



BRUNELLO CUCINELLI

**BRUNELLO CUCINELLI S.P.A.**

**Registered office: 5, Viale Parco dell'Industria, Solomeo, Corciano (PG), Italy**

**Fully paid-up share capital: Euro 13,600,000**

**Tax code, VAT code and registration number with the Register of Companies of Umbria 01886120540**

**R.E.A. no. 165936**

**Traditional management and control model**

**Institutional website: [www.brunellocucinelli.com](http://www.brunellocucinelli.com)**

**REPORT ON THE CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE OF BRUNELLO CUCINELLI S.P.A. PURSUANT TO ART. 123-BIS OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998 RELATING TO THE YEAR 2023. APPROVED BY THE COMPANY'S BOARD OF DIRECTORS IN THE MEETING OF MARCH 14<sup>TH</sup>, 2024.**

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

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## **GLOSSARY**

**Code/CG Code:** the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.

**Civil Code:** the Italian civil code.

**Board:** the Board of Directors of the Issuer.

**NFD:** Non-Financial Disclosure pursuant to art. 3 and 4 of the Italian Legislative Decree. No. 254/2016.

**Issuer / Company / Brunello Cucinelli:** Brunello Cucinelli S.p.A.

**Year:** the financial year ending on December 31<sup>st</sup>, 2023, to which the Report refers.

**Group:** the group headed by the Issuer.

**Instructions to Market Rules:** the Instructions to the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A..

**Market Regulations:** the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A..

**Consob Regulation on Issuers:** the Regulation issued by Consob with resolution no. 11971 of 14 May 1999 as subsequently amended and supplemented on issuers.

**Consob Market Regulations:** the Regulations issued by Consob with resolution no. 20249 of 28 December 2017 concerning markets, as subsequently amended and supplemented.

**Consob Related Parties Regulation:** the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) concerning transactions with related parties.

**Report:** the report on corporate governance and ownership structures that companies are required to prepare pursuant to Article 123-bis of the TUF.

**Remuneration Report:** the report on the remuneration policy and the fees paid, which companies are required to draw up and publish pursuant to art. 123-ter of the TUF and 84-quater of the Consob Regulation on Issuers.

**TUF:** Italian Legislative Decree No. 58 of 24 February 1998: “Consolidated law on financial intermediation”, as subsequently amended and supplemented.

Unless otherwise specified, the following definitions included in the Corporate Governance Code shall also be deemed to apply: directors, Executive Directors, Independent Directors, significant shareholder, Chief Executive Officer, Board of Directors, control body, Business Plan, concentrated ownership company, large company, sustainable success, Top Management.

## 1. PROFILE OF THE ISSUER

Brunello Cucinelli S.p.A. is a company heading a group doing business on the domestic and international market in the luxury sector whose activity is the *design*, production and distribution of articles of clothing and accessories for man and woman.

Brunello Cucinelli is organized on the traditional model with a Shareholders' Meeting, a board of directors and a board of statutory auditors.

The corporate governance system adopted by the Issuer is represented by a set of legal, technical and organizational rules that are designed to ensure stakeholder protection and the maximum transparency through the proper management of the Company in terms of governance and control. This system is broken down into a set of rules and procedures which must undergo constant checking and revision to respond effectively to developments in legislation and best practices.

The Board of Directors has set up two internal committees with advisory, proposal and control functions, the Remuneration and Appointments Committee and the Control and Risk Committee, as recommended by the Corporate Governance Code.

The Company, on a voluntary basis, has also set up the following intra-company committees: Management Committee, Attention Committee, Council for Human Sustainability and Humanistic Capitalism (previously named Council for Harmony with Creation - for morality, ethics and the dignity of the human being), Human Resources Committee, Architectural Design Committee, Information Security Committee, Council of 100 (previously Council of 50), Human Privacy Committee. For further information on the composition and functions assigned to these Committees please refer to §14 of this Report, to which please refer.

In particular, it should be noted that on December 16<sup>th</sup>, 2020, the Board of Directors approved the establishment of the Council for Harmony with Creation - for morals, ethics and the dignity of the human being (later named as Council for Human Sustainability and Humanistic Capitalism) - which has been assigned propositional and consultative functions in the evaluation and decision-making processes concerning sustainability issues that are relevant to the Brunello Cucinelli Group's activities (see § 15 below).

On April 19<sup>th</sup>, 2021, on the proposal of Board of Statutory Auditors the Company's ordinary Shareholders' Meeting appointed PricewaterhouseCoopers S.p.A. to perform the legal audit for fiscal years 2021-2029 pursuant to the Italian Legislative Decree no. 39/2010.

Brunello Cucinelli's shares have been traded on MTA, now Euronext Milan, organized and managed by Borsa Italiana S.p.A. since April 27<sup>th</sup>, 2012. It is important to note that, as of December 18<sup>th</sup>, 2023, the Brunello Cucinelli S.p.A. stock joined the FTSE MIB.

On June 25<sup>th</sup>, 2014, Cav. Lav. Brunello Cucinelli established an irrevocable *trust*, transferring to Spafid Trust S.r.l. (previously named Esperia Trust Company S.r.l.), as *trustee*, the entire stake (equal to 100% of the share capital) held by him in Foro delle Arti S.r.l., previously named Fedone S.r.l. ("**Foro delle Arti**"). As at the date of this Report, Foro delle Arti owns 50.05% of the share capital and voting rights of the Company and therefore has legal control of the Company.

The Company's corporate governance system is essentially oriented towards the objective of creating value for shareholders in the medium to long term, in the awareness of the social relevance of the activities in which the Company and the Group are engaged and of the consequent need to adequately consider all the interests involved in their performance.

In this regard, the Company, accepted to adopt the recommendations contained in the CG Code and in the letters addressed to Italian listed companies by the Chairman of the Corporate Governance Committee in recent

years (including the most recent letter dated December 14<sup>th</sup>, 2023) regarding the need to implement sustainable success in corporate strategies. Please refer also to §17 of this Report.

The intention to pursue this strategic objective led to the adoption by the Board of Directors of certain measures that, in different areas, have contributed to incorporate the sustainable success in the corporate strategies and organization.

Please find below a brief description of the measures adopted during the Year by the Company to pursue sustainable success in the different relevant areas.

With reference to the fight against climate change, the Board of Directors, in its meeting held on December 14<sup>th</sup>, 2021, defined the objectives of reducing greenhouse gas emissions by 60% in terms of economic intensity over the period of the ten-year plan 2019 – 2028, in compliance with the scientific standards set by the Science Based Target Initiative (SBTi).

In June 2023, the Company's short- and long-term greenhouse gas emission reduction targets were judged by the *Science Based Target Initiative* (SBTi) to be in line with the actions needed to achieve the 1.5 °C climate warming limit, as defined in the 2015 Paris Agreement.

For a more detailed description of the measures adopted by the Company in this area, please refer to the NFD available at the following address: <http://investor.brunellocucinelli.com/en/services/archive/investor/non-financial-disclosure>.

With regard to the corporate governance related measures aimed at incorporating the sustainable success into the Issuer's governance system, the Board of Directors approved the establishment of the Council for Human Sustainability and Humanistic Capitalism (formerly the Council for Harmony with Creation - for morality, ethics and the dignity of the human being) with the duty to support the Board in the analysis of the issues relevant to the generation of value in the long term.

For further information on the composition and functions entrusted to the Council for Human Sustainability, please refer to §15.

With regard to how the sustainable success has been incorporated into the internal control and risk management system, please refer to §9.

As far as the incorporation of sustainable success in the remuneration policies is concerned, the variable remuneration on annual basis (other than the stock grant referred to below) due to Managing Directors is determined, starting from the financial year 2020, in an amount equal to 50%, based on the achievement of ESG (Environmental, Social, Governance) sustainable development objectives related to the Company sustainability plan. It should be noted that the Board of Directors, during the 2021 financial year, approved the 2028 Sustainability Plan "*Il Tempo Nuovo*", subsequently replaced by the new Sustainability Plan "*In Armonia con il Creato*", which was approved by the Board of Directors on December 6<sup>th</sup>, 2022.

For further information on the variable component of the Managing Directors' remuneration please refer to the Remuneration Report available in the Investor Relations section of the institutional website dedicated to the "2024 Shareholders' Meeting".

The Company exercises management and control activities over its subsidiaries.

The Company's Board of Directors today approved the consolidated non-financial statement, prepared pursuant to the Italian Legislative Decree no. 254/2016 (on a mandatory basis). The aforementioned statement will be published in accordance with the law and will be available in the expressly dedicated Investor Relations section of the institutional website.

The Company does not fall under the definition of small and medium enterprises (SMEs) pursuant to art.1, par.1, lett. W-quater.1) TUF and art. 2-ter Issuers' Regulations.

The Company falls within the definition of "large company" and "concentrated ownership company" under the CG Code. Detailed information about the change in the capitalization of the Issuer can be found in §13 of this Report.

## 2. INFORMATION ON OWNERSHIP STRUCTURES AS OF DECEMBER 31<sup>ST</sup>, 2023

### (art. 123-bis, para. 1, TUF)

#### a) Capital structure (art. 123-bis, para. 1a), TUF)

The Issuer's subscribed and paid-up share capital amounts to Euro 13,600,000.00 and is divided into 68,000,000 ordinary shares with no nominal value.

By resolution of April 27<sup>th</sup>, 2023, the Extraordinary Shareholders' Meeting approved the amendments to Article 6 of the Company Bylaws, introducing the attribution of the increased voting rights pursuant to Article 127-*quinquies* of the TUF. This mechanism attributes a double voting right for each share belonging to the same shareholder for a continuous period of not less than 24 months, starting from the registration in the Special List established by the Company. For more detailed information in this regard, please refer to the Explanatory Report on the amendments to the Company Bylaws available in the section *Investor Relations* of the institutional website dedicated to the "2023 Shareholders' Meeting" (<https://investor.brunellocucinelli.com/en/governance/shareholders-meetings/2023>) and the Company Bylaws available at the following link: <https://investor.brunellocucinelli.com/en/governance/company-bylaws>.

For further details on the shareholders who have requested and obtained the registration in the Special List in order to obtain the increased voting right, please refer to the section *Investor Relations* of the institutional website dedicated to the Increased Voting Rights (<https://investor.brunellocucinelli.com/en/services/archive/governance/increased-voting-right>).

At the date of this Report, none of the shareholders included in the List in order to obtain the increased voting right has gained this benefit.

At the date of this Report, no other financial instruments granting the right to subscribe to newly issued shares have been issued.

The structure of Brunello Cucinelli's share capital is detailed in Table 1 in the appendix to this Report.

On April 27<sup>th</sup>, 2022, the Shareholders' Meeting approved the "Stock Grant Plan 2022-2024" pursuant to article 114-*bis* of the TUF concerning the free allocation of a maximum number of 275,000 ordinary shares of the Company in favour of the delegated bodies and managers of the Group and authorized the purchase and disposition of ordinary shares of the Company for the purpose of the aforementioned plan. On April 27<sup>th</sup>, 2023, the Shareholders' Meeting once again authorized the purchase and disposal of the Company's treasury shares to service the "Stock Grant Plan 2022-2024", subject to revocation, for the part not implemented, of the authorization resolution adopted by the Shareholders' Meeting on April 27<sup>th</sup>, 2022.

Furthermore, it should be noted that the Board of Directors' on March, 14<sup>th</sup> 2024 approved the proposal for the new compensation plan based on financial instruments pursuant to Article 114-*bis* of the TUF, called the "Stock Grant Plan 2024-2026", which will be submitted to the approval of the next Shareholders' Meeting on April 23<sup>rd</sup>, 2024.

For more detailed information in this regard, please refer to the Remuneration Report and to the additional documentation available in the Investor Relations section of the institutional website dedicated to the "2022 Shareholders' Meeting", the "2023 Shareholders' Meeting" and the "2024 Shareholders' Meeting".

**b) Restriction on the transfer of securities (art. 123-bis, para. 1b), TUF)**

There are no restrictions on the transfer of the Company's shares by the Company Bylaws.

It is important to note that the "2022-2024 Stock Grant Plan 2022-2024" includes a restriction on availability (so-called *lock-up*) of a percentage of the shares assigned to the beneficiaries identified by the same plan. For further details, please refer to the Remuneration Report available in the *Investor Relations* section of the institutional website dedicated to the "2023 Shareholders' Meeting".

**c) Significant holdings in capital (art. 123-bis, para. 1c), TUF)**

Significant shareholdings in the capital of Brunello Cucinelli are indicated, according to the communications made pursuant to art. 120 of the TUF and other information in the possession of Brunello Cucinelli, in Table 1 in the appendix to this Report.

**d) Securities with special rights (art. 123-bis, para. 1d), TUF)**

At the date of this Report, no securities granting special rights of control have been issued.

It should be noted that on April 27<sup>th</sup>, 2023, the Extraordinary Shareholders' Meeting approved the amendments to Article 6 of the Company Bylaws, introducing the increased voting right pursuant to Article 127-*quinquies* of the TUF. For further information, please refer to §2 letter a).

**e) Employee share schemes: mechanisms for the exercising of voting rights (art. 123-bis, para. 1e), TUF)**

At the date of this Report, there is no employee shareholding system in place. For further information regarding the "Stock Grant plan 2022-2024" please refer to the Remuneration Report.

**f) Restrictions on voting rights (ex art. 123-bis, para. 1f), TUF)**

There are no restrictions on the right to vote.

**g) Agreements between shareholders (art. 123-bis, para. 1g), TUF)**

At the date of this Report the Issuer is not aware of any agreement between shareholders pursuant to article 122 of the TUF.

**h) Change of control clauses (art. 123-bis, para. 1h), TUF) and bylaw provisions regarding public tender offers (art. 104, para. 1-ter and art. 104-bis, para. 1, TUF)**

At the date of preparation of this Report, neither the Issuer nor any of its subsidiaries has entered into any significant agreements that include change of control clauses.

The Issuer's Bylaws do not contain any provisions derogating from the provisions on the *passivity rule* provided for in Article 104 (1) and (1-*bis*) of the TUF.

The Issuer's Bylaws do not provide for the application of the neutralization rules set out in Article 104-bis, paragraphs 2 and 3, of the TUF.

**i) Delegated powers regarding share capital increases and authorization for the purchase of own shares (art. 123-bis, para. 1m), TUF)**



As of the date of this Report, the Board of Directors of Brunello Cucinelli has not been delegated to increase the Issuer's share capital pursuant to article 2443 of the Italian Civil Code, nor to issue participatory financial instruments.

As at December 31<sup>st</sup>, 2023, the Company did not have any treasury shares in its portfolio.

It is clarified, however, that in order to implement the Plan approved by the Shareholders' Meeting on April 27<sup>th</sup>, 2022, in January 2023 the Company completed a program to purchase treasury shares for the purpose of the aforementioned plan. At the end of the purchase program the Company held a total of 47,250 treasury shares, equal to 0.0695% of the share capital.

Furthermore, during the 2023 financial year, in compliance with the "*Stock Grant Plan 2022-2024*", the Company assigned all the treasury shares in its portfolio to the beneficiaries identified in the Plan, including the Company's Chief Executive Officers. As of the date of this Report, the Company does not hold any treasury shares. For detailed information on the beneficiaries of the Plan as well as on the quantities of shares assigned by the Company, please refer to the *Investor Relations* section of the institutional website dedicated to the "Internal Dealing".

#### **I) Management and coordination activities (art. 2497 et seq. Italian Civil Code)**

The Company is not subject to the direction and coordination of its parent company Foro delle Arti, as (i) the main decisions relating to the management of the Company and its subsidiaries are taken within the Company's own bodies; (ii) the Company's Board of Directors has the responsibility, among other things, to review and approve the strategic, business and financial plan of the Company and the Group, to review and approve the financial policies and credit access policies of the Company and the Group, to review and approve the Group's organizational structure and to assess the adequacy of the organizational, administrative and accounting structure of the Company and the Group; (iii) the Issuer operates in full autonomy with respect to the conduct of relations with customers, suppliers and commercial partners, without any interference from parties outside the Company; (iv) Foro delle Arti does not perform any centralised treasury function in favour of the Issuer.

The Issuer carries out management and coordination activities, pursuant to Article 2497 of the Italian Civil Code, on the Italian companies of the Group; it also carries out strategic direction and coordination activities, both of the structure and of the activities carried out, for all other directly or indirectly controlled companies.

The Company provides secretarial, administrative, general accounting (including the preparation of financial statements and related tax obligations) and management control services to Group companies, in consideration of their characteristics and organisational needs. In addition, Internal Audit activities may refer to all Group companies.

It should be noted that the Company offers a dedicated service for sharing and managing reports to subsidiaries of the Group that have implemented a "whistleblowing" procedure. At the end of the Year, the Company shared these services exclusively with the company Pinturicchio S.r.l. For further details, please refer to § 9.4 of the Report.

The Issuer also coordinates and directs the Group companies in defining the investments to be made, commercial relations and administration, finance and management control and in relation to information systems.

\* \* \*

The Issuer specifies that:

- the information required by Article 123-bis, paragraph 1, letter i), of the TUF (“*agreements between companies and directors ... providing for indemnities in the event of resignation or dismissal without just cause or if the employment relationship terminates following a takeover bid*”) are described in the Remuneration Report prepared pursuant to Article 123-ter TUF;
- the information required by Article 123-bis, paragraph 1, letter l), of the TUF (“*the rules applicable to the appointment and replacement of directors ... if different from the laws and regulations applicable in addition*”) are described in the section of this Report dedicated to the Board of Directors (§ 4);
- the information required by art. 123-bis, paragraph 1, letter l) of the TUF (“*the rules governing the amendment of the Company’s Bylaws, if different from the laws and regulations applicable in addition*”) are described in the section of the Report dedicated to the Shareholders’ Meeting (§ 13).

### **3. COMPLIANCE (art. 123-bis, para. 2a), first section, TUF)**

The Issuer has adhered to the Corporate Governance Code drawn up by the Corporate Governance Committee of Borsa Italiana S.p.A. in January 2020, available on Corporate Governance Committee’s official website:

<https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf>.

The following paragraphs describe any deviations from the recommendations of the Corporate Governance Code and the underlying reasons.

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Some of the Company’s subsidiaries are subject to non-Italian legal provisions which, however, do not affect the corporate governance structure of Brunello Cucinelli and the Group.

## **4. BOARD OF DIRECTORS**

### **4.1 ROLE OF THE BOARD OF DIRECTORS**

#### **(pursuant to Article 123-bis, paragraph 2(d), TUF)**

The Board of Directors plays a central role in the Company’s organization and is responsible for determining and pursuing the strategic objectives of the Company and the Group, as well as verifying the existence of the controls necessary to monitor the performance of the Company and the Group companies. Pursuant to art. 15 of the Company’s Bylaws, the Board of Directors is responsible for the ordinary and extraordinary management of the Company and is therefore vested with all the powers of administration, with the exception of those reserved by law and by the Company’s Bylaws to the Shareholders’ Meeting.

In order to pursue sustainable success, as an objective which, as recommended by the CG Code, inspires the actions of the Board of Directors, during the financial year 2021 the Board approved the 2028 Sustainability Plan “*Il Tempo Nuovo*”, subsequently replaced by the new Sustainability Plan “*In Armonia con il Creato*”, approved on December 6<sup>th</sup>, 2022 Board of Directors, as well as the internal policies called “*Human Sustainability Policy*”, “*Human Relations Policy*”, “*Diversity and Inclusion Policy*”. In 2022, the Company approved the “*Charity Policy*”, while on August 29<sup>th</sup>, 2023, the Board of Directors approved the Environmental Sustainability Policy called “*Agiamo sempre come fedeli custodi del Creato*” (all the Policies listed above are jointly referred to as “**Company Policies**”). By adopting the Company Policies, the Company has intended to transpose the distinctive principles of the philosophy inspiring the Company and to formalize the existing practices already in place.

The Company Policies have been shared with the employees of the companies belonging to the Group and are available for Issuer's employees on the Company's intranet system.

A more detailed description of the principles contained in the Company Policies can be found in the NFD pursuant to Articles 3 and 4 of the Italian Legislative Decree no. 254 of 2016, available in the Investor Relations section of the expressly dedicated institutional website.

Not only does the Board define the strategies of the Issuer and the Group aimed at pursuing sustainable success, but also it also constantly monitors the implementation of the measures adopted in the framework of human sustainability. This function is carried out by the Board by analyzing the periodic reports and, more specifically, upon approval of the strategic plans.

With regard to the governance system, the Board deemed that the traditional administration and control system adopted by the Issuer represents the most suitable model to perform the corporate activities and achieve its strategies. Consequently, it did not deem it appropriate to submit any amendment proposal concerning this system to the attention of the Shareholders.

Moreover, the Board promotes the dialogue with the shareholders and other stakeholders that are relevant for the Issuer. In this regard, on March 11<sup>th</sup>, 2021, the Board approved a stakeholder engagement policy containing the guidelines for the dialogue with and involvement of the Company's main stakeholders. During the 2022 financial year, in accordance with what is defined in the Human Relations Policy and with the strategic assessment carried out from the perspective of stakeholder dependency and influence dimensions, the Company decided to commence the first direct engagement activities of its stakeholders, starting, in 2022, with the involvement of a representative sample of the following categories: financial community, *façonists*, community and territory, and Company employees.

During the Year the Company maintained its stakeholder engagement initiatives, incorporating an additional group of stakeholders. Specifically, during the Year, the following categories were involved: suppliers, wholesale clients and Company employees.

For further information in this regard, please refer to §12 and the NFD available at the following address: <http://investor.brunellocucinelli.com/en/services/archive/investor/non-financial-disclosure>.

In addition to the powers the law and the Company's Bylaws reserve to the Company's Board, including the powers indicated in the fourth paragraph of Article 2381 of the Italian Civil Code, the Board of Directors has the following powers:

- the definition of the strategic, industrial and financial plans of the Company and the Group;
- the approval of the budget of the Company or the Group;
- the approval of agreements and strategic decisions relating both to Brunello Cucinelli S.p.A. and to the companies belonging to the Group. They must in any case be understood as strategic in nature:
  - (i) contracts and decisions relating to transactions exceeding Euro 8 (eight) million each (except as provided for in (iv) below);
  - (ii) contracts and decisions concerning the purchase, sale or possible license of trademarks, patents and other intellectual property rights, regardless of the value of the transaction (and, therefore, even if below the threshold of Euro 8 (eight) million), with the exclusion of intra-group transactions and agreements instrumental or ancillary to distribution agreements (including franchising agreements) or to the supply of Brunello Cucinelli branded products;

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- (iii) contracts and decisions concerning the hiring, promotion, transfer or termination of employment or collaboration, for any reason and for any amount, in respect of the following positions: chief financial officer; investor relations officer; head of Internal Auditing; head of legal affairs;
- (iv) contracts and decisions concerning the hiring, promotion, transfer or termination of employment or collaboration, for any reason, for an annual salary or remuneration exceeding Euro 3 (three) million, with respect to the managers constituting the “front lines” of any company area or department;
- (v) contracts and financing operations with a principal amount of more than 20 (twenty) million (or 10 (ten) million, in case of operations secured by collateral on company assets).

The following transactions do not fall within the scope of decisions reserved to the Board of Directors, even if they exceed the threshold of Euro 8 (eight) million:

- (i) intra-group transactions (unless they are transactions between related parties which, according to the applicable legislation and/or the Company’s internal rules, fall within the competence of the Board of Directors);
- (ii) purchases of raw materials, semi-finished products and components necessary for production; supply and distribution agreements (including franchising agreements) of Brunello Cucinelli brand products;
- (iii) payment of overdue debts for taxes, salaries, dividends to be distributed, bonds and other loans.

Pursuant to article 16 of the Company’s Bylaws, a majority of the directors in office must be present for meetings to be valid and resolutions are passed with the favourable vote of the majority of those present.

The authority to manage the Company’s ordinary and extraordinary operations exercised by the Board of Directors pursuant to the law and the Company’s Bylaws has been further detailed in the Regulation on the functioning of the Board, adopted on March 10<sup>th</sup>, 2022, whose main provisions are briefly described below (please refer to §4.4 for further detail). In particular, in consideration of Recommendation No. 1 of the CG Code, the Board:

- a) examines and approves the business plan of the Company and of the Group, also on the basis of the analysis of those matters relevant to generate long-term value, with the support of the Council for Human Sustainability and Humanistic Capitalism, whose composition and functions are determined by the Board itself. This plan is elaborated taking into account, in general, a three-year time horizon;
- b) periodically monitors the implementation of the business plan and assesses the general performance of operations, periodically comparing the results achieved with those planned;
- c) defines the nature and level of risk that are compatible with the Company’s strategic objectives, including in its assessments all the elements that may be relevant to achieve a sustainable success;
- d) defines the corporate governance system of the Company and the structure of the Group to which it belongs and assesses the adequacy of the organizational, administrative and accounting structure of the Issuer and its subsidiaries with strategic importance, with particular reference to the Internal Audit control and risk management system;

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

e) in order to ensure proper management of corporate information, adopts – upon proposal of the Chairman in agreement with the Managing Directors – a procedure for internal management and external disclosure of documents and information concerning the Company, with particular reference to inside information.

During the Year, the Board did not deem necessary to make reasoned proposals to the Shareholders' Meeting aimed at changing the Issuer's current governance model, since it considered that the current traditional system was the most suitable to pursue the Company's strategic objectives.

During the financial year 2021, the Board adopted a policy for the management of dialogue with the shareholders (please refer to §12 for further details). The Chairman of the Board of Directors informs the Board about significant developments and contents of the dialogue with all shareholders.

With reference to the regulations adopted by the Company in order to govern the management of inside information, please refer to §5.

No additional powers have been reserved for the Board other than those described in this section of the Report.

#### **4.2 APPOINTMENT AND REPLACEMENT OF DIRECTORS (art. 123-bis, para. 11), TUF)**

In accordance with the provisions of Article 147-ter of the TUF, the Company's Bylaws provides that the appointment of directors and statutory auditors takes place through the list voting mechanism.

This mechanism was applied for the first post-listing renewal of the Issuer's Board of Directors, resolved by the Shareholders' Meeting held on April 23<sup>rd</sup>, 2014, and for the subsequent renewals of the Board of Directors resolved by the Shareholders' Meeting held on April 20<sup>th</sup>, 2017, on May 21<sup>st</sup>, 2020, and April 27<sup>th</sup>, 2023.

Article 14 of the Bylaws requires directors to be elected on the basis of lists presented by shareholders (in which candidates are listed by progressive numbers), who own, individually or jointly, a shareholding of at least equal to that established by CONSOB pursuant to Article 147-ter, paragraph 1, of the TUF and in compliance with CONSOB Regulation on Issuers, as subsequently amended. In this regard, it should be noted that the shareholding threshold determined for the Issuer by Consob pursuant to Article 144-*quater* of the Consob Regulations on Issuers, with determination No. 92 of January 31<sup>st</sup>, 2024, is 1%.

The lists, signed by those who submit them, must be filed at the Company's registered office at least 25 days before the date set for the Shareholders' Meeting convened to appoint the members of the Board of Directors, together with (i) a statement in which the individual candidates agree to stand and attest, under their own responsibility, that there are no reasons why they may be considered ineligible or incompatible and that they hold the prerequisites prescribed by applicable law and, if it be the case, that they hold the integrity and independence prerequisites, (ii) a *curriculum vitae* for each candidate which includes a description of the management and control positions held in other companies, and any suitability to qualify as independent in accordance with the criteria imposed by law or, if applicable, adopted by the Company (iii) an attestation providing evidence that at the time the list is lodged at the Company they are the owner of the minimum interest specified for presenting lists (in accordance with the requirements of article 147-ter para. 1-bis of the TUF, this attestation may also be produced after the lodging of the list provided this takes place within the term set for the publication of the lists).

The clause specifies that the names all the directors but one to be elected shall be taken from the list resulting first regarding the number of votes it receives, with the name of the remaining director taken from the list which obtained the second highest number of votes and is not in any way associated, even indirectly, with the shareholders who presented or voted in favor of the majority list (minority list). This ensures that a minority director is appointed in accordance with article 147-ter, para. 3 of the TUF.

The regulation in the Bylaws, to which reference is made, also governs the situation in which two or more lists receive the same number of votes.

The Company's Bylaws do not set a minimum number of votes for a list to participate in the allocation of the directors to be elected.

In the case that the number of independent directors required by article 147-ter, para. 4 of the TUF is not ensured with the candidates elected in the above manner, article 14 of the Company's Bylaws provides for a specific mechanism. In further detail the following is envisaged: (i) first and foremost that each list must contain a minimum number of candidates having the independence prerequisites established by applicable laws and regulations, and then (ii) that if the number of independent directors required by current legislation is not reached with the candidates elected the following procedure shall be followed:

- a) if a majority list has been submitted, the non-independent candidates (equal to the number of missing independent directors) elected as last in progressive order in the majority list shall be replaced by independent directors from the same list who have not been elected following the progressive order;
- b) in the event that a majority list is not submitted, the non-independent candidates (equal to the number of missing independent directors) elected as last in the lists from which no independent director was drawn shall be replaced by independent directors from the same lists who have not been elected following the progressive order.

The Company's Bylaws (following the amendments resolved by the Shareholders' Meetings held on April 18<sup>th</sup>, 2013 and May 21<sup>st</sup>, 2020) provide that: (i) the list voting mechanism set out for the appointment of directors should lead to the achievement of a result in compliance with the *pro tempore* regulations in force relating to the balance between genders; (ii) lists containing a number of candidates equal to or greater than three must be composed of candidates belonging to both genders in order to ensure the presence of the less represented gender to the extent provided for by the *pro tempore* regulations in force relating to the balance between genders; (iii) if the mechanism under item "ii" is not sufficient to achieve the abovementioned goal, the last candidate in progressive order of the most represented gender elected from the list that obtained the highest number of votes shall be replaced with the first non-elected candidate of the less represented gender of the same list (and, in case of failure of such last remedy, the replacement will be applied by way of a Shareholders' Meeting's resolution after application of persons belonging to the less represented gender); and lastly (iv) the compliance to the provisions of "gender balance" shall be ensured even in case of replacement of ceased directors.

The election mechanism also provides that:

- (a) the loss of the independence requirements implies the removal from the office of director, unless the requirements of independence are still held by the minimum number of directors who must meet these requirements in accordance with applicable law;
- (b) in case of submission of only one list of candidates is submitted for the election of the Board of Directors, the directors shall be drawn from such list.

The Company's Bylaws do not specify the need for any independence requirements in addition to those provided in article 148, para. 3 of the TUF nor for any integrity requirements other than those provided by applicable legislation. There are no professionalism requirements needed to hold a position as director.

If it the requirement to replace one or more directors arises, the Board of Directors uses a co-opting procedure pursuant to article 2386 of the Civil Code.

The Issuer is not bound by any other provisions concerning the composition of the Board of Directors with respect to the requirements of the TUF.

Pursuant to the Company's Bylaws, for the purposes of the division concerning the Directors to be elected, account must not be taken of the lists that have not obtained a percentage of votes equivalent to at least half of those required by the Company's Bylaws itself for their submission (as allowed by art. 147-ter, paragraph 1 of the TUF).

The Company's Bylaws does not govern the possibility for the outgoing Board of Directors to submit a list of candidates for the office of Director.

With regard to information on the role of the Board of Directors and its committees in the processes of self-assessment, appointment and succession of directors, please refer to the section of the Report dealing with the self-assessment and succession of directors (§7).

With regard to its composition, it should be noted that there have been no changes in the composition of the Board of Directors since the end of the Year.

#### **4.3 COMPOSITION (art. 123-bis, paras. 2d) and 2d-bis), TUF)**

Pursuant to art. 13 of the Bylaws, as amended by the Extraordinary Shareholders' Meeting held on May 21<sup>st</sup>, 2020, Brunello Cucinelli may be administered by a Board of Directors consisting of a number of directors between nine and fifteen, elected by the Ordinary Shareholders' Meeting also from among non-shareholders.

The current members of the Board of Directors are:

- Brunello Cucinelli, executive director, Chairman of the Board of Directors, appointed for the first time on 16/06/2011, re-elected on 27/04/2023;
- Riccardo Stefanelli, executive director, appointed for the first time on 16/06/2011, re-elected on 27/04/2023;
- Luca Lisandrone, executive director, appointed for the first time on 21/04/2016, re-elected on 27/04/2023;
- Camilla Cucinelli, non-executive director (until March 14<sup>th</sup>, 2024), appointed for the first time on 23/04/2014 and re-elected on 27/04/2023. On March 14<sup>th</sup>, 2024, the Board of Directors granted her powers for the management of *Product, Image and Communication* areas;
- Carolina Cucinelli, non-executive director (until March 14<sup>th</sup>, 2024), appointed for the first time on 20/04/2017 and re-elected on 27/04/2023. On March 14<sup>th</sup>, 2024, the Board of Directors granted her powers for the management of *Product, Image and Communication* areas;
- Alessio Piastrelli, non-executive director, appointed for the first time on 27/04/2023;
- Giovanna Manfredi, non-executive director, appointed for the first time on 16/06/2011, re-elected on 27/04/2023;
- Andrea Pontremoli, non-executive director, appointed for the first time on 16/03/2012, re-elected on 27/04/2023;
- Maria Cecilia La Manna, independent director, appointed for the first time on 21/05/2020, re-elected on 27/04/2023;
- Ramin Arani, independent director, appointed for the first time on 21/05/2020, re-elected on 27/04/2023;

- Stefano Domenicali, independent director, appointed for the first time on 21/05/2020, re-elected on 27/04/2023;
- Guido Maria Barilla, independent director, appointed for the first time on 27/04/2023;
- Chiara Dorigotti, independent director, appointed for the first time on 27/04/2023;
- Emanuela Bonadiman, independent director, appointed for the first time on 21/05/2020, re-elected on 27/04/2023.

The directors hold office for a period not exceeding three financial years, and until the approval of the financial statements for the last financial year of their mandate, as established by the Shareholders' Meeting at the time of their appointment, and may be re-elected.

The Issuer's Board of Directors, appointed on April 27<sup>th</sup>, 2023, by the Ordinary Shareholders' Meeting, will remain in office until the date of the Shareholders' Meeting called to approve the financial statements as of December 31<sup>st</sup>, 2025.

The Issuer's directors were elected on the basis of the two lists presented at the Shareholders' Meeting of April 27<sup>th</sup>, 2023.

The two lists were presented by Foro delle Arti S.r.l. (List 1), which held, at the time of submission of the list, 50.05% of the Issuer's share capital, as well as the following shareholders (List 2): Amundi Asset Management SGR S.p.A.; Arca Fondi Sgr S.P.A.; BNP Paribas Asset Management; Eurizon Capital SGR S.p.A; Eurizon Capital S.A.; Fideuram Asset Management Ireland; Fideuram Intesa Sanpaolo Private Banking Asset Management Sgr S.P. A., which held, at the time of submission of the list, a total shareholding equal to 2.42712% of the Issuer's share capital.

Thirteen of the fourteen candidates were elected from List 1 (the candidate who was not elected is Sennait Ghebreab), while from List 2 the only candidate Emanuela Bonadiman was elected.

The percentage of votes in favour of List 1 was equal to 60.377% of the share capital present at the meeting and 54.599% of the share capital with voting rights, while the percentage of votes in favour of List 2 was equal to 39.249% of the share capital present at the meeting and 35.493% of the share capital with voting rights. For further information on the composition of the Board of Directors, such as, among others, the position (executive, non-executive, independent), the role held within the Board (chairman, chief executive officer, etc.), as well as the seniority in office since the first appointment of each member, please refer to Table 2 in the Appendix.

As provided by Principle V of the CG Code, the Board of Directors is composed of executive and non-executive directors, all having professional skills and expertise appropriate for the tasks assigned. The *curricula vitae* of the Issuer's directors are available in the Investor Relations section of the corporate website at the following address: <http://investor.brunellocucinelli.com/en/governance/board-of-directors>.

For the sake of completeness, it should be noted that, from the beginning of the Year until the appointment of the current Board of Directors on April 27<sup>th</sup>, 2023, none of the previous Directors resigned from her/his office, nor have there been any changes in the previous composition of the Board. From the appointment of the current Board of Directors to the present date, no member of the Board of Directors resigned from his/her office, nor was there any change in the composition of the Board.

As shown in Table 2 in the Appendix, at the end of the Year, most of the members of the Board of Directors (11 out of 14) were non-executive directors. The number and expertise of the non-executive directors is deemed to be such as to ensure that they have significant influence on board resolutions and to guarantee effective supervision of management.



Considering only non-executive directors, at the end of the Year, 6 out of 11 directors were independent<sup>1</sup>. For further information on independent directors, please refer to §4.7.

Taking into consideration the composition of the Board of Directors from the beginning of the Year to April 27<sup>th</sup>, 2023, the number of non-executive directors was 8 out of 11, and 5 of them were independent.

### **Diversity criteria and policies in the composition of the Board and company organization**

With reference to the current Board of Directors, appointed on May 27<sup>th</sup>, 2023 and in charge until the date of the Shareholders' Meeting called to approve the financial statements as of December 31<sup>st</sup>, 2025, the Issuer has not adopted, through specific resolutions or in any other form, diversity criteria and policies in relation to the composition of the administration and management bodies with regard to age, gender composition and educational and professional background.

Nevertheless, the Issuer believes that the composition of the Board of Directors as of April 27<sup>th</sup>, 2023, was such as to respect an adequate level of diversity, not only in terms of gender, but also in terms of age, educational and professional background. This was also confirmed by the results of the self-assessment conducted in February 2023 among the Directors of the previous Board of Directors, which showed that the composition of the administrative body was adequately balanced (see §7). The Issuer considers that the current composition of the Board of Directors is in line with the previous one, in light of the fact that 11 of the 14 members of the current Board of Directors were members of the same in its previous composition and that the 3 new Directors of the Board respect an adequate level of diversity in terms of gender, age, educational background and professional profile.

The choice on the profiles of the candidates for the position of Issuer's Directors is ultimately left to the shareholders, that, when selecting candidates, shall propose a list of candidates that is adequately balanced and heterogeneous, taking into account the above-mentioned diversity criteria.

Pursuant to the provisions of article 14 of the Company's Bylaws, as most recently amended following the amendments to Article 147-ter, paragraph 1-ter of the TUF concerning the procedure for the appointment of the Board of Directors introduced by Law no. 160/2019, as well as in accordance with Law no. 120/2011 (the so-called "Golfo-Mosca" Law), the Issuer complies, in its composition, both with the balance between genders and the adequate competence and professional skills of the members of the Board, where managerial and professional skills are adequately represented, including those of an international nature, and there are different age and seniority in office.

As of December 31<sup>st</sup>, 2023, the Board of Directors consists in 6 women and 8 men.

The members of the Board include Company managers and independent directors who have gained an extensive experience in sectors close to that of luxury clothing or in listed companies. For detailed information on the educational and professional background of each Director, please refer to the following website: <http://investor.brunellocucinelli.com/en/governance/board-of-directors>.

Further, as of December 31<sup>st</sup>, 2023, the Board of Directors includes 5 directors aged between 30 and 50 years old and 9 directors aged over 50 years old.

With reference to measures aimed at promoting equal treatment and opportunities between genders within the corporate organization, on March 11<sup>th</sup>, 2021, the Board of Directors adopted a policy on diversity and inclusion. The policy defines the Company's commitment in understanding and welcoming diversity within all organizational and internal management processes, fighting against unfairness and humiliation of others,

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<sup>1</sup> It should be noted that on March 14<sup>th</sup>, 2024, the Board of Directors granted the Directors Camilla Cucinelli and Carolina Cucinelli powers for the management of *Product, Image and Communication* areas. Therefore, as of that date, the majority of the members of the Board of Directors (9 out of 14) are non-executive directors and 6 of them are independent.

strengthening the respect for individuals, at the center of each procedure, the attention to individuality and the enhancement of everyone's contribution to the achievement of the Group's objectives. More detailed information on the above policy, as well as on the additional measures adopted by the Company aimed at formalizing those principles that express the culture of inclusion and the valorization of diversity that the Group pursues, can be found in the NFD available at the following address: <http://investor.brunellocucinelli.com/en/services/archive/investor/non-financial-disclosure>.

The policy on diversity and inclusion has been shared with the employees of the companies belonging to the Group and available for the Issuer's employees on the Company's intranet system.

### **Maximum number of positions held in other companies**

As a result of the board evaluation conducted during the financial year 2021 by the Issuer, the Board (please refer to §7), in its meeting of March 11<sup>th</sup>, 2021, on the proposal of the Remuneration and Appointments Committee, expressed its recommendation on the maximum number of administration and control positions in other companies that can be considered compatible with an effective performance of the role of director of the Issuer. In particular, the Board has deemed that the administration and control positions to be taken into consideration for the adoption of the aforesaid recommendation are those possibly held in other listed companies, Italian or foreign, or in financial, banking or insurance companies or with a consolidated net equity or annual turnover exceeding 250 million euros or an equivalent amount, if the company adopts a different currency (collectively referred to as "**Relevant Companies**"). The Board therefore resolved that:

- (a) with reference to the positions that the executive directors of Brunello Cucinelli S.p.A. may hold in Relevant Companies:
  - (i) 1 (one) is the maximum number of positions as executive director;
  - (ii) 2 (two) is the maximum number of positions as non-executive director;
  - (iii) 2 (two) is the maximum number of control position;
  
- (b) with reference to the positions that the non-executive directors of Brunello Cucinelli S.p.A. may hold in Relevant Companies:
  - (i) 1 (one) is the maximum number of positions as executive director;
  - (ii) 5 (five) is the maximum number of positions as non-executive directors and/or control position.

For the purposes of calculating the offices indicated above, offices held in companies belonging to the Brunello Cucinelli Group shall not be considered, and companies belonging to the same group shall count as one.

In any event, it is understood that each candidate for the office of director must assess in advance, at the time of accepting the office, the compatibility with the diligent performance of the duties assumed as a director of the Issuer of the offices of director and statutory auditor held in other companies listed on regulated markets, in financial, banking, insurance companies or companies of significant size.

Moreover, non-independent directors (with the exception of Cav. Lav. Brunello Cucinelli and Director Andrea Pontremoli) are all executives of the Issuer and, in some cases, serve as company directors of the Issuer's subsidiaries, dedicated to the production of Brunello Cucinelli brand products or to subsidiaries, mostly foreign, also belonging to the Group, of a purely commercial and commercial nature dedicated to the management of shops and the marketing of Brunello Cucinelli brand products. In light of this, their contribution to the management of the Issuer is more effective, because it is enhanced by the knowledge acquired through the management of the subsidiaries and by the knowledge of the different geographical markets.

The current composition of the Board of Directors, therefore, complies with the criteria established by the GC Code. In particular, all 6 independent directors serve as directors in companies outside the Group. This does

not undermine the degree of commitment to the Issuer's administration activities; indeed, even taking into account the limited number of other positions held, the adequacy of the time dedicated to the management of the Company is not compromised.

No director of the Issuer holds positions on the control bodies of other companies.

As part of the Board evaluation activity conducted in February 2023, the Directors confirmed the actuality of the resolution adopted in March 2021 regarding the maximum number of directorships and audit positions in other companies that can be considered compatible with effective performance as a director of the Issuer.

### ***Induction Programme***

On October 5<sup>th</sup>, 2023, an induction programme session was held at the Cucinelli Theatre in Solomeo. It was a training meeting entitled "Corporate governance in Italy and its possible evolutionary lines" held by professionals in that specific field and representatives of CONSOB and Borsa Italiana, which was attended by Company's directors, Statutory Auditors and several employees. During the meeting, current corporate governance practices, at national and international level, were analyzed and discussed (with a particular focus on some issues such as corporate sustainability) as well as their possible future developments.

In addition, the Control and Risk Committee, also jointly with the Board of Statutory Auditors, held a series of meetings during the Year with the Company's main department managers in order to examine in detail the organizational structure as well as the responsibilities, objectives and risks related to key corporate processes. Moreover, during both Board and Committee's meetings, also with the support of the Chairman of the Board of Directors, information on corporate dynamics, on the market in which the Company operates as well as on current changes and trends has been provided.

The Independent Directors had the opportunity to meet together with the Company's managers, also outside Board and Committee meetings, in order to acquire further information and knowledge on the different areas in which the Company and the Group are organized.

On March 13<sup>th</sup>, 2023, a meeting between only independent directors was held. For more information about this meeting, please refer to §4.7.

## **4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, paragraph 2 (d), TUF)**

In line with Recommendation No. 11 of the CG Code, the Board of Directors, with a resolution adopted on March 10<sup>th</sup>, 2022, approved the regulations on the functioning of the Board of Directors and its Committees.

Such document is aimed at incorporating in a single document the regulation concerning how the Board and its Committees are convened and how their respective meetings are conducted, with particular regard to the functions assigned to the respective chairpersons and secretaries, the deadlines to submit pre-meeting information and the procedures to record minutes.

In particular, in order to guarantee the timeliness and completeness of the pre-meeting information, the documentation relating to the items on the agenda is regularly sent to the Directors well in advance of the meeting.

In this regard, the Board of Directors, firstly in its resolution dated March 11<sup>th</sup>, 2021 and, subsequently, within the regulation on the functioning of the Board adopted by the same during the meeting held on March 10<sup>th</sup>, 2022, set 3 (three) days prior to the meeting as the deadline considered appropriate for the transmission of the preliminary documentation relating to the items on the agenda of the meetings of the Board of Directors and the committees. For meetings with a significant number of items on the agenda (e.g. when approving the annual

and half-year financial reports), the practice followed is to forward the documents to be examined as early as possible in order to facilitate the work of the Directors and Auditors.

This deadline has been respected during the Year. In those cases - which are residual compared to the totality of the meetings held - in which it has not been possible to share the documents in compliance with such notice periods described above, the Chairman, with the assistance of the Secretary, ensured that, during the meetings, Directors and Auditors were provided with all the necessary information on the items on the agenda.

With regard to the way in which each session is handled, during the meeting the Chairman of the Board of Directors encourages the intervention of the Directors and any other participants for a constructive and timely analysis of all the items on the agenda, dedicating the necessary time to the analysis of the different matters. In particular, adequate time is devoted to explaining the main characteristics of the reference market and the peculiarities, including organizational ones, of the Brunello Cucinelli Group.

Pursuant to art. 16 of the Company's Bylaws, the Board meetings may be held by video or teleconference, provided that the following conditions are met

- a) the Chairman and the Secretary of the meeting, if appointed, are both present in the same place, the meeting being deemed to have been held in that place;
- b) the Chairman of the meeting is allowed to verify the identity of the participants, regulate the meeting, check and announce the results of the vote;
- c) the person drafting the minutes is able to adequately understand the events of the meeting to be minuted;
- d) those present can take part in the discussion and vote simultaneously on the items on the agenda, as well as examine, receive or transmit documents.

The minutes of the meetings of the Board and its Committees shall be drawn up by the subject appointed as secretary.

In this regard, during the meeting held on March 27<sup>th</sup>, 2023, the Board approved the appointment - until the end of the term of office (i.e. until the approval of the financial statements for the year ending December 31<sup>st</sup>, 2025) - of the Head of the Legal and Corporate Affairs Department, Mr. Giuseppe Labianca, as Secretary of the Board. Further information concerning the requirements and tasks assigned to this figure is available below (please refer to §4.5).

In order to record the minutes of their meetings, the Committees avail themselves of a secretary, who is either the Secretary of the Board of Directors or another person (who may also be external to the Committee) designated from time to time by the members of the committees.

A first draft of the minutes is submitted to the participants in the meetings, in order to take into account their proposed amendment and/or addition, if any. Once the completeness and accuracy of the drafted minutes have been checked, they are entered in the corporate book kept in compliance with the applicable law. The organization of meetings, together with the accuracy, completeness and timeliness of pre-meeting information, were some of the elements assessed by the Directors during the most recent self-assessment activity carried out in February 2023. With regard to the above-mentioned elements, the Directors expressed a substantially positive opinion (please refer to §7.1).

As far as the time availability of the Board's members, the following aspects shall be taken into account.

Some Directors also act as Issuer's managers; therefore, by attending the meetings, they are able to provide their contribution on the items on the agenda with regard to the relevant area for which they are responsible. Taking into account this element - with regard to directors who are managers of the Issuer, on the one hand - and the limited number of offices held by independent directors, on the other, all members of the Board are able to devote an adequate amount of time in order to perform their duties.

For further information on the composition of the Board and the participation of each Director in the meetings held during the Year, reference should be made to Table 2 in the appendix to this Report.

Eight meetings of the Company's Board of Directors were held during the Year. The average duration of the Board meetings was one hour and thirty minutes.

The percentage attendance of each member of the Board of Directors at the meetings held during the Year was as follows: (i) 50% for Cav. Lav. Brunello Cucinelli; (ii) 87.5% for Riccardo Stefanelli; (iii) 100% for Luca Lisandrone; (iv) 87.5% for Giovanna Manfredi; (v) 75% for Camilla Cucinelli; (vi) 87.5% for Carolina Cucinelli; (vii) 80% for Alessio Piastrelli (limited to the meetings held during 2023 in which he held this position, i.e. No. 5 since his appointment on April 27<sup>th</sup>, 2023). (viii) 75% for Stefano Domenicali; (ix) 100% for Andrea Pontremoli; (x) 87.5% for Ramin Arani; (xi) 75% for Maria Cecilia La Manna; (xii) 100% for Emanuela Bonadiman; (xiii) 100% for Guido Maria Barilla (limited to the meetings held during 2023 in which he held this position, i.e. No. 5 since his appointment on April 27<sup>th</sup>, 2023); (xiv) 80% for Chiara Dorigotti (limited to the meetings held during 2023 in which she held this position, i.e. no. 5 since her appointment on April 27<sup>th</sup>, 2023).

The total percentage of participation of Directors in the meetings held during the Year was 81.36%.

At the moment, 7 meetings of the Board of Directors are scheduled for the current year.

As of the end of the financial year as at 31<sup>st</sup> December 2023, the Board met twice, respectively, on January 8<sup>th</sup> and March 14<sup>th</sup>, 2024.

#### **4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

The Chairman of the Board of Directors is responsible for coordinating the activities of the Board of Directors, convening Board meetings, setting the agenda and regulating the meeting, ensuring that the Directors are provided with the necessary documentation and information in a timely manner in accordance with the Company's Bylaws and the applicable law. He also verifies the implementation of Board resolutions, chairs the Shareholders' Meeting and has the authority to legally represent the Company.

During the meeting held on April 27<sup>th</sup>, 2023 the Issuer's Board of Directors appointed Cav. Lav. Brunello Cucinelli as "Executive Chairman" with strategic supervisory powers, granting him all management and representation powers for the implementation of the coordination, supervision and strategic planning of the activities of the Company and the Group, with the power to take any necessary measure, including the creation of informal procedures to exchange and share information also with the Chief Financial Officer, in order to ensure an effective coordination between Managing Directors, as well as between them and the Board, with regard to the implementation of the plans and the budget defined by the Board of Directors. Moreover, the Executive Chairman - in his capacity as Creative Director - was granted the powers to independently exercise the ordinary and extraordinary management limited to the style and communication areas.

In the exercise of his independent authority, the Chairman informs the Managing Directors of the contracts and decisions pertaining to his areas, which, regardless of their value, are not of an ordinary and recurring nature. Moreover, the Chairman ensures that the Board of Directors is always informed about the development and significant contents of the dialogue with all shareholders.

During the Year, the Chairman of the Board - in agreement with the Managing Directors - made sure that the Issuer and Group's managers - who are responsible for the corporate departments according to the issues on the agenda of the related meetings - attended the Board's meetings in order to provide any necessary information on the subjects under discussion. The following subjects have taken part in all the Board's meetings during the Year: the Chief Financial Officer and Manager in charge, the General Counsel and Head of the Legal and Corporate Affairs Department, the Co-CFO, the Investor Relator.

Moreover, with the assistance of the Secretary, as governed by the Company's Bylaws and the Regulation on the functioning of the Board of Directors adopted during the meeting of the Board held on March 10<sup>th</sup>, 2022, in compliance with the recommendations of the CG Code (see §4.4), the Chairman ensured the adequacy of the pre-meeting information, as well as of the additional information provided during the Board meetings, in order to allow the Directors to act in an informed manner in the performance of their duties.

Cav. Lav. Brunello Cucinelli also serves as Chairman and Managing Director of Foro delle Arti S.r.l. (see §1 above).

### **Secretary of the Board**

In compliance with the Recommendation no. 11 of the CG Code, the Issuer adopted specific regulation on the functioning of the Board and its Committees, which was approved by the Board with a resolution dated April 27<sup>th</sup>, 2023. Pursuant to the above-mentioned regulation, the Board shall resolve - upon proposal of the Chairman - on the appointment and removal of the Secretary, and shall define his requisites (with particular regard to professional skills) and powers.

With regards to the requisites, pursuant to the said regulation, the Secretary shall have adequate knowledge and experience in corporate law and corporate governance. During the same meeting held on March 10<sup>th</sup>, 2022, the Board of Directors appointed the General Counsel and Head of the Legal and Corporate Affairs Department, Mr. Giuseppe Labianca, as Secretary of the Board. In carrying out his duties, the Secretary is provided with an organisational structure that is adequate for the performance of his duties.

The Secretary attends the Board's meetings and takes care of drawing up the related minutes. The drafted minutes are then submitted to the attendees of the meetings in order to incorporate any proposals for amendment and/or integration they should have. Once the completeness and accuracy of the drafted minutes have been checked, they are duly recorded in the corporate book kept in compliance with the applicable law.

During the Year, the Secretary has supported the Chairman with regard to the activities set out in Recommendation No. 12 of the CG Code and, in particular, with regard to the submission of pre-meeting information.

## **4.6 EXECUTIVE DIRECTORS**

### **Managing Directors**

Pursuant to Article 17 of the Company's Bylaws, the Board of Directors may delegate its duties, excluding those specifically reserved to the Board by law, to an executive committee and/or one or more members of the Board of Directors, and may appoint authorized representatives, including on a permanent basis for single acts or operations or for classes of acts or operations.

On April 27<sup>th</sup>, 2023, the Issuer's Board of Directors appointed Riccardo Stefanelli and Luca Lisandroni as Managing Directors, to head the Product and Operations area and the Markets area (as defined below) respectively, under the coordination and strategic supervision of the Chairman of the Board of Directors, Brunello Cucinelli.

The powers delegated to each CEO are divided into three degrees of autonomy:

- (i) autonomous powers to be exercised in their respective areas of competence;
- (ii) shared disjoint powers, with reporting obligations, in the following corporate areas: accounting and financial reporting, finance, taxation, customs, setting up and maintaining the internal control and risk management system, human sustainability, human resources, legal and corporate affairs and insurance, merchandising/buying; information systems;
- (iii) shared joint powers for certain significant decisions.

The effective coordination between the two Managing Directors and between the latter and the Board of Directors, within the framework of the implementation of the plans and budget defined by the Board itself, is entrusted to the Chairman of the Board of Directors, also through the establishment of informal procedures for the exchange and sharing of information.

In particular, the powers of ordinary and extraordinary administration of the Company conferred on the Managing Directors are exercised with the exclusion of the powers reserved to the exclusive competence of the Board of Directors, as listed in § 4.3 above (in addition to the powers that the law and regulations and the Company's Bylaws reserve to the Board of Directors, including the powers indicated in the fourth paragraph of article 2381 of the Italian Civil Code) and to that of the Chairman of the Board of Directors with reference to style and communication.

The Managing Directors also qualify as *Chief Executive Officers* and do not hold a position as director in any other issuer in which a director of the Issuer has the role of Chief Executive Officer; therefore, the situation of interlocking directorate does not arise.

In its meeting held on April 27<sup>th</sup>, 2023, the Issuer's Board of Directors appointed Riccardo Stefanelli as Managing Director and CEO of the Company, granting him powers for the ordinary and extraordinary management of the following departments and corporate functions: production, product research and development (with the express exclusion of corporate functions falling within the style area), logistics and procurement, control and quality, facility management (jointly referred to as the "**Product and Operations**" area) as well as the related powers of representation towards third parties. These powers may be exercised with single or joint signature depending on the value of the transaction, within the limits of the budget and coordinating their exercise with the powers vested in the other Chief Executive Officer and the Chairman of the Board of Directors.

At the same meeting held on April 27<sup>th</sup>, 2023, the Issuer's Board of Directors appointed Luca Lisandrone as Managing Director and CEO of the Company, granting him powers for the ordinary and extraordinary management of the following departments and corporate functions: retail (which includes the search for new spaces and points of sale), wholesale, e-commerce, marketing (with the express exclusion of corporate functions that fall within the communication area) (jointly referred to as the "**Markets**" area) as well as the related powers of representation towards third parties. These powers may be exercised with single or joint signature, within the limits of the budget and coordinating their exercise with the powers pertaining to the other Chief Executive Officer and the Chairman of the Board of Directors.

In exercising his autonomous powers, each Managing Director and CEO of the Company is required to provide the Chairman and the other Managing Director with adequate information on contracts and decisions relating to his area of competence that, regardless of their value, are not of an ordinary and recurring nature.

The exercise of management and representation powers as conferred above on Managing Directors concerns the overall performance of the Group's business, for those activities carried out by the Company as well as for those activities carried out through subsidiaries. With regard to the latter, the Managing Directors may hold offices in their respective administrative bodies and/or exercise management and coordination powers, it being understood that both may in any case be appointed as directors of the subsidiaries.

### **Chairman of the Board of Directors**

With reference to the role of the Chairman of the Board of Directors and his powers, please refer to section §4.5.

### **Executive Committee**

At the date of this Report, no Executive Committee has been established.

\* \* \*

## **Information to the Board by the Directors/managing directors**

During the Year, the Chairman of the Board of Directors, the Managing Directors and the Chief Financial Officer constantly reported to the Board on the activities carried out in exercising the powers delegated to them at least on a quarterly basis and, in general, informed the Directors and Auditors on the ongoing projects and on the most significant operations, even when their approval did not fall within the competence of the Board.

## **Other Executive Directors**

As of December 31<sup>st</sup>, 2023, within the Company's Board of Directors, in addition to the Chairman and Chief Executive Officers, there were no other Directors who should be considered executive.

For the sake of completeness, it should be noted that on March 14<sup>th</sup>, 2024, the Board of Directors of the Issuer granted Directors Camilla Cucinelli and Carolina Cucinelli powers for the management of *Product, Image and Communication* areas.

The powers granted to each of the two (new) Executive Directors, as well as the related powers of representation towards third parties, may be exercised with single signature, or with joint signature between the two Executive Directors or between an Executive Director and one of the Chief Executive Officers, depending on the value of the transaction.

Each Executive Director will exercise her powers within the budget limits and in coordination with the other Executive Director, the Managing Directors and CEOs and the Chairman of the Board of Directors.

## **4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR**

### **Independent Directors**

There are 6 independent directors on the Company's Board of Directors: Emanuela Bonadiman, Maria Cecilia La Manna, Ramin Arani, Stefano Domenicali, Guido Maria Barilla e Chiara Dorigotti.

The Chairman of the Board of Directors does not qualify as an independent director.

During the first meeting after their appointment, held on April 27<sup>th</sup>, 2023 (see the press release published on the same date), the Board assessed that they met the requirements to be qualified as independent in accordance with the criteria laid down in Article 147-ter, paragraph 4, of the TUF (which refers to the criteria set out in Article 148 of the TUF) and recommended by the CG Code.

For the purposes of this assessment, the Board has taken into account the information provided by the directors being assessed and additional information that the Company has acquired independently, and has applied all the criteria set out in the CG Code regarding the independence of directors.

Furthermore, the Board of Statutory Auditors on May 31<sup>st</sup>, 2023, positively verified the correctness of the criteria and assessment procedure adopted by the Board of Directors to evaluate the independence, substantial and formal, of its members qualified as independent and non-executive, according to the criteria mentioned above.

In compliance with Recommendation No. 7 of the CG Code, the Board, in its resolution dated March the 11<sup>th</sup>, 2021, resolved, also taking into account the remarks submitted by the directors as part of the board evaluation activity conducted during the financial year 2021 (see §7. 1), that the circumstance that a director of the Company is attributed a total remuneration exceeding, in one financial year, the amount of Euro 100,000.00, whether paid (or acknowledged) by Brunello Cucinelli S.p.A. or by Group companies, generally implies that the requirement of independence is no longer met. This was also confirmed by the results of the self-assessment conducted in February 2023 among the members of the previous Board of Directors.



After the aforementioned Board meeting held on April 27<sup>th</sup>, 2023, no new elements have emerged that would make the assessment of whether the abovementioned directors meet the independence requirements no longer relevant.

For the sake of completeness, it should be noted that the Board of Directors, during its meeting on March 14<sup>th</sup>, 2024, positively ascertained that the independent Directors maintain the requirements to be qualified as independent, according to the criteria set forth in art. 147-ter, paragraph 4, TUF (which recalls the criteria referred to in art. 148 of the TUF) and recommended by the CG Code.

On March 13<sup>th</sup>, 2023, a meeting of only independent directors was held upon the proposal of the lead independent director Ramin Arani. This meeting focused on the following matters: (i) the evaluation of the frequency, timing and quality with which information, financial and non-financial, is provided to the Board of Directors, as well as the level of satisfaction of the independent directors with respect to these profiles; (ii) the evaluation of the structure of the Committees and the frequency with which their respective meetings are held; and (iii) the evaluation of the Company's internal control and risk management system.

All directors, including the independent directors, regularly receive extensive information on the management of the Issuer so as to enable them to make a free and constructive contribution from time to time during Board meetings held during the Year.

All independent directors constantly undertake to maintain their independence.

### **Lead independent director**

In compliance with the recommendations of the Corporate Governance Code, the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, with a resolution of May 18<sup>th</sup>, 2022, appointed the Independent Director Ramin Arani as lead independent director, who held the position up to the approval of the Company's financial statements at December 31<sup>st</sup>, 2022. During the meeting of April 27<sup>th</sup>, 2023, the newly elected Board of Directors appointed the Independent Director Maria Cecilia La Manna as the new lead independent director for the period up to the approval of the Company's financial statements at December 31<sup>st</sup>, 2025.

The lead independent director is granted the right to call, autonomously or at the request of one or more directors, special meetings exclusively called for independent directors to discuss issues deemed of interest with respect to the functioning of the Board of Directors or the management of the Issuer.

Limited to the period of the Year in which Independent Director Ramin Arani held the position of lead independent director (i.e. from January 1<sup>st</sup>, 2023 to April 27<sup>th</sup>, 2023), he attended 66.6% of the meetings of the Board of Directors and all the meetings of the Remuneration and Appointments Committee, in his capacity as member of the Committee, had access to all the information pertaining to the Company and the Group, therefore acting as a point of reference and coordination of the requests and contributions of the independent directors.

Limited to the period of the Year in which Independent Director Maria Cecilia La Manna held the position of lead independent director (i.e. from April 27<sup>th</sup>, 2023 to December 31<sup>st</sup>, 2023), she attended 80% of the meetings of the Board of Directors and all the meetings of the Control and Risk Committee, in her capacity as Chairman of the Committee, had access to all the information pertaining to the Company and the Group, therefore acting as a point of reference and coordination of the requests and contributions of the independent directors.

At the initiative of Director Arani, as specified above, a meeting was held on March 13<sup>th</sup>, 2023, between the independent directors only, in accordance with the recommendation of the CG Code.

## **5. MANAGEMENT OF CORPORATE INFORMATION**

Pursuant to article 114 of the TUF and to the Regulation (EU) No 596/2014 (so called “MAR”), at its meeting on 13th July 2017 the Company’s Board of Directors approved a new version of the regulation, firstly adopted on 27th January 2012 and then amended, for managing internally and communicating externally documents and information regarding the Company, with specific reference to inside information handled by directors and other persons having access by virtue of their position or function in the Company, in order to ensure that these documents and this information is properly managed, also in respect of the market communication requirements provided for in the TUF and the MAR.

The purpose of the “Regulation for Handling Inside Information” is to regulate the obligations that the relevant parties and individuals of the Company are required to follow as far as handling the Company’s inside information is concerned, and the precautions that the Company must take and the market communication requirements it is required to satisfy.

The Regulation firstly regulates the means of assessing the “inside” nature of the information, continues with the means by which information defined as “inside information” should be communicated to the public and then states that it is forbidden for relevant persons and employees of the Company to disseminate inside information externally. The Regulation ends with details of the penalties which may be inflicted on directors and employees who disseminate inside information to the public in the absence of suitable authorization or who in any case violate the Regulation for handling inside information.

The approval of such new version of the Regulation instituted the Function responsible for handling inside information (“FGIP”), consisting of the Executive Chairman, the Manager Charged and the General Counsel of the Company. The establishment of said Function, which is responsible for assessing whether an information is an inside information or not, has the purpose of making more efficient the entire process of handling and releasing the same information. Further (as recommended by Consob), a new preparatory stage to the identification of the inside information has been provided; such stage consisting of the early mapping of those information flaws, so called “sensible”, which may be deemed inside information, even if later on. In this respect, the Issuer has instituted the keeping of the register of sensible information, so called “RIL” (to be kept similarly to the Insider List; see below).

In accordance with the provisions of Article 18 of MAR, a register and a mapping of people who have access to insider information (so-called Insider List) are in place.

The Issuer has also provided instructions regarding the management of insider information to the Group's most significant subsidiaries.

On the same meeting of 13th July 2017, the Board also approved a new version of the procedure for managing the mandatory disclosure of internal dealing transactions, concerning the requirements provided for in article 19 of the MAR, article 114, para. 7, of the TUF and articles 152-sexies et seq. of the Issuers Regulations. In particular, this procedure governs the transactions carried out by the Directors and/or other relevant persons (including those who hold shares amounting to at least 10% of the share capital) involving the financial instruments issued by the Company, with specific reference to disclosure requirements.

## **6. BOARD COMMITTEES (pursuant to Article 123-bis, paragraph 2(d), TUF)**

In order to ensure that its corporate governance model complies with the recommendations of the Corporate Governance Code at its meeting of April 27<sup>th</sup>, 2023, the Company’s Board of Directors resolved to set up a remuneration and appointments committee (the “Remuneration and Appointments Committee”) and a control and risks committee (the “Control and Risks Committee”), both having propositional and consulting functions.

The Control and Risk Committee was also assigned the tasks governed pursuant to the procedure for transactions with related parties adopted by the Company (see §9.2).

The composition of the Remuneration and Appointment Committee and the Control and Risks Committee complies with the requirements of the Corporate Governance Code. In line with Recommendation no. 11 of the CG Code, the Board of Directors, by means of a resolution adopted on March 10<sup>th</sup>, 2022, approved the regulations concerning the functioning of the Board of Directors and its Committees.

Pursuant to the regulations described therein, the Chairman of the Committees convenes the meetings, sets the agenda, schedules, coordinates the work and ensures that adequate information on the items on the agenda is provided to all members well in advance of the date set for the meeting. Moreover, the Chairman represents to the Board the proposals expressed by the committees and illustrates the activities carried out by them as well as their results.

With regard to the terms set out for the submission of the documents prepared taking into account the different items on the agenda, as well as the procedures to take the minutes of the meetings, reference should be made to what was said above (§ 4.4).

At the meeting held on April 27<sup>th</sup>, 2023, the Board of Directors decided to combine into a single committee the functions that the CG Code attributes to the Appointments Committee (recommendation 19) and the Remuneration Committee (recommendation 25), respectively. The Company has determined the composition of the committees by giving priority to the professional skills and experience of their members, to whose curricula vitae reference should be made, and by avoiding an excessive concentration of offices.

All the recommendations of the CG Code concerning the composition of the committees have been met.

No function attributed by the CG Code to the Committees has been reserved to the Board of Directors.

For further information on the composition and functioning of the Committees, reference should be made to §7.2 in respect to the Remuneration and Appointments Committee and to §9.2 in respect to the Control and Risk Committee, as well as to Table 3 in the appendix to the Report.

### **Committees other than those set forth by the applicable law or recommended by the CG Code**

With the exception of the Control and Risk Committee, whose functions also include those assigned under the procedure for transactions with related parties (see §10) and the Remuneration and Appointments Committee, no further committees composed exclusively of members of the Board of Directors have been set up.

However, the Company deemed it appropriate to set up committees with mixed composition (which include employees and directors) to monitor specific areas (see §14).

Taking into consideration Recommendation 1, letter a) of the CG Code, the Issuer set up a specific committee (Council for Human Sustainability and Humanistic Capitalism), with investigative, proposing and advisory functions, in charge of assisting the Board of Directors in the assessment and decision-making processes concerning the sustainability issues that are relevant for the Group's activities (please refer to §15).

The aforementioned Committee, appointed by the Board of Directors during the meeting held on December 16<sup>th</sup>, 2020, as of the date of this Report is composed as follows:

- Cav. Lav. Brunello Cucinelli (Chairman of the Committee, Executive Chairman);
- Riccardo Stefanelli (Member of the Committee, Managing Director & CEO);
- Luca Lisandroni (Member of the Committee, Managing Director & CEO);

- Camilla Cucinelli (Member of the Committee, Non-Executive Director up to March 14<sup>th</sup>, 2024);<sup>2</sup>
- Carolina Cucinelli (Member of the Committee, Non-Executive Director until March 14<sup>th</sup>, 2024);
- Alessio Piastrelli (Member of the Committee, Non-Executive Director);
- Giovanna Manfredi (Member of the Committee, Non-Executive Director);
- Andrea Pontremoli (Member of the Committee, Non-Executive Director);
- Dario Pipitone (Member of the Committee, *CFO* and Executive Responsible for Preparing Financial Reports);
- Michele Baiocco (Member of the Committee, Director of the Company);
- Giuseppe Labianca (Member of the Committee, *General Counsel* of the Company).

## **7. SELF-ASSESSMENT AND DIRECTORS' SUCCESSION PLANS – REMUNERATION AND APPOINTMENTS COMMITTEE**

### **7.1 SELF-ASSESSMENT AND DIRECTORS' SUCCESSION PLANS**

In compliance with the Principles and Recommendations of the Corporate Governance Code, the Board of Directors examines the effectiveness of its activities and evaluates the contribution made by individualist members through a self-assessment process. In particular, according to Recommendation 22 of the Corporate Governance Code, the self-assessment should be conducted at least every three years, before the Board is renewed. In this regard, prior to the appointment of the new Board of Directors on April 27<sup>th</sup> 2023, during the meeting held on March 15<sup>th</sup>, 2023 the Board examined the results of a self-assessment – carried out by a questionnaire submitted to the Directors in February 2023– on the functioning, size and composition of the Board and its committees (board evaluation). According to the information collected, the functioning and composition of the Board has been considered substantially adequate, both in terms of functioning and composition of the Board, given the type of business and the size of the Company and the Group. The results of the self-assessment were also examined at the meeting of the Remuneration and Appointments Committee held on March 13<sup>th</sup>, 2023.

In the light of the recommendations of the Corporate Governance Committee contained in the letter dated January 25<sup>th</sup>, 2023, (see §17), the questionnaire focused, among other things, on the following areas: (i) the assessment of the independence of Directors and significance of the relationships subject to said assessment; (ii) the assessment of the timeliness and completeness of documents relating to the items on the agenda to be shared before the meeting; (iii) the guidelines on the optimal composition of the Board of Directors, in terms of gender balance as well as diversity of skills and professional profiles.

The Board positively assessed its structure and functioning on the basis of considerations concerning, among other things, the adequacy of the number of members of the Board - also taking into account the diversity criteria set out in art. 2 of the CG Code - and, in particular, the number of independent directors; the presence within the Board of directors who, as a whole, represent all necessary competences for the Issuer; as well as the adequacy of the powers granted to the Chairman of the Board of Directors and the Managing Directors Riccardo Stefanelli and Luca Lisandroni.

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<sup>2</sup> For the sake of completeness, it should be noted that on March 14<sup>th</sup>, 2024, the Board of Directors granted the Directors Camilla Cucinelli and Carolina Cucinelli powers for the management of *Product, Image and Communication* areas. For further information, please see § 4.6.

With regard to the assessment on the size, composition and functioning of internal Committees, the Board confirmed that the number and composition of the Control and Risk Committee and the Remuneration and Appointment Committee are adequate. The Board also deemed that these Committees have provided an effective support to the Board in terms of analysis and contents. The independent directors shared these assessments.

The assessment was carried out without making use of external consultants.

Furthermore, during the meeting held on March 15<sup>th</sup>, 2023, the Board of Directors assessed the adequacy of the organisational, administrative and accounting structure of the Issuer, as set up by the Managing Directors, with particular reference to the Internal Audit and risk management system. The assessment - that was positively carried out - was based on the information provided by the Managing Directors to the Directors during the financial year, as well as on the relevant discussions during the meetings of the Committees and the Board of Statutory Auditors and on the information flows underlying the preliminary activities carried out by the Committees and the Board of Statutory Auditors.

At the meeting held on March 11<sup>th</sup>, 2021, the Board, also in consideration of the observations made during the previous board evaluation, had ruled that, for the purposes of assessing the materiality of relationships of a commercial, financial or professional nature, the circumstance that a director of the Company is attributed a total remuneration exceeding the amount of Euro 100,000.00 in a fiscal year, whether paid (or recognized) by Brunello Cucinelli S.p.A. or companies of the Brunello Cucinelli Group, generally causes the requirement of independence to be waived. At the same meeting, the Board had determined 3 (three) days prior to the meeting as the deadline deemed appropriate for the transmission of the preliminary documentation relating to the items on the agenda of the meetings of the Board of Directors and committees. These determinations were reconfirmed during the most recent self-assessment conducted in February 2023.

The Board has assessed the general performance on a quarterly basis, taking into account the information received from the delegated bodies.

It should be noted that the Company will plan to start a new self-assessment process of the Board of Directors, in accordance with the provisions and recommendations of the Corporate Governance Code, in view of the term of office of the current Board of Directors, which will remain in office until the approval of the financial statements at December 31<sup>st</sup>, 2025.

As already mentioned above, the Board is responsible for the assessment and authorization of those transactions carried out by the Company and its subsidiaries, when these transactions have a significant impact on the Company's strategic, economic and financial position.

The Issuer's Shareholders' Meeting did not authorize any derogation to the non-competition clause pursuant to art. 2390 of the Italian Civil Code.

### **Succession plans**

At its meeting held on December 13<sup>th</sup>, 2013, the Board of Directors approved the guidelines of a plan, called "Generational Transition", aimed at facilitating turnover in positions of responsibility in the most important offices and departments in which the Company's organizational structure of the Company, through the selection, induction and training of a new generation of managers.

The program aims to train young capable and highly motivated employees, while also achieving the goals of preserving company knowledge and continuity in the management of the Company.

The program requires that each employee of the Company in charge of an office participates in training and tutoring programs for the workers of her/his office; one of these workers may be selected as the "second in charge", who, for formation, capabilities, technical skills, etc., may become in the future the person in charge

of the office. However, it is possible to become “second in charge” only after a trial period of three years, during which she/he shall give proof of their skills and capabilities to assume the role of first in charge of the office. The designation of an employee as “second in charge” does not guarantee his future appointment as “first in charge”. The program provides that the succession at the head of an office applies when the person in charge reaches the age of 60 years.

The mechanisms for choosing the “second in charge” shall also apply to the selection of candidates to the positions of CEO (*Chief Executive Officer*), CFO (*Chief Financial Officer*) and CPO (*Chief Production Officer*).

In particular, without prejudice to the competence of the Board of Directors in delegating its powers, the candidate to the position of CEO will be selected among the Company's top management at the end of a trial period during which the abilities and the skills of the candidate for an office of such high responsibility could be properly tested. Differently from the other offices, the mandatory handover at the reaching of the age of 60 years does not apply.

During the meeting held on May 21<sup>st</sup>, 2020, the Board of Directors appointed Riccardo Stefanelli and Luca Lisandroni as new Managing Directors and CEOs, granting them all the necessary managerial powers to perform their respective functions. The Chairman of the Board of Directors, Brunello Cucinelli, was confirmed as Executive Chairman and Creative Director of the Company (see § 4.6).

In accordance with the above-mentioned "Generational Transition", it should be noted that at the meeting held on April 27<sup>th</sup>, 2023, the Board of Directors appointed Dario Pipitone as Chief Financial Officer of the Company and Manager in charge of preparing the company's financial reports pursuant to and in accordance with art. 154-bis of D.Lgs. n. 58/1998, assigning him functions related to the management and supervision of all administrative, financial and management control activities of the Company and the Group. The appointment was made official upon completion of the succession plan, during which he had previously been appointed Co-CFO and Head of Management Control Department of the Company, assisting the previous CFO and Manager in Charge of Preparing Financial Reports, Moreno Ciarapica. It should be noted that on the basis of the Generational Transition, Mr. Moreno Ciarapica from April 27<sup>th</sup>, 2023, serves as senior advisor in favor of the new CFO and Manager in Charge, undertaking to provide support and assistance activities as Co-CFO (see §9.6).

As at the date of this Report, the Board of Directors has not expressed any opinion on the ideal composition, in terms of quantity and quality, of the Board. However, also taking into account the results of the most recent self-assessment process carried out by the Company (see §7.1), it is believed that the current composition of the Board is adequately heterogeneous and balanced in terms of skills, gender and age represented.

## **7.2 REMUNERATION AND APPOINTMENTS COMMITTEE**

### **Composition and functioning of the Remuneration and Appointments Committee (pursuant to art. 123-bis, paragraph 2 (d) of the TUF**

During the meeting held on April 27<sup>th</sup>, 2023, the Board of Directors of Brunello Cucinelli appointed the new members of the the Remuneration and Appointments Committee, which was assigned the functions set forth in recommendation no. 19 and 25 of the Corporate Governance Code.

The Issuer, availing itself of the option provided by the Corporate Governance Code, has decided to concentrate the functions of the Appointments Committee and the Remuneration Committee in a single committee, in compliance with the conditions laid down by the CG Code for the composition of the relevant Committees.

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The Committee is composed of three non-executive and independent Directors and chaired by a Director chosen from among the independent Directors<sup>3</sup>. On the date of the Shareholders' Meeting for the approval of the financial statements at December 31<sup>st</sup>, December 2022, i.e. up to April 27<sup>th</sup>, 2023, the composition of the Committee was as follows: Emanuela Bonadiman, Chairman of the Committee, Stefano Domenicali and Ramin Arani. All the members of the Committee in its previous composition met the independence requirements set forth in Recommendations 20 and 26 of the GC Code. During the meeting held on April 27<sup>th</sup>, 2023, the newly elected Board of Directors appointed the new members of the Committee, which up to the date of this Report is composed as follows: Emanuela Bonadiman, Chairman of the Committee, Chiara Dorigotti and Ramin Arani. All members of the Committee meet the independence requirements set out in Recommendations 20 and 26 of the GC Code. All members of the Committee meet the independence requirements set out in the Corporate Governance Code.

At the time of the first appointment of Committee members, both in its previous and in its current composition, the Board assessed the knowledge and experience in accounting and finance and in remuneration policies as adequate for all Committee members. In this respect, please refer to the *curricula vitae* of each member, available in the Investor Relations section of the institutional website at the following address: <http://investor.brunellocucinelli.com/en/governance/board-of-directors>.

The appointment of the Committee is valid up to the approval of the Issuer's financial statements as of December 31<sup>st</sup>, 2025, and, therefore, up to the date on which the Shareholders' Meeting will be held to approve the financial statements for the year ended December 31<sup>st</sup>, 2025.

Since the end of the Year, there have been no further changes in the composition of the Committee.

During the Year, the Committee met 5 times (on January 26<sup>th</sup>, March 13<sup>th</sup> and 15<sup>th</sup>, May 31<sup>st</sup> and July 6<sup>th</sup>).

The meetings, chaired by the Chairman of the Committee and duly minuted, lasted an average of forty minutes.

All the members of the Committee attended the majority of the meetings, while, at the invitation of the Chairman of the Committee itself, all or some of the members of the Board of Statutory Auditors attended all the meetings of the Committee. It should be noted that all Committee meetings held during the Year were attended by at least one Effective Standing Auditor.

In addition, at the invitation of the Committee Chairman, the General Counsel and the Head of the Internal Audit Function attended all meetings, after informing the relevant CEO.

In line with the provisions of Recommendation No. 26 of the CG Code, during the Year, none of the Directors attended any Remuneration and Appointments Committee's meetings having as an item on the agenda the submission of proposals to the Board of Directors relating to their own remuneration.

The Committee had the opportunity to access useful information as well as the corporate functions necessary for the performance of its duties.

The meetings of the Remuneration and Appointments Committee are regularly minuted. Please refer to §4.4 for further information on how minutes are recorded.

As of the date of this Report the Remuneration and Appointments Committee expects to hold during financial year 2024 a similar number of meetings as in 2023. From the beginning of 2024 and until the date of this Report, the Committee met three times, on March 1<sup>st</sup>, March 8<sup>th</sup> and March 13<sup>th</sup>, 2024.

Please refer to Table 3 in the Appendix for additional information regarding the composition and attendance of Committee members at meetings held during the Year.

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<sup>3</sup> Please note that, as far as necessary, that no member of the Remuneration and Nomination Committee holds the position of Chairman of the Board of Directors.

## Remuneration and Appointments Committee's Functions

The Remuneration and Appointments Committee performs proposing and advisory functions vis-à-vis the Board of Directors and, in particular, with regard to remuneration matters:

- a) assists the Board in drawing up the remuneration policy;
- b) submits proposals and expresses opinions on the remuneration of executive directors and other directors holding specific offices, as well as on the setting of the performance objectives related to the variable component of this remuneration;
- c) monitors the concrete application of the remuneration policy and verifies, in particular, the effective achievement of the performance objectives;
- d) periodically assesses the adequacy and overall consistency of the policy for the remuneration of directors and top management.

With regard to the appointment function, the Committee supports the Board in the activities described below:

- a) self-assessment of the Board of Directors and its Committees;
- b) definition of the ideal composition of the Board of Directors and its Committees;
- c) identification of the candidates for the office of director in case of co-optation;
- d) possible presentation of a list by the outgoing administrative body, to be carried out according to methods that ensure its transparent formation and presentation;
- e) preparation, updating and implementation of the succession plan, if any, for the Chief Executive Officers and the other executive directors.

The Remuneration and Appointments Committee has not been assigned functions other than those described above.

In the exercise of the functions assigned to it with regard to remuneration, the Committee, during the Year:

- evaluated the updates on the "*Stock Grant Plan 2022-2024* " and, in particular, the conclusion of the Company's share buyback programme to service the aforementioned plan, as well as the achievement of the performance targets set out in the plan;
- examined the draft of the Remuneration Report and assessed the overall adequacy, as well as the concrete and consistent application of the remuneration policy, in force during the financial year 2022, approved by the Shareholders' Meeting on April 27<sup>th</sup>, 2022;
- monitored the actual implementation of the remuneration policy lastly approved by the Shareholders' Meeting, by verifying, in particular, the actual achievement of the performance objectives set for the allocation of the variable compensation to Managing Directors for the 2022 financial year. Further information can be found in the Remuneration Report available in the Investor Relations section of the corporate website dedicated to the "2023 Shareholders' Meeting";
- expressed its favorable opinion on the proposal to increase the fixed component of the remuneration of Directors holding special offices, i.e. the Executive Chairman and the Chief Executive Officers, after an exhaustive comparative analysis of the structure and levels of remuneration paid to directors holding special offices by Italian listed companies operating in the same sector as the Company or by listed companies with a capitalization similar to that of the Company.

With reference to the activities related to the appointment function, during the Year the Committee:

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- expressed its favorable opinion on the proposal to conduct a self-assessment process by the Board of Directors in February 2023, consisting of the completion of a questionnaire prepared by the Company's offices and concerning the composition and functioning of the Board and its committees. The Committee subsequently examined the substantially positive results of the Board self-evaluation activity, also analyzing the evaluations that emerged and the suggestions made by the Directors;
- did not see the opportunity to formulate its own orientation on the optimal composition of the management body and its Committees, considering the balance not only between genders, but also between different professional profiles, within the Board in its composition prior to April 27<sup>th</sup>, 2023 to be particularly satisfactory.

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In the performance of its functions, the Remuneration and Appointments Committee had access to the information and corporate functions necessary to carry out its tasks.

No specific financial resources have been allocated to the Committee since, in order to perform its tasks, it makes use of the Issuer's corporate means and structures and, if necessary, of external consultants, whose expenses are borne by the Company.

During the Year, the Committee did not avail itself of a consultant in order to obtain information on market practices regarding remuneration policies.

## **8. DIRECTORS' REMUNERATION**

For all the information relating to the remuneration of the Company's directors and for the indemnity of the directors in case of resignation, layoff or termination of the business relationship as a result of a takeover bid, reference should be made to the Remuneration Report prepared by the Issuer pursuant to article 123-ter of the TUF, available in the Investor Relations section of the institutional website dedicated to the "2024 Shareholders' Meeting"<sup>4</sup>

## **9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM –**

### **CONTROL AND RISK COMMITTEE**

The Issuer considers that it has adopted an Internal Control and Risk Management System (for the sake of brevity, also the "ICRMS") suitable to allow the identification, measurement, management and monitoring of the main risks, in line with the corporate strategies and the recommendations of the Code.

The ICRMS is constructed in an integrated manner and is based on the principles of transparency, segregation of responsibilities, traceability of operations carried out and proportionality with respect to the characteristics of the company. It consists of all the rules, procedures and organisational structures aimed at an effective and efficient identification, measurement, management and monitoring of the main risks, thus contributing to the sustainable success of the Issuer.

As provided for by Principle XIX and Recommendation no. 33, letter a), of the Code, the ICRMS is governed by specific "guidelines for the internal control and risk management system" approved by the Board of Directors with a resolution dated March 12<sup>th</sup>, 2013 and lastly updated by the Board with a resolution dated

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<sup>4</sup> It should be noted that the Board of Directors, with resolution adopted on March 14<sup>th</sup>, 2024, approved the proposal to amend the gross annual remuneration of the members of the same Board, which will be submitted for examination and approval to the Shareholders' Meeting on April 23<sup>rd</sup>, 2024. For further details, please refer to the related explanatory report available in the *Investor Relations* section of the institutional website dedicated to the "2024 Shareholders' Meeting".

December 14<sup>th</sup>, 2021, also in compliance with the renewed provisions of the Code and in consideration of the changes in the internal context (hereinafter referred to as the "**Guidelines**"). The Guidelines describe the principles on which the ICRMS is based, as well as the formal and organisational elements of the ICRMS, subjects operating in this context and the coordination mechanisms between them, in order to effectively and efficiently implement the Company's strategies on risk management, reliability of financial information, compliance with laws and regulations and safeguarding of corporate assets.

In particular, the ICRMS incorporates the following essential elements:

- (i) the enterprise risk management process that the Company has implemented in its organisation during the Year 2021 (hereinafter, "**ERM**"), through a project based on the methodology provided for by the relevant best-practices and international standards, such as the "COSO Enterprise Risk Management Framework - Integrating with Strategy and Performance" and the "COSO-WBCSD - Applying Enterprise Risk Management to environmental, social and governance-related risks", as described in detail in the specific guidelines approved by the Board of Directors on December 14<sup>th</sup>, 2021 ("**ERM Guidelines**"), which regulates the responsibilities and activities aimed at identifying, assessing and managing all the risks that may have an impact on the company's business and affect the achievement of the Company's objectives of sustainable success, it being understood that - in the Company's vision - the aforementioned risks may be relevant for the purposes of ERM even if they are not directly related to its objectives for the period, but may have an impact on compliance with its values;
- (ii) the Code of Ethics and all other elements that make up the organisation, management and control model pursuant to Italian Legislative Decree No. 231/2001, as described in detail in the document named "Reference Principles of the Organisation, Management and Control Model", approved by the Company's Board of Directors with a resolution dated June 20<sup>th</sup>, 2021 and most recently updated by the Board with a resolution dated March 10<sup>th</sup>, 2022 (hereinafter briefly referred to as the "**Model**");
- (iii) the risk management and internal control systems in place in relation to the financial reporting process (briefly defined below as the "**System**" and better described pursuant to Article 123-bis, paragraph 2, letter b, of the TUF).

The essential structure of the ICRMS consists of three levels:

- (i) the first line of defence involves the so called "line checks", performed directly by the process owner with the purpose of identifying, managing, monitoring, mitigating and reporting, primarily, the inherent risks of its activities (in particular, production, sales and commercial distribution);
- (ii) the second level includes controls carried out by corporate functions specifically constituted for the purpose of monitoring the Group-specific risks, as better identified in the Guidelines;
- (iii) the third level of controls is reserved to the Internal Audit Function, which provides independent and objective assurance and consulting services, designed to improve the efficiency and the effectiveness of the organisation, through a systematic professional approach.

In the above-mentioned structure of the ICRMS, the Board of Directors plays a central role and to this end is supported by the CEOs and the Control and Risk Committee.

With regard to the ICRMS, in addition to the powers and responsibilities provided by law and the Company's Bylaws, the Board is entrusted with the functions referred to in recommendations no. 1.d), 32.a) and 33 of the Code. In particular, the Board is called upon to approve the Guidelines, in line with the Company's strategies, and to assess, at least once a year, the adequacy of the ICRMS with respect to the characteristics of the

Company and the risk profile assumed, as well as its effectiveness. In this perspective, the Board, with the support of the Control and Risk Committee:

- (i) appoints and removes the head of the Internal Audit function, defining his/her remuneration in line with Company policies, and ensuring that he/she has adequate resources to perform his/her duties;
- (ii) approves, at least once a year, the work plan prepared by the head of the Internal Audit function, after consulting the Statutory Auditors and the CEOs;
- (iii) assesses whether it is appropriate to adopt measures to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in the controls, verifying that they have adequate professionalism and resources;
- (iv) assigns to a specially established body the supervisory functions under Article 6(1)(b) of Italian Legislative Decree no. 231/2001, assessing the appropriateness of appointing within the body at least one non-executive director and/or a member of the control body and/or the holder of legal or control functions of the company, in order to ensure coordination between the different subjects involved in the ICRMS;
- (v) assesses, after consulting the Statutory Auditors, the results set out by the auditing firm in the letter of suggestions, if any, and in the additional report addressed to the supervisory body;
- (vi) in the report on corporate governance: describes the main features of the ICRMS and the methods of coordination between the parties involved in it, indicating the models and relevant national and international best practices; expresses its overall assessment of the adequacy of the ICRMS; being accountable for the choices made regarding the composition of the supervisory body pursuant to Article 6, paragraph 1, letter b) of the Italian Legislative Decree no. 231/2001.

In addition to the Board of Directors, the Company's ICRMS involves the following persons, each within its respective sphere of competence:

- (i) the CEOs, also in their capacity as persons in charge of setting up and maintaining the ICRMS (please refer to § 9.1);
- (ii) the Control and Risk Committee, set up within the Board of Directors, with the task of supporting the Board's assessments and decisions in relation to the ICRMS and the approval of periodic financial and non-financial reports (please refer to § 9.2);
- (iii) the Internal Audit function, which is responsible for verifying that the ICRMS is working, adequate and consistent with the Guidelines (please refer to § 9.3);
- (iv) the Supervisory Body pursuant to the Italian Legislative Decree 231/2001, which monitors compliance with the Model (please refer to §9.4);
- (v) the manager responsible for preparing the company's financial reports pursuant to article 154-bis of the TUF ("Manager Charged"), with the support of the "Compliance L. 262/2005" department (please refer to § 9.6);
- (vi) other corporate functions involved in controls, as referred to in Recommendation no. 32(e) of the Code, which, according to the Guidelines, are entrusted with the analysis and management of specific risks, including in particular the following subjects:
  - the Legal and Corporate Affairs function;

- the *Data Protection Officer* ex Reg. (EU) 2016/679 (GDPR), appointed by the Board by resolution of May 10<sup>th</sup>, 2018, who is responsible for the supervision and control relating to the protection of personal data on the activities carried out by the Company;
  - the other functions monitoring the risks of non-compliance identified by the Guidelines;
- (vii) the Board of Statutory Auditors, which supervises the effectiveness of the ICRMS, in accordance with the law, the Company's Bylaws and the Code (see §11 below).

For further information, see the relevant section of the Company's Investor Relations website, available at <http://investor.brunellocucinelli.com/en/governance/risk-management>.

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## **Main features of the existing risk management and internal control systems in relation to the financial reporting process pursuant to article 123-bis, paragraph 2, letter b), TUF.**

### ***Introduction***

The risk management and internal control system adopted by the Company for the Brunello Cucinelli Group in relation to the financial reporting process (the "**System**") is an integral part of the broader ICRMS described above.

The objective of the System is to provide reasonable assurance about the reliability, accuracy and timeliness of the financial information itself and about the ability of the process of preparing the financial statements to produce financial information in accordance with generally accepted international accounting standards.

The design approach followed in the construction of the System was inspired by international best practices in the field, as well as by the guidelines of the main relevant bodies and associations.

As mentioned above, the Company has implemented an ERM model, for the identification, assessment and management of risks, based on the best practices developed by the Committee of Sponsoring Organizations of the Treadway Commission (also known as COSO) and on an integrated view of risks, which therefore includes financial risks and compliance risks related to financial reporting.

### ***Description of the main features of the System***

The System consists of the set of administrative-accounting procedures and internal control tools put in place to ensure the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness in the preparation of the annual and consolidated financial statements and other reports and communications of an economic, equity and financial nature prepared in accordance with the law and/or regulations. The System is also completed with control and monitoring activities, in order to verify the effective application of these procedures and control tools, also to support the certification process of the financial statements and financial communications by the Manager Charged, as provided for by article 154-bis of the TUF.

The administrative-accounting procedures used to prepare the financial statements and any other financial communication are designed and spread throughout the organisation under the responsibility of the Manager Charged with preparing a company's financial reports who, together with the Managing Directors, certifies their adequacy and effective implementation when preparing the annual and consolidated financial statements and the half-yearly financial report of the Company.

**a) *Phases of the existing risk management and internal control system in relation to the financial reporting process***

- Determination of the companies falling within the scope of action and relevant administrative-accounting processes

This activity involves identifying the Group companies and the processes that contribute to the income statement and balance sheet of these companies through quantitative analysis (significance of each company in terms of turnover and assets) and qualitative analysis (specific, potential or past risk, linked to the activities carried out and the reference context).

The determination of the scope of action is regularly updated by the Company, which identifies, if necessary, the need to make changes or additions to it.

- Analysis of administrative and accounting processes, risks and controls

In order to effectively mitigate the potential risks of misrepresentation of corporate events, the analysis of processes, risks and administrative-accounting controls is carried out both for each relevant individual company of the Group (so called, "entity level") and on a process scale (for each relevant entity).

This analysis is based first of all on a "risk assessment" activity, which - given the integrated nature of the ICRMS - is aimed at identifying and assessing the probability of occurrence and the possible impact of all events that could potentially compromise the achievement of all the Company's objectives. The risks thus identified and assessed are subsequently compared with the predefined propensity and tolerance levels in the ERM model adopted by the Company, it being understood that the so-called appetite for financial reporting non-compliance risks has been defined as adverse. The ERM model requires that the risk assessment shall be conducted in accordance with the adopted guidelines, at least annually, and that its outcomes shall be shared with all management and control bodies of the Company.

In addition, with specific reference to the risks strictly linked to administrative-accounting processes, as of 2019 the Manager Charged avails himself of a special function called "Compliance L. 262/2005" which provides him with support in the design and verification of the functioning of the System. In this context, the Manager Charged and the Compliance L. 262/2005 function assess the risks associated with the failure to achieve the control objectives aimed at ensuring a true and fair view of financial information or at minimising the probability and impact of their possible occurrence (i.e. financial statement assertions: existence and occurrence, completeness, rights and obligations, valuation and recording, presentation and disclosure) and other general control objectives (i.e. compliance with authorization limits, segregation of duties, controls on physical security and existence of assets, documentation and traceability of transactions).

These analyses are regularly updated in order to identify the main changes in the structure of the processes, including the administrative-accounting ones, following the natural evolution of the business, the organisation and the involvement of external factors.

- Definition of the system of administrative and accounting controls

On the basis of the results of the risk identification and assessment activity of the financial reporting process at an "inherent" level (i.e. by carrying out the risk assessment regardless of the existing controls), the Company defines the structure and methods of execution of the administrative and accounting controls considered adequate to guarantee the containment and reduction of the risks to a residual level, considered acceptable.

The approach adopted takes into account both manual controls and those provided by the information systems supporting the administrative-accounting processes, i.e. the so-called automatic controls at the level of the application systems, as well as the so-called "IT general controls", i.e. controls to monitor those areas relating to system access, system changes and, in general, the adequacy of IT structures.

- Verification of administrative and accounting controls

As for the risks analysed, the system of controls designed to mitigate them is also subject to periodic monitoring, in order to ensure that the risk coverage requirements and the related controls are adequate and consistent over time, despite any changes in the Group's business, organization and processes. Moreover, a systematic verification of the effectiveness of administrative and accounting controls is envisaged, through the performance of specific tests of control aimed at ascertaining the correct implementation by corporate functions of the controls envisaged, as well as the implementation of any corrective measures plans defined.

The monitoring and testing of the System is carried out by the Manager Charged, with the support of the Compliance function L.262/2005. To this end, a periodic reporting by the Manger Charged (with the support of the Compliance function L.262/2005) is provided to the Board of Directors on the design and operation of the System, as well as on the assessment of its adequacy and effectiveness.

***b) Role and functions involved***

The System is managed by the Manager Charged appointed by the Board of Directors in compliance with the applicable regulations and statutory provisions.

In carrying out his activities, the Manager Charge:

- is assisted by the Compliance function L.262/2005 for the care and updating of the System, as well as for the verification and monitoring of its operation;
- is supported by the department managers involved who, in relation to their own area of competence, ensure the completeness and reliability of the information flows to the Manager Charged (and to the Compliance function L. 262/2005) for the preparation of the financial report;
- coordinates, the activities carried out by the administrative managers of the relevant subsidiaries;
- establishes a reciprocal exchange of information with the Control and Risk Committee, the Board of Directors and the Board of Statutory Auditors on the activities carried out, the adequacy and the reliability of the System and the reliability of the administrative and accounting system.

Both the monitoring of the actual application of the System, and its periodic evaluation, were carried out continuously during the Year under the supervision of the Manager Charged, who is directly responsible for verifying the correct and timely execution of management activities in the administrative, accounting and financial field carried out by the companies of the Group.

Upon completion of the above checks, the Manager Charged, together with the Managing Directors, shall provide the certification provided for by paragraph 5 of article 154-bis of TUF.

In order to ensure the adequate management of the risks and controls of the financial reporting process, on the initiative of the Manager Charged, who is responsible for overseeing the entire System, the administrative managers of each relevant subsidiary have been assigned responsibility for ensuring the adequate implementation and maintenance of the System on behalf of the Manager Charged. In addition, the CFO coordinates the activities of the aforementioned administrative managers, with the power to provide guidelines and directives, or to request specific checks.

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During the Year, the Control and Risk Committee reported regularly to the Board of Directors on the work of the Committee itself, on the outcome of the audits carried out and on the functioning of the Internal Control and Risk Management System, highlighting how this was substantially adequate in relation to the size and organisational and operational structure of the Issuer.

In the meeting held on March 15<sup>th</sup>, 2023, the Board, upon receiving the assent of the Control and Risk Committee, having acknowledged the reports of the Manager Charged, the *Internal Audit* Function and the Supervisory Body, taking into account the results of the risk assessments conducted in the period and what emerged in the course of the information exchanges with the Board of Statutory Auditors, expressed an overall assessment of the substantial adequacy, effectiveness and actual functioning of the ICRMS.

### **9.1. CHIEF EXECUTIVE OFFICER**

On April 27<sup>th</sup>, 2023, the Board appointed two Chief Executive Officers, assigning to each of them the title of Chief Executive Officer, as well as the duty to establish and maintain the ICRMS, also pursuant to Recommendation no. 32, letter b), of the Code.

During the course of the Year, the CEOs, also through other corporate functions and appointed consultants:

- have identified the main corporate risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and have submitted them to the examination of the Board;
- have implemented the Guidelines, taking care of the design, implementation and management of the ICRMS, verifying its adequacy and effectiveness, and adapting it to the dynamics of the operational conditions and the legislative and regulatory landscape;
- have entrusted the Internal Audit function with the performance of checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, pursuant to Recommendation No. 34(c) of the Code. In this regard, the Internal Audit function directly took care of the communication to the Control and Risk Committee and the Statutory Auditors in its subsequent periodic reports.

During the Year, no problems or critical issues arose in the performance of the CEOs' functions, which the CEOs had to report to the Control and Risk Committee.

### **9.2. CONTROL AND RISK COMMITTEE**

On April 27<sup>th</sup>, 2023, the Board of Directors of Brunello Cucinelli appointed the new members of the Control and Risk Committee (please refer to §6 above)

#### **Composition and functioning of the Control and Risk Committee (ex art. 123-bis, paragraph 2, lett. d), TUF)**

During the year, the Control and Risk Committee met 11 times, on February 7<sup>th</sup>, February 21<sup>st</sup>, March 9<sup>th</sup>, March 14<sup>th</sup>, April 14<sup>th</sup>, May 31<sup>st</sup>, July 12<sup>th</sup>, August 28<sup>th</sup>, September 14<sup>th</sup>, November 23<sup>rd</sup> and December 12<sup>th</sup>, 2023. The meetings of the Control and Risk Committee lasted an average of about two hours and thirty-seven minutes and were duly recorded.

In 2024, the Control and Risk Committee expects to hold a similar number of meetings as in 2023. Since the beginning of 2024, up to the date of this Report, two meetings of the Control and Risk Committee have been held, on January 23<sup>rd</sup> and March 7<sup>th</sup>, 2024.

For further information on the composition and functioning of the Control and Risk Committee, please refer to Table 3 in the Appendix.

The Committee consists of three non-executive and independent directors and is headed by a Director chosen among the independent Directors.

From the beginning of the Year up to the date of the Shareholders' Meeting for the approval of the financial statements as of December 31<sup>st</sup>, 2022, i.e. up to April 27<sup>th</sup>, 2023, the composition of the Committee was as follows: Maria Cecilia La Manna, as Chairman of the Committee, Andrea Pontremoli and Emanuela Bonadiman. During the meeting held on April 27<sup>th</sup>, 2023, the newly elected Board of Directors appointed the new members of the Committee, which up to December 31<sup>st</sup>, 2023, and up to the date of this Report is composed as follows: Maria Cecilia La Manna, as Chairman of the Committee, Emanuela Bonadiman and Chiara Dorigotti.

During the Year, the composition of the Control and Risk Committee, in both compositions, has always complied with the indications contained in the CG Code, according to which the Committee must be composed only of non-executive directors, the majority of whom must be independent and chaired by an independent director.

The existence of the independence requirements, and, also in consideration of the relative professional profile, the possession of adequate competence in the business sector in which the Company operates, as well as adequate knowledge and experience in accounting and financial matters and risk management for all members of the Control and Risk Committee were confirmed by the Board at its meeting of April 27<sup>th</sup>, 2023.

The entire Board of Statutory Auditors is always invited to join the meetings of the Control and Risk Committee, in addition to its members. All the meetings of the Control and Risk Committee held during the year were attended by at least one Standing Auditor.

In addition, at the invitation of the Committee, the General Counsel and the Head of the Internal Audit Function attended almost all the meetings, while the representatives of the Independent Auditors and the representatives of the competent corporate functions took part in the discussion of the items on the agenda of their respective interest, upon the express request of the Committee and after informing the relevant CEO.

### **Functions assigned to the Control and Risk Committee**

The Control and Risk Committee is vested all the functions assigned to it by the Code; therefore, based on Recommendation no. 35 of the Code and in accordance with the provisions of the Guidelines, the Control and Risk Committee, when assisting the Board in relation to the ICRMS:

- a) assesses, after consultation with the Manager Charged, the statutory auditor and the Board of Statutory Auditors, the correct use of the accounting standards and their consistency for the purposes of preparing the consolidated financial statements;
- b) assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- c) examines the content of periodic non-financial information relevant to the ICRMS;
- d) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the Board's evaluations and decisions relating to the management of risks arising from prejudicial events of which the Board has become aware;
- e) examines periodic and particularly important reports prepared by the Internal Audit function;

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- f) monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
- g) may entrust the Internal Audit Function with the task of carrying out checks on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;
- h) reports to the Board, at least on the occasion of the approval of the annual and semi-annual financial reports, on the activities carried out and the adequacy of the ICRMS;
- i) issues the opinions required by the Code in support of the Board of Directors.

Furthermore, the Board has assigned to the Control and Risk Committee the functions and responsibilities of the committee for transactions with related parties provided for by the Consob Related Parties Regulation and the Procedure for Transactions with Related Parties adopted by the Company.

During the Year, the Control and Risk Committee had access to the information and the corporate functions necessary to perform its duties and carried out, in particular, the following activities:

- (i) analysed and voted in favour of the Transactions with Related Parties submitted to the Committee for its examination;
- (ii) supported the Board of Directors in approving the activity plan of the Internal Audit function department's business plan and in reviewing the periodic reports in relation to its implementation;
- (iii) examined the periodic reports of the Supervisory Body drawn up pursuant to Legislative Decree no. 231/2001;
- (iv) examined and expressed its favourable opinion on the proposal to update the whistleblowing procedure in relation to its compliance with the new rules pursuant to Legislative Decree no. 24/2023;
- (v) expressed its assessment of the functioning of the Company's ICRMS, taking note of its evolution project;
- (vi) met with the *Data Protection Officer* as well as functional delegates pursuant to Article 18 of Legislative Decree 81/2008, reviewing the annual report and disclosure in the field of data protection subject;
- (vii) received detailed information on the Company's main ESG initiatives and on the process of preparing the non-financial statement ("NFS");
- (viii) met with the Independent Auditors' representatives, taking note of the activities regarding both the annual financial report and the non-financial report;
- (ix) took note of the management *letter* sent by the Independent Auditors to the Board of Statutory Auditors, as well as the additional report of the same to the Company's supervisory body;
- (x) examined the information provided by the Manager in charge of preparing Company's financial reports on compliance with administrative-accounting procedures and on the adequacy of the means and tools at his disposal;
- (xi) examined, together with the Manager in charge of preparing Company's financial reports and the Independent Auditors, the methodology and results of the *impairment tests* conducted by the *Company's* management;
- (xii) assessed, together with the Manager in Charge of Preparing Financial Reports and the Independent Auditors, the correct use of accounting principles and their consistency for the purposes of preparing the consolidated financial statements;

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- (xiii) after evaluation of the annual letter from the Chairman of the Corporate Governance Committee, examined and resolved in favour of the report on corporate governance and ownership structure pursuant to Article 123-bis of the TUF for the FY 2022;
- (xiv) received information from the General Counsel and the CFO, respectively, on ongoing lawsuits and liabilities involving the Company and the Group, as well as tax proceedings involving two foreign companies of the Group;
- (xv) took note of the guidelines adopted for the preparation of the three-year Business Plan presented by the CEOs and the CFO.

During the Year, the Committee had access to the information and company functions necessary to carry out its tasks. No specific financial resources have been allocated to the Control and Risk Committee for the performance of its duties, as it can avail itself of the Issuer's means and structures, as well as external consultants whose costs would be borne by the Company.

### 9.3. HEAD OF INTERNAL AUDIT

On July 13<sup>th</sup>, 2017, the Board of Directors, upon the proposal of the director then in charge of establishing and maintaining the ICRMS, subject to the favourable opinion of the Control and Risk Committee and having consulted the Board of Statutory Auditors, appointed Dr. Emanuele Marconi as head of the Internal Audit function (the "**Head of Internal Audit Function**"). The administrative body defines the remuneration of the Head of the Internal Audit Function in line with company policies and ensures that he is provided with adequate resources to carry out his duties.

The Head of Internal Audit, reports hierarchically to the Board of Directors and, in the exercise of his functions, ensures the due information to the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors and the CEOs. Furthermore, upon invitation of the Control and Risk Committee, it systematically takes part in the examination of the various items on the agenda.

In compliance with the aims, powers and responsibilities defined by the Board of Directors, as well as the audit plan approved from time to time, the Internal Audit function carries out its activities also with a view to verifying that the ICRMS is functional, adequate and consistent with the Guidelines. In this perspective, the Internal Audit Function may extend its activities to Brunello Cucinelli Group companies, with particular regard to the companies identified by the Board as companies of strategic importance.

The Head of the Internal Audit Function has direct access to all information useful to perform its duties. In the event that the Company or the other companies in the Group engage third parties to provide consultancy services for specific controls, the Head of Internal Audit has also access to the documentation produced by the appointed parties.

During the Year, the Head of the Internal Audit Function:

- had access to all information relevant to the performance of their duties;
- has developed a process of analysis and prioritisation of the main risks that have emerged through the ERM process, preparing a plan for audits of the operation and suitability of the ICRMS against risk appetite and tolerance levels (the "Audit Plan");
- carried out its activities based on the Audit Plan approved by the Board of Directors, subject to the favourable opinion of the Control and Risk Committee, after consulting the Board of Statutory Auditors and the CEOs. During the Year, the Internal Audit function carried out its activities in implementation

of the 2022-2023 Audit Plan, approved by the Board of Directors on March 10<sup>th</sup>, 2022, and the 2023-2024 Audit Plan, approved by the Board of Directors on August 29<sup>th</sup>, 2023;

- prepared periodic reports containing adequate information on its activities, on the way in which risk management is carried out and on compliance with the plans defined for their containment, as well as an assessment of the ICRMS, and forwarded them to the CEOs, the Control and Risk Committee, the Board, the Board of Statutory Auditors as well as to the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001;
- took part to the Cyber Committee formed at the Company;
- took part to the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001, as its member, also performing operational activities on behalf of the same;
- supported the Company administrative and control bodies;
- acted as Risk Manager pursuant to the ERM Guidelines, providing, with the support of co-sourcing specialists, consultancy services to CEOs for the implementation and consolidation of the ERM, as well as its ordinary management; assumed the role of responsible for the management of “whistleblowing” reports pursuant to Legislative Decree 24/2023.

Furthermore, during the Year, the Internal Audit function carried out the following main activities:

- audits on the design and operation of controls to monitor the main risks identified through the most recent risk assessment activity;
- ensure ongoing compliance with the action plans defined by management, in response to the findings and suggestions previously issued by the Internal Audit function;
- audits on the activities delegated by the Manager in charge to the Compliance function L. 262/2005;
- audits on the reliability of information systems, with the support of specialized consultants in co-sourcing arrangements;
- audits upon request of delegated bodies concerning compliance with rules and procedures (internal or external) in the execution of Company operations by specific operational areas.

The Company has not set aside any financial resources for the Internal Audit Function, but from time to time the administrative body provides the Head of the Internal Audit Function with the resources necessary to perform his functions.

In particular, during the Year, the Board of Statutory Auditors monitored the adequacy of the Internal Audit Function.

#### **9.4. MODEL PURSUANT TO THE ITALIAN LEGISLATIVE DECREE NO. 231/2001**

The Company adopted its own Model pursuant to the Italian Legislative Decree No. 231/2001, by resolution of the Board of Directors dated June 20<sup>th</sup>, 2011. The Model was lastly updated on March 10<sup>th</sup>, 2022, by resolution of the Board of Directors, after the Control and Risk Committee’s favourable opinion.

The Model consists of a first, so-called "general" section, in which following a description of the Company’s activities and its organization the objectives, the underlying principles and the recipients of the Model are illustrated. The general part regulates the structure, functioning and duties of the Supervisory Body pursuant to article 6(1)(b) of the Italian Legislative Decree no. 231/2001, as well as the establishment of specific

information flows to and from the Supervisory Body itself, a disciplinary system and a training system for the benefit of the Company's staff.

The general part of the Model is available on the Company's Investor Relations site at the following address: <http://investor.brunellocucinelli.com/en/services/archive/governance/documents>.

The Model also includes a second, so-called "special" section, which identifies the processes for which there is the risk that one of the offences referred to in the Italian Legislative Decree no. 231/2001 ("**Sensible Activities**"), with the criteria and control tools adopted by the Company to prevent the commission of such offences. In particular, the special section includes: (i) a list of the administrative offences and predicate offences referred to in the Italian Legislative Decree no. 231/2001; (ii) an analysis of the cases that the Company has deemed it necessary to take in particular account considering its business; (iii) the Sensible Activities identified with respect to such offences with the related control tools adopted by the Company, in order to prevent that any such offence is committed.

Finally, the following documents form an integral part of the Model: (i) the Code of Ethics describing the fundamental values that inspire the Company and the Group in the performance of its activities, adopted by resolution of the Company's Board of Directors on June 20<sup>th</sup>, 2011 and most recently updated by resolution of March 14<sup>th</sup>, 2019; (ii) the Guidelines; (iii) the organizational chart and other tools which describe the organizational structure of the companies that compose the Group; (iv) the Anti-Corruption Policy approved by the Board on March 14<sup>th</sup>, 2019; (v) the Whistleblowing Procedures pursuant to Legislative Decree no. 24/2023 approved by companies of the Group; (vi) the risk assessment and scoring activities carried out by the Company and the Body in order to identify Sensitive Activities; (vii) all other documents expressly approved by the Company for the purpose of supplementing or implementing the Model (including, in particular, the administrative-accounting procedures pursuant to Article 154-*bis* of the TUF).

\* \* \*

The Issuer has deemed it appropriate to appoint a specially constituted Supervisory Body, rather than assigning its functions to the Board of Statutory Auditors, in order to ensure a proper division of powers and control tasks; however, the Board has positively evaluated the opportunity to include within the Supervisory Body the Head of the Internal Audit Function, in order to facilitate coordination between the various parties involved in the ICRMS.

The Company's Supervisory Body, in its current composition, was recently renewed by the Board of Directors on April 27<sup>th</sup>, 2023. The Supervisory Body is composed of Lorenzo Ravizza (expert in accounting and tax matters), who is Chairman of the Board, Prof. Carlo Fiorio (professor of criminal procedural law) and Emanuele Marconi (Head of Internal Audit Function). The members of the Supervisory Body remain in office until the Shareholders' Meeting convened to approve the Company's financial statements for the year ending on December 31<sup>st</sup>, 2025.

## 9.5. EXTERNAL AUDITORS

Pursuant to Article 14 of the Italian Legislative Decree No. 39 of 27 January 2010, the Ordinary Shareholders' Meeting of the Company held on April 19<sup>th</sup>, 2021, resolved to appoint the auditing firm "PricewaterhouseCoopers S.p.A.", to audit the Issuer's separate financial statements and the Group's consolidated financial statements for the financial years 2021-2029, as well as to perform a limited audit of the condensed consolidated half-year financial statements relating to said nine-year period, and that operations

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have been properly recognized in those accounting books and records during those years, all in accordance with the terms and conditions included in the engagement letter issued by the firm and held in the Company's records.

On February 8<sup>th</sup>, 2022, PricewaterhouseCoopers S.p.A. was also appointed, subject to the favourable opinion of the Board of Statutory Auditors, to issue, pursuant to article 3, paragraph 10, of Italian Legislative Decree No. 254/2016, the compliance of the non-financial information provided by the Company with respect to the requirements of the Italian Legislative Decree No. 254/2016, with reference to the Year.

During the Year, the Board, upon consultation with the Board of Statutory Auditors, examined the results set forth by the statutory auditor in the supplementary report and in the letter of suggestions (the so-called *management letter*) for the Board of Statutory Auditors, in its capacity as Internal Control and Auditing Committee pursuant to Article 19 of Legislative Decree 39/2010.

## **9.6. MANAGER CHARGED AND OTHER BUSINESS ROLES AND FUNCTIONS**

On April 27<sup>th</sup>, 2023, the Issuer's Board of Directors, after receiving the favourable opinion of the Board of Statutory Auditors, appointed Mr. Dario Pipitone as the new Chief Financial Officer and Company's Manager Charged with the powers and functions referred to in Article 154-*bis* of the TUF, article 23 of the Company's Bylaws and the Guidelines, attributing to him functions related to the management and supervision of all administrative, financial and management control activities of the Company and the Group.

The appointment was formalized upon the conclusion of the "Generational Transition" process, during which he was previously appointed Co-CFO and Head of Management Control department of the Issuer, supporting the outgoing CFO and Company's Manager Charged of Preparing Financial Reports Mr. Moreno Ciarapica. On the same date, the Board of Directors, once revoked Mr. Ciarapica's power of attorney and the powers previously granted to him as CFO and Company's Manager Charged of Preparing Financial Reports, assigned him, on the basis of the aforementioned Generational Transition, the role of senior advisor of the new CFO, with functions of support and assistance in his role as Co-CFO.

At the time of his appointment, the Board granted the Manager Charged with all the powers and means necessary to perform the tasks assigned to him, and also instructed the Managing Directors to grant the Manager Charged, by means of a power of attorney, management and representation powers in banking, insurance and tax matters, to be exercised in relation to the functions performed by him as Chief Financial Officer, within the limits of the plans approved by the Company's Board of Directors and after informing the Managing Directors.

The function of the Manager Charged is regulated by the Guidelines approved by the Company's Board of Directors, in accordance with the recommendations of the Code, and in the relevant annexes, including the "Regulation of the Executive in charge of Financial Reporting", which identifies the tasks, responsibilities and powers connected with this function, as well as the duration, causes of withdrawal and lapse, the resources available to him, as well as relations with corporate bodies, other corporate functions and subsidiaries.

In particular, the Manager Charged is responsible for: (i) preparing adequate administrative and accounting procedures for the preparation of the Company's annual and consolidated financial statements and any other communication having financial nature; (ii) together with the Managing Directors, certifying with a specific report on the Company's annual and consolidated financial statements the adequacy and effective application of the procedures referred to in point (i) above during the period to which the documents refer, verifying that the documents are drawn up in compliance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the

Council (as subsequently amended and supplemented), as well as their correspondence with the results of the accounting books and records and their suitability to provide a true and fair view of the financial position, results of operations and cash flows of the Company and of all the companies included in the consolidation.

With reference to the other corporate functions involved in controls, as per Recommendation no. 33, d), of the Code, reference is made to what was previously reported with reference to the persons involved in the ICRMS. In this regard, it should also be noted that the Board, on May 20<sup>th</sup>, 2020, assessed the advisability of adopting measures to ensure the effectiveness and impartiality of judgement of the aforesaid corporate functions involved in controls, providing that all contracts and all decisions relating to the hiring promotion, transfer or termination of employment or collaboration relations for any reason and for any amount, with regard to the Head of Legal and Corporate Affairs (as well as the Chief Financial Officer and the Head of the Internal Audit Function, who - as already mentioned - report hierarchically to the Board).

\* \* \*

The Head of the Legal and Corporate Affairs department is the Company's General Counsel, Mr. Giuseppe Labianca.

#### **9.7. COORDINATION BETWEEN THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

As already mentioned (please refer to §9), the Company has adopted an integrated approach in the design and functioning of the ICRMS, as well as in the adoption of each act of which it consists. In particular, the Board, in the Model pursuant to the Italian Legislative Decree no. 231/2001, has provided for specific information flows and has synergistically mentioned to the controls provided for in the administrative-accounting procedures pursuant to article 154-bis of the TUF within the measures adopted in order to prevent the commission of certain predicate offences.

The Company also promotes the organisation of joint meetings between the corporate bodies and the subjects involved in the second and third levels of the ICRMS, in order to coordinate their respective activities and functions and to ensure a complete and effective exchange of information on risks and controls. To this end, the Board of Statutory Auditors has always been invited to join in its entirety the meetings of the Control and Risk Committee, and periodic meetings of these bodies with the Supervisory Body pursuant to the Italian Legislative Decree no. 231/2001 and with the independent auditors are regularly planned.

#### **10. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS**

In accordance with the requirements of Consob Related Parties Regulation on related party transactions ("Related Party Transactions"), after receiving the favourable opinion of the Control and Risks Committee, the Company's Board of Directors adopted an internal procedure for the Management of Related Party Transactions (the "Procedure"), which became effective at the date trading started in the Company's ordinary shares on the MTA (now Euronext Milan), namely April 27<sup>th</sup>, 2012. The Procedure has been further amended by the Board of Directors on May 12<sup>th</sup>, 2015 with reference to the definition of transactions for smaller amounts. In view of the latest amendments introduced by Consob to the aforementioned Consob Related Parties Regulation with resolution no. 21624 of December 10<sup>th</sup>, 2020, in force since July 1<sup>st</sup>, 2021, the Board

of Directors, subject to the favorable opinion expressed by the Control and Risk Committee, approved the amendment and the update of the Procedure with effect from July 1<sup>st</sup>, 2021.

In any case the Board of Directors assesses at least every three years whether to amend or not the Procedure, taking into account any variation occurred with reference to the ownership structures, as well as the effectiveness of the Procedure.

The procedure applies to Related Party Transactions (reference should be made to the respective definitions in Regulation no. 17221/2010, explicitly referred to in the Procedure, for the underlying concept) carried out by the Company or through its subsidiaries.

More specifically, the Procedure identifies the discipline applicable to two classes of Related Party Transaction: (i) Related Party Transactions of Greater Importance (identified on the basis of the criteria stated in Regulation no. 17221/2010) and (ii) Related Party Transactions of Lesser Importance (the concept of which is taken from Regulation no. 17221/2010), and provides for specific steps to be taken regarding the initial enquiry into these and their approval.

In accordance with article 8 of Regulation no. 17221/2010 (Procedures for transactions of greater importance in companies adopting traditional or one-tier management and control systems), the approval of Transactions of Greater Importance is reserved for the Company's Board of Directors, and the involvement of the Control and Risks Committee is also envisaged. More specifically, the Control and Risks Committee is required to issue a binding reasoned opinion on the interest of the Company in carrying out each Transaction of Greater Importance and the convenience and the substantial correctness of the underlying terms. As of July 1<sup>st</sup>, 2021, such opinion shall be attached to the minutes of the Control and Risks Committee's meeting.

On the other hand, as far as Transactions of Lesser Importance are concerned, approval is remitted to the body (delegated body, Board of Directors, Shareholders' Meeting) having competence in adopting the relevant decision by law or under the Bylaws. In addition, before the transaction is approved, the Control and Risks Committee must issue a reasoned (non-binding) opinion on the interest of the Company in carrying out the transaction and the convenience and the substantial correctness of the underlying terms. As of July 1<sup>st</sup>, 2021, such opinion shall be attached to the minutes of the Control and Risks Committee's meeting.

If Transactions of Lesser Importance are approved by the Board of Directors despite the adverse opinion of the Control and Risks Committee, this fact must be publicized by making an information document available to the public, within fifteen days of the end of each quarter, which contains details of the Transactions of Lesser Importance approved in the relevant quarter on which the Control and Risk Committee expressed a negative opinion, and this opinion must be attached to that document.

The delegated body has specific subsequent quarterly requirements to report to the Board of Directors and the Board of Statutory Auditors on Transactions of Lesser Importance and Transactions of Greater Importance.

In addition, the Board of Directors may adopt framework resolutions regarding a series of homogeneous transactions in relation to (i) transactions for the sale, supply or delivery of items of clothing and accessories or other goods forming part of the ordinary activities of the Company or the Group, (ii) transactions relating to commercial distribution agreements or (iii) transactions for the provision of services, including those of a consulting nature.

The Procedure envisages certain exemptions from its application, identified on the basis of Regulation no. 17221/2010, of which the following are noted:

- shareholders' resolutions regarding the compensation paid to members of the Board of Directors and resolutions on the compensation paid to directors having specific duties (article 2389, paragraph 3 of the Civil Code and article 19 of the Company's Bylaws);

- Transactions for Small Amounts (as defined in the Procedure);
- Regular Transactions that are carried out under Market or Standard Equivalent Terms (as defined in the Procedure on the basis of the provisions of Regulation no. 17221/2010);
- shareholders' resolutions regarding the compensation paid to members of the Board of Statutory Auditors (article 2402 of the Civil Code);
- Related Party Transactions with or between subsidiaries, also jointly, and with associates, if there are no significant interests in the counterparty subsidiaries or associates;
- transactions resolved by the Company and addressed to all shareholders on equal terms, including:
  - (i) rights issues, including to service convertible bonds, and free capital increases pursuant to Article 2442 of the Italian Civil Code;
  - (ii) full or partial spin-offs, with proportional share allocation criterion;
  - (iii) share capital reductions by means of reimbursement to the shareholders pursuant to art. 2445 of the Italian Civil Code and the purchase of own shares pursuant to art. 132 of the TUF.

With respect to the approval of both Transactions of Greater Importance and Transactions of Lesser Importance (for which the Board of Directors has competence), the Procedure requires that the directors be provided with details of any interests (including indirect interests) of the members of the corporate governance bodies in such transactions. Transactions of Lesser Importance for which the Managing Directors having competence holds an interest, also on behalf of third parties, remain the competence of the Board of Directors. In addition, if in respect of a Transaction of Greater Importance or a Transaction of Lesser Importance one of the members of the Control and Risks Committee is a related party in respect of a specific transaction, as defined in Regulation no. 17221/2010, the duties for which the Control and Risks Committee is responsible are carried out by the other members of the Committee who are Independent and Unrelated Directors, as defined by the Procedure. If this is not the case, the Board of Directors shall proceed to supplement the Committee with one or more Unrelated Independent Directors, even if only on an *ad hoc* basis in order to carry out the work and activities related to the transaction.

With respect to both Transactions of Greater Importance and Transactions of Lesser Importance falling within the competence of the Board of Directors, the Involved Directors refrain from voting on the same.

The Procedure has been made available on the Company website at the address <http://investor.brunellocucinelli.com/en/services/archive/governance/documents>.

The Issuer has not provided for a specific procedure aimed at identifying situations in which a director has an interest on his own behalf or on behalf of third parties, leaving the detection of this situation to the reporting to the Board by the individual director. For an analysis of the Transactions with Related Parties occurred during the Year, please refer to the annual financial report.

## **11. STATUTORY AUDITORS**

### **11.1. APPOINTMENT AND REPLACEMENT**

The board of statutory auditors (“Board of Statutory Auditors”) is appointed by the Ordinary Shareholders’ Meeting.

The mechanism for the election of the statutory auditors is regulated by article 21 of the Company’s Bylaws, in accordance with the provisions of article 148 of the TUF and the relative implementation provisions of article 144-quinquies et seq. of the Consob Regulation on Issuers, which: (i) make a list vote mandatory for



the appointment of the statutory auditors and regulate the mechanism for this; (ii) require the Chairman of the Board of Statutory Auditors to be appointed from the statutory auditors elected by the minority and (iii) identify the limits to the number of positions that statutory auditors may hold.

In addition to the provisions contained in the TUF, the Issuer is not subject to further regulations (such as, for example, those set out by sector-specific regulations) concerning the composition of the Board of Statutory Auditors.

The Shareholders' Meeting held on April 18<sup>th</sup>, 2013 introduced, for the first time, amendments to the Bylaws concerning the election mechanism of the Board of Statutory Auditors, with the aim to ensure a balance between gender balance in compliance with Law No. 120/2011. Further amendments to the Company's Bylaws aimed at ensuring that the procedure to appoint the Standing and Substitute Auditors by list voting complied with the *pro tempore* regulations in force on gender balance were approved by the Shareholders' Meeting held on May 21<sup>st</sup>, 2020.

Article 21 of the Bylaws of Brunello Cucinelli requires statutory auditors to be appointed on the basis of two separate lists: one for candidates for the position as standing auditor, the other for candidates for the position as substitute auditor, in which the candidates are assigned a sequential number. Lists must be presented by shareholders who, on their own or together with other shareholders are holders, at the time the lists are lodged, of an interest that is at least that established by Consob pursuant to article 147-ter, paragraph 1 of the TUF, and in accordance with the Issuers' Regulation, and subsequent amendments and integrations. In this regard, it should be noted that the participation threshold determined for the Issuer by Consob, with its resolution dated January 31<sup>st</sup>, 2024, no. 92, is equal to 1%.

In addition, the Board of Directors arranges for the minimum shareholding eligible for presenting lists of candidates to be included with the publication of the notice convening the Shareholders' Meeting called to approve the appointment of the statutory auditors.

The minimum shareholding required to present the lists is calculated with reference to the shares recorded in the shareholder's name on the day on which the lists are lodged with the Company.

Each shareholder may present, or join with others to present, including through an intermediary or a trust company, and vote in favour of one single list. In addition, the following may present, or join with others to present, including through an intermediary or a trust company, and vote in favour of one single list: (i) shareholders belonging to the same group; and (ii) shareholders who are party to the same shareholders' agreement whose object is the Company's shares as per article 122 of the TUF.

Each candidate may only appear on one list, under penalty of inadmissibility.

The lists, signed by those presenting them, are lodged at the Company's registered office at least 25 (twenty five) days prior to the date set for the Shareholders' Meeting in first call, together with:

- details of the identity of the shareholders who have presented the lists, with a statement as to the total percentage shareholding held and an attestation in which the ownership of the shareholding is confirmed. This attestation must be produced by the different date specified by the applicable legislation and regulations;
- statements in which the individual candidates accept to stand for the position and attest, under their own responsibility, that there are no reasons why they may be considered incompatible and that they hold the prerequisites prescribed by current law for the specific position;
- a *curriculum vitae* containing the personal and professional characteristics of the candidates, which includes a description of the management and control positions held in other companies; and
- a statement of the shareholders other than those who hold, also jointly, a controlling interest or a relative majority interest, attesting to the absence of the relationships of association specified in article 144-quinquies of the Issuers' Regulations with the latter.

Any list for which the provisions of this paragraph are not observed is considered as not having been presented.

The lists that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that the least represented gender in the list belongs to the quota of candidates for the office of Standing Auditor and for the office of Substitute Auditor, as established by the *pro tempore* regulations in force relating to the balance between genders .

In the event that only one list has been lodged at the date on which the term of 25 (twenty five) days for lodging the lists and documents at the Company's registered office expires, or only lists presented by shareholders who are associated with each other within the meaning of article 144-quinquies of the Issuers' Regulations, lists may be presented up to the end of the third day following that date. In that case, the percentage thresholds provided in the Bylaws are reduced by one half.

The first two candidates on the list obtaining the highest number of votes (the "Majority List") and the first candidate on the list which obtained the second highest number of votes (the "Minority List") and is not associated, even indirectly, with the shareholders who presented or voted in favour of the Majority List are elected as standing statutory auditors; the latter candidate shall also be appointed as the Chairman of the Board of Statutory Auditors.

The first substitute candidate on the Majority List and the first substitute candidate on the Minority List are elected as substitute statutory auditors.

If two or more lists obtain the same number of votes, a ballot is held between those lists in a new round of voting at which all those attending the Shareholders' Meeting and entitled to vote take part, with the candidates on the list obtaining a simple majority of the votes cast being elected.

If the methods above described do not assure the composition of the Board of Statutory Auditors, in its standing members, in conformity with the regulations currently in force concerning the balance between genders, then the candidates for the office of standing auditor of the Majority List will be replaced as necessary, according to the order in which the candidates are listed.

If a standing auditor ceases to hold office before the end of the term for any reason, the first substitute on the list of the statutory auditor being replaced takes over and holds office until the next Shareholders' Meeting. If the chairman has to be replaced, the chair is held until the next Shareholders' Meeting by a substitute member taken from the minority list.

If only one list is presented or if two or more lists obtain the same number of votes, if the Chairman has to be replaced the first standing auditor on the list of the Chairman being replaced takes over the position until the next Shareholders' Meeting.

If the number of substitute auditors is not sufficient to make up the Board of Statutory Auditors a Shareholders' Meeting must be called to supplement this number, with resolutions being adopted on the basis of the legal majorities and in compliance with current laws and regulations. More specifically:

- if the auditor being replaced is (i) the standing auditor and/or the Chairman or (ii) the substitute auditor taken from the Minority List, the names are proposed of the unelected candidates who stood for the position as standing auditor for case (i) and as substitute auditor for case (ii) listed in the corresponding sections of the same Minority List, and the person obtaining the highest number of votes in his favour is elected;
- in the absence of names to be proposed pursuant to the preceding paragraph and if it is a question of replacing the standing and/or substitute auditor(s) taken from the Majority List, the provisions of the Civil Code are applied and the Shareholders' Meeting adopts resolutions on the basis of the majority of votes cast.

It is understood that, at the time of replacement, the composition of the Board of Statutory Auditors shall comply with the rules currently in force concerning the balance between genders.

If only one list is presented, the Shareholders' Meeting casts its vote on that alone; if the list obtains a relative majority of the votes cast, without counting abstentions, the candidates stated in the respective section of the list are elected as standing auditors and substitute auditors; the person at the top of the list becomes the Chairman of the Board of Statutory Auditors. If no list have been submitted, the Shareholders' Meeting decides with the majority of law. In any case, the compliance to the law currently in force concerning the balance between genders is required.

The list vote mechanism described above has been applied for the first post-listing renewal of the Issuer's Board of Statutory Auditors and therefore at the Shareholders' Meeting held on April 23<sup>rd</sup>, 2014, as well as on for the renewal of the Board of Statutory Auditors resolved by the Shareholders' Meeting held on April 20<sup>th</sup>, 2017, May 21<sup>st</sup>, 2020, and April 27<sup>th</sup>, 2023.

The Company's Bylaws do not provide for the election of more than one statutory auditor from the minority list.

## **11.2. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (art. 123-bis, paras. 2d) and 2d-bis), TUF)**

According to article 20 of the Company's Bylaws, the Board of Statutory Auditors shall consist of 3 standing auditors and 2 substitute auditors, all holding the requirements stated in current provisions.

The statutory auditors hold office for a term of three fiscal years which expires at the date of the Shareholders' Meeting called to approve the financial statements of the last year of their term.

In accordance with applicable laws and regulations, the appointment of statutory auditors is subject to the requirement that the auditors shall respect the limit on the number of positions they may hold.

In compliance with the relevant legal and regulatory provisions, the appointment of Statutory Auditors is subject to their compliance with the limits on the maximum number of positions, without prejudice to the obligation to notify CONSOB and to resign from one or more positions if these limits have been exceeded.

The Board of Statutory Auditors in office at December 31<sup>st</sup>, 2023 was appointed by the Ordinary Shareholders' Meeting held on April 27<sup>th</sup>, 2023 and will remain in office until the approval of the financial statements at December 31<sup>st</sup>, 2025.

The current Board of Statutory Auditors was elected on the basis of the two lists submitted.

List no. 1 was submitted by Foro delle Arti S.r.l., which held, at the moment of submission of the list, 50.05% of the Issuer's share capital, and its candidates Dante Valobra and Anna Maria Fellegara were elected with 69.649% of votes in favour of the share capital present at the meeting and with 58.462% of votes in favour of the share capital with voting rights.

List no. 2 was submitted by the following shareholders: Amundi Asset Management SGR S.p.A.; Arca Fondi Sgr S.P.A.; BNP Paribas Asset Management; Eurizon Capital SGR S.p.A.; Eurizon Capital S.A.; Fideuram Asset Management Ireland; Fideuram Intesa Sanpaolo Private Banking Asset Management Sgr S.P.A., which held at the time of submission of the list 2.42712% of the Issuer's share capital. List no. 2 expressed the only candidate, Prof. Paolo Prandi, who was elected with 34.920% of votes in favour of the share capital present at the meeting and with 31.578% of votes in favour of the share capital with voting rights. Pursuant to Article 148, paragraph 2-bis, TUF, Prof. Prandi has been appointed Chairman of the Board of Statutory Auditors.

Reference should be made to Table 3 included in the annex to this Report for the composition of the Board of Statutory Auditors.

In accordance with the provisions of Article 144-decies of the Consob Regulation on Issuers, the personal and professional characteristics of each Auditor are provided in Annex "B" to this Report.

During the year, the Board of Statutory Auditors met 20 times and the average duration of the meetings was approximately 3 hours.

As of the date of this Report, the Board met 4 times: on January 23<sup>rd</sup>, February 23<sup>rd</sup>, March 7<sup>th</sup>, and March 13<sup>th</sup>, 2024.

The Board of Statutory Auditors carries out its meetings and verifications after having shared preliminary activities (where possible and appropriate) with all interested parties and in carrying out its activities has coordinated regularly with the Internal Audit Function, the Control and Risks Committee and the Supervisory Body. This coordination took place through the participation of these bodies at specific meetings, as stated in §9.7; further, the Board of Statutory Auditors has requested the systematic participation of the General Counsel and the Head of Internal Audit also in order to have continuous and effective information flows.

It should be noted that the Board of Statutory Auditors, from the beginning of the Year and until the Shareholders' Meeting for the approval of the financial statements as at December 31<sup>st</sup>, 2022, i.e. until April 27<sup>th</sup>, 2023, was composed as follows: Prof. Paolo Prandi, as Chairman of the Board, Prof. Alessandra Stabilini and Dr. Gerardo Longobardi.

As from the end of the Year, there were no changes in the composition of the Board of Statutory Auditors.

### **Diversity criteria and policies**

The Issuer has currently not adopted - through specific resolutions or in any other form - diversity criteria and policies with regard to the composition of the Board of Statutory Auditors, in terms of age, gender composition and educational and professional background. Nevertheless, the Issuer believes that the composition of the Board of Statutory Auditors during the Year was adequately balanced in terms of age, gender (one woman and two men) as well as educational and professional background, since both professional and academic components are represented.

In the light of the above, the Board of Directors has not yet considered it necessary to formalize a policy on diversity in the composition of the Board of Statutory Auditors.

The choice on the profiles of the candidates for the position of Issuer's auditor is ultimately up to the shareholders, who, when composing the lists, shall propose a list of candidates that is adequately balanced, taking into account the above-mentioned diversity criteria.

Pursuant to article 21 of the Company's Bylaws, as amended following the amendments to Article 148, paragraph 1-*bis* of the TUF relating to the composition of the Board of Statutory Auditors introduced by Law no. 160/2019, as well as in accordance with Law no. 120/2011 (the so-called "Golfo-Mosca" Law) the Issuer, the Board of Statutory Auditors, in its previous and in its current composition (as appointed on April 27<sup>th</sup>, 2023 and in office until the date of the Shareholders' Meeting for the approval of the financial statements as at December 31<sup>st</sup>, 2025), complied and complies with both the balance between genders and the adequate competence and professionalism of the members of the Board, where managerial and professional skills are adequately represented and there are different age and seniority in office.

In this respect, it is noted, in fact, that one of the Standing Auditors is a woman and that the Board of Statutory Auditors, in terms of composition, not only complies with legal requirements, but also gives value to the technical competence and the knowledge of the industry, as well as to the academic component. Identical comments can also be referred to the Board of Statutory Auditors in its composition as at April 27<sup>th</sup>, 2023. In this regard, please refer to the curricula vitae of the Statutory Auditors available in Annex " B" to this Report.

At the expiration of the current Board of Statutory Auditors, that is at the date of the Shareholders' Meeting called to approve the financial statements for the year ending as of December 31<sup>st</sup>, 2025, the Board of Statutory

Auditors will be renewed in compliance with the legislation on gender balance and the aforementioned statutory clause.

### **Independence**

The Board of Statutory Auditors of the Issuer successfully verified the independence of its members since its appointment by the Shareholders' Meeting on April 27<sup>th</sup>, 2023. In particular, the Board of Statutory Auditors verified that its members comply with those independence requirements, according to the criteria set out in art. 148, paragraph 3 of the TUF and recommended by the CG Code.

With regard to the assessment of the independence of the members of the Board of Statutory Auditors, the Issuer has not, at the date of this Report, deemed it necessary to adopt - by a specific resolution or in such other form - a policy describing the criteria to be followed in order to assess the significance of the concerned relationships, by formalizing the symptomatic circumstances that compromise or appear to compromise the independence of the members of the Board of Statutory Auditors.

During the meeting held on May 31<sup>st</sup>, 2023, the Board of Statutory Auditors, also with the support of an external consultant, expressed its positive opinion on the independence of all the members of the same Board.

For the sake of completeness, it should be noted that the Board of Statutory Auditors, during its meeting held on March 13<sup>th</sup>, 2024, positively ascertained the maintenance of the independence requirements of its members.

### **Remuneration**

The remuneration of the Board of Statutory Auditors - as determined by the Shareholders' Meeting, at the time of its appointment - is adequately proportionate to the commitment required, the relevance of the role as well as the size and the industry in which the Company operates. The Standing Auditors' level of pay is in line with the remuneration paid to the members of the Supervisory Body by other listed companies operating in the same industry of the Issuer or comparable to the Issuer with regard to their size.

Further information on the remuneration paid to the Auditors can be found in the Remuneration Report, available in the Investor Relations section of the corporate website dedicated to the "2024 Shareholders' Meeting".

### **Management of interests**

Any Auditor who, on his/her own behalf or on behalf of third parties, has an interest in a given Company transaction, to promptly provide comprehensive information to other Auditors and the Chairman of the Board of Directors on the nature, terms, origin and extent of his/her interest.

\* \* \*

The Chairman of the Board of Directors of the Issuer ensured that the Board of Statutory Auditors had adequate knowledge of corporate dynamics of the Company, as well as of the market in which the Company operates. This allows the Board to perform its duties more effectively. Please refer to §4.3 for further details.

## **12. RELATIONS WITH SHAREHOLDERS**

### **Access to information**

The Company believes that it is in its specific interest - besides also being a duty towards the market - to establish a constant dialogue with shareholders as a whole and with institutional investors that is based on a

reciprocal understanding of each other's roles; a dialogue which in any case is to be carried out in compliance with the procedure for external communications of business documents and information.

The Company has set up a specific section of its website, which is easy to find and access, where the information concerning the Issuer that is likely to be of a certain importance to its shareholders is made available.

At its meeting of 26th March 2012 the Company's Board of Directors appointed Pietro Arnaboldi as its Investor Relator (being the person in charge of relations with institutional investors and other shareholders), in order to ensure correct, constant and complete communications, without prejudice to the fact that as part of these relations, documents and, in general, information concerning the Company must be communicated in accordance with the Regulation for Handling Inside Information (briefly described in § 5 of this Report). The appointment of the Investor Relator became effective from the start of trading in the Company's shares on the MTA (now Euronext Milan) (April 27<sup>th</sup>, 2012).

The Company has also established an internal structure responsible for managing relations with shareholders; the structure consists of 4 persons, in addition to the Investor Relator that coordinates the relevant activities.

### **Dialogue with the shareholders**

The Issuer has always paid great attention to the involvement of shareholders. In order to formalize these methods to interact with the shareholders, the Issuer adopted a stakeholder engagement policy with the shareholders and, in general, with the stakeholders that the Company has to deal with. This document, containing the guidelines for the dialogue with, and the involvement of, the company's various stakeholders (shareholders, staff, collaborators, local community), was approved by the Board of Directors in the meeting held on March 11<sup>th</sup>, 2021. The stakeholder engagement policy also describes the modalities by which the results of the dialogue with the various stakeholders are transmitted to the Council for Human Sustainability and Humanistic Capitalism.

As of today, the document is accessible by the Issuer's employees on the Company's intranet system and in the Investor Relations section of the institutional website dedicated to "Documents".

During the Year, between September and October 2023, the Company decided to carry out direct engagement activities of its stakeholders by involving, through a questionnaire, the financial community. Specific days were organized for the representative figures of the territory, human resources and artisan workshops, aimed at confrontation and carried out in ways adapted to the specificities of the individual categories, through various focus group facilitation tools. For further details, please refer to the NFD approved by the Board of Directors on March 14<sup>th</sup>, 2024, and available at the following link: <https://investor.brunellocucinelli.com/en/services/archive/investor/non-financial-disclosure>.

## **13. SHAREHOLDERS' MEETINGS**

### **(ex art. 123-bis, paragraph 2, letter c), TUF)**

Pursuant to provisions of current law, the Shareholders' Meeting has competence in ordinary session to approve the financial statements, appoint and dismiss directors, statutory auditors and the Chairman of the Board of Statutory Auditors and establish the remuneration of the directors and Statutory Auditors, and to adopt resolutions on any other matters that are of its competence under the law. In extraordinary session, the Shareholders' Meeting adopts resolutions on changes to the Company's Bylaws and on any on any other matters that are reserved for its competence under the law.

The recommendation contained in Principle IV of the CG Code to promote, in the most appropriate ways, the dialogue with shareholders and other stakeholders relevant to the company, are fully shared by the Company's

management. As far as the procedures regarding Shareholders' Meetings are concerned, article 9 of the Company's Bylaws specifies that meetings shall be called, pursuant to and within the time stated by law, at the Company's registered office or in any other place, provided this is in Italy, by means of a notice containing the information required by the laws and regulations current from time to time.

Ordinary Shareholders' Meetings must in all cases be called within 120 days of the end of the fiscal year or within 180 days in the case specified by law.

The Company's Bylaws do not establish any specific quorums for the valid constitution of meetings of for passing valid resolutions. In this respect, article 11 cross references to the quorums for the valid constitution of meetings provided by law. With particular reference to the rules applicable to amendments to the Company's Bylaws, the Company's Bylaws do not provide for different rules from those set out by the applicable law and regulation.

Shareholders' Meetings are competent to adopt resolutions on the matters stated by law. It is appropriate to note that article 15 of the Bylaws assigns the Board of Directors with the competence to adopt resolutions on the following: (i) setting up and closing of secondary offices; (ii) indicating which directors, besides those indicated in the Bylaws, may represent the Company; (iii) reducing share capital on the withdrawal of a shareholder; (iv) amending the Bylaws for changes in legislation; (v) transferring the Company's registered office to another municipality in Italy; (vi) mergers and demergers pursuant to articles 2505, 2505-bis and 2506-ter, final paragraph, of the Civil Code.

The assignment to the management body of areas of responsibility that are due to the Shareholders' Meeting, as referred to in this article, does not remove the main responsibility of the Shareholders' Meeting which maintains the powers to adopt resolutions on the matters in question.

Pursuant to article 10 of the Issuer's Bylaws, the entitlement to attend a Shareholders' Meeting and exercise a voting right is attested by a statement sent to the Company by the intermediary on behalf of the person holding the voting right (which must be received by the Issuer by the end of the third open market day prior to the date set for the Shareholders' Meeting in first call) on the basis of the evidence relating to the end of the accounting day of the seventh open market day prior to the date set for the Shareholders' Meeting.

More specifically, article 10 states that: *"Anyone entitled to vote may attend a Shareholders' Meeting. The entitlement to attend a Shareholders' Meeting and exercise a voting right is attested by a statement sent to the Company by the intermediary on behalf of the person holding the voting right on the basis of the evidence relating to the end of the accounting day of the seventh open market day prior to the date set for the Shareholders' Meeting in first call (or such other deadline specified from time to time by applicable law). The intermediary's statements as per this article 10 must be received by the Issuer by the end of the third open market day prior to the date set for the Shareholders' Meeting in first call or by any other deadline specified by the laws and regulations in force from time to time. The entitlement to attend a meeting and exercise a vote shall remain valid for notifications received by the Company after the above deadlines provided they arrive before the start of the proceedings of the Shareholders' Meeting referred to in the individual call notice.*

*Anyone entitled to attend a Shareholders' Meeting may be represented by another person through the use of a proxy by the means established by law. Shareholders may notify the Company that they have issued a proxy for attendance at the Shareholders' Meeting by sending a copy of the proxy form by electronic mail to the address stated in the notice calling the Shareholders' Meeting."*

The Company's Bylaws additionally specify that to make it easier for shareholders to attend meetings and exercise their voting rights, they may also cast their vote by correspondence by the means provided by law (article 11).

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors and, in default, by the person designated by those attending the meeting.

The chairman of the Shareholders' Meeting verifies that the meeting has been validly convened, through persons delegated for the purpose as may be necessary, verifies the identity of those attending and their entitlement to attend, manages the proceedings and ascertains the results of the ballots held.

The resolutions adopted by Shareholders' Meetings must be recorded in a minute drawn up and signed in accordance with the law.

\* \* \*

On January 27<sup>th</sup>, 2012, the ordinary Shareholders' Meeting of Brunello Cucinelli approved a set of "Rules of Procedure Shareholders' Meetings" in order to permit an orderly and effective conduct of meetings.

The "Rules of Procedure Shareholders' Meetings" may be found on the Company's institutional website at: <http://investor.brunellocucinelli.com/en/services/archive/governance/documents>.

In order to ensure that every shareholder has the right to speak on the matters under discussion article 16 of the Rules of Procedure Shareholders' Meetings requires the shareholders concerned to make a request to the chairman of the meeting by raising their hand or making a request in writing, as established by the latter, after the matter on the agenda to which the question relates has been read out. If questions are proposed by the raising of hands, the chairman of the meeting gives leave to speak to the person who first raised their hand, or when it is not possible to determine with any certainty who was the first he proceeds in the order he decides at his absolute discretion; in the case of written questions leave to speak is granted to applicants in alphabetical order.

\* \* \*

During the Year the Shareholders' Meeting of the Company was held on April 27<sup>th</sup>, 2023. The Meeting was attended by 9 Company Directors, including the Chairman of the Board of Directors, the remaining Directors being excused from attending. Two members of the Board of Statutory Auditors were also present at the Meeting, while the third Statutory Auditor was absent making him the third auditor was absent.

The Issuer considers the Shareholders' Meeting as a fundamental occasion of discussion between the shareholders and the directors. For this reason, the Board of Directors has prepared and provided, in a timely manner, adequate documentation to shareholders about the topics of the meeting, in order to ensure adequate information to shareholders and enable them to take informed decisions. In addition, the Issuer has provided during the Shareholders' Meeting held on April 27<sup>th</sup>, 2023, the main information about the activities carried out during the year 2022 and that at the time scheduled for the Year, and has allowed each shareholder to take the floor and to request additional information.

The full minutes of the meeting of April 27<sup>th</sup>, 2023, are available on the Investor Relations section of the institutional website dedicated to "2023 Shareholders' Meeting".

\* \* \*

During the Year, there were no significant changes in the composition of the Issuer's shareholding structure. For the sake of completeness, it should be noted that since January 2024, the shareholder INVESCO LTD no longer holds a significant stake in the Company's capital, as it has decreased under the 3% threshold required by law.



During the Year, there was a change in the Issuer's capitalization from a capitalization of EUR 4,698,800,000 (EUR 69.10 per share) on the last trading day of 2022 financial year to a capitalization of EUR 6,024,800,000 (EUR 88.60 per share) on the last trading day of the year 2023, with a percentage change of +28.21%.

The Board of Directors has not assessed the opportunity of making a proposal to the Shareholders' Meeting for changes to the Bylaws concerning the percentages established for exercising the actions, nor to the prerogatives intended to protect minorities.

For the sake of completeness, the Shareholders' Meeting convened for April 27<sup>th</sup>, 2023, approved the amendments to Article 6 of the Bylaws, which introduced the increase in voting rights pursuant to Article 127-quinquies of the TUF. The introduction of this tool, which set the maximum limit of the increase at two votes for each share, is in line with the Company's objective of pursuing a sustainable medium-long term growth and will have a reward function for shareholders willing to invest in the medium to long term. Please refer to the explanatory report and minutes of the Shareholders' Meeting available in the Investor Relations section of the institutional website dedicated to the "2023 Shareholders' Meeting".

#### **14. FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to Article 123-bis(2)(a) TUF)**

As stated in the introduction (§ 1), a number of committees have been set up in the Company on a voluntary, non-institutionalized basis which carry out operational coordination and support functions for business management. Among these committees, there are the following:

- the Management Committee, consisting of executive directors and managers responsible for production, sales, marketing and communication, finance and legal affairs of the Company, with the main purpose of supporting the administrative body in the execution of strategic and business plans. Taking into account the rising attention to the Company's image within the digital world, the managers of digital function, recently joined the Committee;
- The Attention Committee, established for the first time in March 2020 during the COVID-19 emergency, is composed of managers of various offices and meets to manage extraordinary or unprecedented situations. Its main task is to develop mitigation strategies and contingency plans to deal with threats or significant changes in the external environment that could negatively impact the company;
- the Human Resources Committee, which defines the guidelines and criteria for hiring people, career steps, remuneration of employees, as well as the internal policies for the work relationship;
- the Architectural Design Committee, which has the duty to decide on the concept of the monobrand stores and other exhibition spaces (such as showrooms) as well as the architectural design of Company's headquarters and offices;
- the Cyber Committee, which has the purpose of coordinating several interested functions in the assessment and mitigation of the risks related to the information systems of the Group.
- the Human Privacy Committee, established in 2021, has a managerial composition. It includes the main company departments involved in the processing of personal data, such as Human Resources, Customer Relationship Management (CRM), Legal and IT departments and it is assigned decision-making powers regarding the protection of personal data. It meets periodically to address issues and projects with data protection implications. The Data Protection Officer (DPO) plays a supervisory role with regard to the Committee.

Every two years, the so-called Board of the 100 (previously named “Board of the 50”) is held in addition to the abovementioned “coordination venues”, taking place in a friendly environment, far from the office. On the Board of the 50, the Company’s strategies, envisaged by the administrative body (which share it with the employees through regular assemblies) and developed by the operational committees by the means of guidelines, are enriched in a dialogue-based discussion with a higher number of persons, who, in various ways, put in place these strategies. The persons who attend the Board of the 50 represent all Company’s departments and act as vehicle of people’s sentiment and demands, sharing the outcomes with said people, right after the meeting.

The Company did not establish any additional committees during the Year.

## **15. SUSTAINABILITY - COUNCIL FOR HUMAN SUSTAINABILITY AND HUMANISTIC CAPITALISM**

With reference to sustainable success, identified as one of the areas of improvement in the letter dated December 3<sup>rd</sup>, 2021, from the President of the Corporate Governance Committee, at its meeting held on December 16<sup>th</sup>, 2020 the Board of Directors approved the establishment of the “Council for the Human Sustainability and Humanistic Capitalism” (previously named as “Council for Harmony with Creation - for morals, ethics and human dignity”). The Council for Harmony with Creation aims at integrating the sustainability of business activities into the definition of strategies, also on the basis of a relevance analysis of the factors that may have an impact on long term-value.

The Council assists the Board of Directors with propositional and advisory functions in the evaluation and decision-making processes concerning sustainability that are relevant to the Group's activities. It consists of 3 employees and 7 directors of the Company, in addition to the Chairman of the Company, Cav. Lav. Cucinelli who chairs it.

In particular, the Board promotes the continuous integration of national and international best practices and of environmental, social and governance factors in the Company's strategies in the Company's corporate governance, monitoring the Company's positioning with respect to financial markets on sustainability and initiatives addressed to local communities and stakeholders.

It is also responsible for bringing to the attention of the Board of Directors and the Board committees policies based on the principles of corporate social responsibility and sustainable success that take into account ethics, human sustainability, protection of human rights, protection of the environment and a balanced relationship with earth and animals.

The Group's commitment and attention to sustainability are ensured by the Human Sustainability function, which, also thanks to the support of external consultants and in collaboration with the heads of the relevant functions, identifies areas to be improved, possible concrete actions to be implemented in order to enhance the Group's performance in the CSR ("Corporate Social Responsibility") area and collects the qualitative and quantitative information of a non-financial nature necessary to prepare the consolidated non-financial disclosure pursuant to Articles 3 and 4 of Legislative Decree no. 254/2016.

## **16. CHANGES SINCE THE REPORTING DATE**

There have been no changes in the Issuer’s corporate government structure since the end of the Year.

## **17. CONSIDERATION ON THE LETTER DATED DECEMBER 14<sup>TH</sup>, 2023, SENT BY THE PRESIDENT OF THE CORPORATE GOVERNANCE COMMITTEE**

Recommendations included in the Report on the development of listed companies' corporate governance relating to 2022 (10<sup>th</sup> report on the application of the Corporate Governance Code from the Italian Corporate Governance Committee) have been taken into account during the meetings of the Statutory Auditors held on February 21<sup>st</sup>, 2023, and of the Control and Risks Committee held on February 21<sup>st</sup>, 2023. In this regard, please refer to the Corporate Governance Report available in the Investor Relations section of the corporate website dedicated to the "2023 Shareholders' Meeting".

Recommendations included in the Report on the development of listed companies' corporate governance relating to 2023 (11<sup>th</sup> report on the application of the Corporate Governance Code from the Italian Corporate Governance Committee) have been taken into account during the meetings of the Statutory Auditors and of the Control and Risks Committee held on January 23<sup>rd</sup>, 2024.

Among the main issues addressed in the recommendations and examined by the Company:

- (a) Business plan (see §4.1);
- (b) pre-Board information (see §4.4);
- (c) Guidelines on optimal composition (cf. §7.1);
- (d) Increased voting rights (see §2 letter a).

With respect to the suggestion referred to in letter a) above, it is confirmed that the Board of Directors examines and approves the Business Plan prepared by the CEOs with the support of the financial management. It should also be noted that a draft of the same Plan is preliminarily examined by the Control and Risk Committee.

With regard to the suggestion referred to in letter b) above, please refer to §4.4 of the Report on the functioning of the Board of Directors.

With respect to the suggestion referred to in letter c) above, it should be noted that the Board of Directors, in view of the end of its mandate on April 27<sup>th</sup>, 2023, following the self-assessment process started in February 2023, positively considered its composition. Nevertheless, since the Issuer is a "large" and "concentrated ownership" company, the outgoing Board of Directors was not required to express its orientation on its optimal composition as set forth in Recommendation 23 of the GC Code (see §4.3).

With respect to the suggestion referred to in letter d) above, it should be noted that the Board of Directors, in the Explanatory Report with which it proposed to the Shareholders' Meeting the introduction of the voting increase rights, provided adequate reasons for the purposes of this choice and also illustrated the expected effects on the ownership and control structure of the Company. For further details, please refer to the Explanatory Report and the minutes of the Shareholders' Meeting available in the Investor Relations section of the institutional website dedicated to the "2023 Shareholders' Meeting"

## **TABLES**

- TABLE 1 (INFORMATION ON OWNERSHIP STRUCTURE AS OF DECEMBER 31<sup>ST</sup>, 2023)
- TABLE 2 (STRUCTURE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AT THE END OF THE FINANCIAL YEAR)
- TABLE 3 (STRUCTURE OF BOARD COMMITTEES AT THE END OF THE FINANCIAL YEAR)
- TABLE 4 (STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR)

**TABLE 1****(INFORMATION ON OWNERSHIP STRUCTURES ON THE DATE OF DECEMBER 31<sup>ST</sup>, 2023)**

<b>SHARE CAPITAL STRUCTURE</b>				
	<b>No. of shares</b>	<b>No. of voting rights</b>	<b>Listed (indicate markets) / unlisted</b>	<b>Rights and obligations</b>
<b>Ordinary shares (no increased voting shares in place)</b>	68,000,000	100	Listed (Euronext Milan)	<p>Each share is entitled to one vote. Shareholders' rights and obligations are those stated in article 2346 et seq. of the Civil Code.</p> <p>On April 27<sup>th</sup>, 2023, pursuant to Article 127-quinquies of the TUF, the voting rights increase was introduced, which is acquired at the start of the minimum period of membership of 24 months, attested by the continuous registration for this period in the special list specifically established for this purpose, and the maximum limit of the increase is equal to two votes for each share.</p> <p>The rights and obligations of shareholders are those provided for in art. 2346 et seq. of the Italian Civil Code, as well as in Article 6 of the Bylaws regarding the increase in voting rights. At the date of this Report, none of the shareholders included in the List for the purpose of obtaining the increase in voting rights has accrued this benefit.</p>
<b>Preference shares</b>	0	0		
<b>Shares with restricted voting rights</b>	0	0		
<b>Shares with multiple voting rights</b>	0	0		
<b>Saving shares</b>	0	0		
<b>Convertible saving shares</b>	0	0		
<b>Shares with no voting rights</b>	0	0		
<b>Others</b>	0	0		

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

**TABLE 1****(INFORMATION ON OWNERSHIP STRUCTURES ON THE DATE OF DECEMBER 31<sup>ST</sup>, 2023)**

<b>OTHER FINANCIAL INSTRUMENTS</b> (granting the right to subscribe to newly issued shares)				
	<b>Listed (please indicate the markets) / unlisted</b>	<b>No. of outstanding instruments</b>	<b>Classes of shares to be used for the conversion/exercise</b>	<b>No. of shares to be used for the conversion/exercise</b>
<b>Convertible bonds</b>	-	0		
<b>Warrant</b>	-	0		

<b>SIGNIFICANT CAPITAL HOLDINGS</b> on the basis of the notifications received by the Company pursuant to art. 120 TUF				
<b>Declarant (or party at the top of the investment chain)</b>	<b>% of the voting share capital</b>	<b>% of the ordinary share capital</b>	<b>Type of possession</b>	<b>Company controlled by the declarant or trust company holder direct participation</b>
<b>FMR LLC</b>	9,483	9,483	Non-discretionary asset management	- FIAM LLC: 0.039%. - Fidelity Institutional Asset Management Trust Company: 0.190%. - Fidelity Management & Research Company LLC: 9.254%.
<b>"TRUST BRUNELLO CUCINELLI" (*)</b>	50,05	50,05	Beneficial ownership	FORO DELLE ARTI SRL
<b>INVESCO LTD</b>	4,156	4,156	Non- discretionary asset management	INVESCO ADVISERS INC

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## NOTES TO TABLE 1

### **(\*) Further disclosures as per Consob Communication n. 0066209 dated 2<sup>nd</sup> August 2013**

**Trust:** Irrevocable and non-discretionary Trust

**Trust's law:** English

**Trustee:** Spafid Trust S.r.l. (formerly named Esperia Trust Company S.r.l.)

**Protector:** The Settlor and, after his death or supervening inability, the Committee of Wise Persons ("Comitato dei Saggi")

**Trustee's powers:** full powers. In certain cases, the Trustee shall obtain non-binding advices from the Protector.

**Beneficiaries:** Cucinelli's family members.

**Settlor:** Mr. Brunello Cucinelli

**Potential overlap:** the Settlor is the Chairman and Managing Director of Foro delle Arti S.r.l., Chairman of the Issuer a. Certain beneficiaries hold offices within Foro delle Arti S.r.l. and the Issuer; also are members of the Committee of Wise Persons.

**TABLE 2****(STRUCTURE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AT THE END OF THE FINANCIAL YEAR)**

<b>BOARD OF DIRECTORS</b>													
<b>Position</b>	<b>Member</b>	<b>Date of birth</b>	<b>Date of first Appointment *</b>	<b>In office since</b>	<b>In office until</b>	<b>List (subjects submitting the list) **</b>	<b>List M/m ***</b>	<b>Esec.</b>	<b>Non-sec.</b>	<b>Indip. Codice</b>	<b>Indip. TUF</b>	<b>Other positions ****</b>	<b>Meetings attended *****</b>
Executive Chairman	Cucinelli Brunello	1953	16/06/2011	27/04/2023	FS approval as of 31/12/2025	Shareholders	M	x				0	4/8
Managing Director and CEO•	Stefanelli Riccardo	1981	16/06/2011	27/04/2023	FS approval as of 31/12/2025	Shareholders	M	x				1	7/8
Managing Director and CEO•	Lisandroni Luca	1978	21/04/2016	27/04/2023	FS approval as of 31/12/2025	Shareholders	M	x				0	8/8
Director	Cucinelli Camilla	1982	23/04/2014	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x			0	6/8
Director	Cucinelli Carolina	1991	20/04/2017	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x			0	7/8

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)



Director	Piastrelli Alessio	1981	27/04/2023	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x			0	4/5
Director	Manfredi Giovanna	1961	16/06/2011	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x			0	7/8
Director	Pontremoli Andrea	1957	16/03/2012	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x			3	8/8
Director	Bonadiman Emanuela	1963	21/05/2020	27/04/2023	FS approval as of 31/12/2025	Shareholders	m		x	x	x	2	8/8
Director	La Manna Maria Cecilia	1963	21/05/2020	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x	x	x	2	6/8
Director	Arani Ramin	1970	21/05/2020	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x	x	x	4	7/8

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

Director	Domenicali Stefano	1965	21/05/2020	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x	x	x	2	6/8
Director	Barilla Guido Maria	1958	27/04/2023	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x	x	x	1	5/5
Director	Dorigotti Chiara	1969	27/04/2023	27/04/2023	FS approval as of 31/12/2025	Shareholders	M		x	x	x	2	4/5
<b>DIRECTORS TERMINATED DURING THE YEAR</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Number of meetings held during the reporting year: 8**

**Required quorum in order to present minority lists for election of one or more member (pursuant to Article 147-ter TUF): 1%.**

**NOTES TO TABLE 2**

• This symbol indicates the Director in charge of the Internal Audit and risk management system.

○ This symbol indicates the Lead Independent Director (LID).

(\*) The date of first appointment of each director means the date on which the director was appointed for the first time (in absolute terms) to the Board of Directors of the Issuer.

in the Board of Directors of the Issuer.

(\*\*) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating "Shareholders") or by the BoD (indicating "BoD").

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

by the BoD (indicating "BoD").

(\*\*\*) This column shows whether the list from which each director has been drawn is "majority" (indicating "M"), or "minority" (indicating "m"). (indicating "m").

(\*\*\*\*) This column shows the number of offices as director or auditor held by the person concerned in other listed companies or companies of significant size. of significant size. In the Corporate Governance Report the offices are indicated in full. Offices held at companies belonging to the same group count as one for the purposes of this table.

(\*\*\*\*\*) This column shows the attendance of Directors at the meetings of the Board of Directors (indicate the number of meetings attended compared to the total number of meetings the Director could have been attended e.g. 6/8; 8/8 etc.).

**TABLE 3**  
**(STRUCTURE OF BOARD COMMITTEES AT THE END OF THE FINANCIAL YEAR)**

BOARD OF DIRECTORS		CONTROL AND RISKS COMMITTEE		REMUNERATION AND APPOINTMENT COMMITTEE	
Position	Member	*	**	*	**
Independent Director of TUF and Code	Maria Cecilia La Manna	11/11	P	-	-
Independent Director of TUF and Code	Chiara Dorigotti	6/6	M	2/2	M
Independent Director of TUF and Code	Emanuela Bonadiman	10/11	M	5/5	P
Independent Director of TUF and Code	RaminArani	-	-	5/5	M
<b>DIRECTORS CEASING TO HOLD THE POSITION DURING THE YEAR</b>					
Independent Director of TUF	Andrea Pontremoli	5/5	M	-	-
Independent Director of TUF and Code	Stefano Domenicali	-	-	2/3	M
<b>MEMBER THAT DO NOT SERVE AS DIRECTORS</b>					
-	-	-	-	-	-
<b>Number of meetings held during the Yeat:</b>	-	11	-	5	-

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

**NOTE TO TABLE 3**

(\*) This column indicates the participation of the directors in the committee meetings (indicate the number of meetings attended with respect to the total number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).

(\*\*) This column shows the position of the director within the committee: "P": chairman; "M": member.

**TABLE 4****(STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR)**

<b>STATUTORY AUDITORS</b>									
<b>Position</b>	<b>Member</b>	<b>Date of birth</b>	<b>Date of first appointment *</b>	<b>In office since</b>	<b>In office until</b>	<b>List **</b>	<b>Indip. CG Code</b>	<b>Meetings attended ***</b>	<b>Other positions ****</b>
<b>Chairman</b>	Prandi Paolo	1961	20/04/2017	27/04/2023	Financial statements as at 31/12/2025	m	x	20/20	9
<b>Standing Auditor</b>	Valobra Dante	1959	27/04/2023	27/04/2023	Financial statements as at 31/12/2025	M	x	11/11	7
<b>Standing Auditor</b>	Fellegara Anna Maria	1958	27/04/2023	27/04/2023	Financial statements as at 31/12/2025	M	x	11/11	2
<b>Substitute Auditor</b>	Soldani Isabella Ippolita	1967	27/04/2023	27/04/2023	Financial statements as at 31/12/2025	M	x	-	4
<b>Substitute Auditor</b>	Amato Myriam	1974	20/04/2017	27/04/2023	Financial statements as at 31/12/2025	m	x	-	17
<b>----- STATUTORY AUDITORS CEASING TO HOLD THE POSITION IN THE YEAR -----</b>									
<b>Standing Auditor</b>	Longobardi Gerardo	1958	16/06/2011	21/05/2020	Appr. Financial statements as at 31/12/2022	M	x	9/9	10
<b>Standing Auditor</b>	Stabilini Alessandra	1970	23/04/2014	21/05/2020	Appr. Financial statements as at 31/12/2022	M	x	8/9	7
<b>Substitute Auditor</b>	Castaldo Guglielmo	1957	16/06/2011	21/05/2020	Appr. Financial statements as at 31/12/2022	M	x	-	4
<b>Number of meetings held during the Year:</b>								20	
<b>Required quorum in order to present minority lists for election of one or more member (pursuant to Article 147-ter TUF):</b>								1%	

**NOTES TO TABLE 4**

\* The date of first appointment of each auditor means the date on which the auditor has been appointed for the first time (ever) in the supervisory board of the issuer.

\*\* This column shows the list from which it was derived each auditor ("M": majority list; "m" minority list).

\*\*\* This column shows the participation of statutory auditors to the meeting of the Board (indicate the number of meetings attended compared to the total number of meetings which he could participate; e.g. 6/8, 8/8 etc.).

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## **ANNEXES**

### **ANNEX A**

- List of other positions held by members of the Board of Directors

### **ANNEX B**

1. *Curriculum Vitae* of the members of the Board of Statutory Auditors
2. List of positions held by the Statutory Auditors

## ANNEX A

### LIST OF OTHER POSITIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS

#### - **Brunello Cucinelli**

##### - Companies not belonging to the Issuer's group:

- Chairman and Chief Executive Officer of Foro delle Arti S.r.l. (unlisted company, parent company of the Issuer);
- Founder and Chairman of Fondazione Brunello e Federica Cucinelli (unlisted company)
- Chairman of Fondazione Teatro stabile dell'Umbria (unlisted company);
- Director of Solomeo Castel Rigone S.S.D. A.R.L. (unlisted company);
- Partner of Castello di Solomeo – Società Agricola Semplice (unlisted company).

#### - **Riccardo Stefanelli**

##### - Companies not belonging to the Issuer's group:

- Director of the Board of Directors of A.C. Milan S.p.A. (an unlisted company);
- Chairman of Prime Service Italia S.r.l. (unlisted company);
- Chairman of Sistemi Formativi Confindustria Umbria (unlisted company);
- Director of the Board of Directors of TES PHARMA S.r.l. (unlisted company);
- Director on the Board of Directors of Burst-E Società Agricola a Responsabilità Limitata (unlisted company);
- Member of the Board of Directors of Cariaggi Lanificio – Società per Azioni (unlisted company);
- Chairman of Zephyr S.r.l (unlisted company);
- Director of the Board of Directors of Settembre S.r.l. (unlisted company);
- Chairman and Director of Solomeo Castel Rigone S.S.D. A.R.L (unlisted company) - office ceased in September 2023.
- Director of Clinica Di Medicina Rigenerativa Solomeo S.r.l. (unlisted company)\*.

##### - Companies belonging to the Issuer's group:

- Director of the Board of Directors of Brunello Cucinelli Austria GMBH (unlisted company);
- Director of the Board of Directors Brunello Cucinelli Belgium Sprl (unlisted company);
- Director of the Board of Directors Brunello Cucinelli (England) Ltd (unlisted company);
- Chairman of SAM Brunello Cucinelli Monaco (unlisted company);
- Chairman of SAS Brunello Cucinelli France Resort (unlisted company);
- Sole Director of Brunello Cucinelli France SARL (unlisted company);
- Chairman of Brunello Cucinelli Retail Spain SL (unlisted company);
- Director of the Board of Directors Brunello Cucinelli GMBH (unlisted company);
- Chairman of Brunello Cucinelli Suisse SA (unlisted company);
- Director of the Board of Directors of Brunello Cucinelli Denmark ApS (unlisted company);
- Chairman of Brunello Cucinelli Europe S.r.l. (unlisted company);
- Chairman of Logistica e Distribuzione S.r.l. (unlisted company);
- Chairman of Brunello Cucinelli (Sichuan) Fashion Co. Ltd. (unlisted company);
- Chairman of Brunello Cucinelli (Macau) Fashion Co. Ltd. (unlisted company);
- Chairman of Brunello Cucinelli Hong Kong Ltd. (unlisted company);
- Director of the Board of Directors of Brunello Cucinelli Japan Co. Ltd. (unlisted company);
- Director of the Board of Directors of Brunello Cucinelli Middle East LLC (unlisted company);
- Director of the Board of Directors of Brunello Cucinelli USA Inc. (an unlisted company);
- Director on the Board of Directors of Brunello Cucinelli Canada Ltd. (unlisted company);
- Chairman of Pinturicchio S.r.l. (unlisted company);
- Chairman of Raffaello S.r.l. (unlisted company).



- **Luca Lisandrone**

- Companies belonging to the Issuer's group:

- Director of the Board of Directors of Brunello Cucinelli Europe S.r.l. (unlisted company);
- Director of the Board of Directors of Logistica e Distribuzione S.r.l. (unlisted company);
- Chairman of Brunello Cucinelli Hellas SA (unlisted company);
- Director of the Board of Directors of Brunello Cucinelli Denmark ApS (unlisted company);
- Director of the Board of Directors of Brunello Cucinelli Hong Kong Ltd., (unlisted company);
- Chairman of Brunello Cucinelli Taiwan Ltd. (unlisted company);
- Director of the Board of Directors of Brunello Cucinelli Singapore Pte Ltd. (unlisted company);
- Member of the Board of Directors of Brunello Cucinelli Middle East LLC (unlisted company).

- Companies not belonging to the Issuer's group:

- Director of the Board of Directors of Zephyr S.r.l., (unlisted company).

- **Camilla Cucinelli**

- Companies not belonging to the Issuer's group:

- Director of the Board of Directors of Foro delle Arti S.r.l. (unlisted company, parent company of the Issuer);
- Member of the Board of Directors of Fondazione Brunello e Federica Cucinelli (unlisted company);
- Partner of Castello di Solomeo - Società Agricola Semplice (unlisted company).

- **Carolina Cucinelli**

- Companies not belonging to the Issuer's group:

- Director of the Board of Directors of Foro delle Arti S.r.l. (unlisted company, parent company of the Issuer);
- Member of the Board of Directors of Fondazione Brunello e Federica Cucinelli (unlisted company);
- Managing Partner of Castello di Solomeo - Società Agricola Semplice (unlisted company).

- **Alessio Piastrelli**

- N.A.

- **Giovanna Manfredi**

- Companies not belonging to the Issuer's group:

- Sole Director of Fundita S.r.l. (unlisted company).

- **Andrea Pontremoli**

- Companies not belonging to the Issuer's group:

- Director of the Board of Directors of Barilla S.p.A. (an unlisted company);
- Managing Director and CEO of Dallara Automobili S.p.A. (unlisted company);
- Member of the Board of Directors of Linkotec Group S.p.A. (unlisted company);
- Member of the Board of Directors of the University of Parma;
- President of Centro Studi Valceno 'Antonio Samore';
- President of MUNER (Motorvehicle University of Emilia Romagna, No Profit for Education);
- President of Innovation Farm (Non-Profit for Education);
- Vice-President of ASPHI (Onlus for the management of disabled people through Information Technology).

- **Maria Cecilia La Manna**
  - Companies not belonging to the Issuer's group:
    - Director of the following subsidiaries of the Titan International Inc. group. (listed company, NYSE):
      - Deputy Chairman and Chief Executive Officer of Titan ITM Holding S.p.A.;
      - Chief Executive Officer of Italtractor ITM S.p.A.;
      - Chief Executive Officer of Titan Italia S.p.A.;
      - Executive Director of Titan Europe Ltd.;
      - Member of the Supervisory Board of Titan Itertractor GmbH;
      - Director of Titan Asia A.S. - Turkey;
      - Vice President of Itertractor America Corp. – USA;
      - Executive Director of Aros del Pacifico S.A. - Chile;
      - Director of ITM Latin America Ltda. - Brazil;
      - Director of Piezas y Rodajes SA Pyrsa - Spain;
      - Sole Director of ITM India S.r.l. - India;
      - Executive Director of ITM Mining Pty Ltd – Australia;
      - President of PT Titan Wheels Indonesia – Indonesia;
      - Director of ITM Dozco (India) Pvt Ltd – India;
    - Member of the Board of Directors of Technogym S.p.A. (a listed company).
  
- **Emanuela Bonadiman**
  - Companies not belonging to the Issuer's group:
    - Director of the Board of Directors of ERG S.p.A. (listed company);
    - Member of the Board of Directors of Alfasigma S.p.A. (an unlisted company).
  
- **Ramin Arani**
  - Companies not belonging to the Issuer's group:
    - Director on the Board of Directors of LiveOne Inc. (listed company, NASDAQ);
    - Director on the Board of Directors of Rumble Fitness (unlisted company), office terminated in March 2023;
    - Director on the Board of Directors of Fast Acquisition Corp (listed company, NYSE), position ceased in June 2023;
    - Director on the Board of Directors of Fast Acquisition Corp II (unlisted company), position ceased in September 2023;
    - Director on the Board of Directors of PodcastOne Inc. (listed company, Nasdaq);
    - Director on the Board of Directors of Falcons Beyond Global Inc. (listed company).
  
- **Stefano Domenicali**
  - Companies not belonging to the Issuer's group:
    - Chairman and CEO of Formula 1® (unlisted company);
    - Director of the Board of Directors of Ferretti S.p.A. (an unlisted company);
    - Member of the Technical and Scientific Committee of Hyperloop Italia;
    - Member of the International Advisory Board of Bologna Business School;
    - Member of the Advisory Council – Executive Master in Business of Events SDA Bocconi School of Management.

- **Guido Maria Barilla**

- Companies not belonging to the Issuer's group:

- Director of Guido M. Barilla e F.lli S.r.l. (unlisted company);
- Chairman and Director of Barilla Holding S.r.l. (unlisted company);
- Chairman and Director of Barilla G.e R. Fratelli S.p.A. (unlisted company);
- Special Attorney of Barilla Servizi Finanziari S.p.A. (unlisted company);
- Chairman and Director of Barilla Iniziative S.p.A. (unlisted company);
- Director of the Board of Directors of Publiedi – Limited Liability Company (unlisted company);
- Special Attorney of First Retailing S.p.A. (unlisted company);
- Special Attorney of First Commerciale S.r.l. (unlisted company);
- Director of the Board of Directors of Gazzetta di Parma Finanziaria S.p.A. (an unlisted company);
- Director of the Board of Directors of Gazzetta di Parma S.r.l. (an unlisted company);
- Director of the Board of Directors of Barbros S.r.l. (unlisted company);
- Sole Director of Sargas S.r.l. (unlisted company);
- Chairman of the Board of Directors of Numero 5 S.r.l. (unlisted company).

- **Chiara Dorigotti**

- Companies not belonging to the Issuer's group:

- Chief Executive Officer of SEA Prime SpA (unlisted company);
- Director of the Board of Directors of Enervit SpA (listed company);
- Member of the Board of Directors of Technogym SpA (a listed company).

**NOTES TO THE LIST OF OTHER POSITIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

(\*) Positions taken during 2024

## ANNEX B

### 1) CURRICULUM VITAE OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS

#### - **Paolo Prandi (Chairman of the Board of Statutory Auditors)**

He graduated with honours in Economics and Commerce at the University of Brescia and won a scholarship from the Ente Universitario Lombardia Orientale (Postgraduate specialisation course in budgeting, finance, marketing, trade marketing, sales and public administration). This was followed by twenty years of international experience as a consultant, manager and entrepreneur respectively in McKinsey since 1987, Pepsi Cola since 1991, as Regional Manager of the Reading Region and Schuylkill Haven (Pennsylvania-USA) and since 1996 he has managed, also as an entrepreneur, restructuring operations in various sectors such as toys, collectibles and IT (Majorette, Solido, Gruppo Rivarossi, Gruppo Seltering etc.) and has managed numerous model development projects in parallel with the launch of Fiat, Lancia and Alfa Romeo vehicles. Since 2005 he has been assisting companies of different sizes in extraordinary finance transactions, corporate restructuring, internationalisation, marketing, customer satisfaction and generational changeover. He designs and coordinates projects relating to the introduction of the risk management process, the evolution of governance and the creation of models pursuant to Legislative Decree 231/2001 in corporate contexts. He has deepened the issue of civil car liability.

Certified Accountant (Dottore Commercialista) (since 2004), a Legal Auditor (since 2007) and a Technical Consultant at the Court of Brescia (since 2008). He is a contract professor at the University of Teramo, where he teaches "Economics of Financial Intermediaries", "Risk Management and Healthcare Companies" and "Economics of Real Estate and Securities". In previous years he taught "Risk Management" at the Università Cattolica del Sacro Cuore in Brescia and "Marketing of Services" at the University of Brescia.

He is a Director, Statutory Auditor and Member of Supervisory Boards (including as Chairman) of listed and non-listed industrial and financial companies and author of publications on risk management, insurance and business management issues.

He is President of Cinzia Dabrassi National Foundation and, by appointment of the President of the Court, member of the Disciplinary Council of the Order of Chartered Accountants of Brescia..

He is author of numerous publications on risk management, governance and regulation 231 topics.

#### - **Dante Valobra (Standing Auditor)**

He graduated laude in Economics and Commerce from La Sapienza University of Rome and is a chartered accountant and Statutory Auditor since 1988. He has served as a member of the Council of the Order of Chartered Accountants and of the Accounting Experts of Rome from 2017 to 2021, he was Chairman of the Board of Statutory Auditors of Confindustria Umbria, as well as a member of the Board of Statutory Auditors of several industrial companies, as well as having been a member of the Board of Auditors of ANDAF (National Association of Administrative and Financial Directors). He has held the position of member of the Commission for the study of national accounting standards of the National Council of Chartered Accountants and Accounting Experts. Now it is member of the Andaf Financial Reporting Standard Technical Committee.

From 1987 to 2003 he worked with the Institute of Accounting of La Sapienza University of Rome, teaching General and Applied Accounting and Economics of Groups and Business Concentrations. He has also been a lecturer and speaker in numerous courses and conferences at La Sapienza University, Luiss

Guido Carli University, the Industrial Associations of Rome, Florence and Perugia, as well as at the Order of Chartered Accountants and Accounting Experts of Rome.

He currently works as a freelancer and chartered accountant. Until 30 June 2022, he was a partner at EY S.p.A., where he held the role of Office Managing Partner in charge of the Florence and Perugia offices and a member of the Assurance Leadership Team.

He has over thirty years of experience in auditing, financial and commercial due diligence, consulting and extraordinary finance transactions. He has directed and coordinated the listing projects of well-known groups on the Italian Stock Exchange and has extensive experience as a partner responsible for the audit of numerous companies, with a focus on the Fashion and Luxury, Real Estate and Manufacturing sectors.

- **Anna Maria Fellegara (Standing Auditor)**

He has held the position of Dean of the Faculty of Economics and Law at the Catholic University of the Sacred Heart since 2014.

Since 2012 he has chaired the Bachelor's and Master's Degree Courses in Economics at the Piacenza and Cremona campuses of the Catholic University, and previously led the Master's Degree Course in Business Administration and Management at the University of Parma.

He has held the position of lecturer in Financial Statement Analysis, Management Control Systems, Consolidated Financial Statements and International Accounting Standards, Accounting and Financial Statements, and Integrated Reporting.

He has served as a member of the teaching board of University Masters and has coordinated national inter-university research, focusing on issues such as the annual and consolidated financial statements and the application of national and international accounting standards, as well as management for sustainability.

She directed the Res.m Hub research center, focused on responsibility, ethics and sustainability in management, and has been a member of various committees and boards at the Catholic University, including Altis, Alta Scuola Impresa e Società, REMLAB, and the Emilia-Romagna School of Higher Education of the Order of Chartered Accountants and Accounting Experts.

She has also been editor for the Sidrea Series in Accounting and Business Administration at Springer UK and member of the Scientific Committee of the series "Determination and communication of value in companies" of the Giappichelli Turin Publishing House.

In the administrative sector, she represented the university on the Board of Directors of the Ecosister Foundation for the National Recovery and Resilience Plan in Emilia-Romagna, and was a member of the Scientific Committee of the Observatory for Cooperative Credit and president of the IREN territorial Committee for the Piacenza campus.

He has carried out numerous research and publications that have been presented at national and international conferences.

He has held positions in control and supervisory bodies in non-profit entities, public bodies and listed companies, including IREN SPA, SERVIZI ITALIA SPA, Bologna G. Marconi Airport, and ICCREABANCAIMPRESA SPA.

She has also been an independent director of INTESA SANPAOLO VITA SPA and has held important roles in third sector organizations such as the WeWorld JVC Foundation and the MUST - Leonardo da Vinci National Museum of Science and Technology.

She has been President of the Promoting Committee of the Festival del Diritto with the Laterza Publishing House in the ten editions organized with the Faculty since 2008.

- **Isabella Ippolita Soldani (Substitute Auditor)**

Graduated in Economics and Commerce at the University of Perugia in 1991, she obtained an I.M.I. scholarship on the subject "Industrial research for the protection of the environment at the Ministry of University and Scientific and Technological Research in Rome from 1991 to 1992.

She was registered in the Register of Chartered Accountants and Accounting Experts of the Province of Perugia in 1992 and is also registered in the Register of Statutory Auditors.

He has served as an auditor of local authorities at the Ministry of the Interior and also holds the position of Bankruptcy Trustee, Judicial Commissioner and Judicial Liquidator

In the field of real estate executions, he plays the role of delegate for sales and allotment and has the function of judicial custodian, Crisis Manager for the Over-indebtedness Crisis Settlement Body.

In addition, he holds the position of expert for the negotiated settlement for the solution of the business crisis at the Chamber of Commerce of Umbria and of Technical Consultant in civil and criminal matters.

- **Myriam Amato (Substitute Auditor)**

Graduated in Business Administration at Bocconi University in Milan in 2000.

Master in Tax Law at Bocconi University in 2001-2002.

Certified Accountant (Dottore Commercialista) since April 2002.

Registered in the Roll of Legal Auditors.

She has acquired professional experience in the activity of statutory auditing of national and multinational companies, alternating her auditing experience with her profession of Certified Accountant, collaborating with the primary accounting firm of Milan. She has gained in-depth knowledge regarding the control of the regular keeping of company accounts and the correct recording of management events in the accounting records; the recording of accounting and administrative procedures and of the main operational-business flows; the procedures for verifying and assessing the adequacy of the internal control system and its implications on the reliability and integrity of the accounting data in the annual and consolidated financial statements; diagnosis and certification of the transition process from Italian accounting standards to International Financial Reporting Standards (IFRS); auditing of consolidated financial statements and reporting packages; implementation of models pursuant to Legislative Decree No. 231/2001; specific knowledge in the field of taxation of Private Equity transactions.

From February 2015 to December 31<sup>st</sup>, 2018, she was appointed as CFO of the Giglio group in order to support the CEO in the reorganisation of the group (with a focus on governance and process reorganisation) with a view to an IPO, which then took place on August 7<sup>th</sup>, 2015 on the AIM market. The group has subsidiaries in Italy, England and China. She also supported the CEO in certain extraordinary operations of acquisitions and mergers, taking care of the integration of the acquisitions in the group. In 2015, the Group had a turnover of Euro 11.5 million and closed 2017 with revenues of €78m (proforma €98m). She was in charge of the transling process on the star segment of the MTA of Borsa Italiana, which took place on March 20<sup>th</sup>, 2018, becoming the reference point for relations with the regulatory bodies Borsa Italiana and Consob and with investors. In 2017 she was appointed as Manager charged with preparing the company's financial reports and Investor Relator.

She is an active member of ANDAF (National Association of Financial Managers) with management position and a member of the Governance of Listed Companies and Accounting Principles Committees of the ODC of Milan. She is a member of PWA (Professional Women Association), Alumni Bocconi and NedCommunity.

She collaborates as a lecturer/collaborator with Bocconi University - Prof. Valter Conca; Title of research "The role of Governance in venture backed companies"; with Castellanza University - Prof. A. Cortesi; Title of research "Finance and credit in companies operating in the Varese area"; with AIDC - Italian Association of Chartered Accountants; ODCMI. She is a member of the study group set up by the ODC of Milan which drafted the documents relating to the updates of the accounting standards on behalf of the OIC (Italian accounting body).

She published "Crisi d'impresa e ristrutturazione del debito" published by EGEA 2014.

## 2) LIST OF POSITIONS HELD BY THE STATUTORY AUDITORS

STANDING AUDITORS	COMPANY	POSITION AS AT 31/12/2023
<b>Paolo Prandi</b>	<b><u>Brunello Cucinelli S.p.A.</u></b>	<b><u>Chairman of the Board of Statutory Auditors</u></b>
	Carel Industries S.p.A.	Chairman of the Board of Statutory Auditors
	Leonardo Partecipazioni S.p.A.	Chairman of the Board of Statutory Auditors
	Corradi & Ghisolfi S.r.l.	Chairman of the Board of Statutory Auditors
	Alenia Aermacchi S.p.A.	Standing Auditor
	Sourcesense S.p.A.	Standing Auditor
	PMI TOP S.p.A.	Standing Auditor
	Superpartes S.p.A.	Standing Auditor
	TIM S.p.A.	Substitute Auditor
ERG S.p.A.	Substitute Auditor	
<b>Dante Valobra</b>	<b><u>Brunello Cucinelli S.p.A.</u></b>	<b><u>Standing Auditor</u></b>
	Confindustria Umbria - Association of Industrialists of the Umbria Region	Chairman of the Board of Statutory Auditors
	Barbetti Materials S.p.A.	Chairman of the Board of Statutory Auditors
	Betty Blue S.p.A.	Chairman of the Board of Statutory Auditors
	BSP S.r.l.	Standing Auditor
	Cariaggi Lanificio S.p.A.	Substitute Auditor
	Comear S.r.l.	Standing Auditor
Era Elettronica System srl	Standing Auditor	
<b>Anna Maria Fellegara</b>	<b><u>Brunello Cucinelli S.p.A.</u></b>	<b><u>Standing Auditor</u></b>
	Valline S.r.l.	Standing Auditor
	Chiesi Italia S.r.l.	Standing Auditor

<b>Isabella Ippolita Soldani</b>	<b><u>Brunello Cucinelli S.p.A.</u></b>	<b><u>Substitute Auditor</u></b>
	Trasimeno Servizi Ambientali Tsa S.P.A.	Chairman of the Board of Statutory Auditors
	S.I.A. Societa' Igiene Ambientale S.P.A.	Standing Auditor
	Confindustria Umbria	Standing Auditor
	Ird Engineering Srl	Substitute Auditor
<b>Myriam Amato</b>	<b><u>Brunello Cucinelli S.p.A.</u></b>	<b><u>Substitute Auditor</u></b>
	Hera Comm S.P.A.	Chairman of the Board of Statutory Auditors
	Hera Trading S.R.L.	Chairman of the Board of Statutory Auditors
	Hera S.P.A.	Chairman of the Board of Statutory Auditors
	Hera Luce S.R.L.	Chairman of the Board of Statutory Auditors
	Tamburi Investment Partners S.P.A.	Chairman of the Board of Statutory Auditors
	Il Sole 24 Ore Spa	Standing Auditor
	In Rete Distribuzione Energia S.p.A.	Standing Auditor
	Herambiente S.P.A.	Standing Auditor
	Acegasapsamga S.P.A.	Standing Auditor
	Neptune Vicolungo I S.R.L.	Standing Auditor
	Castel Guelfo I S.R.L.	Standing Auditor
	Brembo S.P.A.	Substitute Auditor
	Tod's S.P.A.	Substitute Auditor
	Yoox Net-A-Porter Group S.P.A.	Substitute Auditor
	Poste Assicura S.P.A.	Substitute Auditor
	Herambiente Servizi Industriali S.R.L.	Substitute Auditor
	Hestambiente S.R.L.	Substitute Auditor