



BRUNELLO CUCINELLI

BRUNELLO CUCINELLI S.P.A.

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

Fully paid-up share capital: 13,600,000 euros

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

Umbria 01886120540

R.E.A. no. 165936

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSAL CONCERNING THE THIRD ITEM ON THE AGENDA OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF BRUNELLO CUCINELLI S.P.A. CONVENED, IN A SINGLE CALL, FOR 23 APRIL 2024.

Item No. 3 on the agenda - *Report on the policy regarding the remuneration and fees paid pursuant to Article 123-ter of Legislative Decree No. 58/1998.*

3.1 Resolution pursuant to Article 123-ter, paragraph 3-ter, of Legislative Decree 58/1998 on the first section of Report on the policy regarding remuneration and fees paid;

3.2 Resolution pursuant to Article 123-ter, paragraph 6, of Legislative Decree No. 58/1998 on the second section of the Report on the policy regarding remuneration and fees paid.

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

Dear Shareholders,

With reference to the third item on the agenda, it should be noted that on 27 April 2022, the Shareholders' Meeting, pursuant to Article 123-ter, paragraph 3-ter, of the TUF, approved, with a binding resolution, the remuneration policy contained in the first section of the Report provided for by Article 123-ter, paragraphs 3 and 3-bis, of the TUF (the '**Remuneration Policy**'), with reference to the financial years 2022, 2023 and 2024.

The Board of Directors (the "**Board**"), through the Remuneration and Appointments Committee (the "**Committee**"), constantly monitors market practices and *benchmarks* with reference *peer groups*, both in terms of *pay-mix* and remuneration levels, in order to assess the adequacy, from time to time of the Remuneration Policy to effectively pursue the objectives that the Company has set itself of attracting and enhancing skills and experience and of adequately remunerating management according to the role and relative responsibilities, as well as the management complexity, and more generally and also in perspective, the size of the Company and of the Group.

Consistently with these purposes, the Committee assessed the evolutions related, on the one hand, to the Company's entry with effect from 18 December 2023 in the FTSE-MIB segment, the main index of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A., with a capitalisation of €5.7 billion, and, on the other hand, the complexities of the current international socio-economic context, influenced by exogenous factors that could have particularly intense distorting effects (such as, for example, the conflicts affecting Eastern Europe and the Middle East and their repercussions on the market, price dynamics and the monetary policy adopted by the regulatory authorities). These developments inevitably led to an in-depth review of the adequacy of the remuneration policy adopted in 2022.

In this context, on 14 March 2024, the Board resolved to submit to the approval of the Company's shareholders' meeting (the '**Shareholders' Meeting**'), in the manner and within the limits imposed by applicable laws and regulations, a new Remuneration Policy for the financial year 2024 only, which therefore goes beyond the three-year horizon previously adopted, in favour of an annual horizon considered more functional to ensure the necessary flexibility that the historical, social and economic context requires in order to pursue, also through the remuneration of the top management, the objectives and mission of the Company and the Group.

Please note that any and all comments on this matter are fully contained in the Report on the policy regarding the remuneration and fees paid drawn up pursuant to Article 123-ter of Legislative Decree No. 58/1998, as subsequently amended ("**TUF**"), which will be filed and made available to the public at least 21 (twenty-one) days prior to the date of the Shareholders' Meeting on single call in accordance with the procedures set forth by the laws - including regulations - in force (the "**Report**").

It is pointed out that the Report consists of two sections:

- (i) the first, programmatic section, dedicated to the description of the policy on the remuneration

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of directors, key executives and members of the board of Statutory Auditors; it also describes the procedures used for the adoption and implementation of the remuneration policy;

- (ii) the second, describing the fees paid in the financial year ended on 31 December 2023 to the members of the management and control bodies and to the key executives.

The Shareholders' Meeting, pursuant to Article 123-ter, paragraph 3-ter, of the TUF, is called upon to approve the remuneration policy contained in the first section of the Report provided for by Article 123-ter, paragraphs 3 and 3-bis, of the TUF; such resolution is binding. Therefore, should the Shareholders' Meeting not approve the remuneration policy submitted to the vote pursuant to paragraph 3-ter of art. 123-ter of the TUF, Brunello Cucinelli S.p.A. will continue to pay remuneration in accordance with the most recent remuneration policy approved by the Shareholders' Meeting.

Pursuant to Article 123-ter, paragraph 6, of the TUF, the Shareholders' Meeting is called upon to resolve for or against the second section of the Report; such resolution is not binding.

Proposed resolution:

Dear Shareholders,

if you agree with our proposal, we invite you to adopt the following resolution:

"The Ordinary Shareholders' Meeting of Brunello Cucinelli S.p.A.,

- *Having regard to Article 123-ter of the TUF and Article 84-quater of the Consob Regulation No. 11971/99*
- *Having acknowledged the Report on the policy regarding remuneration and fees paid drawn up by the Board of Directors and, in particular, the first section thereof;*
- *Considering that, pursuant to Article 123-ter, paragraph 3-ter, of the TUF, this resolution shall be binding on the Board of Directors;*

resolves

- *to approve the remuneration policy contained in the first section of the Report of the policy regarding the remuneration and fees paid drawn up by the Board of Directors of Brunello Cucinelli S.p.A. pursuant to art. 123-ter of the TUF and, therefore, the remuneration policy contained therein"*

Dear Shareholders,

if you agree with our proposal, we invite you to adopt the following resolution:

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

"The Ordinary Shareholders' Meeting of Brunello Cucinelli S.p.A.,

- *Having regard to Article 123-ter of the TUF and Article 84-quater of the Consob Regulation No. 11971/99*
- *Acknowledged the Report on policy regarding remuneration and fees paid drawn up by the Board of Directors and, in particular, the second section thereof;*
- *Considering that, pursuant to Article 123-ter, paragraph 6, of the TUF, this resolution shall not be binding on the Board of Directors;*

resolves

- *in favour of the second section of the Report on the policy regarding the remuneration and fees paid drawn up by the Board of Directors of Brunello Cucinelli S.p.A. pursuant to art. 123-ter of the TUF and, therefore, on the fees paid in the financial year as of 31 December 2023'.*

Solomeo, March 14th, 2024

For the Board of Directors
The Chairman
Cav. Lav. Brunello Cucinelli