



FERRETTIGROUP

Ferretti S.p.A.

(Incorporated under the laws of Italy as a joint-stock company with limited liability)

(Stock Code: 09638)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Article 1

Preamble

These terms of reference (the “**Terms of Reference**”) was approved by the board of directors (the “**Board of Directors**”) on December, 21, 2021 and amended on March, 20, 2023, govern the establishment, operation and functions of the committee responsible for evaluating the remuneration policies for directors and the top management and making recommendations thereon to the Board of Directors (the “**Committee**”) of Ferretti S.p.A. (the “**Company**”).

Article 2

Establishment

1. The Committee was established by resolution of the Board of Directors of the Company pursuant to the Company’s by-laws and in compliance with the rules applicable to companies with shares listed on The Stock Exchange of Hong Kong Limited.
2. The Committee is composed of at least three directors, the composition of the Committee shall be determined by the Board of Directors.
3. At least one member of the Committee has adequate knowledge and experience in financial matters or remuneration policies, to be evaluated by the Board of Directors at the time of appointment.
4. The directors accept the office of Committee member only when they deem that they can devote the necessary time to the diligent performance of their duties.
5. The Committee shall have one chairman to be acted by an independent non-executive director upon election by the Board of Directors (the “**Chairman**”). The Chairman shall have the task of coordinating and planning the activities of the Committee and guiding the progress of its meetings.

6. The term of the mandate shall be determined from time to time by the Board of Directors or, where no such determination is made, shall coincide with the term of office of the Board of Directors. Early termination, for any reason, of the Board of Directors shall result in the immediate forfeiture of the Committee's mandate.
7. In the event that, for any reason, one or more members of the Committee ceases to hold office, the Board of Directors shall replace them in accordance with the provisions of the preceding paragraphs.
8. The Board of Directors may remove the members and the Chairman of the Committee at any time, without entitling them to right or claim in connection with the removal.
9. The Secretary of the Board of Directors, or other person identified by him/her within the corporate secretarial structure of the Company, shall act as Secretary of the Committee (the "**Secretary**").

Article 3
Meetings and Resolutions

1. Committee meetings shall be convened by the Chairman or one of its members, periodically with necessary frequency to enable it to perform its functions and in all cases at least once per year, in the place, indicated pursuant to the article 22.1 of the Company's bylaws, in the notice of call sent to all Committee members.
2. The notice of call of the meeting, drawn up in English, shall be sent by the Secretary, upon the instructions of the Chairman, by registered mail, telefax, e-mail or equivalent means, provided that proof of receipt is given, at least three business days prior to the date of the meeting, shall indicate the place, date and time of the meeting, together with the agenda and the modalities of attendance as well as the information required by law.
3. In case of necessity and urgency, aforementioned notice of call may be sent at least twenty-four hours before the time set for the meeting, in the manner indicated above.
4. A copy of the notice of call shall in any case be sent by the Secretary to the Chairman, the Chief Executive Officer, the chairman of the Board of Statutory Auditors, and the Director of Human Resources & Organization Officer.
5. However, the Committee may validly pass resolutions, even not formally called, whenever all its members are present.

6. The Chairman of the Committee, also at the request of the other members of the body, may invite to single meetings the Chairman of the Board of Directors, the Chief Executive Officer, the other directors, and by informing the Chief Executive Officer, the managers and representatives of the Company's or group's corporate functions competent to the topics on the agenda, the secretary of the Board of Directors, if he or she does not act as Secretary, as well as any other persons, including those from outside the Company and the group whose presence is deemed useful, also to provide the appropriate insights in relation to the discussion of one or more items on the agenda; the Chairman of the Board of Statutory Auditors, or another member designated by him/her, shall participate in the work of the Committee.
7. In such case, the invited parties shall be made aware of the notice of call and of any documentation, to the extent necessary for their effective participation in the work.
8. Meetings of the Committee may be held by audio or video conference, provided that all participants can be identified by the Chairman of the meeting, are able to follow the discussion, are able to participate in real time deliberations on the item of the meeting and simultaneous voting, and with the possibility to receive, transmit and review documents in real time and the person taking the minutes is allowed to adequately perceive the events being recorded.
9. Any documentation drawn up in English and, where deemed to be necessary and/or requested, also in Italian, relating to the items on the agenda shall be made available to the members and, where deemed necessary or appropriate, to any additional persons invited, by the Secretary, in a manner suitable to ensure the necessary confidentiality, including by means of a dedicated computer platform, generally at the same time as the notice of the meeting is sent, or in cases of urgency at least twenty-four hours before the time set for the meeting, according to the same transmission methods of the notice of call.
10. Committee meetings shall be chaired by the Chairman or, in the event of the latter's absence or impediment, by the most senior member.
11. The presence of a majority of incumbent members is necessary in order for meetings to be validly constituted.

Resolutions shall be adopted by an absolute majority of votes. In the event of a tied vote, the vote of the chairman of the meeting shall prevail. Votes cannot be cast by proxy.

12. No director shall participate in the meetings of the Committee during which the proposals to be submitted to the Board relating to his/her remuneration are drafted, unless the proposals relate to the members of the Committees within the Board of Directors in general.
13. Minutes of the meetings are taken by the Secretary.
14. Minutes shall be kept of Committee meetings in English, a draft of which is submitted to the Committee Chairman and other members for their comments; once transcribed into the book kept by the Chairman, shall be signed by the person chairing the meeting and by the Secretary. Meetings shall be deemed to be held in the place where the Chairman of the meeting is present. The minutes shall be sent to the members of the Committee and to the other participants.
15. For all matters not covered in these Terms of Reference, the provisions of the Board of Directors Regulations and those of the Company's by-laws governing Board of Directors' meetings shall apply *mutatis mutandis* to the meetings of the Committee.
16. The Chairman of the Committee shall report to the Board of Directors of all activities it carries out at the earliest opportunity, and in any case at least once a year. In addition, at least the Chairman of the Committee or another member of the Committee designated by the Chairman shall attend the annual general meeting.

Article 4
Functions, objectives and duties

1. In the performance of its functions, the Committee shall have the right to access, through the Secretary of the Committee, to the Company information and offices as necessary to perform its duties.
2. The Committee may avail itself, in order to obtain information on market practices regarding compensation policies of the services of independent consultants provided that they are adequately bound by to the necessary confidentiality. It is the Committee's responsibility to verify in advance that the external advisor is not in a situation that would compromise his or her independent judgment, including in light of any services he or she provides to the Company's human resources department, directors, or managers with strategic responsibilities. Whenever deemed necessary to fulfil its functions, the Committee charges to the Company the costs of required assistance of independent professionals.
3. The Company shall provide the Committee with sufficient financial resources to perform its duties, within the limits of the budget approved by the Board of Directors.

4. Remuneration, if any, for Committee attendance shall be determined by the Board of Directors. Reasonably incurred and documented expenses for the performance of the office shall be reimbursed in all cases.
5. The Committee shall cooperate with the other committees to support the Board of Directors in the goal of long-term value creation for the benefit of shareholders, taking into account the interests of the Company's other relevant stakeholders, as provided for in the Corporate Governance Code approved by the Corporate Governance Committee in January 2020.
6. The Committee shall carry out investigative, propositional, and advisory activities whenever the Board of Directors needs to make assessments or take decisions regarding the remuneration of directors, members of the control body, or concerning the remuneration policy of top management.
7. In particular, the Committee is entrusted with the task of:
 - assisting the Board of Directors in the development of the remuneration policy;
 - formulating proposals or express opinions for the Board of Directors with regard to the policy and structure of remuneration for directors and executives with strategic responsibilities, together with proposals for the establishment of a transparent procedure for the development of the remuneration policy and monitoring the implementation of the decisions taken by the Board of Directors;
 - reviewing and approving proposals for the remuneration of executives with strategic responsibilities, with reference to the objectives and purpose defined by the Board of Directors;
 - submitting proposals or delivering opinions to the Board of Directors on the remuneration of executive directors and other directors holding special offices, as well as on the setting of performance objectives related to the variable component of such remuneration;
 - formulating proposals for the Board of Directors concerning overall remuneration (expressly including benefits, pension arrangements and other allowances) of executive director and executives with strategic responsibilities. In the case of proposals for executive director, the Committee must also consult the Chairman of the Board of Directors and/or the Chief Executive Officer;
 - formulating proposals for the Board of Directors regarding the remuneration of non-executive director;

- supporting the Board of Directors in verifying the consistency of the remuneration paid with the principles and criteria defined by the policy, carrying out the tasks for this purpose set forth in the procedure;
- defining and approving the allowances to be paid to the directors and executives with strategic responsibilities on the termination of their appointment, also ensuring that such allowances are congruent with contractual provisions governing the relevant appointment and in all cases are appropriate and not excessive for the Company;
- defining and approving agreements for revocation of appointments or the resignation of a director due to negligent behaviour or other kinds of misconduct ensuring in all cases that such agreements are congruent with contractual provisions governing the relevant appointment and are reasonable and appropriate for the Company;
- considering the remuneration paid by companies with the same characteristics as the Company, as well as the terms of the contracts, responsibilities and working hours applied in companies of the same group;
- delivering opinions or proposals to the Board of Directors on any remuneration plans based on shares or other financial instruments intended for directors, managers with strategic responsibilities, employees and collaborators;
- delivering opinions or proposals to the Board of Directors on any monetary incentive compensation plans intended for executives with strategic responsibilities;
- ensuring that each director or other person connected to them are not involved in decisions relating to their remuneration;
- assisting the executive director in the formulation and definition of any incentive schemes or share allotments to be submitted to the Board of Directors for approval;
- providing assessments on particular and specific remunerative issues for which the executive director require an examination by the Committee;

- monitoring on an annual basis, or with the different frequency established by the Board of Directors, the actual application of the policy, in accordance with the modalities set forth in the procedure, verifying, in particular, the actual achievement of the performance objectives related to the variable component of the remuneration of executive directors or other directors who hold special offices;
- evaluating periodically the adequacy and overall consistency of the policy of directors and top management;
- reviewing in advance the annual report on remuneration policy and compensation paid to be made available to the public in view of the annual general meeting;
- evaluating the outcome of the shareholders' vote on the remuneration policy; and
- reviewing and/or approving matters relating to share schemes under chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 5 **Final provisions**

These Terms of Reference shall be available to members of the Board of Directors and the Board of Statutory Auditors at the registered office of the Company and at the place where the Committee is convened and published on the website of the Company and of The Stock Exchange of Hong Kong Limited.

The Committee shall periodically review, at least annually, the adequacy of these Terms of Reference and submits to the Board of Directors any proposal for amendments or integration.

Any amendment to these Terms of Reference must be adopted by resolution of the Board of Directors. The Chairman of the Board of Directors may make such purely formal amendments to these Terms of Reference as may be necessary to comply with statutory or regulatory provisions, resolutions of the Board of Directors, or in connection with organizational changes in the Company, subject to the Committee's prior approval, and shall inform the Board thereof.

These Terms of Reference, as amended by the Board of Directors on March, 20, 2023, shall enter into force on the commencement of trading of the Company's shares on Euronext Milan.