

FERRETTI S.P.A.



FERRETTIGROUP

ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS ON THE FOURTH ITEM ON THE AGENDA OF THE SHAREHOLDERS' MEETING OF FERRETTI S.P.A., CALLED FOR 22 APRIL 2024 IN A SINGLE CALL

(drafted pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 84-ter of the regulation adopted by Consob Resolution No. 11971 of 14 May 1999, as amended and supplemented)

Report approved by the Board of Directors of Ferretti S.p.A. at its meeting on 14 March 2024, available at www.ferrettigroup.com.

Fourth item on the agenda of the Ferretti S.p.A. Shareholders' Meeting, convened for 22 April 2024, in a single call:

4. Appointment of two directors to integrate the Board of Directors following co-optation pursuant to Article 2386 of the Italian Civil Code; inherent and consequent resolutions

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Dear Shareholders,

this Report has been prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented (the “**CLFI**”) and Article 84-ter of the Regulation adopted by Consob resolution No. 11971 of 14 May 1999, as amended and supplemented (the “**Issuers' Regulation**”).

This Report was approved by the Board of Directors of Ferretti S.p.A. (the “**Company**” or “**Ferretti**”) at its meeting held on 14 March 2024 and is made available to the public, within the terms of the law and regulations, at the Company's registered office, on the Company's website (www.ferrettigroup.com), as well as with the other methods provided for by the regulations in force.

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With reference to the fourth item on the agenda of the Shareholders' Meeting, Ferretti's Board of Directors intends to submit to your attention the need to appoint two directors to replace Li Xinghao and Hua Fengmao who resigned, effective 19 February 2024, from their positions as directors of Ferretti's Board of Directors. Li Xinghao and Hua Fengmao had held these positions since 18 May 2023, the day on which Ferretti's Shareholders' Meeting had appointed them as directors.

Following these resignations, the Board of Directors resolved - on 19 February 2024 - to co-opt, pursuant to Article 2386 of the Italian Civil Code, Zhang Quan as a non-executive director of the Company to replace Li Xinghao (non-executive director) and Zhu Yi as an independent non-executive director of the Company to replace Hua Fengmao (independent non-executive director).

At the time of their co-option, Zhang Quan and Zhu Yi declared that they meet the requirements of honourableness pursuant to Article 147-quinquies CLFI and that there is no cause of ineligibility provided for by law for them; moreover, Zhu Yi declared that they meet the requirements of independence provided for by Article 148(3) CLFI, as referred to by Article 147-ter(4) CLFI and Recommendation 7 of the Corporate Governance Code, by the criteria indicated in “Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” as well as the criteria set forth by the Board of Directors pursuant to the second paragraph of Recommendation 7 of the Corporate Governance Code, also verified by the Board of Directors at the date of appointment.

Zhan Quan also joined the Sustainability Committee, replacing Li Xinghao, and the Strategic Committee; Zhu Yi joined the Audit and Risk Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee, replacing Hua Fengmao.

In accordance with the provisions of Article 2386 of the Italian Civil Code, Zhang Quan and Zhu Yi as co-opted directors remain in office until the next Shareholders' Meeting.

Therefore, you are invited to proceed with the integration of the Company's Board of Directors, in compliance with Article 19 of the By-laws, and therefore with the majorities required by law, since the list voting regulations set forth in the By-laws and the CLFI do not apply in this case, without prejudice to the obligation to maintain the minimum number of independent directors established by law and in compliance with the laws and regulations in force from time to time on gender balance.

In this regard, it should be recalled that the Shareholders' Meeting of 18 May 2023 appointed the current Board of Directors, setting the number of its members at 9 (nine), and that 3 (three) directors in office meet the independence requirements set forth in Article 148(3) CLFI, as referred to in Article 147-ter(4) CLFI and Recommendation 7 of the Corporate Governance Code, the criteria set forth in “Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” as well as the criteria set forth by the Board of Directors pursuant to Recommendation 7(2) of the Corporate Governance Code.

Furthermore, since the appointment of the current Board of Directors took place on 18 May 2023, and therefore prior to the listing of the Company on Euronext Milan, the Company will be required to apply the distribution criterion (pursuant to which at least two-fifths of the members of the management body must be reserved for the less represented gender) pursuant to Law no. 160 of 27 December 2019, which amended, inter alia, Article 147-ter CLFI, at the time of the first renewal of the entire Board of Directors and, therefore, not even at the next Shareholders' Meeting where Shareholders are only invited to proceed with the integration of the Company's Board of Directors.

It follows, therefore, that following the Shareholders' Meeting of 18 May 2023, the minimum requirements required by the currently applicable law and by the Company's By-laws with regard to the composition of the Board of Directors are met.

Without prejudice to the fact that any appointments may also be presented during the Shareholders' Meeting, in order to facilitate the proceedings of the Shareholders' Meeting, Shareholders are invited to deposit any proposals at the Company's registered office well in advance, and indicatively at least 5 (five) days before the Shareholders' Meeting. The appointments must be accompanied by (i) declarations in which the individual candidates accept their candidacy and certify, under their own responsibility, the absence of causes of ineligibility and incompatibility, as well as the possession of the requirements prescribed by the laws in force to hold the office of director of the Company, including the declaration as to whether or not they possess the requirements of independence (ii) a curriculum vitae, containing exhaustive information on the personal and professional characteristics of each candidate; (iii) an indication of the identity of the shareholders who have submitted the candidacy and the overall percentage of shareholding held; and (iv) any other or different statement, information and/or document required by law and applicable regulations.

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With reference to the co-optation of Zhang Quan and Zhu Yi, it should be noted that the Board of Directors unanimously came to the conclusion that Zhang Quan and Zhu Yi were the most suitable candidates to be appointed to the Board of Directors to replace Li Xinghao and Hua Fengmao, respectively.

Moreover, when verifying the eligibility and honourability requirements of Zhang Quan and Zhu Yi, as well as the independence requirements of Zhu Yi, for the above purposes, in the context of the co-optation, on 19 February 2024, the Board unanimously ascertained the existence of all the requirements prescribed by the laws and regulations in force and applicable as well as by the By-laws for a correct composition of the Board of Directors.

The curricula vitae of Zhang Quan and Zhu Yi will be made available to Shareholders on the Company's website (www.ferrettigroup.com) together with the Shareholders' Meeting documents.

This is without prejudice to the possibility for shareholders to propose any further appointments, which may also be submitted at the Shareholders' Meeting, in compliance with the criteria and procedures indicated above. After the Board of Directors has proposed the appointment of Zhang Quan and Zhu Yi, if the same is not approved by the Shareholders' Meeting, any further appointments will be put to the vote, it being understood that, post appointment, the Board of Directors will be called upon to carry out its own checks for the purposes of the regulations in force regarding compliance with the requirements prescribed by the laws and regulations in force and applicable as well as by the By-laws.

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Dear Shareholders,

in consideration of the above, we invite you to pass the following resolution for the integration of the Board of Directors, confirming and maintaining the total number of members of the Board of Directors for the fiscal years 2023-2024-2025, determined by the Shareholders' Meeting of 18 May 2023, at 9 (nine) Directors:

"The Shareholders' Meeting of Ferretti S.p.A., meeting in ordinary session,

- *having acknowledged the resignation, on today's date, of Directors Zhang Quan and Zhu Yi, appointed by co-optation pursuant to Article 2386 of the Italian Civil Code and Article 19 of the By-laws, at the Board of Directors' meeting held on 19 February 2024 to replace, respectively, Director Li Xinghao and Director Hua Fengmao;*
- *having examined and discussed the explanatory report prepared by the Board of Directors;*
- *having noted the proposed resolutions [and appointments submitted];*

resolves to

appoint as Directors of Ferretti S.p.A. the Directors already co-opted, Zhang Quan and Zhu Yi, who will remain in office until the date of termination of the term of office of the Board of Directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2025, providing that they will be entitled to an annual emolument for the office held in accordance with the provisions of the Shareholders' Meeting of 18 May 2023 for the fiscal years 2023-2024-2025 in the amount due pro tempore, and mandating the Board of Directors, and on its behalf the Chief Executive Officer and the executive director, severally, to take care of all communication, filing and publication formalities inherent to the above resolution, pursuant to the applicable laws and regulations."

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Milan, 14 March 2024

The CEO

(Avv. Alberto Galassi)