

# 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 and the ESG Report.

In addition to Swiss law, including inter alia the Swiss Code of Obligations, the Financial Market Infrastructures Act (‘FinMIA’) and all the relevant ordinances, the Company complies with the Listing Rules of the SIX Swiss Exchange. 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 Chairman, 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/about-us/corporate-governance/](http://www.richemont.com/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.

## 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; and (iii) Other. Each of the Maisons 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: Avolta AG (‘Avolta’). Avolta’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 Avolta may be found in note 34 (for note 34 see page 127 of this report).

Details of the most significant non-listed companies within the Group are set out in note 39 (‘Principal Group companies’) to the Group’s consolidated financial statements (for note 39 see page 139 of this report).

### Significant shareholders

As at 31 March 2024, Compagnie Financière Rupert, a partnership limited by shares, having its registered office in Bellevue, Geneva, Switzerland, held 6 418 850 Richemont ‘A’ shares and 537 582 089 Richemont ‘B’ shares representing 10.18% of the Company’s capital and some 51% of its voting rights. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert.

As at 31 March 2024, 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.six-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#](http://www.six-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.

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## 2. Capital structure

### Capital

There are 537 582 089 'A' registered shares ('A' shares') and 537 582 089 '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 591 340 298. Further details are given in note 29 to the Group's consolidated financial statements (for note 29 see page 120 of this report).

### Authorised and capital band

The Company does not have any authorised share capital or capital band.

### 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. On 27 November 2020, the Company issued 1 044 000 000 warrants in relation to its 'A' shares ('A' warrants') and 1 044 000 000 warrants in relation 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. In November 2023, all the 'A' warrants and 'B' warrants were exercised. As a result, the Company issued 15 582 089 new 'A' shares and 15 582 089 new 'B' shares out of its conditional capitals. As of 31 March 2024, the conditional capitals of the Company allowed the further issuance of not more than 6 417 911 'A' shares and 6 417 911 'B' shares. On 16 May 2024, the Board decided to abrogate the remaining conditional capitals. For further details, see sub-section 'Changes in capital'.

More information on the Company's shareholder loyalty scheme, the 'A' warrants and the 'B' warrants 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/)

### Shares and warrants

#### Shares

The Company's 'A' shares are listed on the SIX Swiss Exchange. Since 24 April 2023 the Company's 'A' shares also have a secondary listing on the Johannesburg Stock Exchange, where they were previously listed in the form of depository receipts. The Company's 'A' shares are traded on both exchanges under the ISIN CH0210483332 and the symbol CFR.

The Company's 'B' shares are not listed on any stock exchange and are held by Compagnie Financière Rupert, as detailed above.

At 31 March 2024, Richemont's market capitalisation, based on a closing price of CHF 137.50 per share and a total of 537 582 089 'A' shares in issue, was CHF 73 918 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 81 309 million.

During the year under review, the highest closing price of the 'A' share was CHF 161.10 on 12 May 2023, and the lowest closing price of the 'A' share was CHF 102.95 on 27 October 2023.

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

For Article 7 see: <https://www.richemont.com/media/ed4lzii3/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 2024, an ordinary dividend of CHF 2.75 per 'A' share and CHF 0.275 per 'B' share have been proposed for approval by the shareholders in September 2024. During the year under review, shareholders approved an ordinary dividend of CHF 2.50 and a special dividend of CHF 1.00 per 'A' share. They also approved an ordinary dividend of CHF 0.25 and a special dividend of CHF 0.10 per 'B' share.

#### Warrants

Pursuant to the shareholder loyalty scheme, 67 'A' warrants entitled eligible holders to purchase one 'A' share to be issued out of the Company's conditional capital at a price of CHF 67.00 during an exercise period that ran 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 entitled their holders to purchase one 'B' share at a price of CHF 6.70. Holders of 'B' warrants were deemed to have exercised a number of 'B' warrants that is equal to the number of 'A' warrants that had been duly exercised, so that the number of issued 'A' shares and 'B' shares remained equal.

The 'A' warrants were listed on SIX Swiss Exchange from 27 November 2020 until 15 November 2023. The 'B' warrants were 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/investors/shareholder-information/shareholder-loyalty-scheme/](http://www.richemont.com/investors/shareholder-information/shareholder-loyalty-scheme/)

### Changes in capital

At the end of the warrants' exercise period on 22 November 2023, 1 032 537 670 'A' warrants were exercised, representing 98.90% of the 1 044 000 000 'A' warrants issued. Richemont Employee Benefits Limited, a subsidiary of the Company, was allocated additional 'backstop' 'A' warrants corresponding to the 11 462 330 unexercised 'A' warrants, which were all exercised. Compagnie Financière Rupert exercised all the 1 044 000 000 billion 'B' warrants that it had received under the loyalty scheme.

As a result of the exercise of the 'A' and 'B' warrants, the Company issued 15 582 089 new 'A' shares and 15 582 089 new 'B' shares out of its conditional capitals. As of 16 May 2024, there are 537 582 089 'A' shares and 537 582 089 'B' shares in issue. The issued capital amounts to CHF 591 340 297.90. Further details are given in note 29 to the Group's consolidated financial statements (for note 29 see page 120 of this report).

As of 16 May 2024, the Company does not have any conditional share capital.

For movements in the reserve for treasury shares, please see the description in the section 'Share repurchases and shares held in treasury' and the details in note 29 (for note 29 see page 120 of this report).

### **Share repurchase and shares held in treasury**

On 12 May 2023, the Company announced a new programme to buy back up to 10 million of its 'A' shares, representing 1.7% of the capital and 1.0% of the voting rights of the Company. Purchases would be effected through 'A' share purchases on the SIX Swiss Exchange at prevailing market prices. The 'A' shares acquired would not be cancelled and no second trading line would be introduced as a consequence of the buyback programme. The 'A' shares to be acquired would be held in treasury to hedge awards to executives and employees under the Group's long-term incentive plan. The Swiss Takeover Board approved the buyback programme on 15 May 2023, for a period of three years starting on 22 May 2023 and ending on 21 May 2026 at the latest.

During the year under review, there were 360 000 'A' shares repurchased on the market.

More information on the Company's buyback programme can be consulted at [www.richemont.com/investors/shareholder-information/share-buybacks/](http://www.richemont.com/investors/shareholder-information/share-buybacks/)

Taking into account the exercise of options by executives during the course of the year and other activities linked to the Company's hedging activities, the balance held in treasury at 31 March 2024 was 6 041 512 'A' shares.

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 29 (for note 29 see page 120 of this report).

### **Dividend-right certificates**

There are no dividend-right certificates.

### **Transferability of shares**

The Company's 'A' shares are issued as uncertificated securities within the meaning of the Swiss Code of Obligations 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: <https://www.richemont.com/media/ed4lzii3/articles-of-incorporation.pdf>

### **Convertible bonds and options**

As at 31 March 2024, 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 65 and in note 31 to the Group's consolidated financial statements (for note 31 see page 123 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.

# Corporate governance continued

With respect to the Board's membership and the qualities of its members as at 31 March 2024, 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. The representative of the 'A' shareholders on the Board is Ms Wendy Luhabe. 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. 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 47 to 52.

As announced at the Company's 2023 AGM, Maître Jean-Blaise Eckert and Mr Guillaume Pictet stepped down from the Board on 31 March 2024.

At the upcoming AGM that is expected to take place on 11 September 2024, the Board will propose shareholders to elect Mr Nicolas Boss to the Board and Mr Bram Schot as Non-executive Deputy Chairman of the Board. Mr Clay Brendish and Ms Maria Ramos have indicated that they will step down from the Board at the end of the financial year ending on 31 March 2025.

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 seven 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 establishes 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 47 to 52.

## Activities outside the Group

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

For Article 26 see: <https://www.richemont.com/media/ed4lzii3/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. On 16 May 2024, the Board established a further Chairman's Committee. The current composition of these Committees is indicated below and in the biographical notes on Board members that may be found on pages 47 to 52.

Each Board Committee has its own written terms of reference outlining its duties and responsibilities and a Chair elected by the Board. The Chair 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.

## Chairman's Committee

On 16 May 2024, the Board established a Chairman's Committee, consisting of the Chairman, the Deputy Chairman, the Group CEO and the Lead Independent Director. The Chairman's Committee meets as often as necessary for the Company's business. The Chairman's Committee did not meet during the year under review, since it was established on 16 May 2024.

The Chairman's Committee acts in an advisory capacity to the Chairman. It ensures adequate communication between the Senior Executive Committee, the Chairman and the Board. Between meetings of the Board, the Chairman's Committee decides on urgent matters that are within the authority of the Board (without however being part of the 'non-transferable duties of the Board' as defined under Swiss law).



### **Audit Committee**

During the year under review, the five members of the Audit Committee were: Mr Josua Malherbe (Chair); Mr Clay Brendish; Maître Jean-Blaise Eckert; Dr Vesna Nevistic; and Mr Guillaume Pictet. Maître Jean-Blaise Eckert and Mr Guillaume Pictet left the Audit Committee on 31 March 2024, when they stepped down from the Board as announced at the Company's 2023 AGM. 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. Two additional meetings for the financial results announcements of the third quarter and first quarter of the financial year were scheduled to be held in January and July, respectively. During the year under review, five meetings took place. The Chief Finance Officer, the Head of Internal Audit, other members of senior management and representatives of PricewaterhouseCoopers SA, the Group's external auditor, attended three meetings. The Committee met in camera with the internal auditor during 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 Chair 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 (Chair); Ms Fiona Druckenmiller; Dr Keyu Jin; Mr Guillaume Pictet; Ms Maria Ramos; and Ms Jasmine Whitbread. Ms Fiona Druckenmiller and Ms Jasmine Whitbread joined the Compensation Committee when they were elected at the Company's 2023 AGM (6 September 2023). Mr Guillaume Pictet left the Compensation Committee on 31 March 2024, when he stepped down from the Board as announced at the Company's 2023 AGM. 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 65. Meetings of the Committee are held as necessary but at least two times a year 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.

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**

During the year under review, the Governance and Sustainability Committee consisted of the following non-executive directors: Ms Jasmine Whitbread (Chair); Mr Clay Brendish; Ms Wendy Luhabe; and Mr Guillaume Pictet. Mr Guillaume Pictet left the Committee on 31 March 2024, when he stepped down from the Board, as announced at the Company's 2023 AGM. Meetings of the Committee are held at least three times per annum. During the year under review, five meetings took place.

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

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The Governance and Sustainability Committee acts in an advisory capacity to the Board, except for the following areas: regarding environmental matters, reviews and approves management proposals regarding CO<sub>2</sub> targets, climate change and biodiversity; regarding social matters, it reviews and approves 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. The Committee further reviews and approves any material amendment to existing strategic plans relating to Corporate Social Responsibility ('CSR'), Environmental, Social and Governance ('ESG'), sustainability and any of their components; it also approves disclosures in the audited annual ESG Report and the Group's separate disclosures regarding Science Based Targets initiative ('SBTi') and DEI.

### Nominations Committee

The Nominations Committee has been reconstituted with effect from November 2022. During the year under review, the Nominations Committee consisted of the following directors: Mr Johann Rupert (Chair); Mr Nikesh Arora; Mr Clay Brendish; Dr Keyu Jin; and Ms Wendy Luhabe. Meetings of the Committee are to be held at least once a year. During the year under review, four meetings took place.

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.

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 four non-executive directors: Mr Clay Brendish (Chair); Mr Josua Malherbe; Mr Jeff Moss; and Mr Anton 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 four 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	7	5	5	5	4	5
Johann Rupert	7	—	—	—	4	—
Josua Malherbe	7	5	—	—	1	5
Nikesh Arora	7	—	—	—	4	—
Clay Brendish	7	5	5	5	4	5
Fiona Druckenmiller (since 6 September 2023)	4	—	3	—	1	—
Jean-Blaise Eckert (until 31 March 2024)	7	5	—	—	1	—
Burkhard Grund	7	5	5	5	—	—
Keyu Jin	6	—	5	—	4	—
Jérôme Lambert	7	—	5	—	—	5
Wendy Luhabe	7	—	—	5	4	—
Jeff Moss	7	—	—	—	1	5
Vesna Nevistic	7	5	—	—	1	—
Guillaume Pictet (until 31 March 2024)	6	2	—	5	1	—
Maria Ramos	7	—	5	—	1	—
Anton Rupert	7	—	—	—	1	4
Bram Schot (since 6 September 2023)	4	2	—	—	1	—
Patrick Thomas	7	—	—	—	1	—
Jasmine Whitbead	6	3	5	5	1	5

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## 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 continues to evolve, 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 Senior Executive Committee. Following this meeting, a senior executive is appointed as Risk Co-ordinator 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 Co-ordinator is reviewed at least annually by the Audit Committee and the Board. The Key Risks identified include the risks associated with inter alia Security/Business Interruption, Reputation 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 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 continuing to rise, 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 & corruption, anti-money laundering, international sanctions, anti-trust and competition, cybersecurity & data privacy, labour & employment and product/trade & sourcing. The Company has established a Legal & 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 2023 until 5 September 2023, of Mr Johann Rupert, Mr Jérôme Lambert, the Group Chief Executive Officer, Mr Burkhardt Grund, the Chief Finance Officer, Ms Patricia Gandji, in her capacity as Chief People Officer and CEO of Regions, and Dr Bérangère Ruchat, in her capacity as Chief Sustainability Officer. Mr Swen Grundmann, in his capacity as Company Secretary and Director of Corporate Affairs, and Mr Boet Brinkgreve, in his capacity as Chief Executive Officer of Laboratoire de Haute Parfumerie et Beauté, joined the SEC from 6 September 2023. Mr Karlheinz Baumann, in his capacity as Group Director of Operations, joined the SEC from 10 November 2023.

Their biographical details and other activities may be found on: [www.richemont.com/about-us/corporate-governance/senior-executive-committee/](http://www.richemont.com/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 are 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: <https://www.richemont.com/media/ed4lzii3/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 65.

### **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 0.5% of the share capital of the Company and that nominee has declined the Company's request to provide certain details regarding beneficial owners. Further details of this restriction may be found in Article 6 of the Articles.

For Article 6 see: <https://www.richemont.com/media/ed4lzii3/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 mentioned 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 704 of the Swiss Code of Obligations and Article 18 of the Articles.

For Article 18 see: <https://www.richemont.com/media/ed4lzii3/articles-of-incorporation.pdf>

# Corporate governance continued

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

One or more shareholders holding together at least 5% of the share capital or voting rights of the Company may request the calling of a general meeting. One or more holders holding together at least 0.5% of the share capital or voting rights in the Company may further request that an item be placed on the agenda or request the inclusion of proposals regarding certain agenda items in the notice of meeting. A request to convene a general meeting, to place an item on the agenda or to include a proposal regarding certain agenda items in the notice convening a general meeting must be made at least 60 days ahead of the proposed date of the general meeting. Further details on the inclusion of items on the agenda can be found in Article 14 of the Articles.

It is envisaged that the AGM, in respect of the financial year ended 31 March 2024, will be held on 11 September 2024 at the Hotel InterContinental, Geneva. The notice period and agenda in respect of the meeting follow the requirements of Swiss company law.

For Article 14 see: <https://www.richemont.com/media/ed4lzii3/articles-of-incorporation.pdf>

## 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 regarding 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 2023 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 € 12.5 million. Total fees and expenses paid or accrued as payable in respect of the financial year to PricewaterhouseCoopers for non-audit services amounted to € 2.2 million, primarily relating to non-audit assurance 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 15 May 2024 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. 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. Investors may request electronic notification that such reports have been published on the Group's website.

A schedule showing the publication date of the annual and interim reports, the date of the AGM, as well as the date of the conference on the annual and interim results can be found in the sub-section 'Corporate calendar'.

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/subscribe/](http://www.richemont.com/subscribe/)

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

In the year under review, no exceptions to the general rules were granted.

# Corporate governance continued

## Corporate calendar

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

Next events	Date
ESG Report publication	13 June 2024
Trading update for the quarter ended 30 June 2024	16 July 2024
Annual general meeting	11 September 2024
Interim results announcement	8 November 2024
Interim results presentation	8 November 2024
Interim report publication (web version only)	November 2024
Trading update for the quarter ended 31 December 2024	January 2025