

# Board of Directors



## **1. Johann Rupert** **Chairman** **South African, born 1950**

Mr Rupert was first appointed to the Board in 1988 and served as Chairman from 2002 to 2013. Following a sabbatical year, he was reappointed Chairman in September 2014. He is Chairman of the Nominations Committee and the Senior Executive Committee.

Mr Rupert is the Managing Partner of Compagnie Financière Rupert. He studied economics and company law at the University of Stellenbosch. After working for the Chase Manhattan Bank and Lazard Frères in New York, he founded Rand Merchant Bank in 1979. In 1985, he joined Rembrandt. He founded Richemont in 1988 and became Group Chief Executive. He also served as Chief Executive Officer from 2003 to 2004 and from 2010 to 2013. He is Non-executive Chairman of Remgro Limited and Chairman of Reinet Investments Manager S.A., the management company of Reinet Investments S.C.A.

Mr Rupert holds honorary doctorates in Law, Economics and Commerce, is Chairman of the Peace Parks Foundation and the Michelangelo Foundation.

## **2. Josua Malherbe** **Non-executive Deputy Chairman** **South African, born 1955**

Mr Malherbe was appointed to the Board in 2010 as a Non-executive Director and has served as Deputy Chairman since September 2013. He also serves as Chairman of the Audit Committee and is a member of the Strategic Security and Nominations Committees.

He qualified as a Chartered Accountant from The South African Institute of Chartered Accountants in 1984 and worked with the predecessor firm of PricewaterhouseCoopers before joining Rand Merchant Bank in 1985. In 1990 he joined Rembrandt Group Limited and was involved with Richemont at that time. Since its formation in 2000, he served first as Chief Executive Officer and then as Deputy Chairman of VenFin Limited until 2009 when that company was acquired by Remgro Limited.

Mr Malherbe continues to serve as a director of Richemont Securities S.A., Remgro Limited, Reinet Investments Manager S.A., and Pension Insurance Corporation Group Limited.

## **3. Jérôme Lambert** **Group Chief Executive Officer** **French/Swiss, born 1969**

Mr Lambert was appointed to the Board in 2017 and is a member of the Senior Executive Committee.

He graduated from ESG Management School, Paris and completed post-graduate studies at the Swiss Graduate School of Public Administration.

Prior to joining the Group, he held financial roles in Switzerland's public postal and telecommunications service. Mr Lambert joined Jaeger-LeCoultre in 1996 as the Manufacturer's financial controller and became Chief Financial Officer three years later. In 2002, he was appointed its Chief Executive Officer and served in that role until June 2013. Mr Lambert then became Chief Executive Officer of Montblanc until March 2017. In addition, Mr Lambert has served as Chairman of A. Lange & Söhne since 2009 and was its Chief Executive for two years. In April 2017, Mr Lambert became the Group's Head of Operations, responsible for central and regional services and all Maisons other than Jewellery and Specialist Watchmakers. In November 2017, Specialist Watchmakers Maisons were added to his scope and he was named Group Operations Officer. Mr Lambert has been the Group Chief Executive Officer since September 2018.

## **4. Burkhardt Grund** **Chief Finance Officer** **German/American, born 1965**

Mr Grund was appointed to the Board in 2017 and is a member of the Senior Executive Committee.

He is a graduate in Business Administration of Georgia Southern University, US and completed his graduate studies in International Finance at Münster University, Germany.

Prior to joining the Group, he held various positions in the Finance department at Wella AG and was appointed Chief Financial Officer of the Wella subsidiary in Chile in 1996.

He moved to Richemont in 2000 to be Chief Financial Officer of Montblanc France, a position which he held until 2006 when he joined Van Cleef & Arpels as Vice President and Chief Financial Officer. In 2016, Mr Grund was appointed Group Deputy Finance Director, and became a member of the Senior Executive Committee. In August 2017, Mr Grund was appointed Group Chief Finance Officer.



**5. Nimesh Arora**  
**Non-executive Director**  
**American, born 1968**

Mr Arora was appointed to the Board as a Non-executive Director in 2017 and is a member of the Nominations Committee.

He holds an M.S. in Business Administration from Northeastern University (1990-1992), an M.S. in finance from Boston College (1992-1994) and a B. Tech. in electrical engineering from the Institute of Technology at Banaras Hindu University (1985-1989).

Mr Arora is currently the Chairman and CEO of Palo Alto Networks, the world’s largest independent cybersecurity company based in Santa Clara California. He has been in this role since 1 June 2018. Prior to this Mr Arora was President and Chief Operating Officer of SoftBank Group Corp., the global telecommunications company and technology investor; he worked at SoftBank from September 2014 till June 2016. Mr Arora also serves on the boards of HeadSpin since February 2018 and MoveWorks since May 2021.

Prior to that Mr Arora has held a number of senior positions in the technology sector. He held various roles at Google since 2004, his last role being Senior Vice President and Chief Business Officer of Google, Inc. from 2009 until 2014. Prior to that Mr Arora worked at Deutsche Telekom AG where his last role was CMO of T-Mobile International; he was at DTAG from 1999 until 2004. Prior to this he was in financial roles at Putnam Investments and Fidelity Investments.

**6. Clay Brendish**  
**Non-executive Lead Independent Director**  
**British, born 1947**

Mr Brendish was appointed to the Board as a Non-executive Director and the Lead Independent Director in 2017. He also serves as the Chairman of the Strategic Security and Compensation Committees and is a member of the Audit and Nominations Committees as well as the Governance and Sustainability Committee of which he served as the Chairman until February 2022.

He holds a Master’s degree in engineering from the Imperial College, London and also holds an honorary Doctor of Science degree from the University of London.

**6. Clay Brendish continued**

His professional background is in the Information Technology and Communications industry, having founded Admiral plc in 1979 (now part of CGI UK). He was a Non-executive Director of BT plc from 2002 to 2011 and Non-executive Director and Chairman of the Meteorological Office from 1995 to 2003. He was also a Trustee of the Economist Newspaper from 1999 to 2012. He was most recently Non-executive Chairman of Anite from 2005 to 2015 and of STthree from 2010 to April 2018. Prior to his nomination to the Board of Richemont, Mr Brendish served as an advisor to Richemont’s Strategic Security Committee.

**7. Jean-Blaise Eckert**  
**Non-executive Director**  
**Swiss, born 1963**

Maitre Eckert was appointed to the Board as a Non-executive Director in 2013 and is a member of the Audit and Nominations Committees.

He graduated from Neuchâtel University, Switzerland, and holds an MBA from Haas School of Business, University of California Berkeley.

Maitre Eckert has been a practising lawyer since 1989 and a Partner of Lenz & Staehelin since 1999, advising on national and international corporate, commercial and tax law.

Maitre Eckert serves on the board of several Swiss companies, including Stellantis International SA and UL GmbH, and on the board of several not-for-profit organisations, including the Fondation pour la Musique et la Culture, Genève. He is also a member of a number of Swiss and international professional organisations.

**8. Keyu Jin**  
**Non-executive Director**  
**Chinese, born 1982**

Dr Jin was appointed to the Board as a Non-executive Director in 2017 and is a member of the Compensation and Nominations Committees.

She is a professor of Economics at the London School of Economics.

From Beijing, Dr Jin holds a BA, MA and PhD from Harvard University. Her specific areas of expertise are international macroeconomics, international finance and the Chinese economy.

Dr Jin is since March 2022 a Non-executive Director of Credit Suisse Group AG.

## Board of Directors continued



**9. Wendy Luhabe**  
**Non-executive Director**  
**South African, born 1957**

Ms Luhabe was appointed to the Board in 2020 as a Non-executive Director and is a member of the Governance and Sustainability and Nominations Committees.

She obtained a Bachelor of Commerce from the University of Lesotho in 1981 and attended the Management Advancement Program at the University of the Witwatersrand. She also holds honorary doctorates in Commerce, including from her Alma Mater, the University of Fort Hare.

Ms Luhabe has extensive experience in luxury goods and is a social entrepreneur and economic activist with multiple honours for her pioneering contribution to the economic empowerment of women in South Africa. She is the founding Chair of Women in Infrastructure Development and Energy. She founded 'Bridging the Gap' and Women Private Equity Fund. She is also a founding member of Women Investment Portfolio Holdings. She created the Wendy Luhabe Foundation and established a scholarship at the University of Johannesburg.

Ms Luhabe is a previous Chair of Vodacom from 2000 to 2005, the Industrial Development Corporation ('IDC') from 2001 to 2009, the International Marketing Council ('IMC') from 2002 to 2009, Alliance Capital from 1997 to 2003, and Vendôme South Africa from 2001 to 2011. She has been a Non-executive Director of Tiger Brands from 1994 to 2001, Telkom from 1994 to 2003, the Johannesburg Stock Exchange from 2003 to 2011 and World Rugby from 2016 to 2018, among others.

She was a Trustee of The Duke of Edinburgh's International Award Foundation, and the founding Chancellor of the University of Johannesburg. She has served on the Boards of the IMD and ESSEC business schools, and recently stepped down as Chairman of the African Leadership University.

Ms Luhabe was a Non-executive Director of Pepkor from January 2019 and currently serves as Non-Executive Chairman since December 2020, she also serves as Non-Executive Chairman of Libstar since 2018, and as a Non-executive Director of the Social Justice Initiative, a non-profit organisation, since 2014.



**10. Ruggero Magnoni**  
**Non-executive Director**  
**Italian, born 1951**

Mr Magnoni was appointed to the Board as a Non-executive Director in 2006 and is a member of the Audit and Nominations Committees. In 2006, he became a partner of Compagnie Financière Rupert.

He graduated from Bocconi University and holds an MBA from Columbia University.

Mr Magnoni joined Lehman Brothers in 1977 and held a number of senior roles across that firm's international activities. In 2000, Mr Magnoni became Head of the European Private Equity division and Vice Chairman of Lehman Brothers Inc and in 2002, Chairman of Lehman Brothers International Italy. Between 2008 and 2013, Mr Magnoni served as Chairman of Nomura International plc's Investment Banking division for Europe, Middle East and Africa. He was a member of the Board of Overseers of Reinet Investments S.C.A. up to September 2009.

He is an investor and Board Director of two Italian listed industrial holding companies, IMMSI Spa and Intek Group, a member of the board of directors of Autostrade Lombarde and Società di Progetto Brebemi, as well as being Chairman of London-based, FCA-registered M&M Capital.

He is also involved with various philanthropic activities, including Fondazione Laureus Italia, Fondazione Dynamo Camp and Peace Parks Foundation.

**11. Jeff Moss**  
**Non-executive Director**  
**American, born 1970**

Mr Moss was appointed to the Board as a Non-executive Director in 2016 and is a member of the Nominations and Strategic Security Committees.

He holds a BA in Criminal Justice from Gonzaga University.

Mr Moss is a computer and internet security expert and is the founder of Black Hat Briefings and DEF CON. Black Hat Briefings was created in 1997 and sold to CMP Media LLC in 2005. DEF CON was established in 1992 and is currently known as one of the world's largest hacker conventions. He served as Chief Security Officer of the Internet Corporation for Assigned Names and Numbers ('ICANN') from 2011 to 2013. Prior to this, Mr Moss served as a director at Secure Computing Corporation from 1998 to 2000.



### 11. Jeff Moss continued

He currently serves as a life member of the Council on Foreign Relations (an independent, nonpartisan membership organisation, think tank, and publisher), is since 2013 a Non-resident Senior Fellow at the Atlantic Council, and is a member of the Georgetown University School of Law Cybersecurity Advisory Committee. In December 2021, Mr Moss was sworn in as a member of the US Department of Homeland Security ('DHS'), Cybersecurity Infrastructure Security Agency ('CISA'), Cybersecurity Advisory Committee, and serves as a chairman of their Technical Advisory Council. Mr Moss served as a sworn member of the US Department of Homeland Security Advisory Council ('HSAC') from 2009 to 2020, providing advice and recommendations to the Secretary of the Department of Homeland Security on matters related to homeland security. He also served as a commissioner on the Global Commission for the Stability of Cyberspace ('GCSC') from February 2017 to December 2021.

### 12. Vesna Nevistic Non-executive Director Swiss/Croatian, born 1965

Dr Nevistic was appointed to the Board as a Non-executive Director in 2017 and is a member of the Audit and Nominations Committees.

She holds Swiss and Croatian citizenships and has a PhD in Electrical Engineering from the Swiss Federal Institute of Technology ('ETH') Zurich.

She has gained extensive international experience in consulting and investment banking, having been a Partner at McKinsey and Managing Director at Goldman Sachs. From 2009 to 2012, Dr Nevistic was a Group Managing Director and Head of Corporate Development at UBS, where she was part of the senior executive team that restructured the bank's operations following the financial crisis. She currently runs her own advisory boutique, focusing on corporate strategy and business transformations, and also serves as a Non-Executive Director at Samskip BV, Atlantic Grupa d.d. and Constellation Acquisition Corp I.

Dr Nevistic supports various non-profit organisations and is a member of the Finance Committee of the Swiss Study Foundation, and was a trustee at the Swiss Institute/Contemporary Art New York.

### 13. Guillaume Pictet Non-executive Director Swiss, born 1950

Mr Pictet was appointed to the Board as a Non-executive Director in 2010 and is a member of the Governance and Sustainability, Audit, Compensation and Nominations Committees.

### 13. Guillaume Pictet continued

He is a graduate of HEC, Lausanne University. His career in private banking has included membership of Darier Hentsch & Cie's senior management. He has also served as an international economist in Switzerland's Federal Department of Economic Affairs.

Since 1996, Mr Pictet has been a Founding Partner and Vice Chairman of de Pury Pictet Turrettini & Cie SA. He also serves as Chairman of Sécheron SA.

### 14. Maria Ramos Non-executive Director South African, born 1959

Ms Ramos was appointed to the Board as a Non-executive Director in 2011 and is a member of the Compensation and Nominations Committees.

She holds degrees from the University of the Witwatersrand (Bachelor of Commerce and a Bachelor of Commerce Honours in Economics) and from the University of London ('SOAS') – Master of Science in Economics. She also holds honorary doctorates from the University of Stellenbosch and Free State University. She obtained an Institute of Bankers' Diploma in 1983.

Ms Ramos, until February 2019, served as Chief Executive Officer of Absa Group Limited for a period of ten years. Before joining Absa (previously Barclays Africa Group Limited) in March 2009 as Group Chief Executive, Ms Ramos served as the Chief Executive of Transnet Limited. This followed an eight-year tenure as director general of South Africa's National Treasury (formerly the Department of Finance).

She has also served as a Non-executive and Independent Director on the boards of Sanlam Limited from 2004 to 2009, SABMiller PLC from 2008 to 2009, Remgro Limited from 2007 to 2009, the Interim Board of Public Investment Corporation ('PIC') from 2019 to 2020, and the Board of The Saudi British Bank from 2019 to 2020.

Ms Ramos currently serves on the boards of AngloGold Ashanti Ltd since June 2019, where she serves as Chair since December 2020, and Standard Chartered PLC from 1 January 2021.

She is a member of the Group of Thirty and co-Chaired the United Nations Secretary-General's Task Force on Digital Financing of the Sustainable Development Goals (2018 to 2020). She also serves as a member of the International Advisory Board of the Blavatnik School of Government, Oxford University and is a member of the Wits Foundation Board of Governors since March 2022.

## Board of Directors continued



**15. Anton Rupert**  
**Non-executive Director**  
**South African, born 1987**

Mr Anton Rupert was appointed to the Board as a Non-executive Director in 2017 and is a member of the Strategic Security and Nominations Committees.

He was a director of Watchfinder.co.uk from July 2018 to December 2019 and serves as a Non-executive Director of Remgro Ltd. He is a partner of Compagnie Financière Rupert.

Mr Anton Rupert is a non-voting observer designated by Reinet Fund S.C.A., F.I.S. to the board of Carbon, Inc., a leading digital manufacturing platform and is a director of MQA Limited, a company specialised in innovative music coding technology. Since January 2021, he is a member of the Advisory Board of Asia Partners Fund LP I, a regional South East Asia private equity fund focused on growth stage technology-based opportunities.

He has knowledge of and insight into tech start-ups and has had extensive exposure to all of the Group's businesses. He brings valuable insight into changing consumer behaviour in digital marketing and web-based commerce.

**16. Jan Rupert**  
**Non-executive Director**  
**South African, born 1955**

Mr Jan Rupert was appointed to the Board in 2006 and is a member of the Strategic Security and Nominations Committees. He joined the Group as Manufacturing Director in 1999 and served as an Executive Director from 2006 to 2012. Mr Jan Rupert has served as a Non-executive Director since 2012.

Mr Jan Rupert is a graduate in mechanical engineering from Stellenbosch University, South Africa and has had an extensive career in production management in the tobacco and watchmaking industries. Prior to joining Richemont, he was Manufacturing Director of Rothmans International.

**17. Patrick Thomas**  
**Non-executive Director**  
**French, born 1947**

Mr Thomas was appointed to the Board as a Non-executive Director in 2021 and is a member of the Nominations Committee.

He is a graduate of the ESCP Europe (Ecole Supérieure de Commerce de Paris).



**17. Patrick Thomas continued**

Mr Thomas brings more than 30 years of experience in the luxury goods industry. He was the first and only non-family manager of Hermès, where he served as CEO and led the group's considerable development from 2003 until 2014, after eight years as COO from 1989 to 1997. He equally held senior positions at Pernod Ricard UK from 1986 to 1989, Lancaster Group from 1997 to 2000, and William Grant & Sons Ltd. from 2000 to 2003.

Mr Thomas is currently Non-executive Chairman of the Supervisory Board of Champagne Laurent Perrier since April 2021 and of the Supervisory Board of Ardian since 2015, the Lead Independent Director of Teleperformance since 2018, a Non-executive Director of MycoWorks since 2021, a Non-executive Director and Founder of Shang Xia Trading (China) since 2010, and a Non-executive Vice-Chairman of the Supervisory Board of Massilly Holding.

**18. Jasmine Whitbread**  
**Non-executive Director**  
**Swiss/British, born 1963**

Ms Whitbread was appointed to the Board as a Non-executive Director in 2021. She is a member of the Nominations and the Governance and Sustainability Committee. Since February 2022 she serves as the Chairwoman of the Governance and Sustainability Committee.

She graduated from the University of Bristol and completed the Executive Programme at the Stanford Graduate School of Business.

Ms Whitbread is an experienced Non-executive Director with a long-standing interest in ESG issues. She has a leadership and management background spanning marketing, technology, finance, media, telecommunications and not-for-profit organisations. She has previously served as CEO of Save the Children International from 2010 to 2015 and London First from 2016 to March 2021. She also served as a Non-executive Director on BT Group PLC from 2011 to 2019 where she was a member of the Audit and Risk Committee and chaired the Digital Impact & Sustainability Committee. She was an advisor to Richemont's Governance and Sustainability Committee and its precursor from 2020 to 2021.

Ms Whitbread is currently Non-executive Chair of Travis Perkins PLC since March 2021, a Non-executive Director of Standard Chartered PLC since 2015 and chair of the Culture & Sustainability Committee, and a Non-executive Director of WPP PLC since 2019.

# Corporate governance

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## Introduction

Compagnie Financière Richemont SA (the ‘Company’ or ‘Richemont’) and its subsidiaries (together ‘the Group’) are committed to maintaining a high standard of corporate governance. The sections that follow provide information on the Group’s structure, general shareholder information and details regarding the Board of Directors of the Company (the ‘Board’), its committees, as well as the Company’s Senior Executive Committee (‘SEC’). They adhere to the SIX Swiss Exchange’s Directive on Information relating to Corporate Governance (‘DCG’). Cross-references to other sections of the report are provided where appropriate. In certain instances, where the issues contained in the DCG do not apply to Richemont or where the amounts involved are not material, no disclosure may be given. Additional information can be found in the Compensation report.

In addition to Swiss law, including inter alia the Swiss Code of Obligations (‘CO’), the Financial Market Infrastructures Act of 19 June 2015 (‘FinMIA’) and all the relevant ordinances, as well as the ‘Minder’ Ordinance on Excessive Compensation of 20 November 2013, the Company complies with the Listing Rules of the SIX Swiss Exchange. With a secondary listing of the depository receipts issued by Richemont Securities SA (‘Richemont Securities’) in respect of the Company’s shares, the Company also complies with the rules of the Johannesburg Stock Exchange, to the extent that they apply to companies with secondary listings there.

The Group’s principles of corporate governance are codified in the Articles of Incorporation of the Company (the ‘Articles’), in its Organisational Regulations and in the terms of reference of the Audit, Compensation, Governance and Sustainability, Nominations and Strategic Security Committees of the Board. The Articles and the Organisational Regulations of the Company are available on the Group’s website at [www.richemont.com/en/home/about-us/corporate-governance/](http://www.richemont.com/en/home/about-us/corporate-governance/)

The Group’s corporate governance principles and practices are reviewed by the Audit Committee and the Board on an annual basis in the light of prevailing best practices.

The Board believes that the Company’s corporate governance arrangements continue to serve its shareholders well. The Board is confident that the Group’s governance structure reinforces its ability to deliver the Group’s strategy of growing value for shareholders over the long term through the sustained growth of its Maisons and Online Distributors.

## 1. Group structure and shareholders

### Group structure

The Company is a Swiss company with its registered office at 50, chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland.

The Group’s luxury goods businesses are reported within: (i) Jewellery Maisons; (ii) Specialist Watchmakers; (iii) Online Distributors; and (iv) Other. Each of the Maisons and Online Distributors in the Group enjoys a high degree of autonomy, with its own management group under a chief executive officer. To complement those businesses, the Group has established central support functions and a regional functions structure around the world to provide specialised support in terms of distribution, finance, legal, IT and administration services.

The market capitalisation and International Security Identification Number (‘ISIN’) of the Richemont ‘A’ shares are given in section 2 of this corporate governance report, which deals with the capital structure.

The Group holds an interest in one listed company: Dufry AG (‘Dufry’). Dufry’s registered office is in Basel, Switzerland and its registered shares are listed on the SIX Swiss Exchange with ISIN number CH0023405456. Further details regarding Richemont’s shareholding in Dufry may be found in note 36 (for note 36 see page 123 of this report).

Details of the most significant non-listed companies within the Group are set out in note 41 (‘Principal Group companies’) to the Group’s consolidated financial statements (for note 41 see page 137 of this report).

### Significant shareholders

Compagnie Financière Rupert, a partnership limited by shares, having its registered office in Bellevue, Geneva, Switzerland, held 5 221 000 Richemont ‘A’ shares and 522 000 000 Richemont ‘B’ shares representing 10% of the Company’s capital and 51% of its voting rights. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert. Messrs Ruggero Magnoni and Anton Rupert, both non-executive directors of the Company, and Prof Juergen Schrempf, are partners of Compagnie Financière Rupert.

As at 31 March 2022, there were no other significant shareholders in the Company, i.e. persons holding at least 3% of the voting rights. Disclosure notifications by significant shareholders of the Company can be viewed on the SIX Swiss Exchange’s website at [www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/](http://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/)

### Cross-shareholdings

Richemont does not hold an interest in any company which is itself a significant shareholder in the Group.

# Corporate governance continued

## 2. Capital structure

### Capital

There are 522 000 000 'A' registered shares ('A' shares') and 522 000 000 'B' registered shares ('B' shares') in issue. Each 'A' share has a par value of CHF 1.00 and each 'B' share has a par value of CHF 0.10. The issued capital amounts to CHF 574 200 000. Further details are given in note 31 to the Group's consolidated financial statements (for note 31 see page 118 of this report).

### Authorised and conditional capital

On 17 November 2020, the Company created two conditional capitals having an aggregate amount of CHF 24 200 000, allowing the Company to issue not more than 22 000 000 'A' shares and not more than 22 000 000 'B' shares upon exercise of shareholders' warrants, to be issued under a shareholder loyalty scheme to be established by the Company.

The first conditional capital (the 'A' conditional capital') allows an increase of the Company's share capital by an aggregate amount of up to CHF 22 000 000, which represents 3.83% of the existing share capital of the Company. The 'A' conditional capital makes it possible to issue not more than 22 000 000 'A' shares, to be fully paid in, upon exercise of warrants to be issued by the Company or one of its subsidiaries to holders of 'A' shares (the 'A' warrants).

The second conditional capital (the 'B' conditional capital') allows an increase of the Company's share capital by an aggregate amount of up to CHF 2 200 000, which represents 0.38% of the existing share capital of the Company. The 'B' conditional capital makes it possible to issue not more than 22 000 000 'B' shares, to be fully paid in, upon exercise of warrants to be issued by the Company or one of its subsidiaries to holders of 'B' shares (the 'B' warrants).

Preferential subscription rights of shareholders are excluded for what regards the issuance of 'A' shares out of the 'A' conditional capital and of 'B' shares out of the 'B' conditional capital. The Board can set the terms of the 'A' warrants and of the 'B' warrants, as well as of the issuance of the new 'A' shares under the 'A' conditional capital and of new 'B' shares under the 'B' conditional capital.

The Company does not have any authorised share capital.

### Changes in capital

Except for the creation of the 'A' conditional capital and the 'B' conditional capital referred to above, during the three-year period preceding the period ended 31 March 2022, there were no changes to the Company's capital structure. For movements in the reserve for treasury shares, please see the description in the section 'Share buy-back programmes' and the details in note 31 (for note 31 see page 118 of this report).

### Shares, warrants, depository receipts and warrant receipts

#### Shares

The Company's 'A' shares are listed and traded on the SIX Swiss Exchange. The 'B' shares are not listed and are held by Compagnie Financière Rupert, as detailed above.

At 31 March 2022, Richemont's market capitalisation, based on a closing price of CHF 118.00 per share and a total of 522 000 000 'A' shares in issue, was CHF 61 596 million. The overall valuation of the Group at the year end, reflecting the value of both the listed 'A' shares and the unlisted 'B' shares, was CHF 67 755 million.

During the year under review, the highest closing price of the 'A' share was CHF 144.75 on 7 December 2021, and the lowest closing price of the 'A' share was CHF 92.10 on 1 April 2021.

The ISIN of the 'A' shares is CH0210483332 and their Swiss 'Valorennummer' 21048333.

According to Article 7 of the Articles, each share confers the right to one vote.

For Article 7 see: [www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf](http://www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf)

Holders of 'A' shares and 'B' shares enjoy the same dividend rights, but due to the differing par values of the two classes of shares, 'B' shareholders receive one tenth of the dividend per share paid to holders of the 'A' shares.

In respect of the financial year ended 31 March 2022, an ordinary dividend of CHF 2.25 per 'A' share and CHF 0.225 per 'B' share, and an additional special dividend of CHF 1.00 per 'A' share and CHF 0.10 per 'B' share, have been proposed for approval by the shareholders in September 2022. During the year under review, the shareholders approved a dividend of CHF 2.00 per 'A' share and CHF 0.20 per 'B' share.

#### Warrants

On 27 November 2020, as part of a shareholder loyalty scheme that was first announced on 7 August 2020, the Company issued 1 044 000 000 warrants relating to its 'A' shares ('A' warrants) and 1 044 000 000 warrants relating to its 'B' shares ('B' warrants). The Company delivered two 'A' warrants to the holder of each of its 'A' shares, and two 'B' warrants to the holder of each of its 'B' shares.

Sixty-seven 'A' warrants entitle eligible holders to purchase one 'A' share to be issued out of the Company's 'A' conditional capital at a price of CHF 67.00 (subject to adjustments) during an exercise period that is expected to run from 09.00 a.m. Central European Time ('CET') on 20 November 2023 until 12 noon CET on 22 November 2023. During the same period, 67 'B' warrants will entitle their holders to purchase one 'B' share at a price of CHF 6.70 (subject to adjustments). Holders of 'B' warrants will be deemed to have exercised a number of 'B' warrants that is equal to the number of 'A' warrants that will have been duly exercised, so that the number of issued 'A' shares and 'B' shares will remain equal.

The ISIN of the 'A' warrants is CH0559601544 and their Swiss 'Valorennummer' 55960154.

The ISIN of the 'B' warrants is CH0559601551 and their Swiss 'Valorennummer' 55960155.

The 'A' warrants have been listed on SIX Swiss Exchange since 27 November 2020 and are expected to be traded on that stock exchange until 15 November 2023. The 'B' warrants are not listed on any stock exchange.

More information on the Company's shareholder loyalty scheme, the 'A' warrants and the 'B' warrants can be obtained in the Company's 'Shareholder Information Memorandum' dated 19 October 2020, which can be consulted at [www.richemont.com/en/home/investors/shareholder-information/shareholder-loyalty-scheme/](http://www.richemont.com/en/home/investors/shareholder-information/shareholder-loyalty-scheme/)

#### *Depository Receipts*

The 'A' shares are also listed and traded on the Johannesburg Stock Exchange in the form of Depository Receipts ('DRs') issued by Richemont Securities. Richemont Securities, a wholly-owned subsidiary of the Company, acts as Depository for the issuance, transfer and cancellation of the DRs. DRs trade in the ratio of ten DRs to each 'A' share. The terms and conditions applicable to DRs are set out in the Deposit Agreement entered into between Richemont Securities as Depository, and the Company as Issuer. The Deposit Agreement was most recently amended in 2014 and supplemented on 15 October 2020 in connection with the Company's shareholder loyalty scheme.

The ISIN of the DRs is CH0045159024.

In its capacity as Depository, Richemont Securities holds one 'A' share in safe custody for every ten DRs in issue. Richemont Securities' interest in the 'A' shares that it holds is therefore non-beneficial. At 31 March 2022, Richemont Securities held 70 431 596 'A' shares in safe custody in respect of the DRs in issue. This amount represents some 13.49% of the listed 'A' shares.

Dividends received by Richemont Securities are payable in rand to South African residents. Dividends are converted upon receipt by Richemont Securities and remitted to the holders of DRs. Non-South African resident holders of DRs may receive the dividends in Swiss francs, subject to their residence status.

Holders of DRs issued by Richemont Securities are not entitled to attend the shareholders' meeting of the Company or to vote in person. Rather, DR holders are canvassed as to their voting instructions by Richemont Securities, which then represents the holders at such meetings.

#### *Warrant receipts*

On 2 December 2020, Richemont Securities issued 1 250 379 780 'A' warrant receipts in respect of each of the 'A' warrants that it had received in connection with the Company's shareholder loyalty scheme that was first announced on 7 August 2020 (see subsection 'Warrants' above).

Sixty-seven 'A' warrant receipts entitle eligible holders to purchase one DR during the exercise period (expected to run from 09.00 a.m. South Africa Standard Time ('SAST') on 17 November 2023 until 12.00 noon SAST on 21 November 2023), at a price corresponding to the rand equivalent of CHF 6.70 (as the case may be adjusted under the terms of the 'A' warrants), converted at the CHF/ZAR ask exchange rate on the last business day preceding the exercise period.

The 'A' warrant receipts have been listed on the Johannesburg Stock Exchange since 27 November 2020 and are expected to be traded on that stock exchange until 15 November 2023.

The ISIN of the 'A' warrant receipts is CH0562931086.

More information on the 'A' warrant receipts can be obtained in the 'Supplementary Information Memorandum to Richemont Securities SA Depository Receipt Holders' dated 19 October 2020, which can be consulted at [www.richemont.com/en/home/investors/shareholder-information/shareholder-loyalty-scheme/](http://www.richemont.com/en/home/investors/shareholder-information/shareholder-loyalty-scheme/)

#### **Share buy-back programmes**

Over the course of the preceding 21-year period ended 20 March 2020, the Group had repurchased a total of 34 552 934 former 'A' units and 42 681 876 'A' shares through the market to meet obligations under share option plans for executives. During the year under review, there were no 'A' shares repurchased through the market.

Taking into account the exercise of options by executives during the course of the year and other activities linked to the hedging programme, the balance held in treasury at 31 March 2022 was 6 761 624 'A' shares.

On 12 May 2017, Richemont announced a programme envisaging the buy-back of up to 10 000 000 of its own 'A' shares over a three-year period, linked to the requirements of the executive share option plan. Richemont's strategy is to maintain a hedge ratio of at least 90% of the commitments arising under the Group's share option plan. The share buy-back programme expired on 20 May 2020.

Details of the Group's share option plan are set out in the Compensation report from page 63 and in note 33 to the Group's consolidated financial statements (for note 33 see page 120 of this report). The operating expense charged to the consolidated statement of comprehensive income in respect of the fair value of share options granted to executives is set out in note 27 (for note 27 see page 115 of this report).

When 'A' shares are bought back, the cost value of the shares purchased in the market is deducted from shareholders' equity in the Group's consolidated statement of financial position. Gain or losses arising from the sale of shares are as a consequence of the exercise of options by executives, and are recognised within retained earnings directly in shareholders' equity. Details are given in note 31 (for note 31 see page 118 of this report).

#### **Dividend-right certificates**

There are no dividend-right certificates.

# Corporate governance continued

## Transferability of shares

The Company's 'A' shares are issued as uncertificated securities within the meaning of the CO and as intermediated securities within the meaning of the Swiss Federal Act on Intermediated Securities ('FISA'). Following entry in the Share Register, shareholders may request a statement in respect of their 'A' shares from the Company at any time. Shareholders do not have the right to request the printing and delivery of certificated 'A' shares. Certificates (individual share certificates or certificates representing several 'A' shares) may however be printed and delivered if considered appropriate by the Company. The transfer and encumbering of 'A' shares are carried out according to the provisions of the FISA. There are no restrictions on the transfer of 'A' shares. Transfers of the unlisted 'B' registered shares in the Company, which are held solely by Compagnie Financière Rupert, must be approved by the Board in accordance with Article 6 of the Articles. The limitations on transferability of shares may be removed by a resolution of the general meeting of shareholders passed by at least two-thirds of the shares and the absolute majority of the nominal share capital represented at a general meeting of shareholders.

According to Article 6 of the Articles, nominees holding 'A' shares may under certain conditions be registered in the Share Register as shareholders with voting rights.

For Article 6 see: [www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf](http://www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf)

## Convertible bonds and options

As at 31 March 2022, there are no convertible bonds or options issued by the Company other than the share options issued in the context of the Group's share option plan. The details of the Group's share option plan are set out in the Compensation report from page 63 and in note 33 to the Group's consolidated financial statements (for note 33 see page 120 of this report).

## 3. Board of Directors

### Responsibilities and membership

In addition to the non-transferable and inalienable duties, the Board kept the powers and responsibilities which are stipulated in section 2.2.3 of the Organisational Regulations.

For section 2.2.3 of the Organisational Regulations see: [www.richemont.com/media/be4nsorn/20210318\\_organisational\\_regulations.pdf](http://www.richemont.com/media/be4nsorn/20210318_organisational_regulations.pdf)

The Board is responsible for the overall strategic direction of the Group and the appointment of senior management. In addition, it is responsible for establishing financial controls and appropriate procedures for the management of risk within the Group as well as the overall supervision of the business. The Board is responsible for the preparation of the financial statements of the Company and of the Group and for the organisation of shareholder meetings.

With respect to the Board's membership and the qualities of its members as at 31 March 2022, nine nationalities are currently represented on the Board, which was composed of three executive directors and 15 non-executive directors with diverse professional

and business backgrounds. The Board's Chairman is Mr Johann Rupert and its Deputy Chairman is Mr Josua Malherbe. Board members are proposed for election on an individual basis at each year's annual general meeting ('AGM') for a term of one year. All directors are eligible to stand for re-election each year, details of nominations being given in the notice of the AGM. There is no restriction on the number of times a director may seek re-election and no formal age limit for directors.

Neither age nor the number of years served on the Board is deemed to affect a director's independence. Certain independent directors have served for more than ten years.

The non-executive directors are, without exception, indisputably independent in character and judgment. With the exception of Mr Gary Saage (a Board member until 8 September 2021), all non-executive members of the Board were not previously members of the management of the Company or one of the Company's subsidiaries in the three financial years preceding the period under review. They bring to the Board an array of expertise and experience. The Board considers that the combination of experience and expertise has been a significant factor in contributing to the superior returns for shareholders generated by the Group since the listing of Richemont on the Swiss Stock Exchange in 1988. Photographs and biographies of the current Board members may be found on pages 46 to 50.

At the AGM on 8 September 2021, Mr Nicolas Bos, Mr Alan Quasha, Mr Gary Saage and Mr Cyrille Vigneron did not stand for re-election to the Board and Mr Patrick Thomas and Ms Jasmine Whitbread were elected as new members of the Board and appointed as non-executive directors. Mr Ruggero Magnoni and Mr Jan Rupert have indicated that they will not seek re-election at the 2022 AGM.

In terms of its regular business, the Board generally meets for half a day to a full day, five times per annum. Further meetings on specific topics are held on an ad hoc basis. During the year under review, the Board held nine meetings. In addition, Board members attended meetings with the senior management of certain Maisons at which strategy, marketing plans and new products were presented. The Chairman and the Chief Finance Officer establish the agendas for the meetings of the Board. Directors may ask that an item be placed on the agenda for any meeting. Financial reports and supporting information in respect of agenda items are circulated to members of the Board in advance of each meeting. The Board may invite other managers and external advisors to attend meetings.

### Professional background and other activities and functions

Details may be found on pages 46 to 50.

### Activities outside the Group

The Articles (Article 26) limit the number of permitted mandates of Board members. Those activities include directorships in other organisations, including publicly listed businesses.

For Article 26 see: [www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf](http://www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf)

### **Elections and terms of office**

Each of the Chairman of the Board, the members of the Board, the members of the Compensation Committee and the Independent Representative are elected individually by the general meeting of shareholders. They serve for a term of one year, which expires at the end of the following AGM. They are eligible for re-election indefinitely.

### **Board evaluation**

The Board and each of its permanent Committees conduct an annual self-assessment of their own role and effectiveness. This provides members of the Board the opportunity to reflect on their individual and collective performance. The respective Committee's conclusions are communicated to the Board.

### **Board Committees**

In terms of the Group's framework of corporate governance, the Board has established the following standing committees: an Audit Committee; a Compensation Committee; a Governance and Sustainability Committee; a Nominations Committee and a Strategic Security Committee. The current composition of these Committees is indicated below and in the biographical notes on Board members that may be found on pages 46 to 50.

Each Board Committee has its own written terms of reference outlining its duties and responsibilities and a Chairman elected by the Board. The Chairman of each Committee presents a summary of the proceedings of each Committee meeting to the Board. All Board Committees are entitled to invite members of senior management and external specialists to attend meetings for specific matters on an ad hoc basis.

### **Audit Committee**

During the year under review, the six members of the Audit Committee were: Mr Josua Malherbe (Chairman); Mr Clay Brendish; Maître Jean-Blaise Eckert; Mr Ruggero Magnoni; Dr Vesna Nevistic; and Mr Guillaume Pictet. The members are all non-executive directors and, without exception, independent in character and judgment.

Meetings of the Committee are held at least three times per annum and have a typical duration of half a day. During the year under review, three meetings took place. The Chief Finance Officer, the Head of Internal Audit and representatives of PricewaterhouseCoopers SA, the Group's external auditor, attended all three meetings. The Committee has met in camera with the internal auditor during each of these three meetings. Other managers have been invited to attend these three meetings.

The Audit Committee acts in an advisory capacity to the Board, except for the appointment of its advisors for which it has a decision power. Its principal tasks are to:

- satisfy itself that the consolidated financial statements follow approved accounting principles and give a true and fair view of the Group's financial position and results;
- recommend to the Board the appointment, reappointment or dismissal of the external auditor and keep under review their independence and objectivity as well as their level of compensation;
- examine and review, with both the external and internal auditor, the adequacy and effectiveness of the Group's accounting, financial and operational controls;
- oversee the effectiveness of the Group's Internal Audit function and liaise with the Head of Internal Audit on all matters of significance arising from the department's work;
- oversee the adequacy and effectiveness of risk management practices in the Group;
- examine and review the adequacy, effectiveness and integrity of the processes to assure the Group's compliance with all applicable laws and regulations; and
- ensure compliance with the Group's Code of Conduct.

The Chairman of the Audit Committee reports the findings of each Committee meeting to the Board and makes recommendations to management on behalf of the Board.

### **Compensation Committee**

During the year under review, the Compensation Committee was composed of Mr Clay Brendish (Chairman); Dr Keyu Jin; Mr Guillaume Pictet; and Ms Maria Ramos. The members are all non-executive directors and, without exception, indisputably independent in character and judgment. To assist it in its deliberations, the Committee may draw on support from the Group's internal specialists and external advisors, whose role is explained in the Company's Compensation report from page 63. Meetings of the Committee are held as necessary but at least four per annum and typically last one to two hours. During the year under review, the Committee met on five occasions and invited other managers or external advisors five times.

The purpose of the Committee is to support the Board in establishing and reviewing the compensation strategy and guidelines as well as in preparing the proposals to the general meeting of shareholders regarding the compensation of the Board and the SEC. The Compensation Committee can submit proposals to the Board on other compensation-related issues.

The Committee can appoint advisors. It has authority to establish the policy framework for the remuneration of the members of the senior management.

## Corporate governance continued

The Committee oversees the administration of the Group's long-term incentive plans for executive members of the Board and the members of the SEC. It approves, inter alia, the awards granted to executive directors and approves the awards made to other executives in aggregate, recognising that the SEC has the authority to make awards to executives other than those serving on the Board. In addition, the Committee oversees any material amendment to existing long-term incentive plans or the creation of any other long-term incentive plan pertaining to senior management.

### **Governance and Sustainability Committee**

In March 2021, the Board established a Governance and Sustainability Committee. It consists of the following non-executive directors: Mr Clay Brendish (Chairman until 4 February 2022, thereafter a member of the Committee); Ms Wendy Luhabe; Mr Guillaume Pictet; and Ms Jasmine Whitbread (appointed as member of the Committee on 8 September 2021 and Chairwoman since 4 February 2022). Meetings of the Committee are held at least three times per annum. During the year under review, five meetings took place.

The Governance and Sustainability Committee acts in an advisory capacity to the Board, except for the following areas: regarding environmental matters it shall review and approve management proposals regarding CO<sub>2</sub> targets, climate change and biodiversity; regarding social matters it shall review and approve management proposals regarding Diversity, Equity and Inclusion ('DEI') as well as matters regarding human and workplace rights and positive social impacts within the Group's operations, its supply chain and the communities in which it operates; it shall further review and approve any material amendment to existing strategic plans relating to corporate social responsibility ('CSR'), environmental, social and governance ('ESG'), sustainability and any of their components; and it shall approve disclosures in the audited annual Sustainability Report and the Group's separate disclosures regarding Science Based Targets ('SBT') and DEI.

The purpose of the Committee is to support the Board in establishing and reviewing strategy, policies and guidelines with regard to ESG matters.

### **Nominations Committee**

The Nominations Committee acts in an advisory capacity to the Board, except for the appointment of its advisors for which it has a decision power. It consists of the non-executive directors meeting under the chairmanship of the Chairman of the Board. During the year under review, eight meetings took place.

The principal functions of the Committee are to advise the Board in areas such as the composition and size of the Board and the criteria to be applied in the selection of new members of the Board and senior management. In addition, the Committee is responsible for the nomination of directors to serve on Board Committees.

Succession planning is established throughout the Group's operations. At the level of Board membership, the Nominations Committee is responsible for continuity as directors reach retirement or indicate their intention to resign.

The Group's succession plans seek to preserve the current balance of executive directors, former executive directors in a non-executive capacity, and non-executive directors who have not held operational responsibilities within the Group. While this balance will be preserved in the long term, as the continuity it brings to strategic discussions is one of the Group's strengths, the profile of individual appointments may vary from time to time. Such variations take account of the Board's evolving requirements in terms of experience and diversity.

### **Strategic Security Committee**

The Strategic Security Committee acts in an advisory capacity to the Board. It also has authority to appoint advisors, and key officers responsible for security matters within the Group.

The Strategic Security Committee is composed of the following five non-executive directors: Mr Clay Brendish (Chairman); Mr Josua Malherbe; Mr Jeff Moss; Mr Anton Rupert; and Mr Jan Rupert.

To assist it in its deliberations, the Committee draws on support from the Group's internal specialists and external advisors. Meetings of the Committee are held as necessary and typically last half a day. The Committee met nine times during the year under review and invited other managers to these meetings.

The purpose of the Committee is to advise the Board in all aspects of security policy. It aims to protect the Company's assets, including confidential business information and intellectual property, and its operations against intrusive actions. It also oversees the protection of Richemont's employees and physical assets.

## Attendance

The attendance of each executive and non-executive director at Board and Committee meetings during the year under review are indicated in the following table.

	Board	Audit Committee	Compensation Committee	Governance and Sustainability Committee	Nominations Committee	Strategic Security Committee
Number of meetings	9	3	5	5	8	9
Johann Rupert	9	–	4	–	7	–
Josua Malherbe	8	3	–	–	7	8
Nikesh Arora	9	–	–	–	7	2
Nicolas Bos (until 8 September 2021)	6	–	–	–	–	3
Clay Brendish	9	3	5	5	8	9
Jean-Blaise Eckert	9	3	–	–	8	–
Burkhardt Grund	8	3	5	5	–	9
Keyu Jin	9	–	5	–	8	1
Jérôme Lambert	9	1	5	–	–	9
Wendy Luhabe	9	–	–	5	8	–
Ruggero Magnoni	8	3	–	–	7	–
Jeff Moss	7	–	–	–	7	8
Vesna Nevistic	9	3	–	–	8	–
Guillaume Pictet	8	3	5	4	8	–
Alan Quasha (until 8 September 2021)	6	–	–	–	5	–
Maria Ramos	8	–	5	–	7	–
Anton Rupert	9	–	–	–	8	8
Jan Rupert	9	–	–	–	8	9
Gary Saage (until 8 September 2021)	6	1	1	1	5	6
Patrick Thomas (since 8 September 2021)	2	–	–	–	2	–
Cyrille Vigneron (until 8 September 2021)	5	–	–	–	–	–
Jasmine Whitbead (since 8 September 2021)	3	–	–	4	3	–

## Corporate governance continued

### Control and risk management instruments

Management is responsible for implementing the strategic policies determined by the Board. Members of management are empowered to conduct the day-to-day strategic and operational administration of the Group including, inter alia, financial management. Senior management is responsible for the management of the Group's underlying businesses and investments, subject at all times to an obligation to provide adequate information on the development of those businesses to the Board. Management operates within the guidelines as set out in the Group Investment Procedures and such other policies and procedures as may from time to time be laid down by the Board. In addition, management provides the Board with appropriate support to consider and evaluate strategic alternatives.

The Board employs various reporting means and control mechanisms in order to monitor the way in which senior management exercises the authority delegated to it.

- Prior to each Board meeting, members of the Board receive a financial report, summarising recent Group, segmental and Maison financial performance as well as operational developments.
- Members of the SEC ('Senior Executives') report to the Board at each meeting. Supplementary reports are provided by the Company Secretary.
- The Group's employee performance review process requires that members of management are given clearly defined targets at the beginning of each financial year. The Senior Executives monitor performance against these targets on an ongoing basis and report progress to the Board.
- There is interaction between the Board and other members of the management, for example, through the presence on a regular or ad hoc basis at Board Committee meetings. Members of the Board are also exposed to the decision-making process at the level of each Maison through their involvement with the annual reviews of the Maisons' strategies.
- The Group's Internal Audit function provides an objective means of assessing how the Group's risks are being managed and controlled. This function's independent status is reinforced by the direct reporting line from the Head of Internal Audit to the Chairman of the Audit Committee. The function performs financial and operational audits in accordance with a programme approved annually by the Audit Committee. This risk-based programme is designed to ensure that all business units as well as Group-wide issues are given sufficient audit coverage within an appropriate time frame. Summary reports from each audit are provided to the Audit Committee and discussed at its meetings. Progress with implementation of corrective actions is monitored on a regular basis.

The Group's risk profile is evolving reflecting the volatile global macro and luxury environment. Enterprise risk management is a fundamental element of the Group's approach to risk management. A key goal is to ensure strong organisational alignment as to key risks facing the Group, which, if not mitigated, would prevent the Group from achieving its strategic objectives. To ensure that risks are identified and mitigated the Company has a risk management process which considers both strategic and operational risks ('Key Risks'). These Key Risks are identified through discussions with senior executives and reviewed and discussed at an annual meeting of the SEC. Following this meeting, a senior executive is appointed as Risk Coordinator for each Key Risk and is responsible for developing a risk mitigation plan ('Risk Mitigation Plan') and ensuring that mitigating actions are implemented. All identified Key Risks are modelled according to their probability of occurrence and potential impact and subsequently prioritised by management. A consolidated risk report, which includes the Risk Mitigation Plans prepared by the respective Risk Coordinator, is reviewed annually by the Audit Committee and the Board. The Key Risks identified include the risks associated with inter alia Security/Business Interruption, Business Transformation and Compliance, which can be explained as follows. The Group's success is highly dependent on its ability to respond to major business interruption events such as e.g. the Ukraine Crisis or Covid-19 and to adapt to the secular changes in the luxury industry, caused by accelerating industry digitisation, increasing importance of customer-centricity, and volatility of the socio-economic and geo-political environment. The Company is focusing on leveraging the Group's strategic investments and partnerships to cope with disruptive competitive market forces, by identifying new growth opportunities. Compliance risks and related monitoring requirements are rising, as regulators, financial institutions and governments are tightening the various legal frameworks where the Group and its Maisons are conducting business, in areas such as anti-bribery and corruption, anti-money laundering, international sanctions, anti-trust and competition, cybersecurity and data privacy, labour and employment and product/trade and sourcing. The Company has established a Legal and Regulatory Compliance Committee to discuss compliance priorities and analyses of various legal and regulatory monitoring tools.

### 4. Senior Executive Committee

Except where the law, the Articles or the Organisational Regulations of the Company provide otherwise, the Board has delegated the entire management of the Company to the SEC. The exact scope of the SEC's powers is outlined in Section 3.2 of the Organisational Regulations of the Company, which can be consulted [here: www.richemont.com/media/be4nsorn/20210318\\_organisational\\_regulations.pdf](http://www.richemont.com/media/be4nsorn/20210318_organisational_regulations.pdf)

The SEC comprised from 1 April 2021 until 8 September 2021: Mr Jérôme Lambert, the Chief Executive Officer; Mr Burkhard Grund, the Chief Finance Officer; Mr Nicolas Bos, Chief Executive Officer of Van Cleef & Arpels; Mr Cyrille Vigneron, Chief Executive Officer of Cartier; Mr Frank Vivier, the Chief Transformation Officer; Mr Emmanuel Perrin, the Head of Specialist Watchmakers Distribution; and Mr Philippe Fortunato, the Chief Executive Officer of Fashion & Accessories Maisons.

On 8 September 2021, Mr Nicolas Bos, Mr Cyrille Vigneron, Mr Frank Vivier, Mr Emmanuel Perrin and Mr Philippe Fortunato stepped down from the SEC. Since that date, the SEC is comprised of Mr Johann Rupert, Mr Jérôme Lambert and Mr Burkhard Grund. Their biographical details and other activities may be found on: [www.richemont.com/en/home/about-us/corporate-governance/senior-executive-committee/](http://www.richemont.com/en/home/about-us/corporate-governance/senior-executive-committee/)

The SEC focuses solely on strategic direction, capital allocation, governance, and the provision of central and regional functions for the benefit of the Group's Maisons and businesses.

Mr Lambert, the Group Chief Executive Officer, leads the development of strategic plans reflecting the long-term objectives and priorities established by the Board.

In accordance with section 3.1 of the Organisational Regulations, the Chairman of the Board oversees the convening of meetings of the Board and ensures the liaison between the Board and the SEC. Other managers were invited to participate on an ad hoc basis at the Chairman's discretion.

The SEC meets on an ad hoc basis to review matters associated with the implementation of the Group's strategic policies. During the year under review the Committee met twelve times.

For section 3.1 of the Organisational Regulations see: [www.richemont.com/media/be4nsorn/20210318\\_organisational\\_regulations.pdf](http://www.richemont.com/media/be4nsorn/20210318_organisational_regulations.pdf)

#### **Activities outside the Group**

The Articles (Article 36) limit the number of permitted mandates of Senior Executives. Those activities include directorships in other organisations, including publicly listed businesses.

For Article 36 see: [www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf](http://www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf)

#### **Management contracts**

There are no contracts between the Group and any third parties for the management of the Company or any subsidiary in the Group.

#### **Committees reporting to the Senior Executive Committee**

From time to time, committees of the SEC may be established to determine the Group's policy in specific business areas, including finance, health and safety matters and corporate social responsibility.

## **5. Compensation, shareholdings and loans**

Details of compensation-related matters are given in the Compensation report from page 63.

## **6. Shareholder participation rights**

### **Voting rights**

Holders of Richemont shares may attend and vote at meetings of shareholders of the Company. They may attend in person or may appoint a third party to represent them at the meeting. In addition, an independent representative is appointed at each general meeting by shareholders for a term of one year expiring at the end of the following year's AGM.

There is no limit on the number of shares that may be held by any given party. Pursuant to Article 6 of the Articles, the voting rights attaching to those shares are only restricted if the shares are either unregistered or are held by a registered nominee with at least 1% of the share capital of the Company and that nominee has declined the Company's request to provide certain details regarding the owners. Further details of this restriction may be found in Article 6 of the Articles.

For Article 6 see : [www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf](http://www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf)

The Company 'A' and 'B' shares have equal rights to share in the dividends and capital of the Company; 'B' shareholders are entitled to receive 10% of the dividend per share paid to 'A' shareholders and hold 9.1% of the Company's capital. However, despite the differing par values of the 'A' and 'B' shares, each 'B' share conveys the same voting rights as each 'A' share, in normal circumstances, at shareholder meetings. Richemont 'B' shareholders therefore control 50% of the votes at shareholder meetings. The 'B' registered shares are entirely held by Compagnie Financière Rupert (see section 1 above). In accordance with Swiss company law, certain resolutions, notably those relating to the purpose of the Company, its capital structure, the transfer of its registered office or its dissolution, require the approval of two-thirds of the shares and the absolute majority of the nominal share capital represented at a general meeting of shareholders.

The relevant date to determine the shareholders' right to participate in the general meeting of shareholders on the basis of the registrations appearing in the share register is set by the Board and is stipulated in the notice of meeting.

### **Statutory quorums**

The general meeting of shareholders is the Company's ultimate decision-making forum. Resolutions of the general meeting are generally passed by an absolute majority of the votes represented at the meeting. As detailed above, certain resolutions may require the approval of two-thirds of the shares and an absolute majority of the nominal share capital represented at a general meeting of shareholders.

Further details on quorum and requisite majorities may be found in Article 18 of the Articles.

For Article 18 see: [www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf](http://www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf)

# Corporate governance continued

## Convocation of the general meeting of shareholders and inclusions of items on the agenda

It is contemplated that the AGM, in respect of the financial year ended 31 March 2022, will be held on 7 September 2022 at the Four Seasons Hotel des Bergues, Geneva. However, it is to be noted that the Company is constantly monitoring developments regarding Covid-19 and preparing in the event any changes for the annual meeting are necessary or appropriate. In case of changes, such as the date or location or a requirement that shareholders exclusively exercise their rights through the independent representative appointed by the Company, the Company will announce the change in advance and post the relevant details, including instructions on how shareholders can exercise their rights, in its notice and on the Company's website: [www.richemont.com](http://www.richemont.com). The notice period and agenda in respect of the meeting follow the requirements of Swiss company law.

Holders of a minimum of one million 'A' shares in the Company with a par value of CHF 1 million may request that an item be placed on the meeting agenda.

## 7. Change of control and defence mechanisms

In terms of the FinMIA and its implementing ordinances, the Company has not elected to 'opt out' or 'opt up' in respect of the provisions relating to the obligations for an acquirer of a significant shareholding to make a compulsory offer to all shareholders. In accordance with FinMIA, any party that would directly or indirectly, or acting in concert with third parties, acquire more than 33⅓% of the voting rights of the Company would therefore be obliged to make an offer to acquire all of the listed equity securities of the Company.

No specific provisions exist in the Articles or Organisational Regulations of the Company which would seek to limit or block any takeover bid. No special contractual relationships exist between Group companies and directors or members of senior management which would protect management or act as a deterrent to a change of control of the Company.

The rules of the long-term compensation plans for executives in the Group contain specific provisions in respect of a change of control of the Group. These provisions are typical in terms of such plans and would result in the immediate vesting of benefits due to participants in the event of a change of control taking place.

## 8. Auditor

The external auditor reports to the Board through the Audit Committee, which also supervises the Group's relationship with the auditor.

PricewaterhouseCoopers SA was reappointed by the Company's shareholders at the 2021 AGM as the auditor of the Company's financial statements and the Group's consolidated financial statements. It was appointed for a period of one year and, being eligible, will stand for a further period of office of one year at this year's AGM.

PricewaterhouseCoopers was initially appointed as auditor of the Company and the Group in 1993 (as Coopers & Lybrand). Mr Guillaume Nayet, the lead auditor, assumed that role in September 2018. In accordance with Swiss law, the lead auditor rotates at least once every seven years.

In the year under review, total fees and expenses paid or accrued as payable to PricewaterhouseCoopers for the audit of the financial statements of the Company, the Group and its subsidiaries were € 10.2 million. Total fees and expenses paid or accrued as payable in respect of the financial year to PricewaterhouseCoopers for non-audit services amounted to € 1.0 million, primarily relating to tax compliance services.

The scope of services provided by the external auditor is reviewed annually by the Audit Committee and the relative weight of non-audit work provided by the external auditor is also kept under close review. The Audit Committee further assesses the effectiveness of external audit and the independence and objectivity of the external auditor, reviews the level of remuneration to be paid to the external auditor and approves the fees to be paid for the audit of the financial statements of the Company and the Group.

A questionnaire-based evaluation, in which the Finance Director of every subsidiary is consulted, forms the basis of an annual review of the external auditor's performance. The results of the evaluation are reviewed by the Audit Committee.

Representatives of PricewaterhouseCoopers attended three meetings of the Audit Committee held during the year as well as the meeting of the Committee held on 19 May 2021 at which the financial statements were reviewed. The Audit Committee has also met in camera with the external auditor during the course of these three meetings.

The Company has decided to initiate a comprehensive tender process for its external audit function, under the supervision of the Audit Committee. In order to allow for a robust selection and evaluation process, it is anticipated that this process will be completed in the Company's 2024 fiscal year, with the Board to propose to the 2025 AGM the appointment of the chosen firm for the financial year ending 31 March 2026, at the earliest.

## 9. Information policy

The Group reports to shareholders in accordance with the requirements of Swiss law and the guidance provided by the SIX Swiss Exchange. The annual report is the principal source of financial and business information for shareholders. The Group's announcement of the results for the financial year is issued in May each year.

In addition to the regulatory annual and interim reports, Richemont publishes trading statements in July covering the Group's performance during the first quarter of its financial year, and in January covering the Group's performance during the third quarter of its financial year and the pre-Christmas trading period. Ad hoc announcements are made in respect of matters, which the Board considers to be of significance to shareholders, in accordance with the specific guidelines laid down by the SIX Swiss Exchange.

The annual report is distributed to all parties who have asked to be placed on the Group's mailing list, including holders of South African DRs. Investors may request electronic notification that such reports have been published on the Group's website.

All news announcements other than the annual financial report are distributed by email. Shareholders and other interested parties may ask to be included on the distribution list by contacting the Company Secretary at the Company's registered office or by email ([secretariat@cfrinfo.net](mailto:secretariat@cfrinfo.net)) or by registering on the Group's website at [www.richemont.com/en/home/contact-us/subscribe-to-our-press-releases/](http://www.richemont.com/en/home/contact-us/subscribe-to-our-press-releases/)

Copies of the annual and interim reports, results announcements, trading statements, and the Sustainability Report may also be downloaded from the Richemont website at [www.richemont.com/en/home/investors/results-reports-presentations](http://www.richemont.com/en/home/investors/results-reports-presentations) and copies of the Company's ad hoc announcements on the Group's website at [www.richemont.com/en/home/media/press-releases-and-news/?category=Ad+hoc+announcements+pursuant+to+Art.+53+LR](http://www.richemont.com/en/home/media/press-releases-and-news/?category=Ad+hoc+announcements+pursuant+to+Art.+53+LR).

Copies of the Articles, together with its Organisational Regulations, are also available on the website.

The Group presents its annual and interim results to analysts and major investors each year. The presentations take place in Geneva and are simultaneously broadcast over the internet to anyone who registers to view them. Each presentation is downloadable from the website. A replay of the broadcast is available on the Group's website within 24 hours of the presentation and a transcript of the presentation shortly thereafter.

Statutory and regulatory announcements are published in the Swiss Official Gazette of Commerce and, in certain cases, by the SIX Swiss Exchange.

The Company's registered office is 50, chemin de la Chênaie CP 30, 1293 Bellevue, Geneva, Switzerland. The Company's telephone number is: +41 (0) 22 721 3500 and its website is: [www.richemont.com](http://www.richemont.com)

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## 10. Closed periods

Richemont defines the principles related to the closed periods within the Group's Code of Conduct.

The Code of Conduct applies to the members of the Board, the former members of the Board who served within the last twelve months or act as advisors to the Board, the members of the SEC, and other directors, employees and consultants of Group companies, who have been notified that they are subject to trading restrictions set forth in the Code (the 'addressees').

During closed periods and subject to certain conditions and exceptions mentioned below, the addressees are prevented from entering into trades on the securities issued by Richemont (or by another entity within the Group), as well as the instruments which have securities issued by Richemont (or by another entity within the Group) as their significant underlying asset. The prohibition to enter into trades during closed periods also applies to persons connected with the addressees (such as spouses and other individuals living in the same household as the addressees) and entities on which the addressees have a significant influence.

The Group is in closed periods:

- from 1 April until the announcement of the annual results;
- from 1 July until the trading update for the quarter ended 30 June is published;
- from 1 October until the announcement of the interim results; and
- from 15 December until the trading update for the quarter ended 31 December is published.

By way of exception, trades entered into by connected persons or entities that do not affect the addressees' assets are not subject to closed period restrictions if the addressees do not have a significant influence on the trade. In limited circumstance, trades that affect the assets of an addressee may not be affected by closed periods when the recipient has no possibility to influence the trade. Upon request, an authorisation to trade in a closed period may exceptionally be granted by the Chief Finance Officer.

Additionally, the members of the Board and the SEC as well as a number of notified addressees are subject to a clearance regime, whereby trades outside of closed periods must be authorised prior to being carried out.

# Corporate governance continued

## Corporate calendar

A corporate calendar of relevant dates is displayed below and on the Group's website at [www.richemont.com/en/home/investors/corporate-calendar](http://www.richemont.com/en/home/investors/corporate-calendar). (The calendar on the website is updated if and when new information becomes available.)

Next events	Date
Sustainability Report publication	June 2022
Trading update for the quarter ended 30 June 2022	15 July 2022
Annual General Meeting	7 September 2022
Interim results announcement	11 November 2022
Interim results presentation	11 November 2022
Interim report publication (web version only)	November 2022
Trading update for the quarter ended 31 December 2022	January 2023