

# FERRAGAMO

**SALVATORE FERRAGAMO S. p. A.**

**PROCEDURE FOR THE REGULATION OF RELATED PARTY TRANSACTIONS**

*Approved by the Board of Directors on August 3, 2023*

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This procedure (the "**RPT Procedure**"), approved for the first time by the Board of Directors of Salvatore Ferragamo S.p.A. ("**Salvatore Ferragamo**" or "**SF**" or the "**Company**") in the meeting of March 30, 2011, pursuant to Article 2391-bis of the Italian Civil Code and the Consob Regulations containing provisions on related party transactions, adopted by resolution no. 17221 of March 12, 2010, as subsequently amended and supplemented (the "**Consob Regulations**"), was last amended by a resolution of the Company's Board of Directors on August 3, 2023.

The RPT Procedure is published on the Company's website <https://group.ferragamo.com/it/governance/corporate-governance/procedure>.

## 1. **FOREWORD**

The RPT Procedure identifies the principles to which the Company adheres in order to ensure the transparency and substantive and procedural fairness of related party transactions entered into by SF, either directly or through its subsidiaries.

For the purposes of this RPT Procedure, related party transactions ("**RPTs**") are defined as transactions defined as such by the international accounting standards adopted in accordance with the procedure set forth in Article 6 of Regulation (EC) No. 1606/2002 in effect from time to time<sup>1</sup>.

For the purpose of identifying RPTs under this RPT Procedure, the bodies involved in reviewing and approving transactions and the bodies entrusted with supervising compliance with the RPT Procedure, each to the extent of its competence, give priority consideration to the substance of the relationship and not simply its legal form.

The administrative body of the Company (hereinafter the "**Board of Directors**"), taking into account the reports and observations of the other corporate bodies, periodically evaluates, at least every three years, the effectiveness of the RPT Procedure and the need/opportunity to revise it.

The Company also complies with the disclosure and transparency obligations set forth in this RPT Procedure and the Consob Regulations, which are in addition to and not in lieu of the *disclosure* obligations set forth in Legislative Decree No. 58 of February 24, 1998, TUF (hereinafter the "**TUF**") and Regulation (EU) 596/2014.

For more information on the main disclosure requirements with which the Company is required to comply, see Section 13 below.

## 2. **RESPONSIBILITIES**

Subject to the provisions of Article 12 of this RPT Procedure, the main person responsible for the proper application of the RPT Procedure is the Board of Directors.

## 3. **DEFINITIONS**

### 3.1 Independent Directors

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<sup>1</sup> An excerpt of the definitions of related party transactions and related parties under IAS 24 as well as a reminder of the additional definitions of "key management personnel" and "close family member" are included in the Appendix to this Procedure for ease of reading. The Appendix will be understood to be automatically updated to reflect changes in the relevant accounting standards, without application of the provisions for amending this Procedure.

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For the purposes of this RPT Procedure, directors who meet the independence requirements set forth in Article 148(3) of the TUF (hereinafter the "**Independent Directors**") are considered to be independent directors.

## 3.2 Unrelated Administrators

These are the directors other than the counterparty of a given RPT and its related parties (hereinafter the "**Unrelated Directors**").

## 3.3 Directors Involved in the Transaction

Directors who have an interest, on their own behalf or on behalf of third parties, in the RPT that conflicts with that of the Company.

## 3.4 Indices of Relevance

For the purpose of identifying RPTs of Greater Significance under this RPT Procedure, the following materiality indices (hereinafter the "**Materiality Indices**") apply:

(i) countervalue materiality ratio: identifies the ratio of the countervalue of the RPT to the shareholders' equity taken from the most recent consolidated balance sheet published by the Company or, if higher, the capitalization of SF recorded at the close of the last open market day included in the reference period of the most recent published periodic accounting document (annual or semi-annual financial report or interim report).

If the economic conditions of the RPT are determined, the counter value of the RPT is:

- (a) for cash components, the amount paid to/by the contracting party;
- (b) for components consisting of financial instruments, the *fair value* determined, as of the date of the RPT, in accordance with the international accounting standards adopted by Regulation (EC) No. 1606/2002;
- (c) for financing or guarantee RPOs, the maximum amount that can be disbursed.

If the economic terms of the RPT depend, in whole or in part, on magnitudes not yet known, the counter value of the RPT is the maximum value receivable or payable under the agreement;

(ii) asset materiality ratio: identifies the ratio of the total assets of the entity subject to the RPT to the total assets of the Company. The data to be used should be taken from the most recent consolidated balance sheet published by SF. Where possible, similar data should be used to determine the total assets of the entity subject to the RPT.

For RPTs to acquire or dispose of interests in companies that affect the scope of consolidation, the value of the numerator is the total assets of the investee, regardless of the percentage of capital being disposed of.

For RPTs of acquisition and disposal of interests in companies that do not affect the scope of consolidation, the value of the numerator is:

- (a) in the case of acquisitions, the countervalue of the RPT plus any liabilities of the acquired company assumed by the acquirer;
- (b) in the case of disposals, the consideration for the transferred asset.

For RPTs of acquisition and disposal of assets other than equity investments, the value of the numerator is:

- (a) in the case of acquisitions, the greater of the consideration and the book value that will be attributed to the asset as a result of the transaction;
- (b) in the case of disposals, the book value assigned to the asset before the transaction;

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(iii) Liability materiality ratio: identifies the ratio of total liabilities of the acquired entity to total assets of the Company. The data to be used should be taken from the most recent consolidated balance sheet published by SF. Where possible, similar data should be used to determine the total liabilities inherent in the acquired company or business unit.

## 3.5 Transactions of Exiguous Amount

Transactions of small amounts, to which this RPT Procedure does not apply pursuant to Article 13(2) of the Consob Regulations (hereinafter referred to as the "**Exiguous RPTs**"), are considered transactions, individually considered:

- (i) the value of which is equal to or less than Euro 100,000.00, if the Related Party (counterparty to the Transaction) is a natural person; or
- (ii) the value of which is equal to or less than Euro 250,000.00 if the Related Party is an entity other than a natural person; or
- (iii) the value of which is equal to or less than Euro 100,000.00, on a yearly basis, with reference to the allocation and increase - in favor of a member of an administrative or control body or to the other executives with strategic responsibilities - of remuneration and economic benefits, in any form including the issuance of loans, financing or guarantees.

## 3.6 Transactions of Greater Significance

For the purposes of this RPT Procedure, the following RPTs are defined as RPTs of **Greater Significance** (hereinafter "**RPTs of Greater Significance**"):

- a) RPTs for which at least one of the Relevance Indices, applicable depending on the specific transaction, exceeds 5%;
- b) RPTs with the listed parent company (if there is one), or with parties related to the latter that are themselves also related to SF, if at least one of the Relevance Indices is higher than 2.5%;
- c) RPTs that may affect the Company's managerial autonomy (including those involving intangible assets), or that, in any case, concern activities or assets of strategic importance to the Company, if at least one of the Relevance Indices is higher than 2.5%. The assessment regarding the circumstance that the RPT may affect the Company's managerial autonomy as well as the assessment regarding the strategic relevance of certain assets or activities of the Company is entrusted, on a mandatory basis, to the Board of Directors, which shall decide in this regard, on a case-by-case basis, upon the initiative of even one of its members, or upon the request of the Board of Statutory Auditors.

If a transaction or several transactions cumulated among them pursuant to Article 5, Section 2, of the Consob Regulations are identified as "of greater significance" according to the aforesaid indices and such result appears manifestly unjustified in view of specific circumstances, Consob may indicate, at the request of the Company, alternative methods to be followed in calculating the aforesaid indices. To this end, the Company through the Corporate Affairs/Corporate Affairs Function shall notify Consob of the essential characteristics of the transaction and the specific circumstances on which the request is based before the conclusion of negotiations.

## 3.7 Transactions of Lesser Significance

All RPTs that cannot be defined as Significant RPTs under the preceding Section are defined, for the purposes of this RPT Procedure, as Lesser Significant RPTs (hereinafter "**Lesser Significance RPTs**"), unless they cannot be defined as Exiguous RPTs.

## 3.8 Ordinary Operations

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For the purposes of this RPT Procedure, ordinary RPTs (hereinafter "**Ordinary RPTs**") are defined as RPTs that are part of the ordinary course of business and related financial activities, concluded at market or standard equivalent terms.

For the purposes of this RPT Procedure, "market-equivalent or standard terms" means terms similar to those usually practiced towards unrelated parties for transactions of a corresponding nature, size and risk, or based on regulated rates or imposed prices or those practiced towards parties with whom the Company (or companies directly and/or indirectly controlled by it) is obliged by law to contract a certain consideration.

## **3.9 Related Party**

For the purposes of this Procedure, parties defined as such by the international accounting standards adopted in accordance with the procedure set forth in Article 6 of Regulation (EC) No. 1606/2002 in force from time to time<sup>2</sup> (hereinafter referred to as "**Related Party**") are considered related parties.

## **4. COMMITTEE CALLED TO EVALUATE GREATER SIGNIFICANCE RPT AND LESSER SIGNIFICANCE RPT**

The Board of Directors shall establish a Related Party Transactions Committee (hereinafter the "**Committee**") composed of Independent Non-Executive Directors who meet the requirements set forth in Section 3.1 above.

In addition to what is set out below with specific reference to Major RPTs and Minor RPTs, the Committee is, in particular, responsible for:

- Provide an advance opinion on the RPT Procedure and any amendments to it, as well as on proposals to be submitted to the shareholders' meeting regarding any amendments to the articles of association identified as necessary by the Board of Directors in the context of defining the RPT Procedure;
- express a reasoned and binding opinion for RPTs of Greater Significance, and express a non-binding reasoned opinion for RPTs of Lesser Significance. The Committee is entitled to be assisted, at the Company's expense, by one or more independent experts of its choice. In choosing the experts, the Committee shall resort to persons with recognized professionalism and expertise on the matters of interest, whose independence and absence of conflicts of interest it shall ascertain in advance, taking into account the reports indicated in Section 2.4 of Annex 4 to the Consob Regulations.

The selected independent expert shall declare his or her independence at the time of the relevant appointment, indicating any economic, asset and financial relationships with (i) the related party, its subsidiaries, its controlling entities, companies under common control with the latter, as well as the directors of the aforementioned companies; and with (ii) the Company, its subsidiaries, its controlling entities, companies under common control with the Company, and/or the directors of the aforementioned companies, and stating the reasons, if any, why such relationships are not relevant for the purpose of the independence judgment.

If the directors who are members of the Committee, or even some of them, cannot be considered as "Unrelated Directors" on the occasion of individual RPTs of Greater or Lesser Significance, the Board of Directors will identify - from among its members - one or more directors who meet the requirements set forth in the Consob Regulations to whom the Board of Directors will have the duties assigned to the Committee pursuant to the RPT Procedure.

The functions assigned to the Committee pursuant to this RPT Procedure may be performed by the Company's Control and Risk Committee, or, in the case of transactions involving the remuneration of directors, statutory auditors and other executives with strategic responsibilities of the Company, in consultation with the

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<sup>2</sup> See footnote 1.

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Remuneration and Appointments Committee, provided that these Committees meet the composition requirements of the applicable legal and regulatory provisions.

## **5. IDENTIFICATION OF RELATED PARTIES - TRANSMISSION OF INFORMATION NECESSARY FOR THE PREPARATION OF ANY DISCLOSURE DOCUMENTS**

5. 1ADirectors, auditors, key management personnel of the Company and the parent company, and individuals who, directly or indirectly, through one or more intermediaries:

- Control - including jointly with other entities - the Company, are controlled by it, or are under common control with it; or
- hold an interest in the Company such that they are able to exercise significant influence over it

are obliged to promptly notify the Head of Corporate Affairs/Corporate Affairs of any useful information to enable the correct assessment regarding their classification as Related Parties and regarding the identification of other parties that qualify as Related Parties by virtue of ties of various kinds with them.

5.2 The detection of the Related Party is done through a self-certification, by which the recipient of the request for information sent by the Company declares under its own responsibility that it "is" or "is not" a Related Party of the Company.

5.3 Any change in the transmitted information/data shall be promptly communicated in writing to the Corporate Affairs Manager/Corporate Affairs by the above-mentioned parties within 7 days from the date on which the party became aware of the relevant change.

5.4 It shall be the responsibility of the Head of Corporate Affairs/Corporate Affairs to establish and maintain updated, at least quarterly, a database of all Related Parties to the Company, in which the following information shall be indicated:

- Name and surname/company name/designation of the Related Party;
- nature of the correlation relationship;
- period of correlation.

5.5 The Committee shall resolve cases in which the identification of a related party is disputed based on the relevant definition in Section 3.9 above.

5.6 Subsidiaries are responsible for providing information to the Company with reference to RPTs concluded by them. In the event that the Company, pursuant to Section 8 below, examines in advance or approves, by any means and independently of an express resolution, transactions entered into by Italian or foreign subsidiaries of the Ferragamo Group with parties related to SF, such subsidiaries shall provide the Company in advance with any relevant information.

5.7 The updated list of Related Parties to the Company is made available to all relevant functions by computer medium or by e-mail with the file with the list of Related Parties attached.

5.8 Where the Company has no knowledge of a counterparty's status as a Related Party and the required disclosure obligations have been omitted, the person who has omitted such disclosure will be held liable for any damage, pecuniary or non-pecuniary, including as a result of measures by the competent authorities, resulting to the Company from the performance of the RPT in violation of the RPT Procedure.

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## 6. IDENTIFICATION OF TRANSACTIONS BY MATERIALITY THRESHOLDS

6.1 Before the completion of each RPT, i.e., before any commitment is made, the function responsible for the transaction, with the support of the CFO, General Counsel and Corporate Affairs/Corporate Affairs Functions, is responsible for assessing, based on available information:

(i) whether the counterparty is a Related Party, and if so,

(ii) Whether the transaction is an RPT;

(iii) whether it falls under one of the cases of exclusion provided for in the Consob Regulations; without prejudice to the involvement also of the Human Resources Function for the purposes of the verification referred to in Article 10.4 (ii) below;

(iv) whether the transaction is in implementation of a framework resolution and whether it qualifies as a Greater Significance or a Lesser Significance Transaction.

6.2 In this context, among other things, the RPT will be evaluated through the adoption of one of the following procedures distinguished according to the significance of the RPT:

➤ in the event that RPTs of Lesser Significance are found, their cumulability will be assessed. In particular, if the Company, during the financial year, has concluded with the same Related Party or with parties related both to the latter and to the Company itself, several RPTs of Lesser Significance, it will be determined whether such RPTs are homogeneous or carried out in execution of a unitary design. In the event that - for any reason - the RPTs are considered to be cumulative pursuant to Article 9 below, the materiality of them shall be determined by summing the value of each RPT, obtained by applying each Materiality Index, and, where in application of even one of the Materiality Indices the RPTs cumulatively considered exceed the materiality threshold referred to in Section 3.5 above, the same shall be the subject of a (single) disclosure document prepared pursuant to Article 5 of the Consob Regulations;

➤ for the purposes of cumulability, transactions made by Italian or foreign subsidiaries will also be taken into account while any transactions excluded under Articles 13 and 14 of the Consob Regulations ("*Exclusion Cases and Faculties*" and "*Management and Coordination, Subsidiaries and Associated Companies*") will not be considered.

The function responsible for the transaction shall notify the Corporate Affairs/Corporate Affairs Function without delay of the outcome of such reviews.

6.3 At the time of approval by the competent bodies of the Company of each periodic accounting document (annual or semi-annual financial report or additional periodic financial information, if prepared), the CFO Function will make available, for the benefit of the corporate structures of the Ferragamo Group, the necessary information to the function responsible for the transaction for the purpose of verifying whether the transaction is less/major.

Based on the information received from the function responsible for the transaction, the Corporate Affairs/Corporate Affairs Function carries out:

- coordinating role between the Committee, which is called upon to express a reasoned opinion on the transaction, and the Board of Directors;
- role to support the Board of Directors in the proper detection, identification and procedural management of RPTs.

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When deemed appropriate, the Committee will resolve cases in which the identification of a related party or the application of an exemption case is controversial.

## **7. WAYS IN WHICH RPT ARE INSTRUCTED AND APPROVED**

### **7.1 Procedure for RPTs of Greater Significance.**

- 7.1.1 The competence to deliberate on RPTs of Greater Significance lies exclusively with the Board of Directors, which deliberates at the outcome of a thorough examination of the transactions and their characteristic elements. This examination must be supported by the necessary documentation in order to illustrate the reasons for the relevant RPTs, the relative convenience, as well as the substantial correctness of the conditions under which the RPTs are concluded.
- 7.1.2 In the event that there are Directors Involved in the Transaction, subject to Article 2391 of the Civil Code, they are required to abstain from voting by the Board of Directors on the relevant resolutions; the director required to abstain contributes to the constituent quorum of the administrative body, but is excluded from the deliberative quorum required to pass the resolution.
- 7.1.3 The Board of Directors shall resolve on RPTs of Greater Significance subject to the Committee's reasoned favorable opinion. The Committee's opinion shall concern the Company's interest in the completion of the transaction, the convenience and substantive fairness of the related conditions, but may not express any opinion on further aspects and, in particular, on management choices attributed exclusively to the discretionary power of the executive directors. The members of the Committee will meet collectively and consult each other in order to share and compare their opinions. The Committee has the right to be assisted by one or more independent experts of its choice, at the Company's expense.
- 7.1.4 The Committee is involved in a timely manner in the negotiation and preliminary phase through the receipt of a complete, adequate, updated and timely flow of information and with the power to request information and make comments to the delegated bodies and individuals in charge of conducting negotiations or preliminary investigation.
- 7.1.5 The Board of Directors may approve RPTs of Greater Significance despite the Committee's advice to the contrary, provided that the fulfillment of such RPTs is authorized in accordance with Article 2364, Section 1, number 5) of the Civil Code by the shareholders' meeting.

In the hypothesis referred to in the preceding Section as well as in the hypotheses in which a proposed resolution to be submitted to the Shareholders' Meeting in connection with a transaction of greater significance is approved in the presence of a contrary opinion from the independent directors, the Shareholders' Meeting shall pass resolutions with the majorities prescribed by law, provided that, where the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the voting share capital, the aforementioned of legal majorities are achieved with the favorable vote of the majority of the unrelated shareholders voting at the Shareholders' Meeting.

- 7.1.6 On the occasion of RPTs of Greater Significance, to be carried out also through subsidiaries of Salvatore Ferragamo, the Company shall prepare a disclosure document prepared in accordance with Annex 4 of the Consob Regulations, in accordance with the provisions of Article 5 of the same Consob Regulations. The Company prepares the same disclosure document in the case indicated in Section 6.2 above. It should be noted that in the latter case, the Company will prepare a single disclosure document for all RPTs subject to cumulation.

### **7.2 Procedure for RPTs of Lesser Significance.**

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The procedure outlined below, except as otherwise expressly provided below, applies only to RPTs of Lesser Significance.

- 7.2.1 Approval of RPTs of Lesser Significance is the responsibility of the Board of Directors or the delegated bodies (hereinafter "**Delegates**") depending on the delegation and power structure in force from time to time. The Delegates may always submit to the Board of Directors for its collegial approval the RPTs of Lesser Significance with respect to which they would be competent. In such a case, the Directors Involved in the Transaction, if any, without prejudice to Article 2391 of the Civil Code, are required to abstain from voting by the Board of Directors on the relevant resolutions; the director required to abstain contributes to the constitutive quorum of the administrative body, but is excluded from the deliberative quorum required for the adoption of the resolution.
- 7.2.2 In any case, RPTs of Lesser Significance are approved subject to the non-binding opinion of the Committee. The Committee has the right to be assisted by one or more independent experts of its choice, at the Company's expense. The non-binding opinion of the Committee shall be taken - *mutatis mutandis* - in accordance with the terms and conditions set forth in Section 7.1.2 above.
- 7.2.3 Delegates or the Chairman of the Board of Directors (as the case may be), on at least a quarterly basis, report on the execution of Major and Minor RPTs, and provide all the documentation necessary for a clear representation of such RPTs to the Board of Directors (in the case of Delegates), the Board of Statutory Auditors, and the Committee.
- 7.2.4 If the Committee has issued a negative opinion on RPTs of Lesser Significance, the Company (within fifteen days of the end of each quarter of the fiscal year) shall make available to the public (at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the regulations adopted by Consob with resolution 11971/1999 ("**Issuers' Regulations**") an information document containing an indication of the counterparty, object and consideration of the RPTs of Lesser Significance approved in the quarter of reference despite the aforementioned negative opinion, as well as the reasons why it was decided not to share this opinion. Within the same period, the opinion of the Committee of Independent Directors is made available to the public as an annex to the disclosure document or on the Company's website.

## **7.3 Transactions within the purview of the assembly**

In the event that, on the basis of provisions of the law or bylaws, RPTs are within the competence of the shareholders' meeting or need to be authorized by the shareholders' meeting, at the stage of negotiations, at the stage of preliminary investigation, and at the stage of approval of the proposed resolution to be submitted to the shareholders' meeting, the procedure mentioned in Section 7.1 for RPTs of Greater Significance and Section 7.2 for RPTs of Lesser Significance, respectively, shall apply.

## **8. OPERATIONS OF SUBSIDIARIES, ITALIAN OR FOREIGN**

The Company provides its Italian and foreign subsidiaries with all necessary information in a timely manner to enable the identification of Related Parties.

In the event that Italian or foreign subsidiaries of the Ferragamo Group intend to enter into Significant RPTs with Related Parties, the subsidiaries themselves must still acquire the prior consent of the Company's Board of Directors.

In the event that the Company examines in advance or approves, by any means and independently of an express resolution, transactions entered into by Italian or foreign subsidiaries of the Ferragamo Group with parties related to SF, the provisions contained in Sections 7.1, 7.2 and 7.3 above shall apply - to the extent compatible.

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## **9. MECHANISM OF THE CUMULABILITY OF OPERATIONS**

It will be the responsibility of the Head of Corporate Affairs/Corporate Affairs to keep track of all transactions considered RPTs of Lesser Significance for the purpose of monitoring whether such transactions aggregated with others, may result in exceeding the thresholds of significance.

RPTs of Lesser Significance concluded during a single fiscal year-even if concluded by Italian or foreign subsidiaries-if "cumulatively considered" (summed) exceed the threshold established for transactions of Greater Significance, will be the subject of a disclosure document, containing information on all RPTs considered for cumulative purposes, prepared pursuant to Article 5 of the Consob Regulations.

Transactions completed during the fiscal year are cumulative:

- ✓ With the same Related Party;
- ✓ with related parties of both that related party and the Company;
- ✓ Where among them homogeneous or;
- ✓ carried out in execution of a unified design.

### **9.1 Public disclosure**

In cases where the materiality threshold is exceeded determined by the accumulation of transactions, the disclosure document shall be made available to the public within 15 days of the approval of the transaction that caused the materiality threshold to be exceeded. The disclosure document will contain the transactions, including on an aggregate basis, considered for the purpose of cumulation.

If the transaction that resulted in the materiality threshold being exceeded was concluded by a subsidiary, the disclosure document shall be made available within 15 days after the Company is notified of the approval.

## **10. CASES OF EXEMPTION**

In addition to the cases for which the Consob Regulations themselves provide for the exclusion of the application of the relevant regulations, the Company avails itself of the following exemptions, optionally provided for by the Consob Regulations.

10.1 In particular, the following are excluded from the regulations contained in this RPT Procedure, to the extent permitted by the Consob Regulations:

- (i) compensation plans based on financial instruments approved by the shareholders' meeting pursuant to Article 114-bis of the TUF and related executive transactions;
- (ii) resolutions (other than those that are already excluded from the scope of application of the Consob Regulations, pursuant to Article 13, Section 1 thereof) regarding the remuneration of directors holding special offices, as well as other executives with strategic responsibilities, provided that:
  - a. the Company has adopted a remuneration policy approved by the shareholders' meeting;
  - b. In setting the remuneration policy, a committee consisting exclusively of non-executive directors, the majority of whom are independent, was involved;
  - c. The remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments;

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- (iii) Ordinary RPTs, subject to the obligations set forth in Section 10.2 below;
- (iv) RPTs with or between companies controlled (including jointly) by SF, as well as RPTs with affiliated companies, provided that in the subsidiaries or affiliated companies that are counterparties to the RPT there are no interests (qualified as significant under Section 10.4 below) of other Related Parties of the Company ;
- (v) Urgent RPTs, in accordance with the provisions of Section 10.5 below as well as, where expressly permitted by the Company's Articles of Association, in accordance with the same, without prejudice to the disclosure requirements set forth in Article 5 of the Consob Regulations and the reservation of the Board of Directors' competence for RPTs of Greater Significance.

10.2 In relation to Ordinary RPTs of Greater Significance, subject to the provisions of Article 17, of Regulation (EU) No. 596/2014, the Company shall comply with the following disclosure requirements:

- (i) communicates to Consob and, through the Corporate Affairs/Corporate Affairs Function, to the Committee, the counterparty, the object and the consideration of the RPTs that have benefited from the exemption as well as the reasons why the RPT is deemed to be Ordinary and concluded at conditions equivalent to market or standard conditions, providing objective evidence of feedback, within 7 days from the approval of the transaction by the competent body, or, if the competent body resolves to submit a contract proposal, from the time when the contract (including preliminary) is concluded, or, in cases of competence or authorization of the shareholders' meeting, from the approval of the proposal to be submitted to the shareholders' meeting;
- (ii) indicates in the interim management report and the annual management report, within the scope of the information required by Article 5(8) of the Consob Regulations, which of the RPTs subject to the disclosure requirements set forth in the latter provision were concluded by taking advantage of the exemption provided for in Section 10.1(iii) above.

10.3 The Committee, on the basis of the information received pursuant to Section 10.2 above, evaluates, at least on an annual basis, the correct application of the exemption conditions to Ordinary RPTs of Greater Significance by verifying, in particular, for this purpose, the relevance of the object of the RPTs with the Group's activities, the recurrence of the type of RPT within the Company's or the Group's business, terms and conditions of the exempted RPTs, also with regard to the characteristics of the consideration, nature of the counterparty and timing of the execution of the RPTs. If, as a result of the periodic verification procedures referred to in this Section, the Committee finds that the process and/or criteria for the evaluation of Ordinary Transactions of Greater Significance need to be improved and/or modified for the purposes of applying the relevant exemption conditions, it will formulate its own indications and suggestions to the Corporate Functions involved pursuant to this Procedure in the evaluation through the Corporate Affairs/Corporate Affairs Function, which must take them into account in subsequent evaluations of similar cases.

10.4 For the purposes of the exemption set forth in Section 10.1, item (iv) above (i.e., transactions with or between subsidiaries), those interests generated by relationships of an equity or equity nature with the Company's subsidiaries or affiliates are considered significant, where such relationships are such as to exclusively or primarily direct the management choices of the Company, its subsidiaries or affiliates to the satisfaction of the interest of another Related Party of the Company. By way of example, the following are considered significant:

- (i) the interests subsisting in the case of sharing one or more executives with strategic responsibilities, if such executives benefit from incentive plans based on financial instruments

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or variable remuneration dependent on the results achieved by the Ferragamo Group's subsidiaries or affiliates with which the transaction is carried out, not provided for in the remuneration policy, to be ascertained from time to time with the support of the Human Resources Function;

- (ii) the interests of the person who controls the Company, where the interest held by it (even indirectly) in the company counterparty to the RPT, controlled by, or related to, SF has a greater effective weight than the interest it holds in the Company.

10.5 In the event that the Company intends to take advantage of the exemption in Section 10.1 (v) above (i.e., urgent RPTs), the Company shall put in place the following steps:

**(A) RPTs not within the purview of the assembly, nor subject to authorization by the assembly:**

- (i) if the RPT to be carried out falls within the competence of a delegated body, the chairman of the Board of Directors and the *lead independent director*, if appointed, must be informed of the reasons for urgency before the transaction is carried out;
- (ii) the RPTs must subsequently be the subject, without prejudice to their effectiveness, of a non-binding resolution adopted by the first useful ordinary shareholders' meeting;
- (iii) the body convening the meeting required to deliberate under (ii) above must prepare a report containing adequate reasons for the urgency;
- (iv) the supervisory body must report to the assembly on its assessment of whether the reasons for urgency exist;
- (v) the report and evaluations referred to in (iii) and (iv) above must be made available to the public (at least twenty-one days prior to the date set for the shareholders' meeting referred to in (ii) above) at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulations. Such documents may be contained in the information document referred to in Article 5, Section 1, of the Consob Regulations;
- (vi) by the day following the day of the meeting referred to in (ii) above, information on the results of the voting shall be made available to the public (in the manner specified in Part III, Title II, Chapter I, of the Issuers' Regulations), with particular regard to the number of total votes cast by unrelated shareholders.

**(B) RPTs within the purview of the shareholders' meeting, or to be authorized by the shareholders' meeting:**

This includes "urgent cases related to business crisis situations," by which is meant, by way of example:

- i. Cases of significant losses pursuant to Articles 2446 and 2447 of the Civil Code;
  - ii. situations in which the Company is subject to bankruptcy proceedings or situations in which there are uncertainties about going concern as expressed by the Company or its auditor;
  - iii. situations of financial distress that are likely to result, in the near future, in a decrease in the relevant capital pursuant to the aforementioned Articles 2446 and 2447 of the Civil Code;
- (i) the body required to convene the meeting should prepare a report containing adequate reasons for the urgency;

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- (ii) the supervisory body will report to the assembly on its assessments of whether the reasons for urgency exist;
  - (iii) the report and evaluations referred to in (i) and (ii) above shall be made available to the public (at least 21 days prior to the date set for the meeting) at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulations. These documents may also be contained in the information document referred to in Article 5, Section 1 of the Consob Regulations;
  - (iv) if the evaluations of the supervisory body under (ii) above are negative, that the shareholders' meeting shall pass a resolution in accordance with the so-called *whitewash* mechanism;
  - (v) if the evaluations are positive, information on the results of the voting will be made available to the public (in the manner specified in Part III, Title II, Chapter I, of the Issuers' Regulations) by the day following the day of the meeting, with particular regard to the number of total votes cast by unrelated shareholders.
- 10.6 The Corporate Affairs/Corporate Affairs Department, on the basis of appropriate full disclosure prepared by the CFO's department, shall inform the Committee at least on a semi-annual basis with regard to transactions excluded under the Consob Regulations and this Article 10, indicating the nature of the transaction and, in the case of ordinary transactions, providing objective evidence of the reasons for the exclusion; the disclosure shall remain firm even if no transactions subject to exemption have been carried out during the reporting period.

## **11. DELIBERATIONS-FRAMEWORK**

- 11.1 For the purposes of this RPT Procedure, the adoption of framework resolutions relating to series of homogeneous Transactions to be carried out by the Company pursuant to Article 12 of the Consob Regulations, either directly or through subsidiaries, with certain categories of Related Parties is permitted.
- 11.2 In such a case, framework resolutions must:
- (i) Have a time effectiveness of not more than one year;
  - (ii) refer to sufficiently determined Related Party Transactions, indicating at least the foreseeable maximum amount ("**Maximum Amount**") of the RPTs to be carried out in the reporting period and the justification for the expected conditions.
- 11.3 In the event that the Maximum Amount exceeds any of the applicable materiality thresholds identified pursuant to Section 3.6 above, the Company shall (i) approve the framework resolution in accordance with the procedure set forth in Section 7.1 of this RPT Procedure and (ii) publish a (single) disclosure document pursuant to Section 7.1.5 above.
- 11.4 In the event that the Maximum Amount, calculated in accordance with Section 11.3 above, is less than all applicable materiality thresholds identified in Section 3.6 above, the Board of Directors shall approve the framework resolution in accordance with the procedure set forth in Section 7.2 of this RPT Procedure.
- 11.5 The procedures set forth in Section 7 of this RPT Procedure will not apply to individual RPTs subject to a framework resolution.

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11.6 The corporate bodies responsible for the execution of RPTs subject to a framework resolution will provide the Board of Directors with a full report, at least quarterly, on the implementation of the framework resolution.

## **12. CONTROL RESPONSIBILITIES**

The Company's Board of Statutory Auditors is responsible for oversight:

- (i) on the compliance of this RPT Procedure with the principles set forth in the Consob Regulations; and
- (ii) On compliance with and proper application of this RPT Procedure.

## **13. DISCLOSURE OBLIGATIONS OF THE COMPANY**

The provisions contained in the following Sections provide, for informational purposes only and without the character of exhaustiveness, a summary of the main disclosure requirements to which the Company is subject under the Consob Regulations, to which reference is made for further information on the subject.

### 13.1 General obligation of transparency

Pursuant to the provisions of Article 4(7) of the Consob Regulations, the RPT Procedure and any amendments thereto are published without delay on the Companies' website, without prejudice to the obligation of disclosure, including by reference to the website itself, in the annual management report, pursuant to Article 2391-bis of the Civil Code.

### 13.2 RPTs of Greater Significance and/or subject to cumulation

Pursuant to the provisions of Article 5, Sections 1 through 7 of the Consob Regulations, for (i) each RPT of Greater Significance, as well as for (ii) several transactions that are homogeneous or carried out in execution of a unitary design that cumulatively exceed the Significance Indices indicated in Section 3.4 above, the Company is required to prepare a specific disclosure document by making it available to the public at the registered office and in the manner set forth in Title II, Chapter I of the Issuers' Regulations, within 7 days (or 15 days in the case of cumulative transactions):

- from the approval of the transaction or the proposal to be submitted to the shareholders' meeting (in the case of transactions within the competence of the shareholders' meeting);
- from the conclusion of the contract, even preliminary (where the competent body has resolved to submit a contract proposal).

The disclosure document is prepared in accordance with Annex 4 to the Consob Regulations and contains at least the information specified therein. The disclosure document includes as an annex the opinions of the Committee, if any, and those of the independent experts used by the Committee and/or the Board of Directors in the event that the Company does not decide to publish them on its website, within the same deadline.

At the same time as the public dissemination, the Company transmits the disclosure document and opinions to Consob through connection with the authorized storage mechanism pursuant to Article 65-septies (3) of the Issuers' Regulations.

If, in connection with a RPT of Greater Significance, the Company is also required to prepare a disclosure document pursuant to Articles 70(4) and (5) and 71 of the Issuers' Regulations, it may publish a single document containing the information required by Annex 4 to the Consob Regulations and the same Articles 70 and 71. In this case, the document shall be made available to the public, at the registered office and in the manner indicated in Title II, Chapter I, of the Issuers' Regulations, within the shortest period of time among

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those provided by each of the applicable provisions. Where separate documents are published, the Company may include by reference the information already published.

## 13.3 RPTs of Lesser Significance

Pursuant to the provisions of Article 7(1)(g) of the Consob Regulations, without prejudice to the provisions of Article 17 of Regulation (EU) No. 596/2014, in the case of RPTs of Lesser Significance approved in the presence of a negative opinion of the Committee, the Company shall make available to the public at the registered office and in the manner set forth in Title II, Chapter I of the Issuers' Regulations, within 15 days after the end of each quarter of the fiscal year, a quarterly disclosure document containing:

- An indication of the counterparty, object and consideration of the transactions approved in the reporting quarter despite the above negative opinion;
- An indication of the reasons for disagreeing with the negative opinion.

Within the same period, the negative opinion shall be made available to the public by attaching it to the disclosure document, or by posting it on the Company's website.

## 13.4 Periodic information

Pursuant to the provisions of Article 5(8) of the Consob Regulations, the Company provides information in its interim management report and annual management report, pursuant to Article 154-ter of the TUF:

- a. On individual RPTs of Greater Significance concluded during the reporting period;
- b. on any other individual related-party transactions concluded during the reporting period that have materially affected the Company's financial position or results;
- c. on any changes or developments in the RPTs described in the last annual report that had a material effect on the Company's financial position or results during the reporting period;

Information on individual RPTs of Greater Significance may be included by reference to published disclosure documents, reporting any significant updates.

## 13.5 Related party transactions and disclosure pursuant to Article 114 TUF and 17 of Regulation (EU) No. 596/2014

If a Related Party Transaction is disclosed through the dissemination of a press release pursuant to Article 17 of Regulation (EU) No. 596/2014, the latter shall contain, in addition to the information to be published pursuant to the aforementioned provision, at least the information referred to in Article 6, Section 1 of the CONSOB Regulation.

## **14. FINAL PROVISIONS**

The Chief Executive Officer, with the support of the competent functions and subject to the favorable opinion of the Committee, has the power to make amendments to the Procedure made necessary by: (i) changes that may occur in the relevant regulatory provisions or in the applicable accounting standards and/or as a result of interpretative communications issued by Consob; (ii) changes in the Company's organizational structure.

For matters not expressly provided for in this RPT Procedure, the legal and regulatory provisions in force from time to time shall apply.

This RPT Procedure should be interpreted in accordance with the principles set forth in Consob's interpretative notices.

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## Appendix

### DEFINITIONS OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS AND THEIR FUNCTIONAL DEFINITIONS UNDER INTERNATIONAL ACCOUNTING STANDARDS

#### 1. Definitions of related parties and related party transactions under international accounting standards

##### ***Related parties***

A related party is a person or entity that is related to the reporting entity.

(a) A person or a close family member of that person is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is one of the key management personnel of the reporting entity or its parent company.

(b) An entity is related to a reporting entity if any of the following conditions apply:

- (i) the entity and the reporting entity are part of the same group (meaning that each parent, subsidiary and group company is related to the others);
- (ii) an entity is an associate or joint venture of the other entity (or an associate or joint venture that is part of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third counterparty;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is represented by a post-employment benefit plan for the benefit of employees of the reporting entity or a related entity;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is one of the key management personnel of the entity (or a parent of the entity);
- (viii) the entity, or any member of a group to which it belongs, provides key management services to the reporting entity or the reporting entity's parent [IAS 24(9)].

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associated company and the investor who has significant influence over the associated company are related to each other [IAS 24, Section 12].

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## ***Related party transactions***

A related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a consideration is agreed upon [IAS 24, Section 9].<sup>3</sup>

### 2. Definitions functional to those of "related parties" and "related party transactions" under international accounting standards

The terms "control," "joint control," and "significant influence" are defined in IFRS 10, IFRS 11 (Arrangements for Joint Control) and IAS 28 (Investments in Associates and Joint Ventures) and are used with the meanings specified in those IFRSs [IAS 24, Section 9].

## ***Executives with strategic responsibilities***

Key management personnel are those individuals who have the power and responsibility, directly or indirectly, for planning, directing and controlling the company's activities, including directors (executive or otherwise) of the company [IAS 24, Section 9].

## ***Close family ties***

Close family members of a person are considered those family members who are expected to influence, or be influenced by, that person in their dealings with society, including:

- (a) the children and spouse or domestic partner of that person;
- (b) the children of that person's spouse or domestic partner;
- (c) the dependents of that person or spouse or domestic partner [IAS 24(9)].

### 3. Interpretive principles of definitions

In examining each related party relationship, attention must be paid to the substance of the relationship and not simply its legal form [IAS 24, Section 10].

Interpretation of the above definitions is made by referring to the set of international accounting standards adopted in accordance with the procedure of Article 6 of Regulation (EC) No. 1606/2002.

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<sup>3</sup> Such operations include:

- Merger, demerger by incorporation or demerger in the strict non-proportional sense, where carried out with related parties;
- Decisions regarding the allocation of remuneration and economic benefits, in any form, to members of the administrative and control bodies and to executives with strategic responsibilities