useful for the Board's verifications), assessing all the circumstances that appear to compromise independence as identified by the Consolidated Law on Finance and the Code, and to this end applied (among others) all the criteria set forth in the Code itself, with reference to the independence of Directors.

### **Sustainability policies**

The Board of Directors guides the Company by pursuing its success in sustainability. For the initiatives carried out by the Board to this end, please refer to the sections of this Report where the following are illustrated: (i) how this objective is integrated into the strategies (Chapter 4.1), remuneration policies (Chapter 8) and the internal control and risk management system (Chapter 9); and (ii) the *corporate governance* measures specifically adopted in this regard (Chapter 9.2).

# INFORMATIONS ON SHAREHOLDERS

(PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, CONSOLIDATED LAW ON FINANCE)



**a) Share capital structure (pursuant to Art. 123-bis(1)(a) Consolidated Law on Finance)**

As of the date of this Report, the Issuer's share capital, fully subscribed and paid-up, was Euro 16,879,000.00, divided into 168,790,000 ordinary shares with a nominal value of Euro 0.10 each, of which 3,261,034 shares with voting rights suspended pursuant to Article 2357-ter, Paragraph 2 of the Italian Civil Code as treasury shares of the Company, and 165,528,966 shares with voting rights.

There are no shares with limited voting rights and the shares are indivisible, registered and entered, in dematerialised form, into the centralised management system managed by Monte Titoli S.p.A.

At the date of this Report, there are no other categories of shares and no financial instruments granting the right to subscribe for newly issued shares has been introduced.

It should be noted; however, that the Shareholders' Meeting of 20 April 2018, in an extraordinary session, resolved to approve the amendment of Article 6 of the Articles of Association to introduce the so-called voting surcharge referred to in Article 127-quinquies of the Consolidated Law on Finance, providing that the voting right surcharge is acquired upon the minimum period of ownership of the shares of 24 months and setting the maximum limit of the surcharge at two votes per share. For further information on this point and on the accrued increases, please refer to the following paragraph "d) Securities granting special rights (pursuant to Article 123-bis, Paragraph 1(d), Consolidated Law on Finance)."

It should be noted that at the Shareholders' Meeting of 26 April 2023, the Board of Directors proposed the elimination of the indication of the explicit nominal value of outstanding shares, with the consequent amendment of Article 5 of the Articles of Association. This amendment makes it possible to simplify and speed up operations on the share capital, avoiding, for example, that the possible cancellation of shares leads to a reduction of the share capital. In particular, in the event of the cancellation of shares, the absence of nominal value leads to 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 issued shares. It will also be possible to undertake, inter alia, free capital increases without issuing new shares, simply by increasing the accounting par value, the issuance of new shares in a paid capital increase, even with an implied value different from the pre-existing accounting par value, as well as other extraordinary transactions involving share exchanges (e.g., mergers and demergers), according to simpler and more flexible operating procedures.

It should also be noted that at the Shareholders' Meeting held on 26 April 2023, the Board of Directors proposed an amendment to Article 5 of the Articles of Association in the section that delegated the Board of Directors to increase the share capital by a maximum nominal amount of Euro 60,000, corresponding to a maximum number of 600,000 ordinary shares with a nominal value of Euro 0.10 each to service the share plan in favour of the Group's management called Stock Grant Plan 2016-2020 (hereinafter the "Stock Grant Plan") approved by the Shareholders' Meeting of 21 April 2016.

In fact, it should be noted that the Board of Directors – on 30 June 2019 for the First Cycle and on 25 June 2020 for the Second Cycle, respectively – had acknowledged the non-achievement of the Stock Grant Plan's performance targets and resolved to terminate the Plan without proceeding with any allocation of shares.

Consequently, in view of the Shareholders' Meeting of 26 April 2023, the Board of Directors resolved to propose the amendment of the following part of Article 5 of the Articles of Association to eliminate the references to the delegation of powers to the Board of Directors to resolve on the share capital increase, given that this is a definitively unfeasible operation:

*"On 21 April 2016, the Extraordinary Shareholders' Meeting resolved, pursuant to Article 2349 of the Italian Civil Code, to increase the share capital, free of charge, in one or more tranches, by a maximum nominal amount of Euro 60,000, corresponding to a maximum number of 600,000 ordinary shares with a nominal value of Euro 0.10 each, to service the 2016-2020 Stock Grant Plan for the management of the Ferragamo Group (as identified by the Plan; hereinafter, the "2016-2020 Stock Grant Plan" or the "Plan") approved by the Ordinary Shareholders' Meeting on 21 April 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 2016-2018 period for the first cycle and at the end of the three-year 2017-2019 period for the second cycle, through the use of a specific capital reserve that is already established for an amount of Euro 60,000, taken from other free*

capital reserves fed by undivided profits or according to the different modalities dictated by the regulations in force from time to time.

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

*"The Board of Directors has delegated all necessary powers relating to the execution of the above-mentioned capital increase and, in particular, to the assignment and issue 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 regulation approved by the Board and the power to make any consequent amendments to this article, to adjust the amount of the 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 and in accordance with the implementing regulation 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 Articles of Association that provides for the express reference to the Plan, with the consequent amendment of Article 5."*

In addition, it should be noted that the Special Award and Restricted Shares Incentive Plans approved by the Shareholders' Meeting on 14 December 2021 did not entail any increases, neither for consideration nor free of charge, in the share capital, as the Company purchased shares to service these Plans pursuant to the authorisation granted by the Shareholders' Meeting of 12 April 2022.

Similarly, the new Share Plan submitted to the Shareholders' Meeting of 26 April 2023 will not entail any capital increase, neither for consideration nor free of charge, as the Company has a sufficient number of treasury shares for the relevant allocations.

For further details in this regard, please refer to the Report on the 2022 Remuneration Policy and the 2021 Remuneration Payments approved by the Shareholders' Meeting on 14 December 2021, available on the website <https://group.ferragamo.com> in the Corporate Governance/Remuneration Report section, the Information Document of the Restricted Shares Plan available on the website <https://group.ferragamo.com>, in the Corporate Governance/Remuneration Report section and the related disclosure pursuant to Article 84-bis of the Issuers' Regulations available on the website <https://group.ferragamo.com> in the Corporate Governance/Remuneration Report section.

The Issuer's share capital structure is shown in Table 1 attached to this Report.

#### **b) Restrictions on the Transfer of Securities (pursuant to Article 123-bis(1)(b) Consolidated Law on Finance)**

The Articles of Association do not provide for restrictions on the transfer of shares, limits on share ownership, nor the approval of corporate bodies or shareholders for the admission of shareholders to the corporate structure.

However, it should be noted that the Agreement between Ferragamo Finanziaria S.p.A. and Majestic Honour Limited, as better defined and described in the following paragraph "*Shareholders' agreements (ex art. 123-bis, paragraph 1, letter g, TUF)*," provides that in the event that Mr Peter K. Woo or his family no longer have direct or indirect control over Majestic Honour Limited, Ferragamo Finanziaria may exercise an option to purchase the approximately 6% interest held by Majestic Honour Limited in the Company's share capital. For further details, see the Essential Information of the Agreement published on the Company's website <https://group.ferragamo.com> in the Governance/Shareholders Agreement section.

In addition, it should be noted that the Board of Directors on 14 December 2021, following the Shareholders' Meeting that approved the Restricted Shares Incentive Plan, resolved, with the favourable opinion of the Remuneration Committee and the Board of Statutory Auditors, to identify the Company's Chief Executive Officer and General Manager as the Beneficiary of the Plan.

Pursuant to the aforementioned resolution, and as part of the Plan, on 1 January 2022, the Chief Executive Officer and General Manager was granted the right to receive, free of charge, 114,766 Shares ("*Restricted Shares 2022*") on 1 January 2023. The *Restricted Shares 2022*, found in full from the stock of treasury shares purchased by the Company in the period between 2018 and 2022 by virtue of the specific authorisations issued from time to time in the Shareholders' Meeting – were transferred to the securities account in the name of the Chief Executive Officer and General Manager on 8 February 2023 and are subject to an intransferability restriction until 1 January 2024. For further details in this regard, please refer to the Report on the 2022 Remuneration Policy and the 2021 Remuneration Payments approved by the Shareholders' Meeting on 14 December 2021 and available on the website <https://group.ferragamo.com> in the Corporate Governance/Remuneration Report section, the Information Document of the Restricted Shares Plan available on the website <https://group.ferragamo.com> in the Corporate Governance/Remuneration Report section and the related disclosure pursuant to Article 84-bis of the Issuers' Regulations available on the website <https://group.ferragamo.com>, in the Corporate Governance/Remuneration Report/Information 84-bis section.

An update of the Restricted Shares Plan of the CEO and General Manager will be submitted to the Shareholders' Meeting on 26 April 2023.

It should also be noted that the new *Long-Term* Incentive Plan for the Group's *management* – based on financial instruments and submitted to the approval of the Shareholders' Meeting of 26 April 2023 – provides for three cycles of annual (*rolling*) grants of ordinary Company shares as follows: (i) 75% in the form of *Performance Share Units*; and (ii) 25% in the form of *Restricted Share Units*. The vesting of initial rights related to the *Performance Share Units* will be subject to the achievement of the *retention* condition and the level of achievement of one or more *performance* indicators at the end of the *vesting* period of each cycle of the Plan. The vesting of initial rights relating to *Restricted Shares* is subject to the achievement of the sole condition of permanence of the relationship at the end of the *vesting period* of each cycle of the Plan. For each grant cycle (cycle 1 2023-2025; cycle 2 2024-2026; cycle 3 2025-2027) there is a three-year *vesting* period, at the end of which the shares will be subject to an additional two-year *lock-up period* for certain categories of beneficiaries. For further information, please refer to the Company's website <http://group.ferragamo.com> in the Governance/Corporate Governance/Remuneration Report and Governance/Shareholders' Meeting 2023 sections.

**c) Significant shareholdings in the capital (pursuant to Art. 123-bis(1)(c) Consolidated Law on Finance)**

As of the date of this Report, the relevant shareholdings in share capital – according to the communications received pursuant to Article 120 of the Consolidated Law on Finance and other information in the Company's possession – are indicated in Table 1 attached to this Report.

**d) Securities conferring special rights (pursuant to Art. 123-bis(1)(d) Consolidated Law on Finance)**

No securities conferring special rights of control were issued.

In the Issuer's Articles of Association, there are no provisions for shares with multiple voting rights; however, the Shareholders' Meeting of 20 April 2018, in an extraordinary session, resolved to approve the amendment of Article 6 of the Articles of Association to introduce shares with increased voting rights, pursuant to Article 127-quinquies of the Consolidated Law on Finance. This provision of the Articles of Association was subsequently amended on 22 April 2021 to align its regulations with the interpretation of Article 127-quinquies of the Consolidated Law on Finance provided by Consob in its Communication No. 0214548 of 18 April 2019. The latter had clarified that the increase in voting rights must be attributed automatically upon the passage of 24 months from the registration of the shares in the special list, unless a waiver has been communicated by the eligible Shareholder, in line with the amendments that the measure issued by Consob and the Bank of Italy on 10 October

2022 has most recently made to the Single *Post-Trading* Provision of 13 August 2018, containing the, "Discipline of central counterparties, central depositories and centralised management activities."

In particular, by way of derogation from the general rule whereby each share gives the right to one vote, pursuant to Article 6 of the Articles of Association and in accordance with Article 127-*quinquies* of the Consolidated Law on Finance, each share gives the right to a double vote (and thus two votes per share) where both of the following conditions are met: (a) the share has belonged to the same person, by virtue of a real right legitimising the exercise of voting rights (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least 24 months (the '**Period**'); (b) the recurrence of the condition under (a) is attested by the continuous registration for the Period in the special list set up for this purpose (the '**Special List**'). At the date of this Report, certain Shareholders registered in the Special List for the entitlement to the benefit of enhanced voting rights have accrued this benefit.

Specifically, as of the date of this Report, the number of shares with the right to the bonus is 109,456,954 (two voting rights for each share) out of a total of 168,790,000 shares, thus changing the total voting rights from 168,790,000 to 278,246,954.

Pursuant to Article 127-*quinquies*, Paragraph 8 of the Consolidated Law on Finance, the increase of the voting right is counted for the determination of the *quorums* for the constitutive and deliberative *quorum* of the Shareholders' Meeting.

There are also 101,266 additional ordinary shares on the increased voting list, the increase of which is currently being accrued.

For further information, please refer to the regulations for the increased voting rights available on the Company's website at <https://group.ferragamo.com>, Governance Section, Shareholders' Equity/Increased-Voting, where, in compliance with Article 143-*quater* of the Consob Issuers' Regulations, the identification data of the Shareholders who have requested inclusion in the Special List are also published, with an indication of the relevant shareholdings, in any case above the threshold indicated in Article 120, Paragraph 2 of the Consolidated Law on Finance, and of the date of inclusion. Reference is also made – again on the above-mentioned website – to the Press Releases section, where all communications relating to changes in voting rights are published.

**e) Employee share ownership: mechanism for exercising voting rights (pursuant to Art. 123-bis(1)(e) Consolidated Law on Finance)**

There are no Employee Share Incentive Plans for which there are mechanisms to exclude or limit the exercise of voting rights of employee Shareholders.

**f) Voting restrictions (pursuant to Art. 123-bis(1)(f) Consolidated Law on Finance)**

There are no mechanisms for restricting or limiting voting rights, nor are there financial rights attached to securities separate from their ownership.

**g) Shareholder agreements (pursuant to Art. 123-bis(1)(g) Consolidated Law on Finance)**

At the date of this Report, a Shareholders' Agreement was in force between Ferragamo Finanziaria S.p.A. and Majestic Honour Limited – a company incorporated under the laws of Hong Kong and with a registered office there, indirectly controlled by Mr Peter K. C. Woo – signed on 26 June 2017 (the 'Agreement'). The Agreement – initially effective between the parties from 29 June 2017 until 29 June 2020 and renewed for an additional period of three years, until 29 June 2023 – is relevant pursuant to Article 122(1) of the Consolidated Law on Finance. By signing the Agreement, the parties assumed certain commitments in relation to the Issuer's *corporate governance*. Pursuant to the Agreement, as long as Majestic Honour Limited is directly or indirectly controlled by Mr Peter K. C. Woo and provided that it holds a shareholding of at least 4% of the Issuer's share capital, Majestic Honour Limited will have the right to appoint a Member of the Board of Directors of the Company in the person of Mr Peter K. C. Woo or another member of his family. By signing the Agreement, the parties have also regulated the dividend distribution policy and the exercise of the option rights to which they are entitled.

The number of shares covered by the Agreement as of 2 March 2023 is 101,716,410, representing 60.27% of the Company's share capital.



For further information, please refer to the abstract of the Agreement published on the Company's website <http://group.ferragamo.com> in the Governance/Shareholders Agreement section.

**h) Change of control clauses (pursuant to Art. 123-bis(1)(h) of the Consolidated Law on Finance) and statutory provisions on takeover bids (pursuant to Art. 104(1-ter) and 104-bis(1) of the Consolidated Law on Finance)**

Change of control clauses

*Credit Facilities:* During the year, the Group opened, renewed, closed early or came to natural maturity – as needed – long-term credit facilities with diversified counterparties with a fixed maturity (*committed*), *revolving* or usable in one lump sum (*term loan*) in euros and foreign currencies. As of 31 December 2022, the outstanding lines totalled approximately Euro 365,000,000 or the equivalent in foreign currency. The credit facilities can be used by the Company, and in some cases, other Group companies. In general, existing loan agreements provide that the lending institution has the right to terminate the agreement early or request early repayment of the loan in the event of a change in the Company's form or controlling shareholding structure.

The Group also uses lines of credit made available in the currency and country of residence of the foreign companies to meet financial needs, which are generally short-term with a fixed maturity or revocable (*uncommitted*). The relevant contracts generally contain clauses that give the lending bank the right to request early repayment of the loan in the event of a change in the controlling Shareholder structure.

*Special Award 2022-2026 Plan:* The medium/long-term 'Special Award 2022-2026' incentive plan approved by the Shareholders' Meeting on 14 December 2021 – pursuant to article 114-bis of the Consolidated Law on Finance, which provides for the assignment of ordinary Company shares to the Chief Executive Officer and General Manager, as well as any additional top Managers of the Group, upon the occurrence of certain conditions – includes a change of control clause (defined as "*the exercise of control, pursuant to Article 2359 of the Italian Civil Code, over the Company by a person other than Ferragamo Finanziaria S.p.A.*") pursuant to which, if such circumstance occurs during the 'Vesting Period', the Company's shares are assigned to a person other than the Chief Executive Officer and General Manager, or to any additional top Group Managers. If this circumstance occurs during the 'Vesting Period', as defined in the above-mentioned plan, the Chief Executive Officer and General Manager will be entitled to receive the 'Special Award Bonus' in a lump sum and in an amount calculated by taking as a reference 0.50% of the Company's equity value determined on the basis of the Company's valuation in the transaction that led to the 'Change of Control'. For further information, please refer to the Explanatory Report on the second item of the agenda and information document entitled 'Special Award Plan 2022-2026' available respectively on the Company's website <http://group.ferragamo.com> in the Governance/Shareholders' Meeting 2021 and Governance/Remuneration/Share Incentive Plans sections.

It should be noted that the new Long-Term Incentive Plan for the Group submitted for approval to the Shareholders' Meeting on 26 April 2023 provides for the acceleration of the plan itself in the event of a change of control.

Statutory Provisions on Takeover Bids

The Articles of Association do not contain any provisions derogating from the *passivity rule* provided for in Article 104, Sections 1 and 1-bis of the Consolidated Law on Finance, nor do they provide for the application of the neutralisation rules set forth in Article 104-bis, Sections 2 and 3 of the Consolidated Law on Finance.

**i) Powers to increase share capital and authorisations to purchase treasury shares (pursuant to Art. 123-bis(1)(m) Consolidated Law on Finance)**

On 21 April 2016, the Extraordinary Shareholders' Meeting had resolved, pursuant to Article 2349 of the Italian Civil Code, to carry out a free share capital increase in divisible form for a maximum nominal amount of Euro 60,000 – corresponding to a maximum number of 600,000 ordinary shares with a nominal value of Euro 0.10 each – to service the 2016-2020 Stock Grant Plan for the Ferragamo Group's management (as identified by the Plan itself; hereinafter the '2016-2020 Stock Grant Plan' or the 'Plan') approved by the Ordinary Shareholders' Meeting on 21 April 2016. In accordance with the 2016-2020 Stock Grant Plan, this capital increase should have been executed in two tranches, subject to the achievement of certain *performance* targets, at the end of the

three-year 2016-2018 period for the first cycle and at the end of the three-year 2017-2019 period for the second cycle through the use of a specific capital reserve that is already established for an amount of Euro 60,000, taken from other free capital reserves fed by 'undivided profits' or according to the different modalities dictated by the regulations in force from time to time.

On 30 June 2019 for the first cycle and on 25 June 2020 for the second cycle respectively, the Board of Directors took note of the failure to achieve the targets set forth in the 2016-2020 Stock Grant Plan; therefore, the capital increase was not executed and on 2 March 2023, the Board of Directors resolved to submit the amendment of Article 5 of the Articles of Association to the Shareholders' Meeting.

Apart from the above, the Board has not been delegated by the Shareholders' Meeting to increase the share capital pursuant to Article 2443 of the Italian Civil Code.

On 12 April 2022, the Ordinary Shareholders' Meeting resolved to authorise the Board of Directors – pursuant to Article 2357 of the Italian Civil Code – to purchase, also in several *tranches*, ordinary Salvatore Ferragamo shares with a par value of Euro 0.10 each, up to a maximum number that, taking into account the shares held from time to time in the Company's portfolio and its subsidiaries, does not exceed 2% of the Company's *pro tempore* share capital, pursuant to Article 2357, Paragraph 3 of the Italian Civil Code, for the purpose, inter alia, of acquiring treasury shares to be allocated, if necessary, to service any share incentive plans, including long-term plans, to be reserved for Directors and/or Managers of the Company or of companies controlled by the Issuer that may be approved by the Company's Shareholders' Meeting in the future and/or if necessary, to service any extraordinary capital transactions or financing transactions that involve the allocation or disposal of treasury shares.

The authorisation for the purchase of treasury shares was requested for the maximum duration provided for by the applicable regulations, currently set by Article 2357, Paragraph 2 of the Italian Civil Code at 18 months from the date of the Shareholders' Meeting resolution approving the proposal. The authorisation to dispose of any treasury shares purchased was instead requested without time limits.

On 12 April 2022, the Board approved the commencement of the programme for the purchase of treasury ordinary shares in implementation of the authorisation approved by the Shareholders' Meeting on the same date. The Board resolved – considering the closing price of the Shares on 11 April 2022 of Euro 15.84 – that the maximum total value of the shares to be purchased would be Euro 26,736,336.

On 11 July 2022, the Company announced that it had purchased a total of 3,375,800 of its own ordinary shares, equal to 2% of its share capital, and therefore, the aforementioned authorisation to purchase and dispose of treasury shares had been fully executed as of that date.

For further details, please refer to the minutes of the aforementioned Ordinary Shareholders' Meeting and the Board of Directors' Explanatory Report, available on the Company's website at <https://group.ferragamo.com> in the Governance/Shareholders' Meeting 2022 section, as well as the press release issued on 12 April 2022, available in the Investor Relations/Press Releases 2022 section.

At the end of the Financial Year, the Company held 3,375,800 of its own ordinary shares, representing 2% of the share capital.

As at the date of this Report, and taking into account that on 8 February 2023 – as part of the Restricted Shares Incentive Plan – the Company transferred 114,766 shares to the Chief Executive Officer and General Manager from its treasury stock purchased in the 2018 - 2022 period. By virtue of the specific authorisations issued from time to time by the Shareholders' Meeting, the Company holds 3,261,034 treasury shares, equal to 1.932% of the share capital.

It should be noted that the information required by Article 123-bis, Paragraph 1, letter i) ("*agreements between the company and the Directors providing for indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates as a result of a takeover bid*") is illustrated in Chapter 8.1 of this Report, in the section on Directors' remuneration.

It should also be noted that the information required by Art. 123-bis, Paragraph 1, letter l), first part ("*the rules applicable to the appointment and replacement of Directors, [...] if different from the laws and regulations applicable by way of supplementary provisions,*") is illustrated in Chapter 4.2 of this Report, in the section dedicated to the Board of Directors.

Finally, it should be noted that the information required by Article 123-bis, Paragraph 1, letter l), second part (*"the rules applicable to the amendment of the articles of association, if different from the laws and regulations applicable by way of supplementary provisions,"*) is set out in Chapter 13 of this Report in the section on the Shareholders' Meetings.

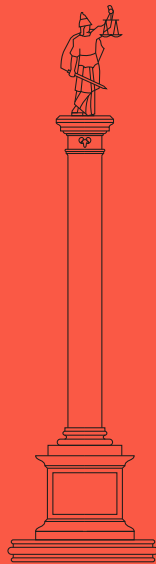
**j) Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)**

The Company is a legal subsidiary, pursuant to Article 93 of the Consolidated Law on Finance, of Ferragamo Finanziaria S.p.A., which exercises management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code. The shares of Ferragamo Finanziaria S.p.A. are not listed on regulated markets.

On 14 December 2021, the Company adopted a regulation aimed at regulating the operating procedures for the exchange of information between the Company and the controlling Shareholder Ferragamo Finanziaria S.p.A., as part of its management and coordination activities or for the fulfilment of legal obligations by Ferragamo Finanziaria S.p.A., with particular reference to information provided selectively and in consideration of the requirements of confidentiality and compliance with applicable regulations. As of the date of this Report, only the Director Leonardo Ferragamo, who serves as non-executive Chairman of the Company, holds the position of Director of the Issuer and of Ferragamo Finanziaria S.p.A.

In accordance with Article 16 of the Consob Market Regulations, the Company's Control and Risk Committee and Remuneration and Appointments Committee are composed exclusively of Independent Directors. For further information, please refer to Chapter 6 et seq. of this Report.

# COMPLIANCE



The Company adhered to the Corporate Governance Code, as last approved in January 2020 by the Corporate Governance Committee formed by the Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni).

The CG Code is available to the public on the Borsa Italiana website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

The following Executive Summary details the status of the Company's adherence to the recommendations of the Code.

The Issuer or its strategically important subsidiaries are not subject to non-Italian legal provisions affecting the Issuer's *corporate governance* structure.

## INFORMAZIONI ESSENZIALI

### Status of adherence to the recommendations of the code

RECOMMENDATION	REFERENCES IN RELATION	STATUS
<b>Recommendations 1 – 3</b>		
In particular, the governing body: - guide the company by pursuing its sustainable success; - defines the system of corporate governance best suited to the company's needs;	See Chapters 1 and 4	✓
- adopts and describes in the Corporate Governance Report a policy for managing dialogue with shareholders at large, also taking into account the engagement policies adopted by institutional investors and asset managers.	See Chapter 12	✓
<b>Recommendations 4 – 10</b>		
In particular: - the board of directors defines the allocation of management powers and identifies who among the executive directors holds the position of chief executive officer;	See Chapter 1; paragraph 4.1, 4.5 e 4.6	✓
- the number and competences of independent directors are appropriate to the needs of the company and the functioning of the board, as well as the constitution of the relevant committees; in large companies with concentrated ownership, independent directors constitute at least one third of the board;	See 4.7	✓

RECOMMENDATION	REFERENCES IN RELATION	STATUS
<p>- In large companies, the independent directors meet, in the absence of the other directors, on a regular basis and in any case at least once a year to assess issues deemed of interest with respect to the functioning of the board of directors and the management of the company;</p>	<p><i>See paragraph 4.7</i></p>	<p>✓</p>
<p>- the board of directors assesses the independence of each non-executive director immediately after appointment as well as during the term of office upon the occurrence of circumstances relevant to independence and in any case at least once a year. To this end, the board of directors shall predefine the qualitative and quantitative criteria for assessing the significance of relations with the Company;</p>	<p><i>See paragraphs 4.2, 4.3 and 4.7</i></p>	<p>✓</p>
<p>- the company defines the diversity criteria for the composition of the management and control bodies and identifies, also taking into account its ownership structure, the most appropriate instrument for their implementation;</p>	<p><i>See paragraph 4.3</i></p>	<p>✓</p>
<p>- all members of the control body meet the independence requirements for directors. The assessment of independence is carried out by the board of directors or the control body, based on the information provided by each member of the control body;</p>	<p><i>See paragraphs 4.2 and 4.7</i></p>	<p>✓</p>
<p>- the outcome of the independence assessments of directors and members of the control body is disclosed to the market immediately after the appointment by means of a specific press release and, subsequently, in the Corporate Governance Report; on these occasions, the criteria used to assess the significance of the relationships are indicated and, where a director or member of the control body has been deemed independent despite the occurrence of one of the situations indicated in Recommendation 7, a clear and reasoned justification is provided for this choice in relation to the position and individual characteristics of the person assessed.</p>	<p><i>See paragraphs 4.2 and 4.7</i></p>	<p>✓</p>
<p><b>Recommendations 11 – 18</b></p>		
<p>In particular: - the Board of directors adopts a set of rules defining the rules of operation of the board itself and its committees, including the procedures for taking minutes of meetings and the procedures for managing information to directors. These procedures identify the deadlines for the prior submission of information and</p>	<p><i>See 4.3, 4.4 and 4.5; Chapters 6 and 16</i></p>	<p>✓</p>

RECOMMENDATION	REFERENCES IN RELATION	STATUS
<p>the procedures for protecting the confidentiality of the data and information provided so as not to prejudice the timeliness and completeness of information flows; the corporate governance report provides adequate information on the main contents of the rules of the board of directors and compliance with the procedures on the timeliness and adequacy of information provided to directors;</p>		
<p>- the chairman of the board of directors, with the help of the secretary, ensures the proper organisation of meetings, the coordination of committee and board activities, the organisation of <i>induction</i> and the adequacy and transparency of the <i>board's</i> self-assessment process;</p>	<p>See paragraph 4.5</p>	<p>✓</p>
<p>- the board of directors appoints an independent director as <i>lead independent director</i>;</p>	<p>See paragraph 4.7</p>	<p>✓</p>
<p>- in large companies, the board of directors expresses its orientation as to the maximum number of positions on the boards of directors or auditors in other listed or large companies that may be considered compatible with the effective performance of the office of director of the company, taking into account the commitment resulting from the position held;</p>	<p>See paragraph 4.3</p>	<p>✓</p>
<p>- The Board of Directors establishes internal committees with investigative, proposing and advisory functions in the areas of appointments, remuneration and control and risks;</p>	<p>See chapters 6, 7 and 8; paragraph 9.2</p>	<p>✓</p>
<p>- The board of directors defines the tasks of the committees and determines their composition, giving priority to the competence and experience of their members and avoiding, in large companies, an excessive concentration of tasks in this area. Each committee is coordinated by a chairman who informs the board of directors of its activities at the first useful meeting. The chairman of the committee may invite the chairman of the board of directors, the chief executive officer, other directors and, informing the chief executive officer, representatives of the relevant corporate functions to individual meetings; members of the supervisory board may attend meetings of each committee. Committees are entitled to access the information and corporate functions necessary to perform their duties, have access to financial resources and make use of external consultants, under the terms set by the board of directors;</p>	<p>See chapters 6, 7, 8 and 16; paragraph 9.2</p>	<p>✓</p>
<p>- the governing body decides, on the proposal of the chairman, on the appointment and dismissal of the secretary of the body and defines his professional requirements and powers in its rules of procedure.</p>	<p>See paragraphs 4.3 and 4.4</p>	<p>✓</p>

RECOMMENDATION	REFERENCES IN RELATION	STATUS
<b>Recommendations 19 – 24</b>		
In particular:		
- the board of directors entrusts the nomination committee with the task of assisting it in the activities of self-assessment, definition of the optimal composition of the board of directors and its committees, identification of candidates for the office of director in the event of co-optation, possible submission of a list by the outgoing board of directors, preparation, updating and implementation of any plan for the succession of the <i>chief executive officer</i> and other executive directors;	<i>See chapter 7</i>	✓
- the nomination committee is composed of a majority of independent directors;	<i>See paragraph 7.2</i>	✓
- The self-assessment focuses on the size, composition and actual functioning of the board of directors and its committees, also considering its role in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system. Furthermore, the self-assessment is conducted at least every three years, in view of the renewal of the board of directors;	<i>See paragraph 7.2</i>	
- in large companies, the board of directors shall: define, with the support of the nomination committee, a plan for the succession of the <i>chief executive officer</i> and the executive directors identifying at least the procedures to be followed in the event of early termination of office; and ascertain the existence of adequate procedures for the succession of top management.	<i>See 4.2</i>	<i>In progress</i>
<b>Recommendations 25 – 31</b>		
In particular:		
- the Board of Directors entrusts the Remuneration Committee with the task of assisting the Board of Directors in drafting the remuneration policy, submitting proposals or expressing opinions on the remuneration of executive directors and other directors holding special offices as well as on the setting of performance targets related to the variable component of such remuneration, monitoring the concrete application of the remuneration policy and verifying, in particular, the actual achievement of performance targets; periodically assessing the adequacy and overall consistency of the policy for the remuneration of directors and top management;	<i>See Chapter 8</i>	✓



RECOMMENDATION	REFERENCES IN RELATION	STATUS
<p>- the remuneration committee is composed of only non-executive directors, the majority of whom are independent, and is chaired by an independent director. 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. No director takes part in meetings of the remuneration committee where proposals concerning his or her remuneration are formulated.</p>	<p>See Chapter 8</p>	<p>✓</p>
<p>- the policy for the remuneration of executive directors and top management defines a balance between the fixed component and the variable component that is appropriate and consistent with the company's strategic objectives and risk management policy, taking into account the characteristics of the company's business and the sector in which it operates, providing in any case that the variable portion represents a significant part of the total remuneration; maximum limits on the payment of variable components; performance objectives, to which the payment of variable components is linked, predetermined, measurable and linked in significant part to a long-term horizon. They are consistent with the company's strategic objectives and are aimed at promoting its sustainable success, including, where relevant, also non-financial parameters; an adequate deferral period - with respect to the time of maturity - for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity and the related risk profiles; contractual arrangements permitting the company to request the repayment, in whole or in part, of variable remuneration components paid (or to withhold amounts subject to deferral), determined on the basis of data that later proved to be manifestly erroneous and of other circumstances that may be identified by the company; clear and pre-determined rules for the possible payment of severance indemnities, which define the maximum limit of the total sum payable, linking it to a certain amount or a certain number of years of remuneration. This indemnity is not paid if the termination is due to the achievement of objectively inadequate results;</p>	<p>See Chapters 8 and 16</p>	<p>✓</p>
<p>- share-based remuneration plans for executive directors and top management incentivise alignment with shareholder interests over a long-term horizon, with a prevailing portion of the plan having an overall vesting and retention period of at least five years;</p>	<p>See Chapters 8 and 16</p>	<p>✓</p>

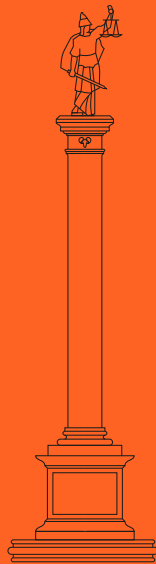
RECOMMENDATION	REFERENCES IN RELATION	STATUS
<p>- the policy for the remuneration of non-executive directors provides for remuneration commensurate with the competence, professionalism and commitment required by the tasks assigned to them within the Board of Directors and Board committees; such remuneration is not linked, except for an insignificant portion, to financial performance objectives;</p>	<p><i>See Chapter 8</i></p>	<p>✓</p>
<p>- the remuneration of the members of the control body provides for remuneration commensurate with the competence, professionalism and commitment required by the importance of the role covered and the size and sectoral characteristics of the company and its situation.</p>	<p><i>See Chapter 8; paragraph 11.2</i></p>	<p>✓</p>
<p><b>Recommendations 32 – 37</b></p>		
<p>In particular:</p>		
<p>- The organisation of the internal control and risk management system involves, each within its own sphere of competence the board of directors, which plays a role in guiding and evaluating the adequacy of the system; the chief executive officer, in charge of setting up and maintaining the internal control and risk management system; the control and risk committee, set up within the board of directors, with the task of supporting the board of directors' evaluations and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports the head of the internal audit function, in charge of verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the board of directors; the other corporate functions involved in controls (such as the risk management and legal and non-compliance risk monitoring functions), organised according to the size, sector, complexity and risk profile of the company; the control body, which supervises the effectiveness of the internal control and risk management system;</p>	<p><i>See Chapter 9</i></p>	<p>✓</p>
<p>- the board of directors, with the support of the control and risk committee defines the guidelines of the internal control and risk management system in line with the company's strategies and assesses, at least once a year, the adequacy of said system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness; appoints and revokes the head of the internal audit function, defin-</p>	<p><i>See Chapter 9</i></p>	<p>✓</p>

RECOMMENDATION	REFERENCES IN RELATION	STATUS
<p>ing his/her remuneration in line with company policies, and ensuring that he/she is provided with adequate resources to perform his/her duties approves, at least once a year, the work plan prepared by the head of the internal audit function, in consultation with the supervisory body and the chief executive officer; assesses the appropriateness of taking measures to ensure the effectiveness and impartiality of judgement of the other corporate functions indicated in Recommendation 32(e), verifying that they are equipped with the necessary resources to ensure that they are able to perform their duties effectively and impartially. e), verifying that they are endowed with adequate professionalism and resources; assigns to the control body or to a specially constituted body the supervisory functions pursuant to Article 6(1)(b) of Legislative Decree no. 231/2001; assesses, after hearing the control body, the results set out by the auditor in the letter of suggestions, if any, and in the additional report addressed to the control body; describes, in the report on corporate governance, the main features of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating the models and national and international best practices of reference, expresses its overall assessment on the adequacy of the system itself and gives an account of the choices made regarding the composition of the supervisory body;</p> <p>- the chief executive officer: is in charge of identifying the main corporate risks, taking into account the characteristics of the activities performed by the company and its subsidiaries, and periodically submits them to the review of the board of directors; implements the guidelines defined by the board of directors, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of the operating conditions and the legislative and regulatory framework may entrust the internal audit function with the performance of checks on specific operational areas and on compliance with internal rules and procedures in the performance of corporate operations, simultaneously notifying the chairman of the board of directors, the chairman of the control and risk committee and the chairman of the control body; it shall promptly report to the control and risk commit-</p>	<p>See paragraph 9.1</p>	<p>✓</p>

RECOMMENDATION	REFERENCES IN RELATION	STATUS
<p>tee on problems and critical issues that have emerged in the performance of its activities or of which it has in any case become aware, so that the committee may take the appropriate initiatives;</p> <p>- the control and risk committee is composed only of non-executive directors, the majority of whom are independent, and is chaired by an independent director. The committee as a whole has adequate expertise in the business sector in which the company operates, functional to assessing the relevant risks; at least one member of the committee has adequate knowledge and experience in accounting and finance or risk management. The control and risk committee, in assisting the board of directors assesses, having consulted the Financial Reporting Officer of preparing the company's financial reports, the statutory auditor and the control body, the correct use of accounting standards and, in the case of groups, their homogeneity for the purpose of preparing the consolidated financial statements; assesses the suitability of periodic financial and non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved; examines the content of periodic non-financial information relevant to the internal control and risk management system expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the evaluations and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter has become aware; examines the periodic reports and those of particular relevance prepared by the internal audit function; monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function; may entrust the internal audit function with the performance of checks on specific operational areas, notifying the chairman of the control body at the same time; reports to the board of directors, at least on the occasion of the approval of the annual and half-yearly financial report, on the activities carried out and the adequacy of the internal control and risk management system;</p>	<p>See paragraph 9.2</p>	<p>✓</p>
<p>- The head of the internal audit function is not responsible for any operational area and reports hierarchically to the management body. He has direct access to all information relevant to the performance of the task. The head of the internal audit function: verifies, both</p>	<p>See paragraph 9.3</p>	<p>✓</p>

RECOMMENDATION	REFERENCES IN RELATION	STATUS
<p>on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, by means of an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks; prepares periodic reports containing adequate information on its activities, on the manner in which risk management is conducted and on compliance with the plans defined for their containment. The periodic reports contain an assessment of the suitability of the internal control and risk management system; also at the request of the control body, it prepares timely reports on particularly significant events; it transmits the reports to the chairmen of the control body, the control and risk committee and the board of directors, as well as to the chief executive officer, except in cases where the subject of these reports specifically concerns the activity of these persons; it verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems;</p> <p>- A member of the control body who, on his own behalf or on behalf of third parties, has an interest in a certain transaction of the company shall promptly and fully inform the other members of the control body and the chairman of the board of directors about the nature, terms, origin and extent of his interest. The control body and the control and risk committee shall promptly exchange information relevant to the performance of their respective tasks. The chairman of the control body, or another member designated by him, shall participate in the work of the control and risk committee.</p>	<p><i>See paragraphs 9.2; Chapter 11</i></p>	<p>✓</p>

# BOARD OF DIRECTORS



## 4.1. Role of the Board of Directors

The Board has the power as well as the duty to manage the Company's business, pursuing the objective of creating value for Shareholders. Pursuant to the Articles of Association, the Board provides for the management of the social enterprise and is vested with all powers of administration (ordinary and extraordinary), with the exception of those reserved by law and by the Articles of Association to the Shareholders' Meeting.

Within the scope of the powers granted to it by the Articles of Association and consistent with the Recommendations of the Corporate Governance Code, the Board:

- performs its management role over the Issuer's business by pursuing its sustainable success, including by defining the Issuer and Group's strategies consistent with the pursuit of sustainable success and monitoring their implementation;
- defines the system of corporate governance considered to be the most functional for the conduct of the Company's business and the pursuit of its strategies;
- promotes dialogue with Shareholders and other *stakeholders* relevant to the Issuer;
- examines and approves the Company and Group's multi-year business plan, also on the basis of the analysis of issues relevant to the generation of long-term value;
- periodically monitors the implementation of the multi-year business plan, assesses the general performance of management and compares results achieved to those planned;
- defines the nature and level of risk compatible with the Company's strategic objectives, including all elements that may be relevant to the sustainable success of the Company in its assessments;
- defines the governance system of the Company and the structure of the Group;
- assesses the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal control and risk management system;
- deliberates on the operations of the Company and its subsidiaries when they have a significant strategic, economic, capital or financial importance for the Company itself, establishing the general criteria for identifying significant operations.

In this regard, without prejudice to matters that cannot be delegated pursuant to the law and the Articles of Association, the Board has reserved the following activities for its exclusive jurisdiction: (i) acquisitions, contributions, disposals of equity investments, companies, business units or real estate, and joint venture agreements; (ii) assumption of loans in excess of Euro 50,000,000; (iii) other transactions with a significant economic and financial impact; (iv) the purchase, exchange or sale of any instrumental asset or service related to the Company's business purpose, as well as entering into or terminating lease agreements relating to the purchase of assets instrumental to the Company's ordinary operations and/or lease agreements of real estate and/or business units, relating to shops and offices or in any case to the sale of products marketed by the Company whose duration does not exceed the duration established by law or commercial practice in the individual countries concerned and whose value exceeds Euro 25,000,000; (v) transactions with related parties that qualify as 'Significant Transactions' pursuant to the procedure for the regulation of transactions with related parties adopted by the Company and the Consob Related Parties Regulation; and (vi) any other transaction assessed from time to time as significant, also upon notification by the delegated bodies.

During the year, the Chief Executive Officer regularly reported (at least quarterly) to the Board of Directors and the Board of Statutory Auditors on the activities carried out by virtue of the powers delegated to him, the general performance of operations and its foreseeable evolution, as well as the most significant economic, financial and equity transactions concerning the Company and its subsidiaries. On these occasions, the Board of Directors was also provided with the information necessary to monitor the actual implementation of the *budget* approved for the Financial Year.

As of June 2022, in continuity with the process of strengthening the *ERM* model undertaken in 2021, the Group has launched a project initiative with the dual objective of quantifying the potential impacts of risks on the achievement of the *targets* of the Strategic Plan presented to the market on 10 May 2022 and introducing – for the risks considered a priority in terms of potential impacts – a monitoring and management model integrated with the managerial decisions taken by the relevant *business* functions.

The activities, which were concluded in the 2022 Financial Year, were started with reference to the main risk areas with a direct/indirect impact on the achievement of the Strategic Plan objectives and were extended to the entire *Risk Universe*, (i.e., to all risks deemed applicable to the organization). This process of revision of the integrated risk management model (*ERM* Model) was concluded with the updating of the 'ERM Framework' Policy, which constitutes the methodological reference and guidelines for *governance* of the Salvatore Ferragamo Group's *Enterprise Risk Management (ERM)* system. The 'ERM Framework' Policy was approved by the Board of Directors at its meeting on 26 January 2023.

The new risk governance has been developed with a step-by-step and gradual *escalation* process, with the involvement of the Risk and Control Committee and the Chief Executive Officer as the Director in charge of risk management. Furthermore, the monitoring activity is based on a dynamic risk assessment concept that ensures the Company's risk profile is constantly updated. On 2 March 2023, the Board expressed an overall positive assessment in relation to the adequacy of the Company's organisational, administrative and accounting structure, as no circumstances had emerged such as to deem the Group's internal control and risk management system inadequate in relation to the characteristics of the business and the risk profile assumed. This assessment was made by the Board of Directors on the basis of the favourable opinion of the Control and Risk Committee at the outcome of the preliminary investigation conducted by the latter, as well as on the basis of the results of the checks conducted by the Internal Audit Department and by the Executive in Charge, having also consulted the Chief Executive Officer as the Director in charge of establishing and maintaining the internal control and risk management system. In particular, at the meetings held on (i) 19 January 2023, the Control and Risk Committee examined the aforesaid 'ERM Framework' Policy subsequently approved by the Board of Directors on 26 January 2023; and (ii) 28 February 2023, in which the Control and Risk Committee examined and expressed a favourable opinion on the approval of the Financial Statements, the Consolidated Financial Statements and the DNF as of 31 December 2022, and after having ascertained the continuity of the accounting policies applied, verified the results of the *impairment test* and considered the report of the Executive in Charge pursuant to Article 154-bis of the Consolidated Finance Act, as well as the considerations made by the Independent Auditors. The Control and Risk Committee also consulted the Auditing Firm in relation to the verifications made on the DNF, integrated within the Report on Operations, and with regard to which it was confirmed that the reporting *standards* provided for by national and international regulations were respected. Finally, the Control and Risk Committee was updated on the activities carried out by the *Internal Audit Department* in 2022.

It should also be noted that during the Financial Year – also following the issuance of the Strategic Plan presented to the market on 10 May 2022 – the Control and Risk Committee continued a series of activities aimed at verifying the consistency of the Group's organisational structure and the internal control and risk management system in place, with a view to greater simplification, efficiency and coordination between corporate functions. Evaluations on the *governance* structure continued, also with reference to the Company's new organisational structure determined by the entry of the new Chief Executive Officer and General Manager Marco Gobbetti, and will be constantly verified on the basis of the strategies drawn up by the Company's Board of Directors.

For detailed information on the activities carried out by the Control and Risk Committee and the Company's organisational, administrative and accounting structure, with particular reference to the internal control and risk management system, please refer to Paragraph 9 of this Report.



As anticipated, on 8 March 2022 the Company adopted the new *Engagement Policy* aimed at establishing and maintaining a transparent and ongoing dialogue with institutional investors, financial analysts and the generality of Shareholders, as well as fostering dialogue with the Company's other relevant stakeholders (after identifying them).

## 4.2. Appointment and replacement

(pursuant to Article 123-bis(1)(l) Consolidated Law on Finance)

In accordance with Article 147-ter of the Consolidated Law on Finance, the Company's Articles of Association provide that the appointment of Directors takes place through the list voting mechanism.

Moreover, Article 20 of the Articles of Association provides that Directors must be appointed on the basis of lists submitted by Shareholders who own – individually or jointly – at least 2.5% of the share capital represented by shares with voting rights in Shareholders' Meeting resolutions concerning the appointment of Members of the Administrative Body, or any different threshold determined by Consob pursuant to Article 144-quater of the Issuers' Regulations. With Executive Determination No. 76 of 30 January 2023, Consob established – without prejudice to any lower quota provided for by the Articles of Association – the minimum shareholding required for the submission of lists of candidates for the election of the Administration and Control Bodies of listed companies that closed the Financial Year at 1% of the share capital.

Specifically, the quota set for the Company was as follows:

Criteria for determining the shareholding			Participation fee
Capitalisation class	Free float share > 25%	Majority share < 50%	1%
> Euro 1 billion and <= Euro 15 billion	Not relevant	Not relevant	

Ownership of the minimum number of shares necessary to present lists is determined by considering the shares registered in favour of the Shareholder on the day in which the same lists are deposited at the Company's registered office. To prove ownership of the number of shares necessary to present the lists, the Company's Shareholders that participate in the presentation of the lists must present or have delivered to the Company's registered office a copy of the appropriate certification issued by the intermediary authorised by law, proving the ownership of the number of shares necessary to present the list, issued at least 21 days before the Shareholders' Meeting called to resolve on the appointment of the Members of the Board of Directors.

Pursuant to the Articles of Association, there is no possibility for the outgoing Board of Directors to submit a list. In this regard, it should be noted that the Company falls into the category of companies with concentrated ownership and; therefore, it is not possible for the outgoing Board of Directors to present a list.

Each Shareholder, as well as Shareholders belonging to the same group – adhering to the same Shareholders' Agreement pursuant to Article 122 of the Consolidated Law on Finance, the controlling entity, subsidiaries and companies subject to joint control pursuant to Article 93 of the Consolidated Law on Finance – may not submit or participate in the submission, not even through a third party or trust company, of more than one list, nor may they vote on different lists. Moreover, each candidate may only appear on one list, under penalty of ineligibility.

The lists, signed by those submitting them, must be filed at the Company's registered office at least 25 days prior to the date set for the Shareholders' Meeting called to resolve on the appointment of the Administrative Body and made available to the public at the Company's registered office, at the market management Company, on the Company's website and in accordance with the other procedures provided for by applicable laws and regulations at least 21 days prior to the date set for the Shareholders' Meeting on first call. The lists indicate which Directors meet the independence requirements established by law and by the Articles of Association. Lists that present a three or more candidates must also include candidates of different gender, as provided for in the notice of call of the Shareholders' Meeting, so as to allow for the composition of the Board of Directors in compliance with the applicable laws and regulations on gender balance.

Each list must be filed together with (a) the information regarding the identity of the Shareholders submitting the list and the percentage of the shareholding they hold overall; (b) the declarations with which the individual candidates accept the candidacy and certify – under their own responsibility – the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements prescribed by the laws in force for assuming the office; (c) the declarations of independence issued pursuant to the applicable laws and regulations; and (d) the *curriculum vitae* of each candidate, containing exhaustive information on their personal and professional characteristics, as well as an indication of the administration and control positions they have held.

Lists submitted without complying with the above provisions shall be deemed to not have been submitted.

Each Shareholder is entitled to vote for only one list.

At the end of the voting, the candidates from the two lists with the highest number of votes will be elected, according to the following criteria:

a number of Directors equal to the total number of Members of the Board, as previously established by the Shareholders' Meeting, minus one, shall be drawn from the list obtaining the highest number of votes. Within these numerical limits, the candidates shall be elected in the progressive order indicated in the list;

from the list that obtained the second-highest number of votes and is not connected in any way – not even indirectly – with the list referred to in point a) above and/or with the Shareholders who submitted or voted for the majority list, a Director shall be drawn, in the person of the candidate indicated with the first number on said list, with a view to electing a minority Director, pursuant to the provisions of Article 147-ter, Paragraph 3 of the Consolidated Law on Finance. However, in accordance with the provisions of Article 147-ter, Paragraph 1 of the Consolidated Law on Finance, lists that do not obtain a percentage of votes equal to at least half of that required for the submission of lists shall not be considered for this purpose.

If the candidates elected in the manner set forth above do not ensure the appointment of a number of Directors meeting the independence requirements established for statutory auditors by Article 148, Paragraph 3 of the Consolidated Law on Finance equal to the minimum number established by Article 147-ter, Paragraph 4, of the Consolidated Law on Finance in relation to the total number of Directors, the non-independent candidate elected as the last in numerical order in the list that received the highest number of votes, as set forth in point a) above, shall be replaced with the first independent candidate in numerical order not elected from the same list, or failing that, by the first independent candidate in numerical order not elected from the other lists, according to the number of votes obtained by each. This replacement procedure shall take place until the Board of Directors is composed of a number of Members meeting the requirements set forth in Article 148, Paragraph 3 of the Consolidated Law on Finance equal to the minimum number prescribed by Article 147-ter, Paragraph 4 of the Consolidated Law on Finance. In the event that said procedure does not ensure the aforesaid result, the replacement shall take place by resolution passed by the Shareholders' Meeting with the majorities required by law, subject to the submission of nominations of candidates meeting the aforesaid requirements.

The Articles of Association do not provide for independence requirements in addition to those required for Directors under Article 147-ter, Paragraph 4 of the Consolidated Law on Finance, which refers to the requirements for Statutory Auditors under Article 148, Paragraph 3 of the Consolidated Law on Finance, nor do they provide for honourability requirements different from and in addition to those provided for by the applicable regulatory provisions. Nonetheless, it should be noted that on 28 January 2021, the Company's Board of Directors identified the materiality thresholds set forth in Recommendation 7 of the CG Code for assessing any commercial, financial or professional relationships of the Independent Directors with the Company, as well as any additional remu-

neration received by them with respect to remuneration for the office. These thresholds were identified as Euro 100,000 on an annual basis. Furthermore, the Company, in compliance with the provisions of Article 16 of the Consob Market Regulations for the admission to listing of shares of companies subject to the management and coordination of another company, has: (1) established a Control and Risk Committee composed exclusively of Independent Directors; and (2) provided for the exclusive presence of Independent Directors, also in the other committees recommended by the Code that have been established. Furthermore, the number of Independent Directors is equal to half the number of Directors in office. There are no professional requirements for assuming the Office of Director.

The Board periodically assesses the existence of the requirements of its Members, including those of independence and honourableness, required by the laws and regulations in force at the *time*, as well as the non-existence of causes of ineligibility and disqualification. In particular, on 8 March 2022 and 6 September 2022, the Company's Board of Directors ascertained that its Independent Directors also meet the independence requirements set forth by the Code.

Without prejudice to compliance with the minimum number of Directors meeting the independence requirements as set forth above, if the candidates elected in the manner set forth above do not ensure compliance with Art. 147-ter, Paragraph 1-ter of the Consolidated Law on Finance concerning the balance between genders, the candidate of the most represented gender elected as the last in numerical order in the list that received the highest number of votes pursuant to point a) above shall be replaced with the first candidate of the least represented gender according to the numerical order not elected in the same list, or, failing that, by the first candidate of the least represented gender according to the numerical order not elected in the other lists, according to the number of votes obtained by each. This replacement procedure shall be followed until the Board of Directors complies with Article 147-ter, Paragraph 1-ter of the Consolidated Law on Finance on gender balance. If said procedure still does not ensure the result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting with the majorities required by law.

In the event that only one list is submitted, all the candidates proposed shall be elected, while still safeguarding the appointment of Directors who meet the independence requirements at least in the total number required by the laws in force at the *time*, as well as compliance with the laws in force on gender balance. In the event that no list is submitted, the Shareholders' Meeting shall pass resolutions by legal majority without observing the above procedure. However, this is without prejudice to different and additional provisions provided for by mandatory laws or regulations. Compliance with the minimum number of Independent Directors and the applicable laws on gender balance must be ensured in all cases.

Article 20 of the Articles of Association also states that if one or more Directors leave office during the year – provided that the majority is always made up of Directors appointed by the Shareholders' Meeting – the Board shall replace them with a resolution approved by the Board of Statutory Auditors, as indicated below:

- a) the Board of Directors proceeds with the replacement from among the Members of the same list to which the outgoing Director belonged, and the Shareholders' Meeting provided for in Article 2386, Paragraph 1 of the Italian Civil Code resolves, with the majorities provided for by law, respecting the same criterion; and
- b) if there are no previously non-elected candidates or candidates with the required qualifications remaining in the aforesaid list, or if for any reason it is not possible to comply with the provisions of point a) above, the Board of Directors shall replace them, and the Shareholders' Meeting pursuant to Article 2386, Paragraph 1 of the Italian Civil Code shall subsequently do so with the legal majorities without list voting.

In any case, the Board of Directors and the Shareholders' Meeting provided for in Article 2386, Paragraph 1 of the Italian Civil Code shall proceed with the appointment in such a way as to ensure the presence of Directors meeting the requirements set forth in Article 148, Paragraph 3 of the Consolidated Law on Finance and Article 2 of the CG Code, at least in the minimum total number required by the *pro-tempore* regulations in force, as well as compliance with the regulations in force on gender balance.

Pursuant to Section 2386(1) of the Civil Code, the Directors thus appointed remain in office until the next Shareholders' Meeting, and those appointed by the Shareholders' Meeting remain in office for the time that the Directors they replaced should have remained in office.

If, for any reason, the majority of the Directors appointed by resolution of the Shareholders' Meeting should

cease to hold office, the entire Board shall be deemed to have ceased to hold office with effect from the subsequent reconstitution of that body. In this case, the Shareholders' Meeting for the appointment of the entire Board of Directors must be urgently convened by the Directors remaining in office who, in the meantime, may carry out the acts of ordinary administration.

It should be noted that during the course of the Financial Year, in addition to the provisions of the law, the Consolidated Law on Finance and the provisions of the Articles of Association and the Code, the Issuer was not subject to any other requirements concerning the composition of the Board of Directors.

The Company is not subject to further rules on the composition of the Board of Directors.

Pursuant to Article 2, Section 2 of the Board of Directors Regulation, Directors accept the office when they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment related to their work and professional activities and the number of offices they hold in other companies or entities (including foreign). In this regard, Article 2, Paragraph 2 of the Rules of the Board of Directors determined the maximum number of offices deemed compatible for the effective performance of the office of Non-Executive Director and Executive Director, setting the number at five for Non-Executive Directors and three for Executive Directors, respectively, provided that, with reference to the latter, they are non-executive offices. During the Financial Year, the Directors ensured they had adequate time available to perform their duties within the scope of the office held within the Company, as shown in Table 3.

With regard to the succession plans for Executive Directors and top management, an *assessment* and *talent evaluation* process will be launched during 2023.

Furthermore, reference is made to the procedures for the replacement of Directors already provided for by the provisions of the Articles of Association in force. In particular, the three-year term of office of all Directors, established as well as the replacement of the Members of the Board of Directors who ceased before the expiry of their term.

For information on the role of the Board of Directors and Board Committees in the processes of self-assessment, appointment and succession of Directors, please refer to Chapter 7.

## 4.3 Composition<sup>4</sup>

(pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), Consolidated Law on Finance)

The Board in office at the date of this Report – composed of ten Directors – was appointed by the Shareholders' Meeting held on 22 April 2021 and will remain in office until the approval of the financial statements for the 2023 Financial Year. The following Directors were drawn from the majority list submitted by Shareholder Ferragamo Finanziaria S.p.A. (representing 54.28% of the Company's share capital): Leonardo Ferragamo, Giacomo Ferragamo, Angelica Visconti, Peter K.C. Woo, Umberto Tombari and Patrizia Giangualano. Director Anna Zanardi Cappon was taken from a list presented by a group of minority Shareholders representing 1.77651% of the Company's share capital<sup>5</sup>.

On 29 September 2021, the Board of Directors co-opted – pursuant to Article 2386 of the Italian Civil Code and after verifying the existence of the requisites for the office – Frédéric Biousse, a candidate present in the majority list presented during the last Shareholders' Meeting by the controlling Shareholder Ferragamo Finanziaria S.p.A., and Annalisa Loustau Elia, respectively, to replace Directors Marinella Soldi and Micaela le Divelec Lemmi, who had resigned, effective 27 July 2021 and 7 September 2021, respectively. These appointments as Company Directors were subsequently confirmed by a resolution adopted by the Shareholders' Meeting on 14 December 2021.

Following the resignation of Executive Deputy Chairman Michele Norsa on 14 December 2021, the Board of Directors on the same date co-opted Marco Gobbetti, effective as of 1 January 2022, pursuant to Article 2386 of the Italian Civil Code, after ascertaining that he meets the requirements for the office, appointing him as Chief Executive Officer and General Manager and granting him all powers of ordinary administration, except for those expressly reserved for the Board of Directors. On the same date, the BoD also appointed Director Angelica Vis-

4. Pursuant to Article 144-decies of the Issuers' Regulation, the *curricula vitae* with the personal and professional characteristics of the Directors in office at the date of this Report, together with the offices held in other companies, are indicated in Appendix 1 and on the Company's website at the following link: <https://group.ferragamo.com/Governance/Board of Directors Section>.

5. This list was presented by the following shareholders: (i) Amundi Asset Management SGR S.p.A. Manager of the fund Amundi Risparmio Italia; (ii) Arca Fondi SGR S.p.A. Manager of the funds Fondo Arca Economia Reale Bilanciato Italia 30, Fondo Arca Azioni Italia, Fondo Arca Economia Reale Bilanciato Italia 55; (iii) Bancoposta Fondi S.p.A. SGR, Manager of the fund Bancoposta Rinascimento; (iv) Eurizon Capital S.A., Manager of the fund Eurizon Fund Italian Equity Opportunities; (v) Eurizon Capital

conti as Non-Executive Vice Chairman of the Company, effective as of 1 January 2022.

On 12 April 2022, the Shareholders' Meeting confirmed the appointment of Marco Gobetti, who had already been co-opted by the Board of Directors on 14 December 2021 pursuant to Article 2386, Paragraph 1 of the Italian Civil Code. On the same date, following the Shareholders' Meeting, the Board of Directors appointed Director Marco Gobetti as Chief Executive Officer, also confirming the position of General Manager and all the powers conferred on 14 December 2021. It should be noted that the powers granted to the Chief Executive Officer and General Manager were amended on 2 March 2023 to strengthen the efficiency of the organisational structure (and of the existing controls) for a better segregation of roles, also with regard to processes at risk of offences pursuant to the Organisational Model pursuant to Legislative Decree No. 231/01. In particular, it has been envisaged that the Chief Executive Officer may act individually for the operations of:

- purchase, exchange or sale of any instrumental goods or services related to the corporate purpose;
- entering into or terminating finance lease agreements relating to the purchase of assets that are instrumental to the Company's ordinary operations;
- stipulation or termination of lease contracts of real estate and/or business units relating to shops and offices, or in any case to the sale of products marketed by the Company of a duration not exceeding the duration laid out by law or commercial practice in the individual countries concerned of an amount up to Euro 10,000,000 and, jointly with the Chairman, for the aforesaid transactions of a value between Euro 10,000,001 and Euro 25,000,000. Beyond the latter threshold, the Board of Directors will be responsible for the relevant decisions.

The aforementioned powers were conferred without spending limits.

It should be noted that the term of Office of the Chief Executive Officer and General Manager Marco Gobetti and the Directors Frédéric Biousse and Annalisa Loustau Elia will expire, together with that of the entire Board of Directors, on the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

At the closing date of the Financial Year and at the date of this Report, the Executive and Non-Executive Directors were in office, all of whom met all the requirements of honourableness and professionalism laid out by law, the Articles of Association, and the Code, and all have adequate skills for the tasks entrusted to them.

As of the date of this Report, the presence of eight Non-Executive Directors, five of whom are Independent, out of a total of 10 Members, ensures a significant weight of these Directors in the assumption of Board resolutions such as to guarantee an effective monitoring of management, a circumstance that is deemed to be an effective *governance oversight* for the Company, also taking into account the skills and professional profiles of these Directors.

SGR S.p.A. Manager of the funds Eurizon PIR Italia 30, Eurizon Progetto Italia 20, Eurizon Progetto Italia 70, Eurizon Azioni Italia, Eurizon Azioni PMI Italia, Eurizon Progetto Italia 40, Eurizon PIR Italia Azioni; (vi) Fidelity Funds – Consumer Industries; (vii) Fideuram Asset Management Ireland, Manager of the fund Fonditalia Equity Italy; (viii) Fideuram Intesa Sanpaolo Private Banking Asset Management SGR S.p.A., Manager of the funds Fideuram Italia, Piano Azioni Italia, Piano Bilanciato 50, Piano Bilanciato 30; (ix) Interfund Sicav – Interfund Equity Italy; (x) Mediolanum International Funds Limited – Challenge Funds – Challenge Italian Equity; (xi) Mediolanum Gestione Fondi SGR S.p.A., Manager of the funds Flessibile Futuro Italia, Flessibile Sviluppo Italia; and (xii) Pramerica SGR S.p.A., Manager of the funds MITO 25 and 50.

# Leonardo Ferragamo

Non-executive Chairman  
In office since 12 December 1994

Leonardo Ferragamo is the fifth child of Salvatore and Wanda Ferragamo. He studied Business Administration and Finance at Imede in Lausanne and Columbia University in New York. He began his career at Salvatore Ferragamo at the age of 20 in the Leather Production sector before founding, in 1976, the Men's Shoes business and later, in 1981, the Men's Division (also introducing accessories and clothing), which he headed until 1986. In 1986, he was put in charge of the Company's international development and was Chief Executive Officer of the Europe/Asia Division until 2000. He oversaw the Group's commercial development in Asia, Europe and Latin America by establishing operating subsidiaries in these countries. Since 2000, he has been Chief Executive Officer of Palazzo Feroni Finanziaria (one of the family's two holding companies, dealing with real estate and diversified activities).

## Other positions

Since 1995, he has been Chairman of Lungarno Alberghi. Since April 2021, he has been Chairman of Salvatore Ferragamo, Director of Ferragamo Finanziaria and Executive Vice Chairman of the Ferragamo Foundation. From 2000 to 2009, he was Chairman of the Altgamma Foundation, promoting it internationally and expanding it with the International Honorary Council to foreign companies and institutions. Since 2009, he has been its Honorary Chairman. He has supported and sustained the promotion of the art and culture of Florence and Italy in the world as Founder and Chairman of the Associazione Partners Palazzo Strozzi activity, merged since 2019 into the Fondazione Palazzo Strozzi, of which he is now Honorary Chairman. In April 2022, he was appointed Representative of the Region of Tuscany on the Board of Directors of the Fondazione Palazzo Strozzi. He is Chairman of Sawa holding, which controls Nautor Swan, of which he is Chairman, Camper & Nicholson's Yachts and La Marina di Scarlino. May 2008: Honorary Academician of the Accademia delle Belle Arti in Florence. October 2008: Commander of the Order of the Great Lion of Finland. April 2011: Honorary degree in Humane Letters conferred by Kent State University. Since September 2012: Honorary Consul of Finland for Tuscany and Umbria since January 2018, Honorary Consul General. Since May 2019, he has been a member of the Fondazione CR Firenze and has been an independent Director of Lavazza SPA since 2020.

# Marco Gobbetti

Chief Executive Officer  
and General Manager  
In office since 1 January 2022

Marco Gobbetti held the role of Chief Executive Officer of British luxury company Burberry since 5 July 2017. During his tenure as CEO, he led a comprehensive transformation of Burberry's brand and business, from articulating a clearly defined purpose and strategy, to revitalising communications and elevating products, reinventing the luxury customer experience and innovating in digital. Before joining Burberry, he was Chairman and CEO of French luxury brand Céline from 2008 to 2016. He made Céline a commercial success together with Creative Director Phoebe Philo, enjoying double-digit sales growth after revamping the brand's entire product offering and strengthening its image. Previously, he was Chairman and CEO of Givenchy and CEO of Moschino. He started

his career in Italian luxury companies like Bottega Veneta and Valextra. He holds a Bachelor's in Business Administration from the American University in Washington D.C. and a Master's degree in International Management from the American Graduate School of International Management in Phoenix.

#### **Other positions**

Since 2022, he has been Member of the Supervisory Board Mercedes Benz AG and Member of the Supervisory Board Mercedes Benz Group AG

## Angelica Visconti

Non-Executive Vice-Chairman  
In office since 20 April 2018

Graduated in Economics from Bocconi University in Milan in 1997. She participated in the Executive Programme at Kellogg University in Chicago and spent a semester at New York University. She then worked as a Financial Analyst for Duff and Phelps Credit Rating Co, and then as a Junior Controller for Nestlé Italia in the Buitoni/Perugina export division. She also worked in financial communication at Image Building. In 2002, she joined Salvatore Ferragamo S.p.A., first in the New York Marketing Department and then in Shanghai as Assistant to the Chief Executive Officer of the Greater China Region. In 2007, she returned to Italy and held the position of Head of Retail Italy and then South Europe Director (Retail and Wholesale Southern Europe). She also held the position of Global Wholesale Director and Travel Retail Director, carrying out strategic activities for the Wholesale sales channel and coordinating its implementation in the Regions. She is currently a Member of the Board of Directors and Vice Chairman of the Company.

#### **Other positions**

Chairman of Finvis S.r.l.

## Frédéric Biousse

Independent non-executive  
director  
In office since 29 September 2021

Graduated from CentraleSupélec (formerly Ecole Centrale Paris) in 1993 after studying in the US. He started his career at Bossard Consultants in 1995 as a Retail and Consumer Consultant. In 1997, he joined Cartier as Deputy International Director until 2002. In 2002, he was responsible for markets at Printemps department store. In 2003, he became Chairman and CEO of Comptoir des Cotonniers. From 2007 to 2015, he was Co-Shareholder and Co-CEO of SMCP (Sandro, Maje, Claudie Pierlot). He is the Founding Partner of Experienced Capital and the Co-Founder of Les Domaines de Fontenille. In 2016 and after 20 years of experience in the retail and luxury sector, he co-founded Experienced Capital (CP), an investment fund focused on brands in the accessible luxury segment with global potential. The portfolio includes Balibaris, Soeur, Maison Standards, Le Slip Français, Figaret, Sessùn, BAM Karaoke Box, NV Gallery, L: a Bruket, Oh My Cream! and Dynamo. He is also the Co-Founder of Les Domaines de Fontenille, a collection of boutique hotels, mainly located in France and Spain, run according to a new hospitality concept.

### Other positions

Chairman of Frederic Biousse SAS, Chief Executive Officer of Experienced Capital Management, General Director of Guillaume Foucher SAS, Chairman of Les Maisons de Martin, Chairman of the Board of Les Domaines De Fontenille – Hotel Collection, General Director of HFKB.

Board Member of Les Roches – Global Hospitality Education.

Member of the Board of Directors or Strategic Committee in brands owned by the investment fund ECP1 and ECP2: Le Slip Français (Fashion), Sessun (Fashion), BAM (Karaoke), LA:Bruket (Cosmetics), Oh My Cream! (Cosmetics), NV Gallery (Furniture) Nouvelle Garde (Restaurants) and Reform (Furniture).

## Giacomo (James) Ferragamo

Executive Director within  
the meaning of the CG Code  
In office since 8 March 2018

Born in Florence in 1971 and a graduate in Marketing and International Business from the Stern Business School in New York, he currently holds the position of Director of Strategy and Transformation and is a Member of the Board of Directors of Salvatore Ferragamo S.p.A. He began his professional career at Saks Fifth Avenue, where he was buyer of the men's casual line for two years. He then interned at Goldman Sachs in London while attending New York University's Master's in Finance, Accounting and International Business. In 1998, he joined the Salvatore Ferragamo Group where he began his managerial career, first in the women's footwear department, where he oversaw a number of important product development projects, and in 2000 became General Merchandising Manager. In 2004, he was appointed Head of the Women's Leather Goods Product Division, in 2008 his responsibilities included the Women's Footwear Product Division and in 2015 he became Director of the Women's and Men's Footwear and Leather Goods Division, and was Vice Chairman from 2018 to 2020. Since January 2023, he has held the position of Chief Transformation and Sustainability Officer, with responsibility for sustainability activities. He actively participates in charitable activities for the Meyer Children's Hospital

### Other positions

He is a member of Young Chairmans' Organisation



# Patrizia Michela Gianguialano

Independent non-executive  
Director  
In office since 22 April 2021

A degree in Economics and Business, with a specialisation in Corporate Finance from L. Bocconi University. Advisor on Governance and Sustainability issues. She is co-author of Sustainability in Search of Business (Egea 2019). Member of the Board of Directors of Leonardo, Saipem, Epta, Inticom, SEA Aeroporti and Aidexa Holding with positions in the Risk, Remuneration, Sustainability and Innovation Committees. She is a member of the Board of Directors of Nedcommunity (an association of independent directors). An ADEIMF Associate, she lectures at universities and associations in the areas of governance, risk, controls, compliance and sustainability, and is a member of the ASVIS Secretariat and Advisor to various companies on sustainability issues. She began her professional career in 1983 at Montedison in the strategic area with tasks as a Financial Analyst supporting new business initiatives. She worked in Italy and abroad with increasing roles of responsibility at IBM, first in the Finance Department for the development of new financial strategies in the sector, then in the Banking Department as an Account and Marketing Manager. She took care of the application software business for the Finance sector and joined, with different levels of responsibility, investee companies. From 1998, she switched her professional activity to consulting for the Financial Services sector, with increasing levels of responsibility in leading strategic consulting firms ATKearney and management consulting (EY-Capgemini), where she coordinated the Banks Division as Vice-Chairman. From 2007 to 2016, she served as Associate Partner of PWC, where she works as Head of Retail Banking and GRC (Governance Risk and Compliance), consolidates new offers for Corporate Governance and deals with the drafting of Business Plans, Corporate Governance Projects, Internal Control and Risk Management Systems, Compliance Assessments, Carve Out Transactions, Mergers and Integrations, review of Organisational and Distribution Models, securitisation of loans and NPL management. She follows authorisation applications for the incorporation of banks, financiers and IPs, as well as due diligence activities and assistance in negotiations of acquisitions, extraordinary transactions and debt restructuring. From 2016 to 2019, she was a Member of the Supervisory Board of UBI Banca, with appointments in the Audit, Remuneration, Risk, SB and Charity Committees. From 2018 to April 2021, she was a Member of the Board of Directors of Mondadori, with appointments in the Risk Committee, and from February 2020 to May 2021, a Member of the Board of Directors of ASTM, with appointments in the Risk Committee..

## Other positions

She is a Member of the Board of Directors of the following companies: Leonardo, Saipem, Epta, Aidexa Holding and Inticom.

## Annalisa Loustau Elia

Independent non-executive  
Director  
In office since 29 September 2021

A degree in Law from La Sapienza University in Rome. In 1989, she began her career at Procter & Gamble, first in the Rome and Paris offices, then at the international headquarters in Geneva, where she remained until 2001. She was Worldwide Marketing Manager for Pampers, the main brand of the Procter & Gamble Group. She then joined the L'Oréal headquarters as International General Manager for several cosmetics brands. In 2004, she joined Cartier's Executive Committee as Worldwide Executive Vice-Chairman and, among other positions, was responsible for Marketing and Product Development for four years. From 2008 to January 2021, she was a Member of the Executive Committee of the Printemps Group, where she held the position of Omnichannel Chief Marketing Officer, focusing in this capacity on digital transformation and customer experience. She has served as Independent Director of the Board of Directors of Legrand since 2013, on the Board of Directors of Gruppo Campari since 2016 and of both Kaufman & Broad and Swarovski since 2021. Since 2018, she has also been Independent Director of the Supervisory Board of Roche Bobois.

### Other positions

She is an Independent Director on the Board of Directors of the following companies: Legrand, Kaufman & Broad and Swarovski.

She is an independent Member of the Supervisory Board of the following companies: Roche Bobois and William Grant & Sons.

## Umberto Tombari

Independent non-executive  
Director  
In office since 30 March 2011

Full Professor of Commercial Law since 2000, he teaches Commercial Law at the University of Florence. He has researched and collaborated with various foreign universities (Heidelberg, Yale Law School, etc.) and is the author of monographs and numerous essays on corporate law and corporate governance. He is a member of the Italian Bar Association and a Founding and Name Partner of a law firm specialising in corporate and commercial law, with offices in Milan and Florence. He was a Member of the Ministerial Commission for the reform of company law established at the Ministry of Justice (the so-called Vietti Commission). He has held the position of Chairman of the Board of Directors of Fondazione Cassa di Risparmio di Firenze and other positions on Boards of Directors of listed companies and banks.

### Other positions

Chairman of the Board of Statutory Auditors of Toyota Motor Italia S.p.A.

# Peter K.C. Woo

Non-executive Director  
In office since 25 February 2011

Mr Peter K C WOO, GBM, GBS, JP, was the Chairman of Wheelock and Company Limited. He is the Executive Chairman of World International Capital Group Limited, the family company that oversees all his interests and holdings, including the main Group companies – Wharf Real Estate Investment Company Limited and The Wharf (Holdings) Limited.

The Lane Crawford Joyce Group, which focuses on retail and high-end fashion brands, operates in Greater China and Southeast Asia. It also owns 6% of Salvatore Ferragamo S.p.A.

He started his career at Chase Manhattan Bank in New York in 1972 and joined the World-Wide Shipping Group in Hong Kong in 1975.

He has been a Member of the Chinese People's Political Consultative Conference (CPPCC) of the People's Republic of China since 1998, a Member of its Standing Committee since 2003 and Convenor of the Hong Kong CPPCC Members from 2008 to 2018. In Hong Kong, he was awarded the Grand Bauhinia Medal by the HKSAR Government in June 2012.

He has been an unofficial Member of the Council of Advisers on Innovation and Strategic Development since June 2007. Previously, he was Chairman of the Hospital Authority from 1995 to 2000, Chairman of the Hong Kong Polytechnic University Council from 1993 to 1997 and Chairman of the Hong Kong Trade Development Council from 2000 to 2007. He was Chairman of the Hong Kong Environment and Conservation Fund Committee, established in 1994 and co-funded by the Government.

Internationally, in 1991 he was Vice-Chairman of the Prince of Wales Business Leaders Forum and a Member of the International Advisory Council of JPMorgan Chase & Co, National Westminster Bank, National Labour Bank, Elf Aquitaine and General Electric.

He was awarded the Officer's Cross of the Order of Leopold by the late King Baudouin I of Belgium in 1993 and the Ordre des Arts et des Lettres by the French Government in 2020.

Mr Woo spares no effort to contribute to society, with a long tradition of supporting NGOs. In 2011, he led Business-in-Community, under which three main programmes were established: Project WeCan, Wharf Art Scholarship and Wharf Architectural Design Internship for youth training. He received an MBA from Columbia University in New York in 1972. He has also received honorary doctorates from various universities in Australia, Hong Kong and the United States.

## **Other positions**

He is Chairman Emeritus of LCJG Limited, Senior Chairman of Lane Crawford (Hong Kong) Limited and Chairman of Wheelock Equity (Pte) Limited, Wheelock Holdings PTE Limited and World International Capital Group Limited (HK co).

He is a Director on the Boards of the following companies: Majestic Honour Limited, Vanguard Cosmo Limited, B Highgate Nominees Ltd, Monteco Investments Limited and Wheelock and Company Limited.

# Anna Zanardi Capon

Independent non-executive  
Director

In office since 22 April 2021

An Advisor to several Boards of Directors of listed and unlisted companies and family businesses, she acts in the field of governance and people strategy. She is an Executive Coach to Chairmen, CEOs and Executive Committees facilitating decision-making processes through the alignment necessary to implement strategic and industrial plans. Among others, she is (or has been) Executive Coach and C-Level Advisor to 18 Fortune 500 Global companies. She is also a Certified Member of the USOA – Ombudsman Association USA – and several international professional committees. She graduated in Economics, then went on to study Psychology at various universities, including Stanford University and Insead. She has a Doctorate in Psychology and one in Theology. She writes for leading newspapers and magazines on the topics of cultural change and its complexity, and is the author of more than twenty books on leadership and organisation, as well as numerous clinical publications. She is internationally affiliated with APA and an EAP Psychotherapist. She holds an IDP-C-International Directors' Certificate Insead and sits on several Boards of Directors of profit and non-profit organisations. Professor of Practice in Leadership and Corporate Values, Luiss Business School, Rome, and Director of the HR Master's programme, she is fluent in six modern languages and has a passion for ancient languages and applied ethics.

## Other positions

She is Chairman of the Board of Directors of Trevi Spa and a Member of the Board of Directors of the following companies: Beaconforce s.r.l., Cedacri, Waterali S.p.A. and Cerved, where she also serves as Chairman of the Remuneration Committee of Cerved S.p.A.

It should be noted that on 27 February 2023, in accordance with the communication made by the Company on 28 February 2023, Anna Zanardi Cappon, Independent Non-Executive Director, as well as Chairman of the Remuneration and Appointments Committee and Member of the Control and Risks Committee, resigned from her position as Director of Salvatore Ferragamo S.p.A., effective as of the date of the Shareholders' Meeting called to approve the financial statements for the 2022 Financial Year. This decision, according to the communication received and reflected in the press release issued on 28 February 2023, was taken following her appointment as Chairman of another listed company in compliance with the principles for the selection of candidates for corporate offices in listed companies, to which Director Zanardi Cappon adhered in order to be included in the list submitted by minority Shareholders.

Further information concerning the composition of the Board of Directors at the end of the Financial Year can be found in Table 2 attached to this Report.

### **Diversity criteria and policies in Board composition and organisation**

The Company has applied diversity criteria, including gender criteria, in the composition of the Board of Directors, in compliance with the priority objective of ensuring adequate competence and professionalism of its members and also taking into account the provisions of: (i) Art. (i) Article 147-ter, Paragraph 1-ter of the Consolidated Law on Financial Intermediation as of the closing date of the Financial Year, i.e., that at least two-fifths of the Board of Directors be made up of the lesser represented gender, both at the time of appointment and during the term of office (rounded up to the next higher unit, in accordance with the provisions of Article 144 undecies, Paragraph 1 of the Issuers' Regulation); as well as (ii) the Code, i.e., that issuers adopt measures to promote equal treatment and opportunities between genders within their corporate organisation, monitoring their concrete implementation.

The Board's composition was adequate throughout the second year of its term of office, both in terms of the skills and educational and professional backgrounds, as well as the international nature of its members, having the necessary professionalism to ensure the proper activity of the Internal Committees. The current composition of the Board of Directors is also adequately diversified in terms of age, gender and seniority of office.

This circumstance also emerged during the Board Evaluation, where it was highlighted that a positive balance had been achieved in terms of seniority in office, age groups and gender, as well as an adequate representation of different skills and experience on the part of the Board Members, which were considered to be well covered. In any case, the Rules of the Board of Directors, adopted on 28 January 2021 and last updated on 26 January 2023, stipulate compliance with *diversity* policies in the composition of the corporate body.

It should be noted that at the end of the Financial Year and at the date of this Report, two-fifths of the Board consisted of Directors of the least represented gender and 50% were Independent Directors. With regard to the results of the verification of independence of the Non-Executive Directors, most recently carried out on 6 September 2022, please refer to Section 4.7.

With reference to the measures adopted by the Company to promote equal treatment and opportunities between genders within the entire corporate organisation, it should be noted that in 2019, the Board of Directors approved the *Inclusion Policy*, which enshrines the Group's commitment to promoting and protecting the values of inclusion in the performance of all corporate activities.

The policy, published on the Company's website <https://group.ferragamo.com> in the Governance/Code of Ethics, Model 231 and Policies section, applies to employees, corporate bodies and collaborators working in the name and on behalf of the companies belonging to the Salvatore Ferragamo Group.

Moreover, in the *Long-Term Incentive Plan* described in the 2023 Remuneration Policy submitted to the Shareholders' Meeting for approval on 26 April 2023, the measurement of the Gender Pay Gap and the Uni-PdR 125:2022 Gender Equality Certification were included among the ESG objectives (KPIs). For further details in this regard, please refer to the Report on the Remuneration Policy 2023 and Remuneration Compensation 2022 available at <https://group.ferragamo.com> in the Governance/Corporate Governance/Remuneration Report section.

### **Maximum cumulation to offices held in other companies**

In relation to the possible introduction of a maximum number of administration and control positions compatible with effective performance of the role of Company Director, Article 2, Paragraph 2 of the Board of Directors' Regulation provides for the duty of Directors to accept the position when they believe they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment related to their work and professional activities and the number of positions they hold in other companies or entities (including foreign). In compliance with Recommendation 15 of the CG Code, it was deemed compatible with an effective performance of the Office of Non-Executive Director of the Company – in line with the best governance practices – to hold a maximum of five offices as Director or Statutory Auditor in other companies listed on regulated markets, including foreign ones, in financial, banking, insurance or large companies, with the exclusion of the Company's subsidiaries, the parent company and companies subject to common control. On the other hand, as far as Executive Directors are concerned, it has been deemed compatible with the performance of the office to hold a further three offices within the aforementioned types of companies, provided that they are Non-Execu-

tive roles. The count excludes offices held in the Company and in SF's subsidiaries, in the parent company and in companies subject to common control.

It was also clarified that several assignments performed in entities of the same corporate group are considered as one assignment.

Any exceptions may be assessed by the Board on the basis of the recommendations made by the Remuneration and Appointments Committee.

## 4.4. Operation of the Board of Directors

(pursuant to Article 123-bis(2)(d) Consolidate Law on Finance)

The management of the Company is the responsibility of the Directors, who carry out the operations necessary for the implementation of the corporate purpose.

Pursuant to Article 25 of the Articles of Association, the following competences are attributed to the Board:

- (a) merger in the cases provided for in Articles 2505 and 2505-bis of the Civil Code and demerger in cases where those rules apply;
- (b) an indication of which of the Directors have the power to represent the Company;
- (c) the reduction of capital in the event of the withdrawal of one or more Shareholders;
- (d) adaptations of the Statutes to regulatory provisions;
- (e) the establishment or abolition of branch offices.

Pursuant to Article 22 of the Articles of Association, the Board meets – either at the Company's registered office or elsewhere – whenever the Chairman deems it necessary, or at the request of at least two of its Members. The Board may also be convened – after notifying its Chairman – by the Board of Statutory Auditors or by each Statutory Auditor individually.

The Board may also meet and deliberate validly by means of telecommunications, provided that each individual is guaranteed the opportunity to participate in the Board debate in real time, to form their own opinion and to cast their vote freely and in good time.

Pursuant to Article 23 of the Articles of Association, the effective presence of the majority of its Members is required for the Board's deliberations to be valid and decisions are taken by an absolute majority of the votes of those present. In the event of a tie, the vote of the Chairman prevails.

The Directors report to the Company's Board of Statutory Auditors on a timely basis and at least quarterly at Board Meetings, or also directly by means of a written note sent to the Chairman of the Board of Statutory Auditors on activities carried out and the most important economic, financial and asset operations carried out by the Company and its subsidiaries. The Directors also report on the operations in which they have an interest, on their own behalf or on behalf of third parties, or that are influenced by the person exercising management and coordination activities, if any.

On 28 January 2021, the Board of Directors adopted its Regulations<sup>6</sup> in accordance with Recommendation 11 of the CG Code. These Rules – which were further amended on 26 January 2023 – regulate, among other things, the composition of the Board of Directors, the duties of the Directors, the activities falling within the Board's remit and its operating procedures, the criteria for assessing the independence of the Directors and for identifying the *Lead Independent Director*, the *Board Evaluation*, the procedures for holding Board Meetings, the role of the Secretary, the procedures for taking meeting minutes and for the management of reporting to the Directors, in compliance with the law, regulations and the Articles of Association, as well as the principles and criteria established by the CG Code. The provisions concerning the functioning of the Board set forth in the Board of Directors' Rules of Procedure – unless otherwise specified by the same and where compatible – also apply to the committees established by the Board within its framework of proposing and advisory functions. For anything not expressly regulated, the Rules and Regulations refer to the laws, regulations and articles of association in force at the *time* and applicable, to which reference is expressly made.

With specific reference to the manner in which meeting minutes are recorded, pursuant to Article 24 of the

6. For further information on the content of the Board of Directors Regulation, please refer to the complete text of the same, available on the Company's website at <https://group.ferragamo.com> in the Governance/Board of Directors section.

Articles of Association, the minutes of Board resolutions are drafted by the Secretary or his Deputy and signed by the Chairman and the Secretary. Following the meeting, a draft of the minutes is sent to all the Directors and after their approval transcribed in the Board Meeting and Resolution book by the Secretary. The minutes adequately record the Board debates and any dissent expressed by Board Members on individual topics, and their reasons.

The Rules provide that the Chairman – through the Secretary – shall ensure that supporting documentation for the items on the agenda containing any resolution proposals and information suitable in qualitative and quantitative terms to support the work of the Board, is made available to the Directors and Auditors at least three days in advance.

As explained in more detail later in this Report, the deadline was met in 90% of cases. In rare circumstances in which it has not been possible to guarantee compliance with the envisaged deadlines, the Chairman has always ensured that all Members of the Board of Directors and the Board of Statutory Auditors were adequately informed during the Board Meeting on the topics under discussion and that adequate time was devoted to the in-depth studies deemed useful for a proper understanding of the matter.

For more information on the cases in which different timeframes were followed, please refer to Paragraph 16 of this Report containing the Company's considerations on the 2023 Recommendations in the letter from the Chairman of the Corporate Governance Committee dated 25 January 2023.

In addition, the practice of sending *executive summaries* on agenda items to Board Members continued during the year, as well as always making available the minutes of the Board's internal committees containing the preliminary activities carried out. In all Board Meetings in which resolutions were to be passed with the advice of the Board's internal committees, an item was expressly included in the agenda dedicated to the report of the committee Chairmen on their activities. As part of the self-assessment process for the Financial Year, the Board Members considered the information flows between Executive and Non-Executive Directors to be satisfactory and confirmed that the methods for managing information flows to the Board ensured satisfactory protection of the requirements of confidentiality and timeliness of pre-Board information.

To guarantee maximum confidentiality of information flows, and thus ensure their timeliness and completeness, the Company has continued to use a digital platform with access restricted to authorised persons only<sup>7</sup>. The supporting documentation distributed to Directors and Statutory Auditors is kept on file with the Board.

As previously mentioned, on 26 January 2023, the Board of Directors approved amendments to the text of its Rules of Procedure, in addition to some minor adjustments to the text. These changes concern: (i) the maximum number of offices that each Director may hold in other listed or large companies; and (ii) Endoconsiliar Committees.

With reference to the first point, a distinction has been introduced between Executive and Non-Executive Directors of the Company, specifying that the maximum number of positions an Executive Director may hold in other listed or large companies is three (excluding the Company), provided that these additional positions are Non-Executive. As for Non-Executive Directors, in line with the provisions of some of the major FTSE MIB companies and to continue to attract talent, the number has been raised from three to five (excluding the role held in the Company), provided that in all cases they are Non-Executive roles. For more details on this point, please refer to the section above entitled "*Maximum number of positions held in other companies.*"

With reference to the second point, in line with *best practice*, the following was introduced: (i) the provision that the minutes be approved at the following meeting for the transcription in the minutes book; and (ii) the provision that the minutes of the Committee be made available to the Board of Directors was eliminated, since it is an internal act of the Committee and the obligation to report on its activities is already envisaged.

In 2022, the Board met eight times, namely on 27 January, 8 March, 12 April, 10 May, 12 July, 20 September, 8 November and 13 December. The average duration of the Board Meetings was approximately two hours and forty-five minutes.

Seven Board Meetings are scheduled for the current Financial Year, two of which have already been held on 26 January 2023 and 2 March 2023.

7.

The digital platform provides dedicated and exclusive access via personal and encrypted *user ID* and *password*. The platform is administered by the Corporate Affairs Department, which manages the content to be published and the users to be enabled or revoked to: a) consult, b) download and c) print documents. Documents for which consultation, saving to personal devices and/or printing is permitted are also protected by a watermark indicating the name of the recipient, as well as the time and date the file was read. The documents are also published in a non-editable format.

For further information on the attendance of Directors at Board Meetings held during the Financial Year and the percentage of attendance of each Director, please refer to Table 2 attached to this Report. All Board meetings were attended by Company *Managers* at the invitation of the Chairman or the CEO, depending on the items on the agenda, to enhance Board Meetings as a typical moment in which Non-Executive Directors acquire detailed information on specific issues affecting the Company's activities.

In particular, during the year, the CFO – also in his capacity as Financial Reporting Officer responsible for preparing corporate accounting documents pursuant to Art. 154-bis of the Consolidated Law on Finance, and Head of both the Risk Management and Investor Relations functions – Chief Operating Officer, Chief Marketing Officer, Chief Product & Transformation Officer, Chief Merchandising Officer, Chief Digital Officer, E-Business Director, Chief Sustainability and Strategy Coordinator, Transformation Director, Directors of Individual Markets, Internal Audit Director and some consultants of the Company supported the Board in relation to specific projects. In addition, the Director of Human Resources attended every meeting dealing with remuneration-related issues. In addition, in their self-assessment Directors expressed their appreciation for the participation of the Company's *Managers* in Board Meetings and considered this a practice to be maintained and further enhanced in the future, also with a view to deepening the knowledge of the *Managers* who had recently joined the renewed organisation.

## 4.5. Role of The Chairman Of The Board Of Directors

Pursuant to Article 21 of the Statute, the Board – at the first meeting following its appointment – elects a Chairman and Vice-Chairman from among its Members, if the Shareholders Meeting has not done so.

The Board of Directors' Meeting held after the Shareholders' Meeting of 12 April 2021 appointed Director Leonardo Ferragamo as Non-Executive Chairman, granting him signatory powers and legal representation of the Company, as well as additional powers, which were consequently redefined at the Board Meeting held on 14 December 2021, when the new Chief Executive Officer and General Manager was co-opted and his powers were defined. In this regard, it should be noted that in the Board Meeting held on 2 March 2023, certain adjustments were made to the powers of Mr Marco Gobbetti as Chief Executive Officer and, consequently, the powers of the Chairman were also redefined.

Therefore, as of the date of this Report, the Chairman – in addition to the power of signature and legal representation – possesses the following single-signature powers:

- represents the Company at institutions, promotes its institutional image and is responsible for the activities and management of the Ferragamo Museum, consistently with the communication initiatives and; therefore, in agreement with the Chief Executive Officer and General Manager;
- promotes the adoption of a policy for the management of dialogue with the generality of Shareholders, formulated in agreement with the Chief Executive Officer and General Manager, and ensures that the Board of Directors is promptly informed of the development and significant content of such dialogue;
- convenes the Board of Directors by identifying the agenda of the meetings, coordinating their activities and guiding their discussion. In this context, it ensures that Board Members are informed in advance of the items on the agenda, reviewing and approving all documentation to be sent to participants, and that the activities of Board Committees are coordinated with the activities of the Board of Directors promoting initiatives aimed at providing Directors and Statutory Auditors with adequate knowledge of the sectors in which the Company operates, Company dynamics and their evolution, and ensures – with the support of the Remuneration and Appointments Committee and the Secretary – that the Board's self-assessment process is adequate and transparent;



- makes, in the name and on behalf of the Company – within the limits of the budget and according to the guidelines approved by the Board of Directors, after having informed the Chief Executive Officer and General Manager – donations and liberal disbursements up to a maximum amount of Euro 500,000 per individual act.

and the following powers under joint signature with the Chief Executive Officer:

- acquires, exchanges or sells any instrumental goods or services related to the corporate purpose and/or stipulates or terminates leasing contracts relating to the purchase of goods instrumental to the ordinary operations of the Company, as well as leasing contracts of real estate and/or Company branches relating to shops and offices or in any case to the sale of products marketed by the Company for a duration not exceeding the duration established by law or by commercial practice in the individual countries concerned for amounts between Euro 10,000,001 and Euro 25,000,000.

Board Meetings are chaired by the Chairman or – in the event of his absence or impediment – by the Vice-Chairman or – in the event of his absence or impediment – by the eldest Director in terms of office or, secondarily, age. Pursuant to Article 22 of the Articles of Association and the Board of Directors' Rules and Regulations, the Chairman plays a liaison role between the Executive Directors and the Non-Executive Directors and ensures the effective functioning of the Board's work, convening the Board as part of the annual schedule of Board Meetings or whenever he deems it necessary, or when a written request is made by at least two of its Members or by the Board of Statutory Auditors.

Meetings are convened by means of a notice, made available through the digital platform for the use of the Board, containing the list of matters to be discussed, and to be sent at least eight days in advance, or in cases of urgency, at least three days in advance, in such a way as to ensure the confidentiality and timeliness of the convocation and to enable the receipt of the notice to be verified.

In compliance with the recommendations of the Code, during the Financial Year the Chairman took care of:

- a) the suitability of the pre-meeting information, as well as the additional information provided during Board Meetings aimed at enabling Directors to act in an informed manner in the performance of their role. The Chairman, through the Secretary, ensures that supporting documentation for the items on the agenda is made available to the Directors and Auditors at least three days in advance;
- b) the coordination of the work of the Board Committees (with investigative, proposing and advisory functions) with the work of the Board;
- c) in agreement with the *Chief Executive Officer* (within the meaning of the Code, i.e., the main person in charge of the Company, from time to time in office), the attendance at Board Meetings – also at the request of individual Directors – of Group Executives in charge of the relevant Company departments according to the subject matter, to provide the appropriate in-depth analysis of the items on the agenda;
- d) the participation of the Members of the Administration and Control Bodies, after their appointment and during their term of office, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of the Issuer itself, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference. During the year, an induction session was organised on 24 May 2022 for the Company's Directors and Executives aimed at providing an overview of trends in the *ESG* sphere and the levers of transformation for the *Fashion & Luxury* sector, as well as sharing insights on the Company's positioning with respect to these issues and possible opportunities;

- e) the adequacy and transparency of the Board's self-assessment process, with the support of the Appointment Committee (Recommendation 12.e of the Code). With the support of the Remuneration and Appointments Committee and in line with the provisions of the Corporate Governance Code, the self-assessment process was launched during the Financial Year on 14 December 2022 – with the support of a specialised company – to promote the efficient and effective work of the Board of Directors in support of the new phase of corporate life. For more information, please refer to Chapter 7;
- f) ensuring that the Board was always informed, at the first available meeting, of the development and significant content of the dialogue that had taken place with all Shareholders.

All these tasks were duly performed by the Chairman in 2022, also with the help of the Secretary, where required by the recommendations of the CG Code.

### Secretary of the Board of Directors

Pursuant to Article 10 of the Board of Directors' Rules of Procedure, the Board is supported in organising its work by a Secretary appointed by a Board Resolution on the proposal of the Chairman. The Board is also responsible for dismissing the Secretary.

The Secretary may be chosen either from among the Company's employees or be a member from outside the Company, provided they possess adequate requirements of professionalism and independence of judgement and have adequate experience in the legal, *corporate* and *corporate governance* fields.

The Secretary assists the Chairman and, if appointed, the Vice-Chairman in activities related to the proper functioning of the Board of Directors, ensuring that the pre-Board briefing is accurate, complete and clear; activities of the Endoconsiliar Committees are coordinated with the activities of the Board of Directors; and that the work of the Board takes place in accordance with the principles of management and coordination.

In the event of the absence of the Secretary, the Board shall, from time to time, appoint a replacement on the proposal of the Chairman.

The person identified by the Board of Directors to act as Secretary performs the same role, and with the same duties, also within the committees, with proposing and advisory functions established by the Board in its own sphere in compliance with the criteria established by the Corporate Governance Code.

During the Financial Year, the role of Secretary to the Board was carried out by the *General Counsel* with the support of the Head of Corporate Affairs. Specifically, the activities carried out concerned support to the activities of the Chairman with reference to the following aspects:

- a) the preparation of the pre-meeting briefing and supplementary information provided during meetings to enable Directors to act in an informed manner when performing their role;
- b) the coordination of the work of the committees with the work of the Governing Body;
- c) setting the agenda for meetings, managing Board activities and liaising with committees;
- d) the organisation of *induction* initiatives for Members of the Administration and Control Bodies, aimed at providing them with adequate knowledge of the business sectors in which the Company operates, corporate dynamics and their evolution – also with a view to the sustainable success of the Company itself – as well as of the principles of proper risk management and the regulatory and self-regulatory framework of reference;
- e) coordination with the Chairman and the Remuneration and Appointments Committee in defining the self-assessment process of the Board; and

- f) coordination with the *Chief Executive Officer* for the attendance at Board Meetings of the Heads of the relevant corporate functions according to the subject on the agenda to provide the appropriate insights.

The Secretary provides the Board and the Committees, with impartial judgement, with assistance and advice on any aspect relevant to the proper functioning of corporate governance.

## 4.6. Executive Directors

### Chief Executive Officers

Pursuant to Article 26 of the Articles of Association, the Board may – to the extent permitted by law and the Articles of Association – delegate all or part of its powers for the management of the Company to one or more Chief Executive Officers, establishing their powers. The Board may also set up an Executive Committee, determining the number of its Members and its powers. The Board may also appoint Directors and Attorneys, with individual and joint signatures, determining their powers and attributions. Directors, if invited, attend Board Meetings without voting rights.

The authorised bodies report, at least quarterly, to the Board of Directors and the Board of Statutory Auditors on the activities performed by virtue of the powers delegated to them, on the general management trend and its foreseeable evolution, as well as on the most important economic, financial and asset operations carried out by the Company and its subsidiaries. In particular, they report on the operations in which they have an interest, on their own behalf or on behalf of third parties.

Pursuant to Article 28 of the Articles of Association, the Chairman of the Board and his Deputy shall be the legal representatives of the Company. The legal representation of the Company is also vested in the Directors holding proxies, within the scope and limits of the proxies granted to each of them.

At the date of this Report, the Chief Executive Officer and General Manager Marco Gobbetti is vested with the following powers, as most recently redefined by the Board of Directors with a resolution adopted on 2 March 2023:

- is responsible for the day-to-day management of the Company and has legal representation, including in digital preservation processes as well as any other process where a digital signature is required by applicable law or is deemed appropriate;
- can enter into consultancy or service contracts of any kind pertaining to ordinary activities within the maximum limit of Euro 1,000,000 per contract and to manage personnel with a fixed annual remuneration exceeding Euro 250,000, without prejudice to the advisory powers of the Remuneration and Appointments Committee;
- ensures compliance with the regulations on workers' health and safety (Legislative Decree 81/2008), the protection of persons and other subjects with regard to the processing of personal data (Legislative Decree 196/2003 and Regulation 2016/679/EU) and environmental protection, as well as the establishment and maintenance of the internal control and risk management system pursuant to Article 6 of the Code;
- can purchase, exchange or sell any instrumental goods or services related to the corporate purpose and/or enter into or terminate finance lease agreements relating to the purchase of goods instrumental to the ordinary operations of the Company, as well as lease agreements for real estate and/or Company branches relating to shops and offices or in any case to the sale of products marketed by the Company for a duration

not exceeding that established by law or commercial practice in the individual countries concerned, up to the amount of Euro 10,000,000, with single signature, and for amounts between Euro 10,000,001 and Euro 25,000,000 with joint signature with that of the Chairman of the Board of Directors;

- has ordinary banking and credit facility management powers and the granting of credit facilities with banking institutions limited to those not backed by guarantees, within the limit of Euro 50,000,000 to sign intercompany loan agreements and to request credit facilities for the issuance of signature commitments, to sign contracts for the relevant drawdowns and to sign guarantees and letters of patronage within the limit of Euro 30,000,000.

Therefore, at the date of this Report, the Chief Executive Officer and General Manager Marco Gobbetti qualifies as *Chief Executive Officer* as outlined in the Code, meaning the person primarily responsible for the management of the Issuer.

#### **Chairman of the Board of Directors**

At the date of this Report, the Chairman: (a) is not the main person responsible for the management of the Issuer; (b) has no management powers and does not play a specific role in the development of corporate strategies; and (c) is not the Company's controlling Shareholder.

For more information on the role of the Chairman, see Section 4.5 above.

#### **Other executive Directors**

It should be noted that Director Giacomo Ferragamo must be considered an Executive Director pursuant to the Corporate Governance Code by virtue of his executive relationship with the Company. In fact, Giacomo Ferragamo held the position of *Chief Product & Transformation Officer* during the Financial Year. As of 1 January 2023, he assumed the role of *Chief Transformation & Sustainability Officer*.

#### **Information to the Board by the Directors/delegated bodies**

During the Financial Year, the Chief Executive Officer regularly reported to the Board on the activities carried out in relation to the delegated powers conferred on a monthly basis and in a manner suitable to allowing the Directors to express an informed opinion on the matters submitted to them for examination.

## 4.7 Independent Directors and Lead Independent Director

### Independent Directors

Although Article 20 of the Articles of Association stipulates that the number of Independent Directors must not be less than the minimum number required by the applicable legal provisions, i.e., one-third for companies with concentrated ownership (cf. Art. 2 of the CG Code), half of the Company's Board of Directors is composed of Independent Directors.

It should be noted that, based on the provisions of Article 4 of the BoD Regulation, the Board assesses the independence of each Non-Executive Director immediately after appointment as well as during their term of office when circumstances relevant to independence arise, and at least once a year to detect the possible existence of circumstances that compromise, or appear to compromise, their independent judgment. This assessment is carried out by the Board on the basis of the information provided by the Directors and/or available to the Company, as well as taking into account the principles and recommendations contained in the CG Code. For the purpose of assessing the independence of the Directors, the Board may, in relation to the specific situations concerning each Director, consider any additional element deemed useful and appropriate, adopting additional and/or partially different criteria that privilege substance over form, providing information in the Report. The Board submits the outcome of the independence assessment to the Board of Statutory Auditors, which verifies the correct application of the above criteria.

The procedure followed by the Board for the purpose of verifying independence provides that the existence of the requisite is declared by the Director when submitting candidacies, as well as when accepting the office, and ascertained by the Board in the first meeting following the appointment also based on the information available. The results are then disclosed to the market by means of a press release. The assessment is renewed when circumstances relevant to independence occur, and in any case annually at the Board Meeting approving the draft financial statements.

The Company's Independent Directors are sufficient in number, authority and competence to ensure that their judgement can have a significant influence on the Company's Board decisions, as well as to be adequate for the needs of the business, the functioning of the Board and the constitution of the relevant committees. The Independent Directors bring their specific expertise to Board discussions, contributing to the taking of decisions in line with the Company's interests.

It should be noted that the Chairman of the Board did not qualify as independent.

As already anticipated and in line with the Recommendations of the Corporate Governance Committee, the Board, in its Regulation, has predefined the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the Code for the purposes of determining the independence of Directors. Specifically, Article 4 of the Board's Regulation provides – in accordance with the provisions of Recommendation 7 of the Code – that the amount of Euro 100,000 on an annual basis represents a significant threshold of any commercial, financial or professional relations of the Directors with the Company, as well as any additional remuneration they receive from the Company.

On 6 September 2022, in compliance with the Code's Recommendations, the Board ascertained the continued existence of the independence requirements for each of the Non-Executive and Independent Directors. In making the aforesaid assessment, the Board considered all the information available (particularly that provided by the Directors being assessed), evaluating all the circumstances that appear to compromise independence as identified by the Consolidated Law on Finance and the Code, and applied (among others) all the criteria provided for by the Code with reference to the independence of Directors. In this regard, each Independent Non-Executive Director provided all the elements necessary or useful for the Board's assessments.

Therefore, at the end of the Financial Year and at the date of this Report, there were five Independent Directors out of 10, including Patrizia Michela Giangualano, Umberto Tombari, Anna Zanardi Cappon, Frédéric Biousse and Annalisa Loustau Elia, who are each in possession of the independence requirements set forth in Article 2

of the Code – without prejudice to what is specified below with reference to Director Umberto Tombari – and Article 148, Paragraph 3. letters b) and c) of the Consolidated Law on Finance.

None of the aforesaid Independent Directors – with the exception of Director Umberto Tombari in relation to whom the Board nevertheless deemed the independence requirements to be met – has been a Director of the Issuer for more than nine of the last 12 years.

With regard to the Director Umberto Tombari – who has been a Director of the Company since 2011 and therefore has exceeded the nine-year term envisaged by the Code (Recommendation 7, letter e) – in view of the substantial application of the Code's recommendations, the Company's Board of Directors considered, at its meeting of 22 April 2021 and then most recently at its meeting of 6 September 2022, that this circumstance does not compromise his independence or autonomy of judgement, since he is a professional who has never had, nor currently has, any professional and/or consulting relationship with the Company, its Shareholders, other companies of the Ferragamo Group, nor has he ever received any type of remuneration in addition to his remuneration as a Director of the Company.

During the Financial Year, the Board of Statutory Auditors verified the procedures adopted by the Board of Directors to assess the independence of its Directors, declaring that it had no observations in this regard. Furthermore, in its report to the Shareholders' Meeting of 21 March 2022, the Board of Statutory Auditors stated that it, *"found that the criteria and procedures adopted by the Board of Directors to annually assess the independence of its Independent Directors were correctly applied."*

It should also be noted that the Independent Directors have undertaken to maintain their independence during their term of office and to resign if they lose their independence requirements.

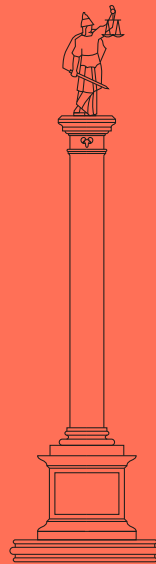
With regard to the 2022 Financial Year, in accordance with Recommendation 5 of the Corporate Governance Code, the Independent Directors, with the support of the Board Secretary, met in the absence of the other Directors once, on 16 January 2023. At the meeting, the Independent Directors expressed appreciation for the advances in corporate *governance* undertaken over the past two years. Specifically, the management of the following main issues was positively assessed: (i) the management of the items under discussion at the Board of Directors, characterised by the breadth and space dedicated to their discussion; (ii) the role of the Chairman and CEO; (iii) the role and autonomy of the Endoconsiliar Committees composed exclusively of Independent Directors; (iv) the participation of the Chief Executive Officer in the Board's work, which guarantees constant proactive support and clarifications, where necessary, in the discussion of the various issues; (v) the continuous involvement of the Remuneration and Appointments Committee in the selection and remuneration of *Top Management*; (vi) the focus on *ESG* issues; and (vii) the composition of the Board of Directors in terms of skills and diversity.

The Independent Directors did not point out any critical issues and the only recommendation made was to continue to encourage the participation of *Managers* in Board Meetings.

#### ***Lead Independent Director***

The Company has not appointed a *Lead Independent Director*, as the conditions set forth in Recommendation 13 of the Code do not apply. Specifically, (a) the Chairman is not the *Chief Executive Officer*, nor does he hold significant management powers; (b) the Chairman does not control, even jointly, the Company; and (c) a majority of the Independent Directors has not been requested.

# MANAGEMENT OF CORPORATE INFORMATION



To regulate the use of inside information, the Board – upon the proposal of the Chairman in agreement with the *Chief Executive Officer* – adopted the following procedures: (i) internal regulations for the management and external communication of confidential, potentially privileged and insider information (**'IPP and Insider Information Regulations'**); (ii) a procedure for keeping and updating the register of persons who have access to privileged and potentially privileged information (**'Procedure for Keeping the IPP Register and Insider Register'**); and (iii) an *internal dealing* procedure (**'Internal Dealing Procedure'**).

Below is a brief description of the IPP and Inside Information Regulations, the Procedure for Maintaining the IPP Register and Insider Register and the Internal Dealing Procedure applied by the Company during the Financial Year.

### **Internal rules for the management and external communication of confidential, potentially privileged and inside information**

The IPP and Inside Information Regulation contains provisions relating to the management of confidential information, potentially inside information and the management and external communication of inside information referred to in Article 7 of the MAR concerning the Company. Insider information is subject, pursuant to the law, to a general obligation to disclose it to the public without delay, in the manner set out in the IPP and Inside Information Regulations. All members of the corporate bodies, employees and collaborators of the Company and of the Company's subsidiaries who find themselves with access for any reason to confidential, potentially privileged and inside information (the **'Obligated Parties'**) are obliged to comply with the IPP and Inside Information Regulation.

Confidential information is corporate information relating – directly or indirectly – to the Company and/or its financial instruments, which, while not having the characteristics of inside information or potentially inside information (as defined below), is not in the public domain or which is by its nature confidential or exclusively pertaining to the Company and/or its subsidiaries, acquired by the Obligated Parties (the **'Confidential Information'**). Potentially inside information is information that – although it may reasonably be expected to possess the characteristics of inside information at a later date, even in the near future – according to the laws in force, does not yet have one or more of the requirements that the aforesaid laws require to qualify as inside information (the **'Potentially Inside Information'**).

Pursuant to the law, inside information is information of a precise nature – concerning, directly or indirectly, the Company or its financial instruments – which has not been made public and which, if it were made public, would be likely to have a significant effect on the price of the Financial Instruments or any related derivative financial instruments (the **'Inside Information'**).

The IPP and Inside Information Regulations govern the main persons responsible for implementing and enforcing them and the safeguards to protect the confidentiality of confidential information, potentially inside information and inside information, as well as the measures to be taken against those responsible for any breaches. For the full text of the relevant IPP and Inside Information Regulations, please refer to the Issuer's website <https://group.ferragamo.com> in the Governance/Corporate Governance/Procedures section.

On 17 December 2019 and 20 January 2020, the Company adopted Internal Operating *Guidelines* aimed at regulating the activities of the various functions involved in the aforementioned procedures, also with regard to the Company's operating *software* for managing the same. These *Guidelines* were last updated by the Board of Directors on 20 July 2021. On 14 December 2021, the Board of Directors adopted a new regulation governing the operating procedures under which information exchanges between the Company and the controlling Shareholder Ferragamo Finanziaria S.p.A. are carried out, as part of the management and coordination activities and; therefore, from that date the *Guidelines* are to be considered superseded with reference to this area.



### **Procedure for keeping and updating the register of persons with access to privileged and potentially privileged information**

In compliance with the provisions contained in Article 115-bis of the Consolidated Law on Finance and the Consob Issuers' Regulations, the provisions contained in Article 18 of the MAR, as well as Implementing Regulation (EU) 2022/1210 of 13 July 2022 laying down technical implementing rules regarding the precise format of lists of persons having access to inside information and their updating in accordance with the MAR, the Company has set up a register of persons who have access to inside information in the performance of certain tasks and with whom there is a professional relationship, whether as employees or otherwise, such as consultants, accountants or credit rating agencies (the **'Register'** or **'Insider Register'**).

In addition to the above, the Company, on a voluntary basis, has mapped the flows of potentially price sensitive information identified internally within the Company – which is updated at least once a year – and has also set up a register of persons who have access to potentially price sensitive information and with whom it has the same type of relations as mentioned above (the **'Register of Potentially Price Sensitive Information'** or the **'PII Register'**).

The IPP Register and the Insider Register (the **'Registers'**) consist of computerised databases containing the names of persons who, by reason of their work, profession or functions they perform, have access to potentially price sensitive information and/or inside information.

Entry in the Registers takes place in consideration of actual knowledge of potentially inside information and/or inside information of the Company as a result of participation in activities, events and processes of a repetitive and permanent or specific nature, respectively.

The Head of Corporate Affairs is responsible for updating the Registers. The procedures for establishing, managing and updating the Registers are regulated in a special procedure published on the Issuer's website <https://group.ferragamo.com> in the Governance/Corporate Governance/Procedures section.

### **Internal dealing procedure**

The Internal Dealing Procedure is aimed at regulating with binding effectiveness the information flows inherent to the transactions listed below and carried out – also through intermediaries – by Internal Dealing Persons (as defined in the Internal Dealing Procedure) in compliance with the provisions of Article 114, Paragraph 7 of the Consolidated Law on Finance, Articles 152-*sexies* - 152-*octies* of the Issuers' Regulation, as well as Article 19 of the MAR and Commission Delegated Regulation (EU) 2016/522 of 17 December 2015. supplementing the MAR with regard to, inter alia, disclosure thresholds, the competent authority for delay notifications, permission to trade during closed periods and the types of transactions carried out by persons exercising administrative, control or management functions subject to notification (the **'Delegated Regulation 2016/522'**).

MAR Relevant Persons shall inform the Company and Consob in the manner and within the terms specified in the Internal Dealing Procedure of all transactions (the **'MAR Relevant Transactions'**) carried out for any reason, on or off the Stock Exchange, concerning:

- shares or debt instruments of the Company;
- derivative instruments;
- related financial instruments, as identified pursuant to Article 3(2)(b) of EU Reg. No. 596/2014.

Relevant RE Shareholders shall notify the Company and Consob in the manner and under the terms specified in the Internal Dealing Procedure of all transactions (the '**Relevant RE Transactions**') involving the purchase, sale, subscription or exchange of shares carried out on the Stock Exchange or off the Stock Exchange, directly or through an intermediary, by Relevant RE Shareholders and persons closely related to them, concerning:

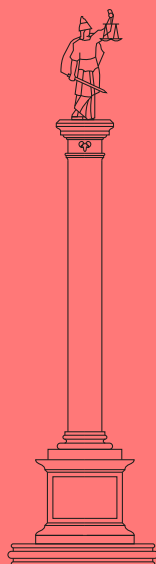
- shares issued by the Company;
- equity-linked financial instruments, which include:
  - A. financial instruments that allow the subscription, acquisition or disposal of the Company's shares;
  - B. debt financial instruments convertible into shares or exchangeable for shares;
  - C. derivative financial instruments on shares, as referred to in Article 1(3) of the Consolidated Law on Finance;
  - D. other financial instruments, equivalent to shares, representing such shares.

Pursuant to the Internal Dealing Procedure, MAR Relevant Persons are prohibited from carrying out transactions on the above-mentioned shares and financial instruments during the 30 days preceding the approval by the Board of Directors of the Company's draft financial statements, half-yearly report and quarterly reports, as well as any other financial reports whose publication has been planned and announced in advance by the Company. The Board reserves the right to provide for exceptions to the aforementioned prohibition, as well as to prohibit or limit the performance in other periods of the year – by some or all of the MAR Relevant Persons – of transactions on the above-mentioned shares and financial instruments.

For the full text of the Internal Dealing Procedure, please refer to the Issuer's website <https://group.ferragamo.com> in the Governance/Corporate Governance/Procedures section.

# INTERNAL COMMITTEES OF THE BOARD

(PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER D), CONSOLIDATED LAW ON FINANCE)



Pursuant to Article 26 of the Articles of Association, the Board of Directors may set up internal committees with investigative, proposing and advisory functions in the areas of appointments, remuneration and control and risks, as well as in other areas deemed important for the Company and entrusted with the task of supporting the Board in the performance of its role.

The Board defines the tasks of the committees and determines their composition, giving priority to the competence and experience of their Members. Each committee is coordinated by a Chairman who informs the Board of Directors of the activities carried out at the first useful meeting. The composition and tasks of the committees may be supplemented or changed at any time upon resolution of the Board of Directors.

The Chairman of each committee may invite the Chairman of the Board, the *Chief Executive Officer*, other Directors and, informing the *Chief Executive Officer*, representatives of the relevant corporate functions to individual meetings. In addition, the Members of the Control Body may attend the meetings of each committee.

The committees are entitled to access the information and corporate functions necessary to perform their tasks, access financial resources and make use of external consultants.

Committee meetings are minuted by the Secretary and during the Financial Year the minutes were made available to the Board of Directors at the first available meeting.

---

On 22 April 2021, the Board, in compliance with the composition requirements of the Code, resolved to confirm the merging of the functions of the Remuneration Committee and the Appointments Committee into a single committee called the Remuneration and Appointments Committee.

At the date of this Report, the Non-Executive and Independent Directors Anna Zanardi Cappon (Chairman),<sup>8</sup> Umberto Tombari and Annalisa Loustau Elia are Members of this Committee. During the Financial Year, the Remuneration and Appointments Committee carried out, in compliance with the conditions set forth in the Code, all the functions provided for by the same with regard to the two committees it brings together.

On 22 April 2021, the Board resolved to confirm the competence of the Control and Risk Committee, also for Related Party Transactions and Corporate Sustainability.

At the date of this Report, the Non-Executive and Independent Directors Patrizia Michela Gianguialano (Chairman), Umberto Tombari and Anna Zanardi Cappon<sup>9</sup> are members of the Control and Risk Committee. For more information on the committee with regard to Related Party Transactions, please refer to Chapter 10 below.

On the following pages, detailed information is provided for each committee on the content of the assignment conferred and the activities actually performed during the Financial Year.

---

The Regulation of the Board of Directors, as last amended on 26 January 2023, also defines the rules for the functioning of the Board committees, providing that, *"the provisions concerning the functioning of the Board of Directors set forth in this Regulation shall also apply, where compatible, [...] to the committees established by the Board of Directors within its own sphere with proposing and advisory functions."*

It should be noted that on 22 April 2021, the Board of Directors also adopted the regulations of the Control and Risk and Remuneration and Appointments Committees (the '**Committee Regulations**'). The procedures set forth in the Committee Regulations in relation to the procedures for taking meeting minutes and the management of information to Directors – and in particular the identification of deadlines for the prior submission of information and the protection of the confidentiality of the data and information provided (by means of a digital platform better described in the note to Paragraph 4.4) so as not to prejudice the timeliness and completeness of information flows – are similar to the provisions on the subject set forth in the Board of Directors' Regulations.

---

8. Please note, on 27 February 2023, Director Zanardi Cappon tendered her resignation effective as of the Shareholders' Meeting called to approve the financial statements as of 31 December 2022.

9. Please note, on 27 February 2023, Director Zanardi Cappon tendered her resignation effective as of the Shareholders' Meeting called to approve the financial statements as of 31 December 2022.

Pursuant to the Code and in compliance with the regulatory provisions applicable to issuers subject to management and coordination, only Non-Executive and Independent Directors were appointed as Members of the Remuneration and Appointments Committee and the Control and Risk Committee.

---

As of the date of this Report, the Board of Directors has not reserved any of the functions that the Code attributes to the Committees.

---

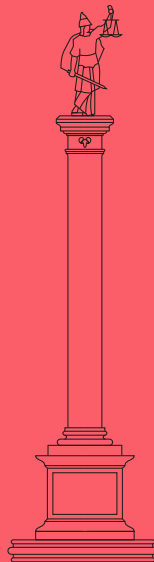
The Board determined the composition of the committees by favouring the competence and experience of their Members, as reflected in the profiles of the Directors serving on them. Despite the presence of a number of Independent Directors in both the Control and Risk Committee and the Remuneration and Appointments Committee, the Board deemed that this circumstance did not constitute a risk of an excessive concentration of tasks in the hands of the same persons that would impede the proper functioning of the same committees, also in consideration of the close correlation between certain issues, which continued to be particularly relevant during the Financial Year.

---

The Issuer has not deemed it necessary to set up a specific committee with the task of supporting the Board, as suggested in Recommendation 1.a) of the CG Code. In this regard, it should be noted that the Control and Risk Committee also plays the role of the Sustainability Committee.

# SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

NOMINATION COMMITTEE



## 7.1 Self-assessment and succession of Directors

In compliance with the Principles and Recommendations of the Code, the Board periodically assesses the effectiveness of its activities and the contributions made by its individual Members, through formalised procedures whose implementation it oversees.

In particular, since the Company falls within the definition of a 'large company' and 'concentrated ownership', the self-assessment must be conducted every three years, in view of the renewal of the Board, as required by Recommendation 22 of the Code. With a view to the continuous improvement of *governance* and alignment to market *best practices*, the Company also decided to carry out the self-assessment in the second year of its mandate to support the Directors in assessing the effectiveness of the Board, also with the aim of identifying opportunities for further improvement of its *performance*.

The self-assessment concerns the Board and its committees and focuses on size, composition – also taking into account elements such as the professional characteristics, experience (including managerial experience) and gender of its members, as well as their seniority in office, also in relation to the diversity criteria set forth in Principle VII and Recommendation 8 of the Code – and concrete functioning, also considering the role played by the Board in defining strategies, in the discussion of issues related to sustainability, *diversity* and *inclusion*, and in monitoring management performance and the adequacy of the internal control and risk management system, including any *mitigation* and *remediation* plans.

As was the case in the first year of the mandate, the aforementioned self-assessment process was initiated in the Financial Year with the support of the specialised consultancy firm Korn Ferry.

For the 2022 Financial Year, the self-assessment was conducted by means of questionnaires and interviews, and was aimed at obtaining an assessment on the *performance* of the Board of Directors with the objective of improving its functioning through more effective Group dynamics and ensuring that the Board is better equipped to face future challenges and perform its function of supervising the Group's strategic direction. Specifically, the questionnaires covered, among other things, the evaluation of:

- the vision of the Board of Directors' mandate, their respective roles and responsibilities, the culture, values and *standards/behaviours* to be promoted and the expected involvement in the definition of corporate strategies, including the definition of the nature and level of risk compatible with the strategic objectives pursued;
- the size, composition – like professional characteristics, experience, including managerial experience, age and gender of its Members, as well as diversity criteria – as well as on the functioning of the Board itself and its committees, also with respect to the coordination of activities between the latter and the Board;
- the knowledge of the Company – and therefore of its *business* and reference market as well as its financial management – on the level of involvement of the Board by the *management* on the main corporate initiatives and on the autonomy of the Directors' judgement;
- internal dynamics and, in particular, the relationship of mutual trust, respect and cooperation, the knowledge of *top management* and the quality of information received from the latter, as well as the quality of debate and decision-making and the effectiveness of the way meetings are conducted;
- the execution of the mandate, with particular regard to the adequacy of (i) the way in which corporate strategies and the organisational structure are monitored with respect to the achievement of medium- to long-term objectives, the *performance* of *top management* and the remuneration of *Managers* with respect to the Company's *performance*; (ii) the level of sharing with the Board of the monitoring activities of the

internal control and risk management system carried out by the Control and Risk Committee, as well as the risk mitigation, crisis management and *management* succession plans; (iii) the monitoring by the Chairman of the implementation of the resolutions taken by the Board; and (iv) the way in which the Board is evaluated at the *Board Review*;

- the completeness of pre-advisory documentation and reporting, as well as training and education activities;
- corporate sustainability, and in particular the level of inclusion of *ESG* principles in corporate strategies, *business* model, procedures and practices; the involvement of the Board and Committees in the debate on sustainability issues and the incorporation of the principles of equity, diversity and inclusiveness in the Company's operations; and the Board's involvement in programmes to develop and direct corporate behaviour in the field of sustainability;
- the identification of elements that can improve the functionality and efficiency of the Board.

The Directors were given the opportunity to express five degrees of judgement and comments. They expressed a high degree of participation in the Board's self-assessment process.

The results of the self-assessment process started on 14 December 2022 were verified by the Remuneration and Appointments Committee during the meeting held on 24 February 2023 and presented to the Board of Directors, which examined and confirmed them during the meeting held on 2 March 2023, with an overall positive assessment. In particular, on the basis of the results obtained, it emerged that the Board operates in a manner that is adequate and consistent with its mandate. In fact, it has been able to acquire a wide variety of elements of mutual knowledge, further developing its ability to interact thanks to a balanced set of skills and experience expressed by the Directors. It was also able to understand the culture, history and positioning of the Group and the Ferragamo *brand*, also in light of the new Strategic Plan. The Board also identified some points for improvement. The Chairman, with the support of the Remuneration and Appointments Committee and the Secretary of the Board of Directors, monitored the self-assessment process, approved the contents of the self-assessment questionnaire to be submitted to the Directors and shared the results to verify and ensure the adequacy and transparency of the process followed.

## 7.2 Nomination Committee

On 22 April 2021, immediately after its appointment, the Board confirmed the unification of the functions provided for by the Code for the Appointments Committee and the Remuneration Committee, resolving on the appointment of their Members and defining their duties and functions.

The following information concerns the activities carried out by the Remuneration and Appointments Committee (the '**RAC**') **acting as the Appointments Committee**. The activities carried out during the Financial Year in the field of remuneration are detailed in the Report on Remuneration Policy and Remuneration Paid, Section I, Paragraph 3, made available on the Company's website <https://group.ferragamo.com> in the Governance/Remuneration Report section.

### ***Composition and functioning of the Remuneration and Appointments Committee as Appointments Committee (pursuant to Article 123-bis, paragraph 2(d), Consolidated Law on Finance)***

For the entire Financial Year, and up to the date of this Report, the Committee was composed as follows: Anna Zanardi Cappon (Chairman), Umberto Tombari and Annalisa Loustau Elia. All the Members of the Committee are Independent Non-Executive Directors.

The work is coordinated by the Chairman, appointed by the RAC itself. Meetings are duly minuted and the Chairman of the RAC during the Financial Year regularly reported to the Board at the first useful meeting on the activities carried out and made the minutes of the meetings available to all Board members.



The Remuneration and Appointments Committee held 12 meetings throughout the Financial Year, six of which were held on 29 March, 1 September, (where two meetings were held – one of which was a joint meeting with the Control and Risk Committee to examine the composition of the Ethics Committee), 10 October, 3 November and 1 December.

The meetings lasted on average 40 minutes.

There have been no changes in the composition of the Remuneration and Appointments Committee since the end of the Financial Year and up to the date of this Report.

At least six Remuneration and Appointments Committee Meetings have been scheduled for the current Financial Year, four of which have already been held: 19 January (where two meetings were held – one of which was a joint meeting with the CRC), 10 February and 24 February.

---

Participation in RAC meetings by non-members (such as Directors or representatives of corporate functions) took place at the invitation of the Committee Chairman and on individual agenda items. The Chairman and *Chief Executive Officer* were invited to attend the meetings.

All committee meetings held in 2022 were attended by the Members of the Board of Statutory Auditors, the *General Counsel*, the Head of Corporate Affairs and, depending on the topics, the Company Chairman, the *Chief Executive Officer*, the Head of Human Resources and the Company's consultants.

Further information on the RAC can be found in Table 3 annexed to this Report.

#### **Functions of the Appointments Committee**

The RAC, in its capacity as the Appointments Committee, has the task of supporting the Board of Directors in its activities, including:

- the self-evaluation of the Board and its committees, in particular supporting the Chairman of the Board in ensuring the adequacy and transparency of the self-evaluation process;
- defining the optimal composition of the Board and its committees;
- identifying candidates for the Office of Director in the event of co-option; and
- the preparation, updating and implementation of any succession plan for the *Chief Executive Officer* and other Executive Directors.

It is not among the RAC's functions to assist the Board in the presentation of a list by the Board itself, since lists for the appointment of corporate bodies are presented by the Company's Shareholders in accordance with the Articles of Association.

In addition, the CRN makes recommendations to the Board concerning:

- the maximum number of Director or Statutory Auditor offices that may be considered compatible with the effective performance of the Office of Director or Statutory Auditor of the Issuer, taking into account the provisions of the Board of Directors' Rules;
- the Board's assessments that derogate from the non-competition clause in Article 2390 of the Civil Code; and
- the appointment or rotation of the Company's *top management*.

Therefore, during the 2022 Financial Year and in the first meetings of 2023, the RAC, in its capacity as Nomination Committee, carried out the following activities:

(i) assisted the Chairman in the Board and its Committees' self-assessment process; (ii) assisted the CEO and the Board in the process of defining the new organisation and selecting certain new *top Managers of the Company* and its subsidiaries; and (iii) examined, in a joint meeting with the Control and Risk Committee, the proposals for the composition and integration of the Ethics Committee, identifying its Members.

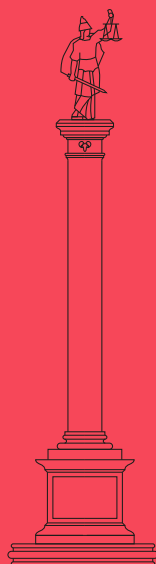
---

In the course of its activities, the RAC has access to the information and Company functions necessary for the performance of its tasks, discussing the issues with the relevant company functions as appropriate.

During the 2022 Financial Year, the RAC had access to the information and business functions necessary to perform its tasks, made use of financial resources and was supported by external consultants.

# REMUNERATION OF DIRECTORS

REMUNERATIONS COMMITTEE



## 8.1 Remuneration of Directors

The Board, upon the proposal of the Remuneration and Appointments Committee acting as the Remuneration Committee, defines a policy for the remuneration of Directors, Members of the Supervisory Board and *top management* in accordance with the Principles and Recommendations of Article 5 of the Code.

For all information regarding the general policy for the remuneration of Directors, Statutory Auditors and Managers with strategic responsibilities and the remuneration attributed to them during the Financial Year, please refer to the Remuneration Report, available at the Company's registered office and on the Company's website <https://group.ferragamo.com> in the Governance/Corporate Governance/Remuneration Report section.

For information on the application of the Remuneration Policy for the Financial Year, please also refer to the second section of the Report on Remuneration and Compensation Paid by the Company pursuant to Article 123-ter of the Consolidated Law on Finance, approved by the Board of Directors on the same date of approval of the Report (which is expected to be made available to the public within the terms and according to the procedures set forth by applicable laws and regulations, including through publication on the Company's website <https://group.ferragamo.com> in the Governance/Remuneration Report section).

### **Remuneration Policy**

Please refer to Section I, Paragraphs 1 to 10 of the Remuneration Report.

### **Remuneration of Executive Directors and top management**

Please refer to Section I, Paragraphs 6, 6.3 and 6.6 of the Remuneration Report.

### **Share-based remuneration plans**

Please refer to Section I, Paragraphs 7.2, 7.3 and 7.4 of the Remuneration Report.

### **Remuneration of Non-Executive Directors**

Please refer to Section I, Paragraph 6.4 of the Remuneration Report.

### **Accrual and disbursement of remuneration**

Please refer to Section I, Paragraphs 6 to 7.4 of the Remuneration Report. Please note, in Section II of the Remuneration Report, *disclosure* is made of the consistency of the remuneration paid and accrued with the principles set out in the policy, in light of the results achieved and other circumstances relevant to its implementation (or of any exceptions to specific elements of the Remuneration Policy).

---

### **Directors' indemnity in the event of resignation, dismissal or termination following a takeover bid (*pursuant to Art. 123-bis(1)(i) Consolidated Law on Finance*)**

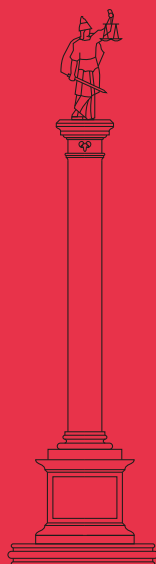
Please refer to Section I, Paragraph 9 of the Remuneration Report.

## 8.2 Remuneration Committee

For information on the composition, operations and functions of the Remuneration and Appointments Committee acting as the Remuneration Committee, please refer to Section I, Paragraph 3 of the Remuneration Report. Further information on the RAC can be found in Table 3 annexed to this Report.

# INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

CONTROL AND RISK COMMITTEE



The Board is responsible for the internal control and risk management system as a whole – which is understood as the set of rules, procedures and organisational structures and processes aimed at monitoring the efficiency of corporate operations, the reliability of information provided to corporate bodies and the market, compliance with laws and regulations and the safeguarding of corporate assets. It also defines, through the support of the Control and Risk Committee, the guidelines of the internal control and risk management system so that the main risks of the Company and Group – including risks that may become relevant in view of the medium/long-term sustainability of the Group's business – are identified, measured, managed and monitored in line with national and international reference models.

In defining the guidelines for the risk management and internal control system, the Board shared the Company's organisational structure with a view to supporting the corporate strategies being defined and contributing to their sustainable success.

The Company adopts an integrated risk management model, in line with recognised *Enterprise Risk Management* ('ERM') standards and *best practices*, inspired by the *framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission* (known as *CoSO ERM*).

The purpose of this *ERM* model is to support top management in identifying the main corporate risks and the ways in which they are managed, as well as to define how to organise the system of safeguards to protect against these risks.

As of June 2022 – in continuity with the process of strengthening the *ERM* model undertaken in 2021 – the Group has launched a project initiative with the dual objective of quantifying the potential impacts of risks on the achievement of the *targets* of the Strategic Plan presented to the market on 10 May 2022 and introducing, for the risks considered a priority in terms of potential impacts, a monitoring and management model integrated with the managerial decisions taken by the relevant *business* functions.

The activities – which were completed in the 2022 Financial Year – were undertaken with reference to the main risk areas with a direct/indirect impact on the achievement of the Strategic Plan objectives and were extended to the entire *Risk Universe* (i.e., to all risks deemed applicable to the organisation). This process of revising the integrated risk management model (*ERM Model*) was concluded with the updating of the 'ERM Framework' Policy, which constitutes the methodological reference and guidelines for governance of the Salvatore Ferragamo Group's *Enterprise Risk Management* (*ERM*) system. The 'ERM Framework' Policy was approved by the Board of Directors at its meeting of 26 January 2023.

The new risk *governance* has been developed by providing for a progressive process with the involvement of the Chief Executive Officer as the Director in charge of risk management, the Control and Risk Committee and the Board of Directors. Furthermore, the monitoring activity is based on a dynamic risk assessment concept that ensures the Company's risk profile is constantly updated.

The *ERM Framework* envisages, for each relevant risk, the identification of specific *forward-looking* scenarios, which are then evaluated in terms of their combined impact estimation according to *revenue@risk* logic, with the objective of sorting them by relevance in terms of combined impact.

The processes of risk detection and measurement envisage the involvement of the Company's *top management* (i.e., *Risk Owners* and, more generally, all the Heads of the functions involved in the *ERM* process), who are periodically called upon to express their opinion on risk factors that may jeopardise the achievement of the organisation's objectives.

As far as the internal control system is concerned, it is structured to ensure – through a process of identification and management of the main risks – the achievement of corporate objectives, contributing to guaranteeing the efficiency and effectiveness of corporate operations, the reliability of financial information provided to corporate bodies and the market, and compliance with current laws and regulations.

Integral parts of the overall internal control system are:

- the Code of Ethics, aimed at promoting and maintaining an appropriate level of fairness, transparency and ethicality in the conduct of the Group's activities;
- the risk management system in relation to the financial reporting process introduced in compliance with Article 154-bis of the Consolidated Law on Finance;
- the organisation, management and control model adopted to ensure the prevention of the offences covered by Legislative Decree 231/2001;
- the management system for the prevention of corruption (*Anticorruption Policy*);
- the internal system of reporting by employees of the entire Group of irregularities or potential non-compliance with the Code of Ethics, internal procedures and applicable laws and regulations (so-called *whistle-blowing*) introduced and managed – in line with national and international *best practices* – to guarantee a specific and confidential information channel, as well as the anonymity of the reporter.

The Company's internal control and risk management system is structured as follows:

- **Director in charge of establishing and maintaining the internal control and risk management system:** his task is to supervise the system i.e., to identify the main corporate risks, submitting them periodically to the Board, and to design, implement and manage the internal control system, applying the guidelines of the Board of Directors, verifying its adequacy and effectiveness on a continuous basis and taking care of its adaptation to the dynamics of the operating conditions and the legislative and regulatory framework.
- **Control and Risk Committee:** supports the Board of Directors' evaluations and decisions – with a proactive and advisory role – pertaining to the internal control and risk management system and the approval of periodic financial and non-financial reports and, among other tasks, expresses opinions on its design, implementation and management, as well as the adequacy of the internal control system, reporting to the Board of Directors on its activities every six months.

Specifically, the Control and Risk Committee performs the following tasks:

- (i) supporting the Board in the performance of tasks relating to the internal control and risk management system, and in particular:
  - a) defining the guidelines of the internal control and risk management system, so that the main risks pertaining to the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, also determining the degree of compatibility of such risks with an approach to business management consistent with the identified strategic objectives;
  - b) assessing, at least annually, the adequacy and effectiveness of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed;
  - c) describing, within the Corporate Governance Report, the main features of the internal control and risk management system and the way in which it is coordinated between the entities involved in it, expressing its assessment of its overall adequacy;
  - d) assessing, at least annually, the work plan prepared by the head of the *Internal Audit* function, in consul-

- tation with the Control Body and the *Chief Executive Officer*;
- e) assessing, after consulting the Auditing Body, the findings set out by the Auditor in the letter of recommendations, if any, and in the additional report addressed to the Auditing Body;
  - f) assessing measures to ensure the effectiveness and impartial judgement of the corporate functions involved in controls, verifying that they are provided with adequate professionalism and resources; and
  - g) the assignment to the specially constituted Supervisory Board of the supervisory functions pursuant to Article 6(1)(b) of Legislative Decree No. 231/2001;
  - (ii) assessing, after consulting the Financial Reporting Officer, the Statutory Auditor and the Auditing Body, the correct use of accounting principles and their uniformity for the purposes of preparing the consolidated financial statements;
  - (iii) assessing the suitability of periodic financial and non-financial information to fairly represent the Company's business model, strategies, the impact of its activities and the *performance* achieved;
  - (iv) examining the content of periodic non-financial information relevant to the internal control and risk management system;
  - (v) expressing opinions on specific aspects inherent to the identification of the main corporate risks and supports, with an adequate preliminary activity, the evaluations and decisions of the Board of Directors relating to the management of risks deriving from prejudicial events of which the latter has become aware, including risks that may become relevant in view of the medium/long-term sustainability of the Company's business;
  - (vi) examining the periodic reports concerning the evaluation of the internal control and risk management system and those of particular relevance prepared by the *Internal Audit* function;
  - (vii) monitoring the autonomy, adequacy, effectiveness and efficiency of the *Internal Audit* function;
  - (viii) entrusting the *Internal Audit Department* with the performance of audits on specific operational areas, notifying the Chairman of the Board of Auditors at the same time;
  - (ix) reporting to the Board, at least on the occasion of the approval of the annual and half-yearly financial report, on the activities performed as well as the adequacy of the internal control and risk management system; and
  - (x) giving its opinion to the Board of Directors in relation to the appointment, dismissal and remuneration of the Head of the *Internal Audit Department*, as well as in relation to the resources made available to the latter for the performance of his duties.
- **Head of *Internal Audit*:** reports to the Board of Directors and is responsible – through its structure – for verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the Board, reporting to the Control and Risk Committee, the Board of Statutory Auditors and the Supervisory Board on the way the system is managed and its suitability to achieve an acceptable overall risk profile. The Head of *Internal Audit* is permanently invited to the Control and Risk Committee.



- **Head of Risk Management:** coordinates the risk management process and systematically supports all *management* involved in the risk assessment process. The Head of *Risk Management* reports to the *Chief Financial Officer*, who is a permanent invitee to the Control and Risk Committee. He works in coordination with the other actors of the system, such as the *Internal Audit* Department, General Counsel Department responsible for regulatory *compliance* activities, the Financial Reporting Officer of Corporate Accounting Documents and all the other actors that in various ways contribute to the activities of detecting, assessing, managing and monitoring corporate risks.
- **Regulatory Compliance Manager:** is a function located within the *General Counsel* Department in charge of monitoring the risk of non-compliance with the regulations applicable to the Group and; therefore, assesses the requirements contained therein, verifying that internal procedures and processes are adequate to prevent possible violations. For these activities, it works in liaison with the other functions that articulate the Company's internal control system, specifically with the *Risk Management* and *Internal Audit* Managers reporting to the Control and Risk Committee and directly to the Board of Directors.
- **Financial Reporting Officer of preparing corporate accounting documents (pursuant to Article 154-bis of the Consolidated Law on Finance):** is responsible for designing, implementing and maintaining adequate and effective control procedures to monitor risks in the process of preparing financial reports, i.e., the set of activities aimed at identifying and assessing the actions or events whose occurrence or absence could partially or totally compromise the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness of the financial reporting itself.
- **Supervisory Body pursuant to Legislative Decree 231/2001:** is tasked with verifying the effectiveness, adequacy and compliance of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, and to ensure that it is constantly updated. The Company – in line with the recommendations of the Corporate Governance Code and with the aim of facilitating and making controls and information flows more efficient – has decided to assign the functions of Supervisory Board to the Board of Statutory Auditors.
- **Board of Statutory Auditors:** has the task of (i) supervising the effectiveness of the internal control and risk management system; and (ii) supporting the Board of Directors in assessing the results set forth by the Statutory Auditor in the additional report addressed to the Control Body. Also, with the aim of ensuring a timely exchange of relevant information between the Board of Statutory Auditors and the Control and Risk Committee for the performance of their respective duties, all Control Body Members regularly participate in the work of the Control and Risk Committee.

For further information on the coordination between the various parties involved in the internal control and risk management system, see the remainder of this chapter.

## **Main characteristics of the existing risk management and internal control system in relation to the financial reporting process (pursuant to Article 123-bis(2)(b) Consolidated Law on Finance)**

### **Foreword**

As part of the general process of identifying and analysing the Group's risk areas – aimed at structuring an internal control system that allows for better governance of corporate risks – particular importance is assumed by the internal control system implemented in relation to the financial reporting process, which constitutes an integral part of the Company's overall internal control system.

The accounting-administrative control model represents the set of internal procedures and tools adopted to enable the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness of financial reporting.

Corresponding to the methodology used by the Company for the overall risk governance and control system, the implementation of the administrative-accounting control system is also inspired by the *CoSO Report* control model ('*Internal Control – Integrated Framework*', 2017) for ICFR of 2013 and is aligned with generally recognised *best practices*.

During the 2022 Financial Year, the Company complied with the requirements of Article 154-bis of the Consolidated Law on Financial Intermediation aimed at documenting the accounting-administrative control model adopted, as well as performing specific checks on the controls detected to support the attestation process of the Financial Reporting Officer of Preparation of the Company's Accounting Documents and the *Chief Executive Officer*.

In this regard, it should be noted that the Company has prepared and recently updated specific regulations, which were approved by the Board of Directors on 5 May 2022.

This regulation, which was circulated to all Group companies relevant for the purposes of Article 154-bis of the Consolidated Law on Finance, includes the guidelines for implementing and updating the model.

### **Description of the main features of the existing risk management and internal control system in relation to the financial reporting process**

#### **a. *Stages of the existing Risk Management and Internal Control System in relation to the financial reporting process***

The main stages of the system implemented by the Company in relation to the financial reporting process can be traced to the following macro-categories of activity.

##### Identification and assessment of financial reporting risks

This activity involves defining the Group companies and the processes of the individual companies, with reference to which to carry out in-depth risk and administrative-accounting control activities, adopting both quantitative parameters – defined on the basis of the significant weight that the magnitudes to be considered have on the main financial statement items – and qualitative elements. The perimeter analysis is periodically assessed by the Company, which notes, if necessary, the need to make changes or additions to it.

The analysis of the internal control system related to financial reporting is carried out both at *entity level* (i.e., on a company-wide basis) and process level (down to the detail of the individual transaction), with the aim of effectively mitigating the inherent risks detected within the administrative-accounting system. The approach adopted considers the possible risks of incorrect representation of corporate events in financial reporting, envisaging the design and monitoring of safeguards to ensure coverage of such risks, as well as coordination with the control safeguards implemented within other components of the overall internal control system.

In particular, administrative-accounting processes include risks associated with the failure to achieve control objectives aimed at ensuring a true and fair representation of financial information or minimising the likelihood

and impact of their occurrence.

These objectives consist of the so-called 'financial statement assertions' (typically: existence and occurrence, completeness, rights and obligations, valuation and registration, presentation and disclosure) and other elements that characterise the organisation's internal control environment (such as compliance with authorisation limits, *segregation of duties*, and the traceability, existence and preservation of assets, documentation and traceability of transactions). The analysis of risks related to financial reporting – developed in accordance with the guidelines and the perimeter defined by the Financial Reporting Officer – provides for periodic updates to identify the main changes that have occurred in the structure of administrative-accounting processes as a result of the natural evolution of the *business*, organisation and application systems relevant to this area.

#### Identification of controls against identified risks

On the basis of the results of the risk detection and assessment activity of the financial reporting process at an 'inherent' level (i.e., regardless of the existence of safeguards), the Company defines the structure and methods of execution of the administrative-accounting controls deemed adequate to guarantee the containment and reduction of risks to a 'residual' level deemed acceptable.

The approach adopted takes into account both controls of a manual nature, as well as those relating to the information systems supporting administrative-accounting processes, i.e., the so-called automatic controls at the level of application systems and the *IT general controls* to oversee the areas relating to access to the systems, the control of system developments and changes, and, in general, the adequacy of IT structures.

#### Assessment of controls against identified risks

- b. As with the risk analysis, the system of controls defined to guarantee their containment is also subject to periodic monitoring to ensure that the risk coverage requirements defined by the internal control system and the related control structure are adequate, as well as consistent over time, following any changes in the Group's *business*, organisation and processes. A systematic activity to verify the effectiveness of the administrative-accounting controls is also envisaged, (i.e., the performance of specific tests to ascertain the correct execution by the corporate functions of the controls envisaged, as well as the implementation of the corrective measures defined). The activity of monitoring and verifying the control system on financial reporting is also conducted through an independent *assurance* activity by *Internal Audit*. To this end, a half-yearly *reporting* activity is envisaged, both by the Financial Reporting Officer of Preparation of Financial Reports in relation to the design, structure and operation of the system, and by the Head of *Internal Audit* – in relation to the assessment of its adequacy and effectiveness, to the *Chief Executive Officer* and the Board of Directors – through the CRC and the Board of Statutory Auditors.

#### ***Roles and functions involved***

To ensure adequate management of the risks and controls of the financial reporting process, on the initiative of the Executive in Charge, who is responsible for overseeing the entire system, a specific *team* reporting to the Executive in Charge was assigned the operational management of the activities of implementing, monitoring and updating the system over time, and the coordination of activities at the subsidiaries identified as relevant.

The Finance *Directors/Chief Financial Officers* of each of these companies have also been identified as being responsible for ensuring the proper implementation and maintenance of the internal control system in their respective organisations on behalf of the Chief Financial Officer.

In this regard, a system of attestations has been envisaged through the issuance of *representation letters* issued by the legal representatives and *Chief Executive Officers* of the relevant subsidiaries, concerning the reliability and accuracy of the systems for financial reporting intended for the preparation of the Group's consolidated financial statements in support of the annual and half-yearly attestations by the Executive Officer and the *Chief Executive Officer* (pursuant to Paragraph 5 of Article 154-bis of the Consolidated Law on Finance).

In line with the principles and application criteria of the Corporate Governance Code, the model adopted by the Company has identified and assigned specific roles for the various phases of design, implementation, governance and monitoring of the risk management and internal control system as a whole and, specifically, of the financial reporting process (so-called 'System 262') and the model adopted in the implementation of Decree 231 described above.

In particular, the parties involved in the 262 System, their main responsibilities and the coordination and reporting methods envisaged with a view to efficiency and maximum mutual integration have been identified and appropriately communicated within the Group.

## 9.1 Chief Executive Officer

On 14 December 2021, the Board of Directors (a) appointed Marco Gobbetti by co-optation pursuant to Article 2386 of the Italian Civil Code, attributing to him the role of Chief Executive Officer and General Manager and granting him all powers of ordinary administration, effective as of 1 January 2022, as well as the legal representation and signature of the Company; and (b) resolved to identify in the person of Marco Gobbetti, effective as of 1 January 2022, the person best qualified to hold the role of main person responsible for establishing and maintaining the internal control and risk management system pursuant to Article 6 of the Code and, specifically, Recommendation 34. This circumstance was lastly confirmed with the Board resolution adopted on 2 March 2023 in the context of the redefinition of the powers conferred on Mr Gobbetti in his capacity as Chief Executive Officer, as better detailed in Section 4.6 of this Report.

During the Financial Year, as the person in charge of setting up and maintaining the internal control and risk management system, the *Chief Executive Officer*:

- (i) oversaw the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submitted them periodically to the Board for review;
- (ii) implemented the guidelines defined by the Board, taking care of the design, implementation and management of the internal control and risk management system and constantly monitoring its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape; and
- (iii) did not entrust the *Internal Audit Department* with the performance of checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions. The need did not arise, as all areas of interest were covered by the 2022 Audit Plan approved by the Company's Board of Directors.

## 9.2 Control and Risk Committee

On 22 April 2021, immediately after its appointment, the Board resolved – in accordance with the provisions of the Code – to appoint the Control and Risk Committee, defining its duties and functions, and also assigning it the function of Committee responsible for ‘Related Party Transactions’ and corporate sustainability.

### **Composition and functioning of the Control and Risk Committee (pursuant to Article 123-bis, Paragraph 2(d) of the Consolidated Law on Finance).**

On 22 April 2021, the Board appointed the Independent Directors Patrizia Michela Giangualano (Chairman), Umberto Tombari and Anna Zanardi Cappon, the latter elected from the minority list,<sup>10</sup> as members of the RCC. The Committee is therefore composed exclusively of Independent Non-Executive Directors.

In accordance with Recommendation 35 of the Code, the members of the RAC have adequate expertise in the business sector in which the Company operates to assess the relevant risks, and the Committee Chairperson has accounting, financial and risk management skills deemed appropriate by the Board at the time of appointment. The work is coordinated by the Chairman of the Committee. Meetings are regularly minuted by the Secretary, who, contrary to the provisions of the Code, coincides with the Secretary of the Board of Directors, precisely to ensure the coordination of the Committee's activities with those of the Board of Directors. During the Financial Year, the Committee Chairman regularly reported to the Board of Directors at the first useful meeting on the activities performed.

The Control and Risk Committee held 13 meetings in 2022, namely on 19 January, 14 February (in a joint session with the Remuneration and Appointments Committee), 16 February, 3 March, 3 May, 4 July, 21 July (in a joint session with the Board of Statutory Auditors), 1 September (when two RCC meetings were held, one of which in joint session with the Remuneration and Appointments Committee), 3 November, 18 November and 2 December.

The meetings lasted on average about two hours.

Six meetings have been scheduled for the current year, three of which have already been held on 19 January, 6 February and 28 February 2023.

---

Participation in the meetings of the Control and Risk Committee by persons who are not members of the Committee (such as Directors or representatives of corporate functions) took place at the invitation of the Committee Chairman and on individual items on the agenda. *As the Director responsible for the internal risk control system, the Chief Executive Officer* was regularly invited to and attended Committee meetings.

Specifically, the Chairman of the Board of Directors attended the CRC meetings, depending on the topics, as well as a number of company Executives, such as the *CFO* and Financial Reporting Officer (who is also responsible for Risk Management activities), the General Counsel for *Compliance* issues, the *Internal Audit* Director, the *Chief Sustainability & Strategy Coordinator*, the *Group Tax Manager*, the Managers of the Auditing Firm and a number of the Company's external consultants.

All Control and Risk Committee Meetings were also attended by the *General Counsel*, who was appointed Secretary of the Committee, and the Head of Corporate Affairs, who helped ensure the coordination of the Committee's work with the activities of the Board of Directors.

All Control and Risk Committee meetings held during the Financial Year were attended by the members of the Board of Auditors as permanent guests.

Further information on the CRC can be found in Table 3 annexed to this Report.

10.

On 27 February 2023, she resigned as a Director, effective as of the date of the Shareholders' Meeting to approve the financial statements for the year 2022.

### Functions assigned to the Control and Risks Committee

The CRC's task is to support – with adequate preliminary activity – the Board of Directors' evaluations and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports.

In particular, the Control and Risk Committee, in accordance with the Recommendations of the Corporate Governance Code and with legal and regulatory provisions, performs the following tasks:

- (i) supports the Board in the performance of tasks relating to the internal control and risk management system, and in particular:
  - a) in defining the guidelines of the internal control and risk management system, so that the main risks pertaining to the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, also determining the degree of compatibility of such risks with a management of the Company consistent with the identified strategic objectives;
  - b) assessing, at least annually, the adequacy and effectiveness of the internal control and risk management system in relation to the characteristics of the business and the risk profile assumed;
  - c) describing, within the Corporate Governance Report, the main features of the internal control and risk management system and the way it is coordinated between the entities involved in it, expressing its assessment of its overall adequacy;
  - d) the evaluation, at least once a year, of the work plan prepared by the Head of the *Internal Audit Department*, in consultation with the Control Body and the *Chief Executive Officer*;
  - e) assessing, in consultation with the Auditing Body, the results set out by the Auditor in the letter of suggestions, if any, and in the additional report addressed to the Auditing Body;
  - f) evaluating measures to ensure the effectiveness and impartial judgement of the corporate functions involved in controls, verifying that they are provided with adequate professionalism and resources; and
  - g) the assignment to the Supervisory Board set up for this purpose of the supervisory functions pursuant to Article 6(1)(b) of Legislative Decree No. 231/2001;
- (ii) assesses, in consultation with the Financial Reporting Officer, the Statutory Auditor and the Board of Statutory Auditors, the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- (iii) assesses the suitability of periodic financial and non-financial information to fairly represent the Company's *business* model, strategies, the impact of its activities and the *performance* achieved;
- (iv) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- (v) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports, with adequate preliminary activity, the evaluations and decisions of the Board of Directors relating to the management of risks deriving from prejudicial events of which the latter has become aware, including risks that may become significant with a view to the medium/long-term sustainability of the Company's business;
- (vi) examines the periodic reports on the evaluation of the internal control and risk management system and those of particular relevance prepared by the *Internal Audit Department*;

- (vii) monitors the autonomy, adequacy, effectiveness and efficiency of the *Internal Audit Department*;
- (viii) may entrust the *Internal Audit Department* with the performance of checks on specific operational areas, notifying the Chairman of the Board of Auditors at the same time;
- (ix) reports to the Board, at least on the occasion of the approval of the annual and half-yearly financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system; and
- (x) expresses its opinion to the Board of Directors in relation to the appointment and remuneration of the Head of the *Internal Audit Department*, as well as in relation to the resources made available to the latter for the performance of his duties.

To perform its duties, the Committee may proceed at any time with inspections and audits, and may exchange information with the supervisory bodies of the Company and the Group regarding the administration and control systems and the general course of business.

#### **Control and Risk Committee acting as Corporate Sustainability Committee**

On 22 April 2021, the Board resolved to confirm the CRC's competence for corporate sustainability. The Committee performs investigative, propositional and advisory functions vis-à-vis the Board of Directors to promote the integration of national and international *best practices* in the *governance* of the Company and of environmental, social and *governance* factors in the Company's strategies aimed at pursuing sustainable success, which is embodied in the creation of long-term value for the benefit of Shareholders, taking into account the interests of other *Stakeholders* relevant to the Company. The Committee, in particular, performs the following functions:

- (i) supports the Board in the analysis of issues relevant to the generation of long-term value, instrumental to the examination and approval of the business plan of the Company and the Group;
- (ii) supervises the process for the preparation of the non-financial statement, the system for collecting the information required by Legislative Decree 254/2016, compliance with the principles, methodologies and reporting methods, as well as the consistency and adequacy of the organisational set-up for the purposes of pursuing the strategic objectives in the socio-environmental sphere;
- (iii) monitors the alignment of the corporate governance system with the law, the Corporate Governance Code and national and international *best practices*, making proposals to the Board of Directors; and
- (iv) examines the company's policies on human rights, business ethics and integrity, diversity and inclusion.

The Committee shall report to the Board at the first useful meeting, and in any case at least once every six months, within the deadline for the approval of the annual and semi-annual financial report, on its activities and the observations, recommendations and opinions it has formulated.

In performing its sustainability functions, the Control and Risk Committee is supported by the *Chief Transformation & Sustainability Officer* and the *Risk Manager*.

With a view to the completion of the process of the Company's compliance with the Corporate Governance Code Recommendations, the Committee formulated a number of recommendations to the Board regarding the integration of sustainability initiatives and projects into the Company's strategic and financial planning, which were collected in the drafting of the new Strategic Plan and the subsequent preparation of the Sustainability Plan 2023-2025.

In this regard, it should be noted that on 13 December 2022, the Board of Directors, after review by the Committee, approved the Sustainability Plan 2023-2025, which incorporates the *ESG building blocks* underlying the Strategic Plan presented to the market on 10 May 2022: (i) carbon emission reduction; (ii) sustainable materials with focus on leather; (iii) circular economy and recycling; (iv) supply chain transparency and local focus; and (v) foster diversity and inclusion.

#### **Control and Risk Committee acting as 'Related Party Transactions' Committee**

The CRC also acts as the Committee for 'Transactions with Related Parties' pursuant to Article 2391-bis of the Italian Civil Code and the Consob Related Parties Regulation and the procedure for regulating transactions with related parties of the Company adopted pursuant to the Consob Related Parties Regulation (the 'RPT Procedure'). For information on the RPT Procedure and the activities carried out during the Financial Year by the CRC in its function as a committee for 'Related Party Transactions', see Section 10 below.

---

In the course of 2022 and at its first meetings in 2023, the CRC carried out constant monitoring of the internal control and risk management system, focusing its work on the following areas:

- (i) annual financial and non-financial reporting;
- (ii) assessment of the adequacy of the Company's organisational, administrative and accounting structure, also following the entry of the new Chief Executive Officer as of 1 January 2022
- (iii) examination of the *Enterprise Risk Management Framework policy* – which defines the methodological framework and guidelines for the management of the Salvatore Ferragamo Group's *Enterprise Risk Management (ERM) system* – at the end of the project to update and revise the *Enterprise Risk Management model (ERM model)* launched in 2021;
- (iv) review of the activities carried out by the *Internal Audit Department* and the new mandate of the *Internal Audit Department*, as well as the evaluation of the short-term variable component of the Internal Audit Department;
- (v) examination of the Audit Plan 2023;
- (vi) with reference to corporate sustainability: the review of the Sustainability Plan 2023-2025 on 2 December 2022, subsequently approved by the Board of Directors on 13 December 2022.

---

In the performance of its functions, the CRC had the opportunity to access the information and corporate functions necessary for the performance of its tasks, as well as to make use of external consultants, within the terms set by the Board.

During the Financial Year, the Committee had its own *budget* for independent third-party consultancy in connection with the issues submitted to it for evaluation.

For its other activities, the Control and Risk Committee made use of the Issuer's corporate resources and structures.



## 9.3 Head of the Internal Audit Department

On 30 July 2019, the Board, upon the proposal of the Director in Charge, with the favourable opinion of the CRC and having consulted the Board of Statutory Auditors, appointed Paolo La Morgia as Head of the *Internal Audit Department* (the '**Head of Internal Audit**'), with the task of verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the Board.

The Head of Internal Audit reports hierarchically to the Board of Directors, is not responsible for any operational area and is authorised, like all the members of his department, to access the information necessary to perform the tasks assigned to him, with reference to the Company and its subsidiaries.

*Internal Audit activities* are carried out by ensuring that the necessary conditions of independence and autonomy, as well as due objectivity, competence and professional diligence are maintained, as stipulated in the *mission statement of Internal Audit* and the *Mandatory Guidance of the Institute of Internal Audit*.

The verification activity conducted by the Internal Audit Department on the operation and suitability of the internal control and risk management system, including the reliability of information systems, including those used for financial reporting, was carried out in accordance with the Audit Plan prepared by the Head of *Internal Audit*.

The Audit Plan 2022 was approved by the Board of Directors, after consulting the Control and Risk Committee, the Board of Statutory Auditors and the *Chief Executive Officer* on 27 January 2022 and was subsequently updated with a special report to the Board of Directors (after consulting the Control and Risk Committee, the Board of Statutory Auditors and the *Chief Executive Officer*), on 8 November 2022.

The purpose of the Audit Plan is to identify the interventions to be carried out during the year and the resources required for this purpose, in line with international standards for professional practice. The Audit Plan has been drawn up according to a *Risk Based* approach through a structured process of risk analysis and prioritisation that considers:

- the main risks identified in relation to corporate objectives, paying particular attention to emerging risk issues;
- fraud risks potentially applicable to the Group's business processes in the various geographical areas in which it operates;
- qualitative evaluations based on the *professional judgment of the Internal Audit Department*, supplemented by any indications received from *Top Management* and the Control Bodies;
- changes in business processes, organisational changes and impacts due to the introduction of new information systems;
- regulatory changes with major impacts on company organisation and management.

---

During 2022, the *Internal Audit* Department conducted its activities in line with the Audit Plan approved by the Board. The tasks performed can be classified into the following types:

- *financial audits*, with the objective of verifying the effectiveness of the financial risk management processes and financial reporting systems of Group companies, including the administrative-accounting operating procedures upon *input* from the Executive in Charge, pursuant to Article 154-bis of the Consolidated Law on Finance;

- *compliance audits*, aimed at ensuring effective compliance with the control system set up to comply with laws or internal procedures/regulations;
- *operational audits*, aimed at assessing the adequacy, efficacy and functionality of the control systems inherent in the company's processes, methods and resources allocated in relation to the objectives set, with specific reference to their ability to monitor and mitigate risks.

---

During 2022, the Head of *Internal Audit* carried out the following activities with particular regard to the internal control and risk management system:

- (i) verified, both on an ongoing basis and in relation to specific needs and in compliance with international *standards*, the operation and suitability of the internal control and risk management system, based on the Audit Plan approved by the Board of Directors;
- (ii) prepared detailed reports on its activities on a regular basis, at least every six months. These reports were submitted to the Chairman of the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors and the *Chief Executive Officer*;
- (iii) prepared timely reports on particularly significant events and forwarded them to the Chairmen of the Board of Directors, the Board of Auditors and the Control and Risk Committee, as well as to the *Chief Executive Officer*;
- (iv) verified, as part of the Audit Plan, the reliability of information systems including accounting systems.

In the course of 2022, therefore:

- acquired the indications and assessments of the Board of Directors, the Board of Statutory Auditors and the Supervisory Board of the Company for the purpose of formulating the Audit Plan proposal for subsequent approval by the Board of Directors;
- sent the *Internal Audit* reports on each *audit* performed to the Chairman of the Board of Directors, the *Chief Executive Officer*, the *top management* of the *audited* structures, and the Executive in charge;<sup>11</sup>
- ensured a systematic and periodic flow of information to the Company's Supervisory Board concerning summary assessments of the *audits* carried out and the status of implementation of corrective actions;
- drafted a half-yearly report containing information on its activities and the results achieved, the manner in which risk management is conducted, and compliance with the plans defined for their containment. In particular, this report was sent to the *Chief Executive Officer*, the Chairman of the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors and the Executive in Charge. It contained information on (i) the state of progress of the actions envisaged in the Audit Plan; (ii) a summary of the main internal control issues that emerged from the performance of the *audit* activities; (iii) a summary of the results of the monitoring of corrective actions and the evolution of the related summary evaluations of the internal control system; (iv) the adequacy of the resources committed; and (v) the assessment of the operation and suitability of the Internal Control and Risk Management System.

*The Internal Audit Department* had at its disposal financial resources commensurate with the activities carried out during the Financial Year, which were also used for the recourse to external professionals on the occasion of the specialised consultancies made necessary during the course of the assignments.

11.

On the basis of the procedures in place, in the event of critical issues deemed significant, the reporting activities within the framework of the individual tasks assigned to the management involved are sent at the same time, also to the Control and Risk Committee and to the Board of Statutory Auditors, which may request the Internal Audit Manager to report on the contents of the individual audit reports issued. In the event that the results detected highlight alleged unlawful conduct by personnel, the Internal Audit Manager also forwards the audit report to the Chief People Officer and General Counsel, within their respective competences.

## 9.4 Organisational Model

### pursuant to Legislative Decree 231/2001

The Company has adopted an organisational, management and control model (the '**Model**') pursuant to Legislative Decree No. 231/2001 (the '**Decree 231**'), the general part of which is available on the Company's website <https://group.ferragamo.com> in the Governance/Model 231 and Code of Ethics section.

The purpose of the Model is to ensure the prevention of the offences covered by Decree 231, which introduced into the Italian legal system the system of administrative liability of entities for certain offences committed, in their interest or to their advantage, by persons in top management positions or persons subject to their direction or supervision.

The Company's Model, prepared with the aim of putting in place a prevention system such that it cannot be circumvented except fraudulently, has been subject to constant updates over time to account for the legislative changes that have occurred or the changed business conditions, the last of which was conducted during the Financial Year to incorporate the legislative changes that took place between the end of 2021 and the first months of 2022, and approved by the Board of Directors in its meeting of 13 December 2022.

The updating of the Model was conducted according to a process consisting of the following main steps:

- identification of the types of offences potentially giving rise to administrative liability and of the relevant corporate areas and activities considered at risk of offence (so-called sensitive activities), through a *risk-assessment* activity carried out with the persons at the top of the corporate structure;
- verification and evaluation of the existing control systems and preparation of the actions necessary to improve the control system, in line with the aims pursued by Decree 231, as well as the fundamental principles of the separation of duties, verifiability of company operations and the possibility of documenting control; and
- definition of the principles/protocols of conduct to which all conduct by the persons covered by the Model must conform.

As a result of these activities: (i) the General Section of the Model was updated through the inclusion of new offences in the catalogue of alleged offences (Art. 25-*octies*. 1, Art. 25-*sexiesdecies* and Art. 25-*duodevicies* of Leg. 231/01) and by modifying the heading of those already present that have been amended; (ii) some Special Part protocols have been integrated and updated (A – Offences against the Public Administration; H – Market abuse offences; L – Offences of receiving, laundering and using money, goods or other benefits of unlawful origin, as well as self-laundering; B – Computer crimes and unlawful processing of data); and (iii) two new Special Section protocols were drafted (T – Crimes relating to non-cash payment instruments and U – Crimes against cultural heritage).

In accordance with Decree 231 and in compliance with the provisions of the same Model adopted to oversee the proper functioning of the Model, a Supervisory Board was appointed to which the task of verifying the effectiveness, adequacy and observance of the Model is assigned.

The Board of Directors, deeming it appropriate to seize the opportunity to rationalise the internal control system, has entrusted the Board of Statutory Auditors with the supervisory functions pursuant to Article 6(1)(b) of Decree No. 231 (the '**Supervisory Board**').

As of the date of this Report, the Supervisory Board is therefore composed of the Members of the Board of Auditors in the persons of Andrea Balelli (Chairman), Giovanni Crostarosa Guicciardi and Paola Caramella.

## 9.5 Auditing firm

The engagement for the legal audit of the Company's accounts for the 2020-2028 Financial Years was conferred on KPMG S.p.A., with a registered office on via Vittor Pisani 25, 20124 Milan, a company in the register of auditing companies pursuant to Article 161 of the Consolidated Law on Finance. The appointment was conferred, pursuant to Legislative Decree No. 39/2010, by the Shareholders' Meeting held on 18 April 2019, upon justified proposal of the Board of Statutory Auditors. The appointment will expire with the approval of the financial statements as of 31 December 2028.

The law stipulates that the duration of the engagement is nine Financial Years and that the same auditing firm may be re-appointed after an interval of at least three Financial Years following the termination of the previous engagement.

The appointment may be revoked before the due date – upon proposal of the Board – only in the event of just cause. Resolutions of the Shareholders' Meeting appointing and revoking Directors are forwarded to Consob.

At the end of each Financial Year, the Auditing Firm expresses an opinion on the financial statements, which is formalised in a special report. This document is attached to the financial statements themselves and filed at the Company's registered office 21 days before the date of the Shareholders' Meeting called to approve them and until they are approved.

In the course of the Financial Year, the Board – in consultation with the Board of Statutory Auditors – assessed the results set forth by the Statutory Auditor in the letter of suggestions and the supplementary report addressed to the Board of Statutory Auditors.

## 9.6 Manager responsible for the preparation of corporate accounting documents and other corporate roles and functions

On 10 March 2020, the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, appointed the Company's CFO and Strategic Manager Alessandro Corsi as the Financial Reporting Officer of preparing the Company's accounting documents pursuant to Article 154-bis of the Consolidated Law on Finance and Article 32 of the Articles of Association (the '**Financial Reporting Officer**'), as of 1 April 2020 and until the date of this Report.

Article 32 of the Articles of Association provides that the Financial Reporting Officer shall be chosen from among the Company's Executives with proven experience in accounting and finance.

Upon appointment, the Board granted the Executive in Charge of Financial Reporting all the powers and means necessary to perform the tasks assigned to him pursuant to Article 154-bis et seq. of the Consolidated Law on Finance.

The Financial Reporting Officer in charge is responsible for defining and assessing the adequacy and effectiveness of specific control procedures to monitor risks in the financial reporting process (i.e., the set of activities aimed at identifying and assessing actions or events whose occurrence or absence may partially or totally compromise the achievement of the objectives of reliability, accuracy and timeliness of the financial reporting itself).

On 10 March 2020, the Board of Directors acknowledged the update of the document "*Regulations and Procedures for the Operation of Internal Control Over Financial Reporting.*"

In particular, the introductory part was updated align the regulation with *best practices* in the field of internal control over financial reporting. In addition, the sections regulating the responsibilities, activities, powers and delegation powers of the Financial Reporting Officer were updated.

Without prejudice to the responsibilities of Directors and *Managers*, the risk management and internal control system as a whole for the Financial Year provided for a *Risk Management* Director who, together with the CFO (to whom he reports hierarchically) assisted the *Chief Executive Officer* in taking the main decisions in the design, implementation and management of the *ERM* Model, reviewed and updated during the year, in the identification of the main corporate risks, their assessment and prioritisation, also with regard to any correlations, and the identification and monitoring of specific *Early Warning Indicators*.

## 9.7 Coordination between parties involved in the internal control and risk management system

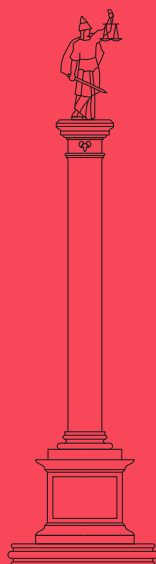
Coordination between the parties involved in the internal control and risk management system takes place through exchanges of information between functions and within the scope of periodic meetings to maximise the efficiency of the system itself, reduce duplication of activities and ensure effective performance of tasks.

In particular:

- the *Chief Executive Officer*, Control and Risk Committee, Director of Internal Audit and Supervisory Board periodically report to the BoD on their activities, also with the support of written reports, to support the assessment of the adequacy of the internal control and risk management system;
- the Board of Statutory Auditors attends all Board of Directors and CRC meetings, and within the scope of these meetings holds joint meetings with the Independent Auditors and the Executive in Charge. In addition, the Board of Statutory Auditors is also assigned the role of Supervisory Board pursuant to Legislative Decree 231/2001;
- the Board of Statutory Auditors coordinates regularly with the Director of Internal Audit and at each meeting receives updates on the activities carried out and what was found during the activity;
- the CRC regularly invites the Board of Statutory Auditors, the Director of Internal Audit and the CFO to its meetings to foster a continuous and structured exchange of information on the relevant issues discussed from time to time;
- the Head of *Risk Management* coordinates the risk management process and systematically supports all *management* involved in the risk assessment process. The Head of Risk Management reports to the CFO, who is permanently invited to the CRC. They work in coordination with the other system actors, such as the Internal Auditor, the management responsible for regulatory *compliance* activities, the Financial Reporting Officer of Corporate Accounting Documents and all the other persons who, for various reasons, contribute to the activities of detecting, assessing, managing and monitoring corporate risks;
- the Internal Audit Director maintains periodic communication flows with the other corporate bodies and structures with supervisory or monitoring functions over the internal control and risk management system, such as the CRC, the Board of Statutory Auditors and the Supervisory Board, each for their own areas and responsibilities, as well as with the *Risk*, *CFO* and Executive in Charge, *General Counsel* and Regulatory *Compliance* functions.

The Board of Statutory Auditors and the Control and Risk Committee exchange information relevant to the fulfilment of their respective tasks in a timely manner.

# DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES



The Company approved the RPT Procedure to regulate transactions with related parties – pursuant to Article 2391-bis of the Italian Civil Code and the Related Parties Regulation – and granted the CRC powers also in relation to transactions with related parties.

The RPT Procedure, which was approved by the Board of Directors on 30 March 2011, was amended by the Board on 31 July 2018, subject to the favourable opinion of the Related Parties Committee, and most recently, on 11 May 2021, subject to the favourable opinion of the Control and Risk Committee, to adapt it to the new provisions introduced to the Consob Related Parties Regulation by Consob Resolution No. 21624 of 10 December 2020.

The full text of the RPT Procedure is available on the Company's website <https://group.ferragamo.com> in the Governance/Corporate Governance/Procedures section.

The RPT Procedure identifies the principles to which the Company must adhere to ensure the transparency and substantive and procedural correctness of transactions with related parties carried out by the Company itself, directly or through companies it controls.

The RPT Procedure defines, in particular, the transactions of greater significance on the basis of exceeding the 5% threshold for materiality indexes established by the Related Parties Regulation and the thresholds determined by the Company itself, such as 2.5% in the case of transactions entered into with the listed parent company (where there is one) or with parties related to the latter, or in the case of transactions that may affect the Company's management autonomy or that, in any case, concern activities or assets of strategic importance for the same.

Following the determination of the category of the transaction to be concluded with a given related party, the Board or the Executive Directors – together and with the support of the Company's Head of Corporate Affairs – assess, according to the criteria expressly indicated in the RPT Procedure itself, the cumulability of said transactions to verify whether it is appropriate for the transaction in question to fall within the more restrictive procedure provided for transactions of greater significance.

Subsequently, the possibility of availing of one of the exemptions from the application of the rules set forth in the Consob RPT Regulation that the Company has decided to adopt is assessed and, where this is not possible, the necessary deliberative precautions are implemented.

Based on the type of transaction to be concluded, the CRC is called upon, depending on the case to: (i) participate in the negotiation and preliminary phase of the transaction in question; (ii) express a prior and binding opinion to the BoD on the transaction to be concluded; and (iii) express a non-binding prior opinion on the transaction. Subsequently, the Company, if the need arises, proceeds with the publication of any documents necessary to fulfil the disclosure obligations provided for both by the RPT Rules and by the additional laws and regulations applicable from time to time.

Without prejudice to what has been stated above with reference to the Company's choice not to avail itself of the exemptions granted under Article 10 of the RPT Rules, the Company has adopted various exemptions from the application of the provisions of the Consob RPT Rules.

In particular, the Issuer, in addition to the cases for which the RPT Regulation itself provides for the exclusion of the application of the relevant rules, has decided to exclude from the application of the provisions in question – within the limits and under the conditions provided for in the RPT Procedure – transactions to be concluded with related parties where they are: (i) considered 'minor' (meaning transactions with related parties whose absolute value does not exceed Euro 100,000,000); (ii) considered 'ordinary'; (iii) considered urgent in accordance with the provisions of the Articles of Association; or (iv) concluded with or between subsidiaries. Also excluded are resolutions concerning compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Financial Intermediation and related executive transactions, as well as resolutions concerning the remuneration of Directors vested with special offices and other Executives with strategic responsibilities under special conditions.

Moreover, in the RPT Procedure, the Company has provided for the possibility of adopting 'framework resolutions' pursuant to the RPT Regulation, as well as the option of availing itself, in situations expressly outlined in the context of the procedure in question, of the so-called *whitewash* mechanism (i.e., the possibility for the Board of Directors – despite the contrary opinion of the RPT Committee – to approve related party transactions of greater significance in compliance with specific conditions and procedures set forth in the procedure itself).

As anticipated, the CRC is also assigned powers in relation to transactions with related parties. On 22 April 2021, the Board appointed Patrizia Michela Gianguialano (Chairman), Umberto Tombari and Anna Zanardi Cappon as members of the RAC. The Committee is therefore composed exclusively of Independent Non-Executive Directors. From the end of the Financial Year to the date of this Report, there have been no changes in the composition of the Committee.

The work is coordinated by the Chairman appointed by the Committee itself. Meeting minutes were taken regularly and the Committee's Chairperson regularly reported to the Board of Directors at the first useful meeting on the activities carried out and made the meeting minutes available to all Directors.

During 2022, three Control and Risk Committee meetings were held as the Committee for Related Party Transactions; namely on 3 May 2022, 4 July 2022 and 3 November 2022.

The meetings lasted on average about 45 minutes.

Six meetings have been scheduled for the current year, three of which have already been held on 19 January 2023, 6 February 2023 and 28 February 2023.

---

In particular, during 2022, the CRC – in the performance of its committee functions pursuant to the RPT Procedure – examined and issued a favourable opinion on the following related-party transactions: (i) the contract for the employment of Ferragamo Family member; (ii) the contract for the renewal of a shop lease; and (iii) the revision of the term of a services contract with the Ferragamo Foundation.

---

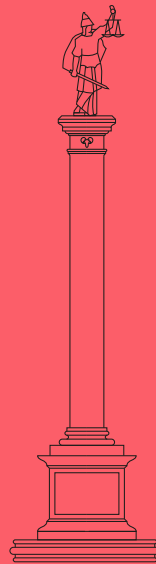
It should be noted that the Board did not deem it necessary to adopt specific operating solutions to facilitate the identification and proper management of situations in which a Director has an interest on their own behalf or on behalf of third parties. On this point, the Board deemed the existing control to be adequate by virtue of the provisions contained in Article 2391 of the Italian Civil Code (*'Directors' Interests'*), which provides that each Director, *"must inform the other Directors and the Board of Statutory Auditors of any interest that, on their own behalf or on behalf of third parties, they may have in a certain company transaction, specifying its nature, terms, origin and scope."*

Furthermore, in compliance with the provisions of the RPT Regulation:

- (i) pursuant to Paragraph 4 of the RPT Procedure, if the Directors who are Members of the Committee for Related Party Transactions, or even some of them, cannot be considered 'Unrelated Directors' (meaning Directors other than the counterparty of a given related party transaction and its related parties) on the occasion of individual 'Significant RPTs' or 'Non-significant RPTs' (as defined in the RPT Procedure) the Board of Directors will identify – from among its Members – one or more Directors meeting the requirements set forth in the RPT Rules to whom it will entrust the committee's tasks under the RPT Procedure;
- (ii) pursuant to Paragraph 7.1.2 of the RPT Procedure, in the event of 'Significant RPTs' (as defined in the RPT Procedure), if there are 'Directors Involved in the Transaction' (meaning those Directors who have an interest in the related-party transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company), without prejudice to Article 2391 of the Italian Civil Code, the latter are required to abstain from voting by the Board of Directors on the relevant resolutions, even though their presence is counted for the purposes of reaching the *quorum* required by law or the Articles of Association; and
- (iii) pursuant to Paragraph 7.2.1 of the RPT Procedure, in the event of 'RPTs of Lesser Significance' (as defined in the RPT Procedure) and if the delegated bodies decide to submit to the Board the approval of the transaction with respect to which they would be competent, and in the event there are 'Directors Involved in the Transaction' without prejudice to Article 2391 of the Civil Code, the latter are required to abstain from voting by the Board of Directors on the relevant resolutions, although their presence is counted for the purposes of reaching the *quorum required by law* or by the Articles of Association.



# BOARD OF STATUTORY AUDITORS



## 11.1 Appointment and replacement

The appointment and replacement of Statutory Auditors is governed by the laws and regulations in force at the *time* and by Article 30 of the Articles of Association, according to which the Board of Statutory Auditors oversees compliance with the law and the Articles of Association themselves, compliance with the principles of proper administration and in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its proper functioning, and performs any other duties entrusted to it by the laws and regulations in force.

The Board consists of three Statutory Auditors and two Alternate Auditors.

Statutory Auditors hold office for three Financial Years and may be re-elected. Their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the third Financial Year of their office. However, termination due to expiry of the term takes effect from the moment the Board is reconstituted. The Statutory Auditors are chosen from among persons in possession of the requirements, including those relating to the accumulation of offices provided for by current legislation and regulations, and those of professionalism in accordance with the Decree of the Minister of Justice No. 162 of 30 March 2000, or with the *pro-tempore* regulations in force.

Persons who find themselves within the conditions set forth in Article 2399 of the Civil Code may not be appointed to the Office of Statutory Auditor, and if appointed or in office, shall forfeit their office.

To ensure that the minority is able to elect a Statutory Auditor and an Alternate Auditor, the Board of Statutory Auditors is appointed on the basis of lists submitted by the Shareholders in which the candidates are listed by a progressive number. The list consists of two sections: one for candidates for the Office of Statutory Auditor, the other for candidates for the Office of Alternate Auditor. Lists that present three or more candidates must also include candidates of different gender – as provided for in the notice of call of the Shareholders' Meeting – so as to allow for the composition of the Board in compliance with the laws in force on gender balance.

Shareholders who represent, also jointly, at least 2.5% of the share capital represented by shares granting voting rights in Shareholders' Meeting resolutions on the appointment of Members of the Administrative Body, or any different amount established by mandatory provisions of law or regulations, may submit a list of candidates. By means of Executive Determination No. 76 of 30 January 2023, Consob established – without prejudice to any lower quota provided for by the Articles of Association – the minimum shareholding required for the submission of lists of candidates for the election of the Administrative and Control Bodies of listed companies that closed their Financial Year on 31 December 2022 as 1% of the share capital.

Specifically, the quota set for the Company was as follows:

Criteria for determining the shareholding			Participation fee
Capitalisation class	Free float share > 25%	Majority share < 50%	1%
> Euro 1 billion and <= Euro 15 billion	Not relevant	Not relevant	

Ownership of the aforesaid minimum number of shares necessary for the submission of lists is determined by taking into account the shares that are registered in favour of the Shareholder on the day the lists are deposited at the Company's registered office. To prove ownership of the number of shares necessary to submit lists, Shareholders submitting or participating in the submission of lists must submit or have delivered to the Company's registered office a copy of the appropriate certification issued by the intermediary authorised by law, issued within the deadline for the publication of the lists.

Each Shareholder – as well as Shareholders belonging to the same group – adhering to the same Shareholders'

Agreement pursuant to Article 122 of the Consolidated Law on Finance, the controlling entity, the subsidiaries and those subject to joint control pursuant to Article 93 of the Consolidated Law on Finance, may not submit or participate in the submission, not even through a third party or trust company, of more than one list, nor may they vote for different lists, and each candidate may only appear on one list, under penalty of ineligibility. In this regard, the party, even if not a company, which directly or indirectly exercises control, pursuant to Article 93 of the Consolidated Law on Finance, over the Shareholder in question, and all the companies directly or indirectly controlled by the aforesaid party, are considered as belonging to the same group.

In the event of violation of the aforementioned provisions, the position of the Shareholder in question shall not be taken into account with regard to any of the lists.

Without prejudice to the incompatibilities envisaged by law, candidates who hold positions as Auditors in five other listed companies or in any case are in violation of the limits on the accumulation of offices established by the applicable legal or regulatory provisions, or those who do not meet the requirements of honourableness and professionalism established by the applicable legal or regulatory provisions, may not be included in the lists. Outgoing Statutory Auditors may be re-elected. The lists must be filed at the Company's registered office at least 25 days before the date set for the Shareholders' Meeting called to resolve on the appointment of the Control Body, and are made available to the public at the Company's registered office, on the Company's website and in accordance with the other procedures provided for by the applicable laws and regulations, at least 21 days before said Shareholders' Meeting.

This shall be mentioned in the notice of call. In the event that only one list has been filed within the aforementioned 25 days, or only lists presented by Shareholders who are connected with each other pursuant to applicable laws and regulations, lists may be presented until the third day following that date, unless otherwise provided for by applicable laws and regulations. In this case, Shareholders who alone or together with other Shareholders hold a total number of shares representing half of the previously identified capital threshold shall have the right to submit lists.

Together with each list – within the terms indicated above – the following must be filed: (i) information on the identity of the Shareholders submitting the list and the percentage of equity investment held by them as a whole; (ii) declarations by which the individual candidates accept the candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, including the limit on the accumulation of offices, as well as the existence of the regulatory and statutory requirements prescribed for the respective offices; (iii) a declaration by the Shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of relations of connection with the latter, as provided for by applicable laws and regulations; and (iv) the *curriculum vitae* of each candidate, containing exhaustive information on their personal and professional characteristics, with an indication of the administration and control positions held in other companies.

Lists submitted without complying with the above provisions shall be deemed to not have been submitted.

The election of Statutory Auditors shall be conducted as follows:

- a) two Statutory Auditors and one alternate member are taken from the list obtaining the highest number of votes at the Shareholders' Meeting, in the sequential order in which they are listed in the sections of the list;
- b) from the second list that obtained the highest number of votes at the Shareholders' Meeting and that is not connected in any way, not even indirectly, with the list referred to in point a) above and/or with the Shareholders who submitted or voted for the majority list, the remaining standing member and the other alternate member are taken, according to the progressive order in which they are listed in the sections of the list;
- c) in the event of a tie between lists, the one submitted by Shareholders holding the largest shareholding, or secondarily by the largest number of Shareholders, shall prevail;
- d) if the Board of Statutory Auditors thus formed does not ensure compliance with the applicable laws on gender balance, the last candidate elected from the majority list shall be replaced by the first non-elected

candidate from the same list belonging to the less represented gender. If this is not possible, the effective member of the least represented gender shall be appointed by the Shareholders' Meeting with the legal majorities, replacing the last candidate on the majority list;

- e) if only one list or no list is submitted, all the candidates indicated in the list or, respectively, those voted by the Shareholders' Meeting shall be elected as Standing and Alternate Auditors, provided they obtain a relative majority of the votes cast at the Shareholders' Meeting. In any case, compliance with the laws in force on gender balance shall be observed.

The Chairman of the Board will be the first candidate of the second list that obtained the most votes. In the event that the statutory (legal and regulatory) and statutory requirements are no longer met, the Statutory Auditor falls from office.

If a Statutory Auditor is replaced, the Alternate Auditor from the same list as the outgoing Auditor takes over. If the replacement does not allow for compliance with the applicable laws on gender balance, a Shareholders' Meeting must be convened as soon as possible to ensure compliance with said laws.

When the Shareholders' Meeting must appoint Statutory and/or Alternate Auditors necessary to complete the Board of Statutory Auditors, the procedure is as follows: if Statutory Auditors elected from the majority list are to be replaced, the appointment is made by legal majority vote, without list constraints. If, on the other hand, Statutory Auditors elected from the minority list are to be replaced, the Shareholders' Meeting replaces them by legal majority vote, choosing them from among the candidates indicated in the list to which the Statutory Auditor to be replaced belonged, or in the minority list that received the second-highest number of votes.

If, for any reason, the application of these procedures does not allow for the replacement of the Statutory Auditors appointed by the minority, the Shareholders' Meeting shall proceed with a legal majority vote. However, the votes of Shareholders who, according to the notifications made pursuant to the regulations in force, hold the majority of the votes that can be exercised at the Shareholders' Meeting, including indirectly or jointly with other Shareholders who are parties to a Shareholders' Agreement pursuant to Article 122 of the Consolidated Law on Finance, shall not be counted when determining the results of this latter vote. According to Article 122 of the Consolidated Law on Finance, the majority of the votes exercisable at the Shareholders' Meeting – as well as the Shareholders who control – are controlled or are subject to joint control by the same. New appointees expire together with those in office. In any case, the obligation to comply with current legislation on gender balance remains in place.

The Company is not subject to further rules on the composition of the Board of Statutory Auditors.

## 11.2 Composition and operation

(pursuant to Art. 123-bis, par. 2, letters d) and d-bis), Consolidated Law on Finance)

On 8 May 2020, the Ordinary Shareholders' Meeting appointed with the list voting system the Board of Statutory Auditors in office at the date of the Report. The Board of Statutory Auditors will remain in office for the three-year 2020-2022 period and therefore, until the Shareholders' Meeting to approve the financial statements as of 31 December 2022.

The Board of Statutory Auditors in office as of 31 December 2022, as well as at the date of this Report, is therefore composed of the following members:

1. Andrea Balelli: drawn from the list submitted by a group of minority Shareholders of the Company, representing, in total, about 0.5% of the share capital (the 'Minority List') and consequently appointed as Chairman;
2. Paola Caramella and Giovanni Crostarosa Guicciardi: Statutory Auditors drawn from the majority list submitted by the Shareholder Ferragamo Finanziaria S.p.A., representing 52.276% of the share capital (the 'Majority List').

At the time of their appointment, all Statutory Auditors declared that they meet the requirements of professionalism, honourableness and independence provided for by the applicable regulations and the CG Code: full information on the aforementioned requirements and the personal and professional characteristics of the Statutory Auditors are available on the Website <https://group.ferragamo.com> Governance/Board of Statutory Auditors Section.

## Andrea Balelli

Chairman of the Board of Auditors  
In office since 27 April 2017

Graduated with honours in Economics and Commerce at La Sapienza University of Rome and enrolled in the Register of Chartered Accountants and Accounting Experts in Rome and in the Register of Auditors.

He started his professional career in Rome at PwC in 2000 and subsequently worked at the Istituto Poligrafico e Zecca dello Stato and Capitalia Service Jv.

He then took on the role of Vice Chairman at Archon Group – a Goldman Sachs Group company – in their Milan office.

He currently advises on strategic, organisational and financial aspects for private and public companies, with a particular focus on the preparation of business plans, debt restructuring operations in and out of court, ordinary and extraordinary corporate transactions, company valuations and technical consultancies.

He is a member of the Board of Directors and Board of Statutory Auditors of several listed and unlisted companies, including Banca Ifis SpA, Pillarstone SpA and Sirti SpA.

### Other positions

He is the Sole Director of the following companies: Fedaiia Spv Srl, Gardania Spv Srl, Italian Credit Recycle Srl, Malfante 2009 Srl, Restart Spv Srl, Rienza Spv Srl and Re Vesta Srl. He is also a Member of the Board of Directors of Leviticus ReoCo Srl. He is Chairman of the Board of Statutory Auditors of the following companies: Banca Ifis SpA, Sirti Digital Solutions SpA. and Wellcomm Engineering SpA. He is a Statutory Auditor of the following companies: Pillarstone SpA, Pillarstone Italy Holding SpA, PS Reti SpA and Sirti SpA

## Paola Caramella

Acting auditor  
In office since 11 October 2017

Graduated from the University of Florence with a first-class honours degree in 1981. She has been enrolled in the Register of Public Prosecutors of Florence since 1984 and the Register of Lawyers of Florence since 1990; since the date of her enrolment in the Registers, she has been practising law full-time and assiduously. The field of specialisation on which her professional activity has progressively focused is civil law, with particular emphasis on corporate law. A large part of her professional activity has been devoted to the commercial sector, with assistance both in extrajudicial positions and, above all, in judicial and arbitration disputes.

She has held the position of Member of the Board of Directors and then Vice-Chairman of the Scuola di Musica di Fiesole, a non-profit foundation operating in the field of music and teaching, representing the Ministry of Culture and Tourism. She also served as a Member of the Board of the Il Fiore Foundation in Florence, operating in the field of literary research.

She is currently the Sole Director of the company Immobiliare Vigna Nuova S.r.l. and Sforza Almeni s.r.l., both based in Florence.

### Other positions

She is the Sole Director of the following companies: Immobiliare Vigna Nuova S.r.l. and Sforza Almeni S.r.l.

# Giovanni Crostarosa Guicciardi

Acting auditor  
In office since 8 May 2020

Graduated with honours from Milan's Luigi Bocconi University, a Chartered Accountant and Auditor, he began his career at Akros in the M&A team and then in Private Equity.

He is a Founding Partner of the firm Corbella Villa Crostarosa Guicciardi, specialising in valuation and forensic accounting. He advises Italian and foreign institutional investors, banks, service and industrial companies.

He has always devoted particular attention to corporate governance and internal control systems. He has held and currently holds – often at the indication of institutional investors – numerous positions on Boards of Directors and Boards of Statutory Auditors of Italian companies, some of which are listed on the main market or on the AIM, including banks (in groups supervised by the ECB), financial companies, SGRs and investment companies.

## Other positions

He is the Chairman of the Board of Statutory Auditors of the following companies: Effesud S.p.A., Focus Management S.p.A, Leolandia S.p.A., Mediobanca Innovation Services S.c.p.A., RCH S.p.A. and Unimatica RGI S.p.A. He is a Statutory Auditor of the following companies: Biorepack Consorzio nazionale per il riciclaggio, FC Retail S.p.A., MIP-Consorzio per l'innovazione nella gestione imprese P.A., Pirola Corporate Finance S.p.A., Smartika S.p.A., Spafid Connect S.p.A., TCM Immobiliare S.r.l. and World-line Payment Services S.p.A. He is also the Sole Director of the following companies: Condivivere Invest S.r.l., Guiscarda S.r.l. and Immobiliare Ordie S.r.l. He is Liquidator of the following companies: AC Partners S.p.A. in liquidation and Edufamily S.r.l. in liquidation. He is Chairman of the Board of Directors of 130 Servicing S.p.A., Director of Digital360 S.r.l., Legal Auditor of Juvara Finance S.r.l. and Chairman of the Supervisory Board 231 of L Venture Group S.p.A.

# Antonella Andrei

Alternate Auditor  
In office since 8 May 2020

Graduated cum laude from the University of Economics and Business in Florence in

1984, she is a Chartered Accountant and Auditor.

Specialising in corporate social work with a focus on corporate matters, governance and corporate crisis management.

She has held and holds positions on Boards of Statutory Auditors of Italian and listed companies, including banks.

# Roberto Coccia

Alternate Auditor  
In office since 27 April 2017

Graduated in Economics (University 'Federico II' of Naples) in July 2000. From 2000 to 2005, he worked for PricewaterhouseCoopers SpA as Senior Auditor of Statutory and Consolidated Financial Statements of leading companies and groups in the medium and large industrial sector, in various Italian regions and abroad. He has been qualified as a Chartered Accountant and Auditor since 2004.

From 2005 to 2007, he worked for Coca-Cola HBC in the Corporate Internal Audit Department (100% travel basis), with the role of Team Leader responsible for the audit and modification of internal control procedures for about 30 countries in Central Africa, North-East Asia, Eastern Europe and Central Europe.

He has been a Partner at Studio Coccia & Associati since 2007.

He currently holds the following positions:

- Chairman of the Board of Statutory Auditors and Statutory Auditor of leading companies in the maritime-shipbuilding, logistics, manufacturing, services and holding sectors;
- Supervisory Board D.Lgs. 231/01 for companies in the financial and waste management sectors;
- Quality Manager (ISO 9001) for a service company.

He also frequently conducts business valuation appraisals, advises on extraordinary transactions, advises on company restructuring and provides tax and administrative-accounting advice to companies in various economic sectors.

In 2015, he graduated in Modern Languages and Cultures.

For many years, he has been a lecturer in postgraduate masters, specialisation and training courses of leading Italian universities/schools, as well as for corporate training courses in leading Italian groups.

Further information on the composition of the Board of Statutory Auditors and the attendance of Statutory Auditors at Board Meetings can be found in Table 4 attached to this Report.

It should be noted that as of the date of this Report, no Statutory Auditor in office has communicated that they have exceeded the limits on the accumulation of Directorships and Auditing positions provided for by Article 144-terdecies of the Consob Issuers' Regulations.

The personal and professional characteristics of each Statutory Auditor are reported in their respective *curricula vitae*, which, pursuant to Article 144-decies of the Issuers' Regulation, are attached to this Report and available on the Company's website <https://group.ferragamo.com> in the Governance/Board of Statutory Auditors section. The list of Administration and Control Offices held by the Statutory Auditors in the companies pursuant to Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, is shown above. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquesdecies of the Issuers' Regulations.

The Board of Statutory Auditors must meet at least once every 90 days and its meetings, if the Chairman deems it necessary, may be validly held by videoconference or teleconference, provided all participants can be identified by the Chairman and all other participants, are allowed to follow the discussion and intervene in real time, can exchange documents relating to such matters and that all the above is recorded in the relevant minutes. If these prerequisites are met, the meeting of the Board is deemed to be held in the place where the Chairman is located.

During 2022, the Board of Statutory Auditors met 18 times. Meetings were held on 19 January, 16 February, 2, 3, 17 and 21 March, 10 and 18 May, 16 and 28 June, 5, 21 and 25 July, 7 September, 17 and 23 November, and 7 and 13 December.

The meetings lasted on average about two hours each and were attended by all Members of the Board of Auditors.

For the current Financial Year, three meetings have already been held on 21, 22 and 24 February.

There have been no changes in the composition of the Board of Statutory Auditors since the end of the Financial Year.

---

The composition of the current Board of Statutory Auditors is adequate to ensure – in compliance with the principles of the Code – the independence and professionalism of its function. In fact, with regard to independence, as better specified later in the chapter, all the Members of the Control Body meet the independence requirements set forth in Recommendation 7 of the CG Code, as also verified during the Financial Year by the Board itself, in compliance with Recommendation 9 of the Code. As far as professionalism is concerned, the Articles of Association provide that Statutory Auditors are chosen from persons who meet the legislative and regulatory requirements, including those of professionalism, as defined pursuant to Ministerial Decree No. 162 of 20 March 2000. Compliance with the requirements of professionalism emerges from the *curricula* of the candidates filed by Shareholders when submitting the list for the appointment of the Members of the Board of Statutory Auditors.

#### **Diversity criteria and policies**

The Company has applied diversity criteria – including gender criteria – in the composition of the Board of Statutory Auditors to ensure the presence of appropriate skills and professionalism, as well as compliance with current legislation on gender balance. To this end, the Company's Articles of Association have been adjusted and indications are given to Shareholders in the notices of Shareholders' Meetings.

It should also be noted that the appointments of Paola Caramella as Statutory Auditor and Antonella Andrei as Alternate Auditor – resolved upon by the Shareholders' Meeting of 8 May 2020 – ensure compliance with the regulations in force as of the closing date of the Financial Year concerning gender balance, which requires the presence of a Statutory Auditor of the less represented gender and an Alternate Auditor who may possibly replace them in the event of corporate bodies made up of three members. The combined provisions of Article 148, Paragraph 1-bis of the Consolidated Law on Finance and Article 144-undecies.1, Paragraph 1 of the Issuers'



Regulation provide that the allocation of the Members of the Board of Statutory Auditors to be elected must be carried out in such a way that the less represented gender obtains at least two-fifths of the effective Members and that this criterion is applied for six consecutive terms of office, starting from the first renewal after 1 January 2020. In this regard, Article 144-undecies.1, Paragraph 3 of the Issuers' Regulation specifies that if the application of the gender distribution criterion does not result in a whole number of members of the Administration or Control Bodies belonging to the least represented gender, this number shall be rounded up to the next higher unit, except for corporate bodies made up of three Members, for which the rounding down shall be to the next lower unit. It should be noted that Article 30 of the Articles of Association already contains a reference to the current pro-tempore legislation on gender balance.

The composition of the Board is also adequately diversified in terms of age and educational and professional background, as well as origin, as can be seen from the Auditors' *curricula*.

Therefore, the Board of Directors did not deem it necessary to formalise the approval of diversity policies in relation to the composition of the Control Body, since the issue is in fact already covered, also taking into account the current composition of the shareholding structure.

### **Independence**

On 25 May 2020, immediately after its appointment, the Board of Statutory Auditors verified the continued fulfilment of the requirements of professionalism, honourableness and independence of its Members, based on the criteria set forth in Article 148 of the Consolidated Law on Finance and, in accordance with the indications provided by the National Council of Certified Public Accountants and Accounting Experts and the Corporate Governance Code in force at the time, transmitted to the BoD, the Board's self-assessment report. On 27 May 2020, the BoD then verified that the Statutory Auditors met the independence requirements set forth in Article 148, Paragraph 3 of the Consolidated Law on Finance. The aforesaid verification was carried out by the BoD on the basis of the documentation and declarations provided by the Board of Statutory Auditors at the outcome of the assessments conducted by the same, and was disclosed by means of a press release circulated to the market on the same date.

On 5 July 2022, the Board of Statutory Auditors carried out the annual verification of the independence requirements of the Statutory Auditors, pursuant to Recommendations 6 and 9 of the CG Code and Article 148, Paragraph 3 of the Consolidated Law on Finance, applying the criteria set forth in Recommendation 7 of the CG with reference to the independence of Directors, and also certified the continued existence of the independence requirements for each Statutory Auditor for the entire year.

In this regard, it should be noted that on 28 January 2021, the Board of Directors approved a regulation in which it identified Euro 100,000 as the materiality threshold set forth in Recommendation 7 of the CG Code, which is also applicable to the assessment process on the independence of Statutory Auditors. In making this assessment, the Board of Statutory Auditors considered all the information made available by each Member – assessing all the circumstances that appear to compromise independence as identified by the TUF and the CG Code – and applied all the criteria set forth in the CG Code with reference to the independence of Directors.

The assessment carried out thus led to the confirmation of the continued existence of the independence requirements for the Members of the Board of Statutory Auditors. In carrying out the assessment, the CG Code Recommendations and related criteria were applied in full, without exception. The assessment carried out by the Board of Statutory Auditors was forwarded to the Board in due form and time to allow it to examine the assessment prior to the inclusion of the relevant information in this Report.

---

During the Financial Year, the Board of Statutory Auditors met with some of the Company's *Managers*, who reported on the activities they had carried out and of relevance to the Board's activities.

## Remuneration

The remuneration of the Statutory Auditors is commensurate with, and appropriate to, the competence, professionalism and commitment required by the importance of the role covered, as well as the Company's size and sectoral characteristics.

In the Financial Year it was paid:

- (i) a fixed remuneration represented by the amount resolved upon by the Company's Shareholders' Meeting at the time of their appointment, equal to Euro 64,000 per year gross for the Chairman and Euro 48,000 per year gross for the other Members of the Board, in addition to the reimbursement of expenses incurred in the performance of their duties;
- (ii) an additional fee for the appointment of the Board of Statutory Auditors as Supervisory Board pursuant to Decree No. 231, equal to Euro 15,000 per year gross for the Chairman and Euro 12,000 per year gross for the Members of the Supervisory Board, resolved by the Company's Board of Directors on 12 May 2020.

The fees indicated above are in line with the market practice adopted in issuers of similar size and characteristics to the Company, as well as with the Company's previous practice. The remuneration of the current Board of Statutory Auditors was determined by the Shareholders' Meeting at the time of its appointment, taking into account the gross annual remuneration approved by the Shareholders' Meeting on 27 April 2017 (which was kept unchanged), as well as the indications received from the outgoing Board of Statutory Auditors, which had summarised the activities carried out during its term of office, specifying the number of meetings and their average duration, as well as the time required for each of the activities performed and the professional resources employed. This document was then forwarded to the Company so Shareholders and candidate Statutory Auditors could assess the adequacy of the proposed remuneration.

In this regard, we would also like to inform you that in view of the renewal of the Board of Statutory Auditors by the Shareholders' Meeting on 26 April 2023, an analysis was carried out on the remuneration of the Boards of Statutory Auditors in office of a number of listed Italian issuers which, like the Company, are composed of three Statutory Auditors and two Alternate Auditors. The outcome of the *benchmark* was disclosed in the Illustrative Report on the renewal of the Board of Statutory Auditors available on the Company's website <http://group.ferragamo.com> in the Governance/Shareholders' Meeting 2023 section.

## Interest Management

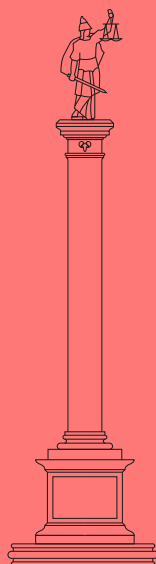
The Company requires an Auditor who – on their own behalf or on behalf of third parties – has an interest in a certain transaction of the Issuer to promptly and fully inform the other Auditors and the Chairman of the Board of the nature, terms, origin and extent of their interest.

The Statutory Auditors periodically monitor the independence of the Audit Firm, expressing their opinion annually in their report to the Shareholders' Meeting.

In carrying out its activities, the Board of Auditors regularly coordinated with the *Internal Audit Department*, both through dedicated meetings and by taking part in meetings of the Control and Risk Committee in which the Head of *Internal Audit* reported on its activities.

Lastly, it should be noted that on 12 May 2020, the Board of Directors, deeming it appropriate to continue to rationalise the internal control system, confirmed to the Board of Statutory Auditors elected on 8 May 2020 by the Shareholders' Meeting the appointment of the Supervisory Board pursuant to Legislative Decree No. 231/2001.

# RELATIONS WITH SHAREHOLDERS



### Access to information

The Company has established a special section on its website in which information concerning the Issuer that is relevant to its Shareholders is made available and has created a corporate function to manage investor relations by appointing an Investor *Relations Manager*.

Information activities in investor relations are also ensured by making the most relevant corporate documentation available – in a timely and continuous manner – on the Company's *website* <https://group.ferragamo.com>. Through the *website* (available in Italian and English), Shareholders can consult all press releases published for the market; the Company's periodic accounting documents approved by the competent corporate bodies (annual and consolidated financial statements, half-yearly report, quarterly reports); the presentations distributed during quarterly conference calls with institutional investors, analysts and the financial community; the documentation prepared for Shareholders' Meetings; *internal dealing* communications; the Report on the *corporate governance* system; and any other document whose publication on the *website* is required by applicable regulations.

### Dialogue with shareholders

In accordance with the recommendations of the CG Code, and having deemed it in accordance with its own specific interest (as well as a duty to the market) to establish and maintain a transparent and ongoing dialogue with institutional investors, financial analysts, as well as with Shareholders in general, and in full compliance with the principle of equal treatment of Shareholders, which meets the criteria of truthfulness, timeliness, clarity, consistency, completeness and symmetry of information, on 8 March 2022, the Company's Board of Directors approved, at the proposal of the Chairman, the new *Engagement Policy*, formulated in agreement with the Chief Executive Officer.

Pursuant to the Engagement Policy, prepared also taking into account the *engagement* policies adopted by institutional investors and asset managers in compliance with Recommendation 3 of the CG Code, dialogue is based on the mutual understanding of roles and aimed at fostering timely and transparent information on the Company's general performance, also with reference to the corporate *purpose*, as well as acquiring opinions and proposals, in a constructive perspective, and enabling an informed exercise of the respective rights.

The persons involved in the process of managing the dialogue with Shareholders and other relevant *stakeholders* are:

- (i) the Board of Directors, which among other things, promotes the development and maintenance of transparent and ongoing forms of dialogue with the generality of Shareholders. Within the same, the role of the Chairman should be noted: promoting and giving impetus to the activities falling within the Board's remit, keeping the Board updated on the development and significant contents of the dialogue and participating in it with a view of the specific subject matter. On the other hand, the Chief Executive Officer is entrusted with the task of actively working – also through the *Investor Relations* Department – to establish dialogue with Shareholders, institutional investors and other relevant Company *stakeholders*; and
- (ii) the Investor Relations Function, which is in charge of ongoing interaction with institutional investors, financial analysts and Shareholders in general.

Subjects of dialogue include: corporate strategies, economic and financial outlook and dynamics, *corporate governance*, remuneration policies, sustainability and environmental issues, internal control system and risk management.

With regard to the timing and modalities of the dialogue, the information activity is ensured by making available – on the Company's *website* in a timely and continuous manner – information that is relevant to institutional investors, financial analysts and Shareholders in general. With regard to the process of proactive and reactive engagement of Shareholders and institutional investors, the following activities are planned for the Financial Year:

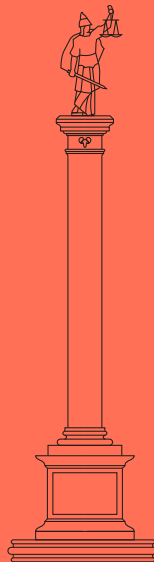
- a) meetings and conference *calls* with institutional analysts/investors on the Company's performance and results;
- b) sending the institutional analysts/investors *mailing list* the 'save the date' of quarterly *conference calls*, the most relevant press releases and the quarterly presentation;
- c) participation in *roadshows*, (usually industry) conferences, physical or virtual, with *one-to-one* or group meetings with Shareholders/institutional investors.

The Shareholders' Meeting represents an institutional moment of privileged meeting with Shareholders. During 2022, the *Investor Relations* Function held 39 dialogue meetings (*calls*, virtual and physical meetings) with 29 investors. The *Chief Financial Officer* was also present at nine of these interactions and the Chief Executive Officer at two; both participated in a physical meeting with a group of 10 investors. The interactions concerned the Group's strategies and the impact of the geopolitical and macroeconomic environment on the Group's performance.

The full text of the *Engagement Policy* adopted by the Company is available on the website <https://group.ferragamo.com> in the Governance/Corporate Governance/Engagement Policy section.

# SHAREHOLDERS' MEETINGS

(PURSUANT TO ARTICLE 123-BIS(1)(L) AND (2)(C) OF THE CONSOLIDATED LAW ON FINANCE)



The Shareholders' Meeting of the Company meets in ordinary and extraordinary sessions in accordance with the law and the Articles of Association, and when duly constituted, it represents the universality of the Shareholders and its resolutions – taken in accordance with the law and the Articles of Association – binds and obliges all Shareholders, even if not attending, abstaining or dissenting.

Pursuant to Article 12 of the Articles of Association, the Shareholders' Meeting must be convened by the Board at least once a year, within 120 days after the end of the Financial Year, or within 180 days if the Company is required to prepare consolidated financial statements or if special needs relating to the structure and purpose of the Company so require. In this case, the Administrative Body is required to state the reasons for the deferral in its report prepared pursuant to Article 2428 of the Italian Civil Code.

The Shareholders' Meeting is also convened by the Board whenever it deems it appropriate and in the cases provided for by law, or upon written notice to the Chairman of the Board of Directors, by the Board of Statutory Auditors or at least two of its Members, in accordance with the provisions of the law in force. The Shareholders' Meeting is also convened by the Board within the terms of the law, when so requested by a number of Shareholders representing at least 5% of the share capital, and when the request indicates the items to be discussed. Calling a Shareholders' Meeting at the request of Shareholders is not permitted for topics on which the Shareholders' Meeting resolves, in accordance with the law, on the proposal of the Directors or on the basis of a project or a report prepared by them. Finally, convocation is provided for in the other cases provided for by law. The Shareholders' Meeting is convened in accordance with the terms and procedures established by law and the relevant regulatory provisions applicable from time to time. The notice of call must indicate the date, time and place of the meeting and the list of matters to be discussed, as well as any other information and references that may be required by the law and regulations in force from *time to time*.

The Shareholders' Meeting shall be held in a single call, in which case the *quorums* of constitution and deliberation established by law for this hypothesis shall apply, unless the notice of call provides – in addition to the first call – the dates of any subsequent calls, including a possible third call.

The Shareholders Meeting – whether ordinary or extraordinary – deliberates on matters assigned to it by law and the Articles of Association.

As an exception to the general rule whereby each share has the right to one vote, pursuant to Article 6 of the Articles of Association, in accordance with Article 127-*quinquies* of the Consolidated Law on Finance, each share has the right to a double vote (and thus two votes for each share) where both of the following conditions are met: (a) the share has belonged to the same person, by virtue of a real right legitimising the exercise of voting rights (full ownership with voting rights or nude ownership with voting rights or usufruct with voting rights) for the continuous period of at least 24 months; and (b) the recurrence of the condition under (a) is attested by the continuous registration for the period in the Special List. As of the date of this Report, the number of shares with the right to the premium is 109,456,954 (two voting rights per share) out of a total of 168,790,000 shares, representing a change in the total voting rights from 168,790,000 to 278,246,954. Pursuant to Article 127-*quinquies*, Section 8 of the TUF, the increase in voting rights is counted for the purpose of determining the *quorums* for the constitutive and deliberative *quorum* of the Shareholders' Meeting.

At the date of this Report, the Company held 3,261,034 treasury shares, equal to 1.932% of the share capital, for which voting rights are suspended pursuant to law. These shares are counted for the purpose of the regular constitution of the Shareholders' Meeting, but not for the purpose of calculating the majority required to approve the resolutions on the agenda.

Shareholders who – also jointly – represent at least 1/40 of the share capital, may request, within 10 days of the publication of the notice of call of the Shareholders' Meeting (unless otherwise provided for by law) the integration of the list of items to be discussed, indicating in the request the additional items they propose, within the limits and in the manner provided for by applicable laws and regulations. Notice of additions to the list of items to be dealt with by the Shareholders' Meeting, following any request for additions, shall be given – in the same form prescribed for the publication of the notice of the Shareholders' Meeting – at least 15 days prior to the date set for the Shareholders' Meeting, unless otherwise provided for by law. Additions are not permitted for items on which the Shareholders' Meeting resolves, in accordance with the law, on the proposal of the Directors or on the basis of a draft or a report prepared by them.

Persons who hold shares on the seventh market day prior to the date of the Shareholders' Meeting (or at such other date as may be specified by the applicable *pro tempore* regulations) and who have communicated their wish to participate in the Shareholders' Meeting through the intermediary authorised pursuant to the applicable legal and regulatory provisions, are entitled to attend and vote at the Shareholders' Meeting.

Article 16 of the Issuer's Shareholders' Meeting regulations (see below for more information on the Shareholders' Meeting regulations) provides for the possibility for each Shareholder to ask to speak on each of the items on the agenda, requesting information and formulating any proposals pertaining thereto.

To reduce the constraints and fulfilments that make it burdensome and difficult for Shareholders to attend the Shareholders' Meeting and exercise their voting rights, persons entitled to attend and vote may be represented by another person (natural or legal, even if not a Shareholder) by means of a written proxy and within the limits provided for by law and applicable regulatory provisions. The proxy may be notified electronically by certified electronic mail or by using the appropriate section of the Company's website and with the other notification methods that may be envisaged in the notice of call, in compliance with the applicable legal and regulatory provisions.

Votes may also be cast by correspondence and shall be exercised in the manner indicated in the notice of call, in compliance with the applicable regulations.

For the right of Shareholders to ask questions on items on the agenda, see the following section.

The conduct of Shareholders' Meetings is governed by law and the Articles of Association. To facilitate Shareholders' participation in Shareholders' Meetings, on 30 March 2011, the Shareholders' Meeting approved a special regulation governing the orderly and functional proceedings of Shareholders' Meetings in ordinary and extraordinary session, guaranteeing the right of each Shareholder to speak on the items under discussion. The regulations are available on the website <https://group.ferragamo.com> in the Governance/Shareholders' Meetings section.

---

Pursuant to Article 127-ter of the Consolidate Law on Finance, Shareholders may submit questions on the items on the agenda – even prior to the Shareholders' Meeting – by sending them to the certified e-mail address [salvatore.ferragamo@legalmail.it](mailto:salvatore.ferragamo@legalmail.it) according to the procedures provided for each time in the Notice of Meeting. The exercise of this right shall be considered validly carried out only if accompanied by the intermediary's certification proving the status of Shareholder, unless the Company has already received the intermediary's communication required for participation in the Shareholders' Meeting.

---

Pursuant to Article 106, Paragraph 4 of Decree-Law No. 18 of 17 March 2020, converted into Law No. 27 of 24 April 2020, setting forth, "Measures to strengthen the health service and provide economic support for families, workers and businesses related to the epidemiological emergency from COVID-19," (the 'Decree') as most recently referred to by Article 3, Paragraph 6 of Decree-Law 183/2020 converted into Law 21/2021, at the Shareholders' Meetings held during the Financial Year (on 12 April 2022), those who were entitled to vote were allowed to intervene exclusively through the representative appointed by the Company pursuant to Article 135-undecies of the Consolidated Law on Finance. Pursuant to the same provision, all Directors and Statutory Auditors in office took part through remote means of communication that ensured their identification, except for duly justified absences, as per the minutes of the Shareholders' Meeting published in accordance with the law and regulations. It should be noted, with regard to the Shareholders' Meeting called to approve the financial statements as of 31 December 2022, that the Company has decided to avail itself of the option set forth in the Decree, as last extended by Law Decree no. 198/2022 (converted by Law no. 14/2023), to provide that Shareholders' participation in the Shareholders' Meeting will only occur through the Appointed Representative pursuant to Article 135-undecies of the Consolidated Law on Finance. Notwithstanding Article 135-undecies of the TUF, the Appointed Representative may also be granted proxies or sub-delegations pursuant to Article 135-novies of the



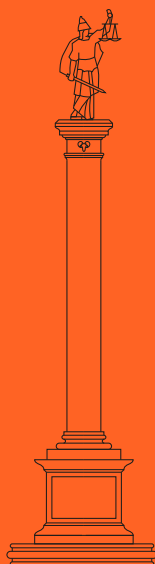
TUF. For further information in this regard and on the participation in the Shareholders' Meeting of the legitimate parties other than those entitled to vote (e.g., Members of the Corporate Bodies, the appointed Secretary, the appointed representative and the representatives of the Independent Auditors), please refer to the documentation made available on the corporate website <https://group.ferragamo.com> in the Governance/Shareholders' Meeting 2023 section.

---

It should be noted that there were significant changes in the market capitalisation of the Issuer's shares during the Financial Year, while the composition of the controlling Shareholders remained substantially unchanged.

# FURTHER CORPORATE GOVERNANCE PRACTICES

(PURSUANT TO ARTICLE 123-BIS(2)(A), SECOND PART, CONSOLIDATED LAW ON FINANCE)





## In 2016

the Company implemented a tool to strengthen the internal control system a *whistleblowing* mechanism (i.e., a specific channel for reporting any irregularities or violations of rules or procedures by employees of the entire Group). To monitor and manage whistleblowing, an Ethics Committee was also created, which, as of the date of this Report, has a collegial composition and its Members are the Head of the *Internal Audit Department*, *Chief People Officer*, *General Counsel* and *Global Commercial Network Senior Director*.



## In 2017

the Company adopted an Anti-Bribery Policy applicable to employees and all those working for and on behalf of Group companies, to identify and prevent any corrupt phenomenon.



## Since 2018

the Company also adopted the Suppliers' Code of Conduct containing the ethical principles and rules of conduct that are in addition to the legal, regulatory and procedural provisions that must characterise business relations between the Group and its partners.

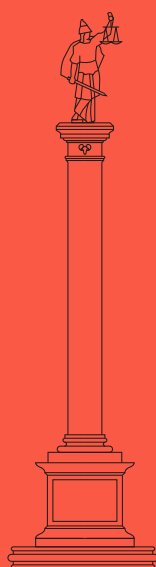


## On 18 June 2019

the Board of Directors approved the *Inclusion Policy*, which enshrines the Group's commitment to promoting and protecting the values of inclusion in the performance of all business activities.

Furthermore, the Company, in line with the provisions of the Code of Ethics, applies the SA8000 Policy with the aim of achieving the highest ethical *standards* and sustainable *business* development, and to this end has also formalised its commitment to respecting minors by adopting the Policy for Combating Child Labour.

# CHANGES SINCE THE END OF THE FINANCIAL YEAR

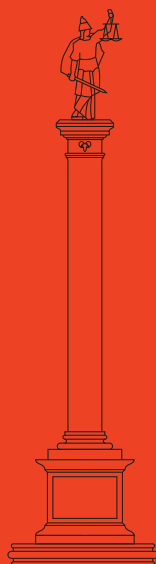


## Main organisational changes in 2022 and early 2023

With the arrival of the new CEO and General Manager and the elaboration of the Strategic Plan, the new organisation was finalised with the entry of new *Managers*. The new organisation was finalised in December 2022 and presented to the Board of Directors at its meeting on 13 December 2022.

It should be noted that on 28 February 2023, the Company announced that Anna Zanardi Cappon –Independent Non-Executive Director, Chairman of the Remuneration and Appointments Committee and Member of the Control and Risks Committee – resigned from her position as Director of Salvatore Ferragamo S.p.A., effective as of the date of the Shareholders' Meeting called to approve the financial statements for the 2022 Financial Year. According to the communication received, this decision was taken following her appointment as Chairman of another listed company in compliance with the Principles for the Selection of Candidates for Corporate Offices in Listed Companies to which Director Zanardi Cappon adhered in order to be included in the list presented by the minority Shareholders.

# CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE



This section contains the Company's comments on the Letter from the Chairman of the Corporate Governance Committee dated 25 January 2023 (hereinafter the 'Letter').

The Letter was sent with an accompanying explanatory note on 31 January 2023 for the attention of the Board of Directors and was the subject of analysis and discussion at the meeting of 2 March 2023.

With regard to the inclusion of **sustainable success** in the Company's strategies, it should be noted that the Strategic Plan communicated to the market on 10 May 2022 includes, among its *building blocks*, the most relevant ESG factors for the sector in which the Company operates (i.e., *carbon emissions, sustainable materials, circular economy and diversity and inclusion promotion*). Consistently with the Strategic Plan, the Sustainability Plan 2023-2025 approved by the Board of Directors on 13 December 2022 also includes the following among the objectives to be achieved: (i) carbon emissions reduction; (ii) sustainable materials with a focus on leather; (iii) circular economy and recycling; (iv) supply chain transparency and local focus; and v) foster diversity and inclusion.

With regard to the **engagement policy** envisaged by the Corporate Governance Code, it should be noted that on 8 March 2022 the Company adopted the new '*Engagement Policy of Salvatore Ferragamo S.p.A.*' (the '**Engagement Policy**') aimed at establishing and maintaining a transparent and ongoing dialogue with institutional investors, financial analysts and the general body of Shareholders, as well as fostering dialogue with the Company's other relevant *stakeholders* (after identifying them). In this Report, the most relevant issues that have been the subject of dialogue have been taken into account (reference should be made to Section 12 on this point).

Despite the presence of a majority Shareholder that holds a stake equal to approximately 54.28% of the share capital, the *Engagement Policy* adopted envisages the possibility that dialogue may also be initiated by investors and indicates the related procedures. In particular, provision has been made for the involvement of the *Investor Relations* Function, which collects the appropriate requests and reports them – at the appropriate times and to the extent of its competence – to the Chairman and Chief Executive Officer.

Then, with reference to the **management of pre-meeting information** and the need to ensure its timeliness, it should be noted that the Company's Board of Directors' Regulation provides that the documentation supporting the items on the agenda – containing any proposed resolutions and information suitable in qualitative and quantitative terms to support the work of the Board – must be made available to Directors and Statutory Auditors at least three days in advance. It is also provided – as is the case in almost all the regulations of the Boards of Directors of listed companies – that in certain exceptional cases where it is not possible to guarantee compliance with the established timeframes and/or the documentation is made available directly at the meeting, the Chairman shall ensure that during the Board Meeting, all Board and Board of Statutory Auditor Members are adequately informed on the topics to be discussed and that adequate time is dedicated to the in-depth analyses deemed useful for a proper understanding of the matters. That being said, it should be noted that in 90% of the Company's Board Meetings, the three-day deadline for sending the pre-meeting information was respected and, in the rare cases in which it was not possible, the reason for the delay was the need to perfect the documentation with the primary objective of providing the Directors and Statutory Auditors with an adequate and complete representation of the items on the agenda. In any case, when it was not possible to meet the deadline set forth in the Rules of Procedure, the Chairman ensured that all Members of the Board and the Board of Statutory Auditors were provided with adequate information on the agenda items during the meeting and that all the in-depth studies deemed useful for a proper understanding of the matter were carried out.

In this specific case, account must also be taken of the fact that the Endoconsiliar Committees (i) are composed only of Independent Directors and the Board of Statutory Auditors also participates in the relevant meetings; (ii) pre-examine most of the issues placed on the agenda of the subsequent Board Meetings, as they are responsible for appointments, remuneration, financial and non-financial reporting, the internal control and risk management system, corporate sustainability and related party transactions; (iii) they normally meet at least one week in advance of Board Meetings, and at the end of Meetings the shared and approved documentation is made available to the entire Board; and (iv) they report to the Board on the activities carried out, thus facilitating the understanding of the issues under discussion, a circumstance also confirmed by the results of the 2022 *Board Review*, which revealed the adequacy of the information provided by the Committees to the Board in relation to the activities carried out. Therefore, these circumstances have the effect of reducing the relevance of issues related to the timeliness of pre-Board information, which is why the Company does not deem it necessary to amend the Board of Directors' Rules of Procedure by better detailing the procedures for managing it and the related exemptions.

In relation to the recommendation concerning the effective **participation of management in Board and Committee Meetings**, it should be noted that the Rules of the Board of Directors provide that the Chairman – also upon the request of one or more Directors – may invite Executives of the Company or Group companies, as well as other persons or external consultants whose presence is deemed useful in relation to the items on the agenda, to attend individual Board Meetings. Furthermore, the Regulations of the Endoconsiliar Committees provide that the relative Chairmen have the power to invite to the meetings Company personnel [...] whose presence is deemed opportune or useful in relation to the items on the agenda.

In this regard, it should be noted that: (i) the Company's *Managers* regularly attend the Meetings of the Endoconsiliar Committees on the basis of the invitation formulated by the Chairmen; (ii) the *Chief Financial Officer* regularly attends the Meetings of the Board of Directors and the *Managers* competent in relation to the items on the agenda are also invited to attend; (iii) at the Board Meeting relating to the presentation of the Strategic Plan (held in April 2022)



and the presentation of the 2023 *budget* (held in December 2022), all *top management* attended; and (iv) the Chairman of the Board of Directors accepted the request formulated by the Independent Directors to regularly invite to the Board – on a rotating basis – each of the Chief Executive Officer's first reports to discuss specific issues to be included in the Chief Executive Officer's communications – this was also in line with the findings of the 2022 *Board Review*, which underlined the Directors' propensity to deepen their knowledge with the *management*, also taking into account the new corporate organisation.

With regard to the recommendation to provide **quantitative parameters for the assessment of the significance of the relationship that may influence the independence of the Director** – also defined in monetary terms or as a percentage of the remuneration attributed for the office and for participation in committees recommended by the Code – it should be noted that for the purposes of assessing the independence of Directors, the Regulation of the Board of Directors recalls both qualitative parameters, consisting of the principles and recommendations of the Code to be assessed also on the basis of the information provided by the Directors and/or available to the Company, and quantitative parameters that have been identified in the amount of Euro 100.000 on an annual basis as the significant threshold of any commercial, financial or professional relations of the Directors with the Company, as well as any additional remuneration received by them from the Company. Lastly, with regard to the recommendations to provide for a **variable component in the Remuneration Policy with a multi-year horizon and sustainability objectives** in the incentive mechanisms for Executive Directors, it should be noted that the new Remuneration Policy, which will be submitted to the Shareholders' Meeting for approval on 26 April 2023, envisages a *Long-Term Incentive rolling plan* (three waves) with a *vesting period* of three years and an additional *holding period* of two years for *Top Management*. The related *scorecard* is focused on the Group's strategic priorities and also contemplates non-financial *KPIs* linked to the Sustainability Plan. Similarly, the objectives identified in the *Short-Term Incentive Plan*, which will also be included in the Remuneration Policy for 2023, are linked to the achievement of the Strategic Plan objectives for 2023 and also include *ESG* objectives. As for the CEO and General Manager's *Short-Term Plan 2023*, it should be noted that non-financial *KPIs* based on three *ESG* metrics (emissions, use of sustainable materials and chemicals) were also included in this case.

With regard to the recommendation on the indication of **the specific performance targets** to be achieved and **information on the composition of the CEO's remuneration package** – with an indication of the characteristics and weighting of the fixed, short- and long-term variable components with respect to the overall remuneration, at least with reference to the achievement of the *target* objective of the variable components – please refer to the Report on Remuneration 2023 and the remuneration paid in 2022, available on the Company's website at <https://group.ferragamo.com> in the Governance/Corporate Governance/Remuneration Report section.

2 March 2023

The Chairman of the Board of Directors  
**Leonardo Ferragamo**

## Table 1: Information on ownership structure

SOCIAL CAPITAL STRUCTURE					
	No. shares	No. of voting rights	% of c.s.	Listed / unlisted	Rights and obligations
Ordinary shares	168.790.000	278.246.954	100	Euronext Milan	<p>Each share gives the right to one vote. On 20 April 2018, pursuant to Article 127-<i>quinquies</i> of the Consolidated Law on Financial Intermediation, the so-called voting surcharge was introduced, which is acquired upon the passing of the minimum membership period of 24 months attested by the continuous registration for said period in the special list established for this purpose and the maximum limit of the surcharge is equal to two votes per share.</p> <p>The shareholders' rights and obligations are those provided for in Articles 2346 et seq. of the Italian Civil Code, as well as in Article 6 of the Articles of Association with regard to the vote increase.</p> <p>As of the date of the Report, the number of shares with the right to the bonus is 109,456,954 (two voting rights for each share) out of a total of 168,790,000 shares, thus changing the total voting rights from 168,790,000 to 278,246,954.</p>

(\*) As of 31 December 2022, Ferragamo Finanziaria S.p.A. holds the controlling interest in the share capital of Salvatore Ferragamo S.p.A. with a 54.276% shareholding, as reported by Ferragamo Finanziaria S.p.A. in accordance with form 120/A provided for in Annex 4 of the Consob Issuers' Regulations. It should be noted that Ferragamo Finanziaria S.p.A. has requested that the ordinary Salvatore Ferragamo shares it holds be included in the Special List established by the Company pursuant to Article 127-*quinquies*, Paragraph 2 of the Consolidated Law on Finance to benefit from the increased voting rights, as indicated below:

- on 2 July 2018 No. 86,499,010, representing 51.246% of the Company's share capital; and
- on 14 January 2019 No. 5,112,800, representing 3.029% of the Company's share capital.

SIGNIFICANT SHAREHOLDINGS IN THE CAPITAL			
Declarant	Direct shareholder	Share of ordinary capital	Share % of voting capital
Ferragamo Finanziaria S.p.A.	Ferragamo Finanziaria S.p.A.	54,276	65,849 (*)
Woo Kwong Ching Peter	Majestic Honour Limited	5,986	3,632

## Table 2: Structure of the Board Of Directors at the end of the financial year

Board of Directors													
Charge	Components	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. other assignments (****)	Participation (*****)
Chairman	Ferragamo Leonardo	1953	12/12/1994	22/04/2021	Appr. budget 31/12/2023	Azionisti	M		x			8	8/8
Chief Executive Officer •	Gobbetti Marco	1958	14/12/2021	12/04/2022	Appr. budget 31/12/2023	N/A	N/A <sup>(1)</sup>	x				2	8/8
Vice-Chairman	Visconti Angelica	1973	20/04/2018	22/04/2021	Appr. budget 31/12/2023	Azionisti	M		x			1	8/8
Director	Biousse Frédéric	1969	29/09/2021	14/12/2021	Appr. budget 31/12/2023	N/A	N/A <sup>(1)</sup>		x	x	x	14	8/8
Director	Ferragamo Giacomo (James)	1971	08/03/2018	22/04/2021	Appr. budget 31/12/2023	Azionisti	M	x				1	8/8
Director	Gianguialano Patrizia Michela	1959	22/04/2021	22/04/2021	Appr. budget 31/12/2023	Azionisti	M		x	x	x	5	8/8
Director	Loustau Elia Annalisa	1966	29/09/2021	14/12/2021	Appr. budget 31/12/2023	N/A	N/A <sup>(1)</sup>		x	x	x	5	8/8
Director	Tombari Umberto	1966	29/06/2011	22/04/2021	Appr. budget 31/12/2023	Azionisti	M		x	x	x	1	8/8
Director	Woo Peter K.C.	1946	02/03/2011	22/04/2021	Appr. budget 31/12/2023	Azionisti	M		x			13	6/8
Director	Zanardi CapponAnna	1964	22/04/2021	22/04/2021	Appr. budget 31/12/2022	Azionisti	m		x	x	x	5	7/8
<b>AUDITORS WHO CEASED OFFICE DURING THE FINANCIAL YEAR</b>													

**Indicate the number of meetings held during the Year:**

8 meetings of the Board of Directors were held during the Year.

Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (*pursuant to Art. 147-ter TUF*):  
1.0%

**NOTES**

(1) Directors Frédéric Biousse (the first non-elected candidate present in the majority list presented by the controlling Shareholder Ferragamo Finanziaria S.p.A. at the Shareholders' Meeting of 22 April 2021) and Annalisa Loustau Elia, already co-opted pursuant to Article 2386 of the Italian Civil Code, by the Board of Directors on 29 September 2021, were appointed as members of the Company's Board of Directors by resolution of the Shareholders' Meeting of 14 December 2021 without application of the list voting mechanism. Director Marco Gobbetti, who was already co-opted pursuant to Article 2386 of the Italian Civil Code by the Board of Directors on 14 December 2021, was appointed Chief Executive Officer and General Manager by resolution of the Shareholders' Meeting of 12 April 2022.

The following symbols must be entered in the 'Load' column:

• This symbol indicates the director in charge of the internal control and risk management system.

◦ This symbol indicates the Lead Independent Director (LID).

(\*) The date of first appointment of each director means the date on which the director was first appointed (ever) to the Board of Directors of the Issuer.

(\*\*) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating 'Shareholders') or by the BoD (indicating 'BoD').

(\*\*\*) This column indicates whether the list from which each director was drawn is 'majority' (indicating 'M') or 'minority' (indicating 'm').

(\*\*\*\*) This column shows the number of directorships or auditor appointments held by the person concerned in other listed or large companies. In the Corporate Governance Report, the offices are indicated in full.

(\*\*\*\*\*) This column shows the attendance of directors at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

## Table 3: Board Committee structure at the end of the financial year

<b>Board of Directors</b>		<b>Control and Risk Committee (also acting as RPT and Corporate Sustainability Committee)</b>		<b>Remuneration and Appointments Committee</b>	
<b>Position/Qualification</b>	<b>Components</b>	<b>(*)</b>	<b>(**)</b>	<b>(*)</b>	<b>(**)</b>
Independent Director as per TUF and Code	Gianguialano Patrizia Michela	12/13	P		
Independent Director as per TUF and Code	Tombari Umberto	12/13	M	10/12	M
Independent Director as per TUF and Code	Zanardi Cappon Anna	9/13	M	12/12	P
Independent Director as per TUF and Code	Loustau Elia Annalisa			12/12	M
No. of meetings held during the Year:		C.C.R.: 13 (of which 3 as RPT Committee and 5 as Corporate Sustainability Committee)		C.R.N.: 12 (of which 8 as Remuneration Committee and 6 as Nomination Committee)	

# Table 4: Structure of the board of auditors at the end of the financial year

Board of Auditors									
Charge	Components	Year of birth	Date of first appointment (*)	In office since	In office until	List (M/m) (**)	Indep. Code	Participation in College meetings (***)	No. other assignments (****)
Chairman	Balelli				Appr. budget				
	Andrea	1975	27/04/2017	08/05/2020	31/12/2022	m	×	18/18	15
Statutory Auditor	Caramella				Appr. budget				
	Paola	1957	11/10/2017	08/05/2020	31/12/2022	M	×	18/18	2
Statutory Auditor	Crostarosa				Appr. budget				
	Guicciardi Giovanni	1965	08/05/2020	08/05/2020	31/12/2022	M	×	18/18	19
Alternate Auditor	Coccia				Appr. budget				
	Roberto	1976	27/04/2017	08/05/2020	31/12/2022	m	×	-	-
Alternate Auditor	Andrei				Appr. budget				
	Antonella	1959	08/05/2020	08/05/2020	31/12/2022	M	×	-	-
<b>AUDITORS WHO CEASED OFFICE DURING THE FINANCIAL YEAR</b>									
-	-	-	-	-	-	-	-	-	-

Indicate the number of meetings held during the financial year:  
18

Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (*pursuant to Art. 148 TUF*):  
1.0%

**NOTES**

(\*) The date of first appointment of each Statutory Auditor means the date on which the Statutory Auditor was first appointed (ever) to the Issuer's Board of Statutory Auditors.  
 (\*\*) This column indicates whether the list from which each auditor was drawn is 'majority' (indicating 'M') or 'minority' (indicating 'm').  
 (\*\*\*) This column shows the attendance of the statutory auditors at meetings of the board of auditors (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).  
 (\*\*\*\*) This column shows the number of directorships or auditor appointments held by the person concerned pursuant to Article 148-bis of the Consolidated Law on Finance and the related implementing provisions contained in the Consob Issuers' Regulations. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulations.