



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 FOURTH ITEM ON THE AGENDA OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF BRUNELLO CUCINELLI S.P.A. CONVENED, IN A SINGLE CALL, FOR APRIL 23, 2024.**

**Item No. 4 on the agenda - *Approval of an incentive plan based on financial instruments pursuant to Article 114-bis of Legislative Decree No. 58 of February 24, 1998, called "Stock Grant Plan 2024-2026."* Related and consequent resolutions.**

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

Dear Shareholders,

We submit for your review and approval an incentive plan based on the allocation of Brunello Cucinelli ordinary shares pursuant to Article *114-bis* of Legislative Decree No. 58 of February 24, 1998 ("TUF"), called the "Stock Grant Plan 2024-2026" (the "**Plan**").

The Plan represents an instrument to supplement the fixed component of the compensation package of key resources through a variable component that is predominantly medium- to long-term, to be awarded depending on the achievement of certain performance objectives linked to the Company's and the Group's economic results and aligned with the Group's strategic plans (the "**Objectives**"). The Plan is aimed at building *management* loyalty over a medium- to long-term time horizon.

The Board of Directors has assessed that the time frame of the Plan is suitable to pursue the objectives of incentive and loyalty of the Beneficiaries pursued by the same, as defined in this Report.

The Plan that on March 14, 2024 the Board of Directors of Brunello Cucinelli S.p.A. (the "**Company**" or the "**Issuer**"), upon the favourable opinion of the Remuneration and Appointments Committee (the "**Committee**"), resolved to propose to the Shareholders' Meeting, provides for the free allocation of ordinary shares of the Company (the "**Shares**") in favour of the managing directors and any additional beneficiaries that the Board of Directors may identify among the employees of the Company and among the employees and/or directors of the companies controlled by the latter who hold strategically important roles or, in any case, are able to make a significant contribution to commercial development and, in general, to the achievement of the Brunello Cucinelli Group's strategic objectives (the "**Beneficiaries**").

It should be noted that to service the Plan, the Company will use, subject to and as a result of the approval of the relevant resolution by today's Shareholders' Meeting, treasury shares subject to purchase. It follows that no dilutive effects on the share capital are expected.

The purpose of this report is to illustrate the main features of the Plan. For a more detailed description, as well as the manner in which the shares will be granted, please refer to the information document prepared pursuant to Article *84-bis* of the regulations adopted by CONSOB with Resolution No. 11971 of May 14, 1999, as amended and supplemented (the "**Information Document**"). The Information Document is attached to this report.

### **Reasons for adopting the Plan.**

The Plan intends to promote and pursue the following objectives:

- (i) to involve and encourage the Beneficiaries whose activities are deemed to be of fundamental importance to pursue the Group's strategic objectives;

- (ii) to foster the loyalty of the Beneficiaries, encouraging them to remain in the Group;
- (iii) to align the interests of the Beneficiaries with those of the Company and the shareholders over the time frame of the Plan, recognising their contribution in increasing the value of the Company.

The Plan includes a single allocation cycle, consisting of: a) the award of the Brunello Cucinelli Rights to the Beneficiaries to be carried out by September 30, 2024; b) the reference period in which the rights of the Beneficiaries to receive the Shares accrue; c) the possible allocation of the Shares, following the approval of the Company's consolidated financial statements relating to the Financial Year 2026; as well as from the period during which the Beneficiaries will be obliged to continuously hold, for at least 12 months from the allocation date, a part of the Shares granted.

### **Object of the Plan**

The purpose of the Plan is the award to the Beneficiaries of a maximum total of 200,000 Rights, which entitle the Beneficiaries to the allocation, free of charge, of a maximum of 200,000 Shares, subject to the achievement of the performance objectives and provided that the beneficiaries will maintain their role in the Company. Each Right corresponds to one Share.

The Board of Directors, in its meeting of March 14, 2024, after consulting with the Remuneration Committee, with the abstention of the Managing Directors and subject to the approval of the Plan by the Shareholders' Meeting convened for April 23, 2024, determined the maximum number of Brunello Cucinelli Rights to be granted to each of the Managing Directors at 65,000.

The Board of Directors shall determine the number of Rights to be paid to the other Beneficiaries, subject to the opinion of the Remuneration Committee, assessing the strategic importance of each Beneficiary in relation to the creation of new value.

### **Beneficiaries of the Plan**

Beneficiaries of the Plan are the Company are the Managing Directors and employees of the Company as well as employees and/or directors of the Company's Subsidiaries who hold strategically important roles or, in any case, are able to make a significant contribution to commercial development and, in general, to the achievement of the Brunello Cucinelli Group's strategic objectives

## **Ways and clauses of implementing the Plan**

Beneficiary's right to receive the Shares is subject to the following conditions:

- (i) the achievement of the performance objectives;
- (ii) the existence of the condition of permanence.

The Performance Objectives are defined by the Board of Directors, after proposal of the Committee, each for the parts under their respective competence, prior to the allocation of Brunello Cucinelli Rights to the Beneficiaries.

Specifically, for Managing Directors and Beneficiaries who have an employment relationship with the Issuer, the Objectives are determined based on the consolidated EBIT for the financial years 2024, 2025 and 2026.

For those Beneficiaries who have a directorship and/or employment relationship with a subsidiary, on the other hand, the objectives are determined on the basis of the individual subsidiary's revenues: they consist of minimum cumulative revenues of the individual subsidiary to be achieved in the period comprising financial years 2024, 2025, and 2026. For more details, please refer to the attached Information Document.

### **Proposed resolution:**

Shareholders,

If you agree with our proposal, we invite you to adopt the following resolutions:

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

- *Considered the proposal of the Board of Directors;*
- *reviewed the information document on the incentive plan called "Stock Grant Plan 2024-2026" made available to the public pursuant to applicable regulations;*

#### **resolves**

- *to approve the incentive plan called "Stock Grant Plan 2024-2026," which provides for the assignment of ordinary shares of Brunello Cucinelli S.p.A. upon the occurrence of certain objectives based on economic indicators of the Brunello Cucinelli Group, in favour of the Managing Directors, as well as any additional managers of the Brunello Cucinelli Group, as identified by the Board of Directors, according to the terms and conditions described in the relevant information document prepared in accordance with Article 84-bis of Consob Regulation No. 11971/99 implementing Article 114-bis of Legislative Decree No. 58/98;*
- *To grant the Board of Directors all powers necessary or appropriate to fully and completely implement the Plan in accordance with the provisions of the relevant*

*information document, and, in particular, the following powers, with broad authority to sub-delegate:*

- i. to make any amendments and additions to the Plan deemed necessary or appropriate;*
- ii. draft the regulation of the Plan;*
- iii. identify additional Beneficiaries and the number of Rights to be granted to each Beneficiary;*
- iv. grant of the Rights to the Beneficiaries;*
- v. prepare and/or finalise any document necessary or appropriate in relation to the Plan;*
- vi. to perform any act necessary and/or appropriate to finalise any document necessary or appropriate in relation to the Plan and give concrete implementation to the Plan itself.*

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Solomeo, March 14<sup>th</sup>, 2024

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

Attached to this Report is the information document on the "*2024-2026 Stock Grant Plan*."

**Brunello Cucinelli S.p.A.**  
**Stock Grant Plan 2024-2026**

**INFORMATION DOCUMENT ON THE INCENTIVE PLAN BASED ON THE  
ALLOCATION OF ORDINARY SHARES BRUNELLO CUCINELLI S.P.A.  
SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS' MEETING**

**(Prepared in accordance with article 84-bis of the Regulation adopted by CONSOB  
with resolution no. 11971 of 14 May 1999 and subsequent amendments and additions)**

## INTRODUCCION

This information document (the "**Information Document**"), prepared in accordance with article 114-bis of the Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented (the "**TUF**") and article 84-bis and Schedule 7 of Annex 3A of the regulations adopted by CONSOB with resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulations**"), concerns information on the "2024-2026 Stock Grant Plan" (the "**Plan**").

The Plan was approved by the Board of Directors of Brunello Cucinelli S.p.A. (the "**Company**" or "**Brunello Cucinelli**" or the "**Issuer**") on March 14, 2024 with the favourable opinion of the Appointment and Remuneration Committee, which met on March 13, 2024.

The Plan concerns the free allocation of so-called Brunello Cucinelli Rights which entitle the holder to receive one (1) free Share for each Brunello Cucinelli Right granted, provided that certain performance objectives are achieved.

The approval of the Plan shall have to be resolved upon the ordinary shareholders' meeting of the Company convened for April 23, 2024. Any reference to the Plan contained in this Information Document shall be deemed to refer to the Plan proposed for approval by the Shareholders' Meeting.

The Plan is to be considered of "particular importance" pursuant to article 114-bis, paragraph 3 of the TUF and article 84-bis, paragraph 2 of the on Issuers' Regulation, as it is addressed, inter alia, to directors with delegated powers.

The information required by Schedule no. 7 of Annex 3A to the Issuers' Regulations consequent to resolutions which, subject to the adoption of the Plan by the Shareholders' Meeting, are not contained in this Information Document, shall be provided, when available, during the implementation of the Plan, in accordance with the procedures and terms set out in article 84-bis, paragraph 5, letter a), of the Issuers' Regulations.

This Information Document is available at the Company's registered office in Solomeo, Viale Parco dell'Industria no. 5, as well as at the following address: <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>.

The Information Document was also sent to Consob and Borsa Italiana S.p.A. in accordance with the procedures set out in the Issuers' Regulations.

## DEFINITIONS

The terms listed below shall have the following meaning in the Information Document:

**"Managing Directors"** means the managing directors (CEOs) of the Company as appointed by the Board of Directors on April 27, 2023, namely Mr Riccardo Stefanelli and Mr Luca Lisandroni.

**"Shareholders' Meeting"** means the ordinary meeting of Brunello Cucinelli's shareholders.

**"Shares"** means the ordinary shares of the Company, without indication of par value, listed on Euronext Milan - FTSE-MIB Index.

**"Bad Leaver"** means any case of termination of the Relationship due to dismissal, revocation or non-renewal of the office of director for just cause, or justified by subjective reasons pursuant to the law or the collective agreement for the category or due to voluntary resignation by the Beneficiary.

**"Beneficiaries"** means the Managing Directors, and the employees and/or directors of the Company and of the other companies belonging to the Group who are beneficiaries of the Plan, as identified by the Board of Directors of the Company pursuant to the Regulation.

**"Brunello Cucinelli" or "Company" or "Issuer"** means Brunello Cucinelli S.p.A.

**"CG Code"** means the Corporate Governance Code of listed companies promoted by the Corporate Governance Committee, established at Borsa Italiana S.p.A. (as amended from time to time), to which the Company adheres.

**"Remuneration Committee"** means the appointment and remuneration committee set up within the Board of Directors of Brunello Cucinelli that performs consultative and advisory functions on appointment and remuneration related matters in compliance with the recommendations contained in the Corporate Governance Code.

**"Board of Directors"** means the current board of directors of Brunello Cucinelli.

**"Subsidiaries"** means each of the companies directly or indirectly controlled by the Company from time to time, pursuant to article 2359 of the Italian Civil Code and/or pursuant to article 93 of the TUF.

**"Allocation Date"** means the Business Day on which, subject to the verification of the achievement of the Performance Objectives, the Shares will be allocated.

**"Granting Date"** means the date in which the Letter of Allocation is delivered to the Beneficiaries.

**"Brunello Cucinelli Right" or "Right"** means the right to receive one (1) Share on the terms and conditions set out in the Regulation.

**"Rights"** means the Rights that will be granted to each Beneficiary which, at the end of the Performance Period and the conditions set forth in the Plan having been met, will enable him/her to receive Shares in the Company at the rate of 1 (one) Share for each Accrued Right.

**"Accrued Rights"** means Rights that will accrue upon achievement of the Performance Objectives.



**"Information Document"** means this information document relating to the Plan, prepared in accordance with article 84-bis of the Issuers' Regulations.

**"EBIT"** means operating income before interest and taxes (Earnings Before Interest and Taxes) as reported in the Group's consolidated financial statements.

**"Financial Year 2024"** means the financial year ending on December 31, 2024.

**"Financial Year 2025"** means the financial year ending December 31, 2025.

**"Financial Year 2026"** means the financial year ending on December 31, 2026.

**"Business Day"** means any calendar day other than Saturdays, Sundays and other days on which credit institutions are not open for the normal exercise of their activities.

**"Good Leaver"** means termination events not included in the definition of Bad Leaver.

**"Brunello Cucinelli Group"** or **"Group"** means Brunello Cucinelli and its Subsidiaries.

**"Award Letter"** means the letter sent to each Beneficiary notifying them of their inclusion in the Plan.

**"Cumulative EBIT Objective"** means the target related to EBIT as reflected in the Group's consolidated financial statements for Financial Year 2024, Financial Year 2025, and Financial Year 2026 on a cumulative basis.

**"Performance Objectives "** means the Cumulative EBIT Objective and Cumulative Revenue Objective and any other performance objectives determined by the Board of Directors in respect of the Performance Period related to the creation of sustainable value for shareholders and other stakeholders consistent with the Company's and the Group's strategic development prospects and plans.

**"Cumulative Revenue Objective"** means the target related to the revenues of the relevant Beneficiary's Subsidiary, as reflected in the Subsidiary's income statement in respect of the 2024, 2025 and 2026 Financial Years, on a cumulative basis.

**"Performance Period"** means the three-year period January 1, 2024 - December 31, 2026 in reference to which the Performance Objectives are determined.

**"Plan"** means the incentive plan addressed to the Beneficiaries, which is the subject of this Information Document, whose proposal was adopted by the Board of Directors of Brunello Cucinelli on March 14, 2024, with the favourable opinion of the Remuneration Committee, which met on March 13, 2024, and with the abstention of the Managing Directors, to be resolved upon by the Shareholders' Meeting pursuant to article 114-bis of the TUF convened for April 23, 2024.

**"Relationship"** means the employment and/or directorship relationship existing between the Beneficiaries and the Company or the Subsidiary (as the case may be). In the case of Managing Directors, in the event of the simultaneous coexistence of an employment relationship and a directorship relationship, only the directorship relationship shall be taken into account.

**"Regulation"** means the regulation containing the administrative rules for the implementation of the Plan that will be approved by the Board of Directors subject to and following the approval of the Plan by the Shareholders' Meeting.

**"Substitutive Amount"** means the gross cash amount that may be paid to the Beneficiaries in lieu - in whole or in part - of the Shares corresponding to the Accrued Rights of each Beneficiary. The Substitute Amount will be calculated taking into account the arithmetic average of the official prices of the Shares on the market as published by Borsa Italiana S.p.A. in the month preceding the Granting Date.

## **1. SUBJECT TO WHOM THE PLAN IS ADDRESSED**

### **1.1 Indication by name of the addressees who are members of the board of directors of the issuer of the financial instruments, of the issuer's parent companies and of the companies directly or indirectly controlled by the issuer**

The Plan is reserved to the Managing Directors of the Issuer, as well as to employees or directors of the Company and of the Subsidiaries, who hold strategically important roles or, in any case, are able to make a significant contribution to commercial development and, in general, to the achievement of the Group's strategic objectives.

At the date of this Information Document, the Issuer's Managing Directors are Mr. Luca Lisandroni and Mr. Riccardo Stefanelli.

### **1.2 Categories of employees or collaborators of the issuer and of the parent companies or subsidiaries**

The identification of the Beneficiaries other than the Managing Directors shall be carried out by the Board of Directors, after consulting the Remuneration Committee, on the (joint) proposal of the Managing Directors

### **1.3 Indication of the names of the persons who benefit from the plan belonging to the following groups: a) general managers of the issuer; b) other key executives of the issuer of financial instruments that is not "smaller", pursuant to Article 3, paragraph 1, letter f), of Regulation No. 17221 of 12 March 2010, who have received, during the financial year, a total remuneration (obtained adding up the monetary remuneration and the remuneration based on financial instruments) greater than the highest total remuneration among those granted to the members of the Board of Directors, or of the management committee, and to the general managers of the issuer; c) individuals controlling the issuer, who are collaborators thereof**

The Beneficiaries of the Plan include the Managing Directors Mr. Luca Lisandroni and Mr. Riccardo Stefanelli, who are also managers with strategic responsibilities of the Issuer.

### **1.4 Description and numerical indication, divided by categories: a) key executives other than those indicated in letter b) of paragraph 1.3; b) in the case of "small-sized companies" pursuant to article 3, paragraph 1, letter f), of Regulation No. 17221 of 12 March 2010, the aggregate indication of all key executives of the issuer; c) any other categories of employees or collaborators for whom differentiated characteristics of the plan have been provided (e.g. executives, high level employees ("quadr"), employees, etc.).**

Please refer to Sections 1.1. and 1.2. above.

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The information required in paragraphs 1.1 to 1.4 above not currently available will be provided at a later stage, when implementing of the Plan, in accordance with the procedures set out in article 84-bis, paragraph 5, letter a) of the Issuers' Regulations.

## **2. REASONS FOR THE ADOPTION THE PLAN**

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## **2.1 and 2.1.1 Objectives to be achieved through the allocation of the Plan**

The Plan intends to promote and pursue the following objectives: (i) to involve and encourage the Beneficiaries whose activities are deemed to be of fundamental importance to pursue the Group's strategic objectives; (ii) to foster the loyalty of the Beneficiaries, encouraging them to remain in the Group; (iii) to align the interests of the Beneficiaries with those of the Company and the shareholders over the time frame of the Plan, recognising their contribution in increasing the value of the Company.

The Plan represents an instrument to integrate the fixed component of the remuneration package of key resources with a variable component, to be allocated based on the achievement of certain performance objectives linked to the economic results of the Company and the Group and aligned to the Group's strategic plans, in accordance with best market practice, while maintaining the principle of sound and prudent management of the Group's activities and related risks. In particular, the Plan is aimed at building management loyalty over a minimum time horizon of three years.

The Board of Directors has assessed that the time frame of the Plan is suitable to pursue the objectives of incentive and loyalty of the Beneficiaries pursued by the same.

## **2.2 and 2.2.1 Key variables, also in the form of performance indicators considered for the allocation of plans based on financial instruments**

Each Beneficiary will be assigned one (1) free Share for each Brunello Cucinelli Right allocated, provided that the Performance Objectives are achieved.

The Performance Objectives are defined by the Board of Directors, upon proposal of the Remuneration Committee, each for the parts of competence, before the Brunello Cucinelli Rights are granted to the Beneficiaries.

In particular, the Performance Objectives are determined as follows:

- *for the Issuer's Managing Directors and other Beneficiaries who have a Relationship with the Issuer*  
the Performance Objectives are determined on the basis of the Cumulative EBIT Objective to be achieved in the Performance Period;

- *for Beneficiaries who have a relationship with a Subsidiary*  
the Performance Objectives are determined on the basis of the Cumulative Revenue Target to be achieved in the Performance Period.

The assessment of the achievement of the Performance Objectives will be performed by the Board of Directors of Brunello Cucinelli, after evaluation by the Remuneration Committee and following the approval of the consolidated financial statements for Financial Year 2026.

Information about the implementation of the Plan will be made available to the public within the time limits and in the manner in compliance with the applicable law.

Following the approval of the Group's consolidated financial statements for Financial Year 2026, the Beneficiary will be granted a number of Shares relating to the Rights for which the Performance Objectives for the Performance Period have been achieved.

The Rights will accrue, thus becoming Accrued Rights, upon achievement of the relevant Performance Objectives as indicated below:

- for Managing Directors only, to a variable extent depending on the level of achievement of the Cumulative EBIT Objective, as indicated below:

Level of achievement Cumulative EBIT Objective	Accrued Rights (Managing Directors)
<90%	0
90%	50%
100%	100%

provided that: (i) in the event the Cumulative EBIT Objective is reached by an intermediate amount between 90% and 100%, the number of Accrued Rights shall be calculated by linear interpolation; and (ii) should the number of Accrued Rights be calculated is a decimal number, such number shall be rounded down to the nearest whole number;

- for all Beneficiaries other than the Managing Directors, on a fixed (on an *on/off* basis) 100% basis, only if the Cumulative EBIT Objective or the Cumulative Revenue Objective applicable (as the case may be) to each Beneficiary is met or exceeded.

In lieu of and in substitution for the allocation of Shares, in accordance with the terms and conditions of the Plan, on the Allocation Date the Company reserves the right to replace all or part of the Shares for the payment with the Substitute Amount.

### **2.3 and 2.3.1 Elements underlying the determination of the amount of the remuneration based on the financial instruments, or the relevant criteria for its determination**

The purpose of the Plan is the award to the Beneficiaries of a maximum total of 200,000 Rights, which entitle the Beneficiaries to the allocation, free of charge, of a maximum of 200,000 Shares, subject to the achievement of the Performance Objectives and provided its Beneficiaries will maintain their role in the Company (see Paragraph 4.8). Each Right corresponds to one Share.

The Board of Directors, in its meeting of March 14, 2024, after consulting with the Remuneration Committee, with the abstention of the Managing Directors and subject to the approval of the Plan by the Shareholders' Meeting convened for April 23, 2024, determined the maximum number of Brunello Cucinelli Rights to be granted to each of the Managing Directors at 65,000.

The Board of Directors shall determine the number of Rights to be granted to the other Beneficiaries, subject to the opinion of the Remuneration Committee, assessing the strategic importance of each Beneficiary in relation to the creation of new value. The number of Rights to be granted to each Beneficiary shall be determined on the basis of the following elements: (i) organisational weight of the role, (ii) capacity of the role holder, (iii) criticality of *retention*, (iv) talent.

It is understood that the Beneficiary's right to receive the Shares is subject, in addition to the condition of permanence set forth below, to the achievement of the Performance Objectives as set forth in Paragraph 2.2.

The right to the assignment of the Shares is subject, in addition to the achievement of the Performance Objectives, to the circumstance that at the date of the approval by the Board of Directors of the consolidated financial statements of the Group relating to (as the case may be)

the Financial Year 2026 (i) the Chief Executive Officer is in office or is no longer in office in those circumstances falling within the definition of Good Leaver; and (ii) the Beneficiary (other than the Chief Executive Officer) is an employee and/or director of the Issuer or the Subsidiary or is no longer in office as a result of a Good Leaver. Please refer to Paragraph 4.8 below.

**2.4 Reasons underlying any decision to award remuneration plans based on financial instruments not issued by the issuer, such as financial instruments issued by subsidiaries or parent companies or third companies with respect to the group to which they belong; in the event that the aforementioned instruments are not traded on regulated markets, information on the criteria used to determine the value attributable thereto**

Not applicable, as the Plan grants, free of charge, Brunello Cucinelli Rights to the Beneficiary connected to the right to receive Shares.

**2.5 Evaluation regarding any significant tax and accounting implications that have affected the definition of the Plan**

There are no significant accounting or tax implications that have affected the definition of the Plan.

**2.6 Any support of the plan by the special Fund for the incentive of participation of the employees to in enterprises, referred to in Article 4, paragraph 112, of Law 350 of 24 December 2003**

The Plan will not receive any support from the special Fund for the encouragement of participation of the employees in enterprises, referred to in Article 4, paragraph 112 of Law 350 of 24 December 2003.

**3. APPROVAL PROCESS AND TIMING OF THE ALLOCATION OF THE SHARE**

**3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the plan**

On March 14, 2024, the Board of Directors of the Company, with the favourable opinion of the Remuneration Committee, which met on March 13, 2024, resolved to submit the Plan to the approval of the Ordinary Shareholders' Meeting.

In addition to the approval of the Plan, the Shareholders' Meeting shall also resolve upon the conferral to the Board of Directors of all the powers deemed necessary or appropriate to fully and completely implement the Plan in accordance with the provisions of the Information Document, including, but not limited to, the power to (i) draft the regulation of the Plan; (ii) exercise all the tasks and functions attributed to the Board of Directors by the regulation of the Plan to be prepared and take all the related decisions; (iii) prepare and/or finalise any document necessary or appropriate in relation to the Plan; (iv) identify additional Beneficiaries and the number of Rights to be granted to each Beneficiary; (v) grant of the Rights to the Beneficiaries; (vi) to make any amendments and additions to the Plan deemed necessary or appropriate in order to maintain unchanged, within the limits allowed by the laws applicable from time to time, the substantial and economic contents of the Plan and in the spirit of preserving the convergence between the interests of the Beneficiaries and the interests of the shareholders with the common

intention of creating sustainable value also in consideration of the interests of the other stakeholders should any event that may affect the Rights to receive the shares, the shares, the Brunello Cucinelli Group or the Plan occur; (vii) to perform any act necessary and/or appropriate to finalise any document necessary or appropriate in relation to the Plan and give concrete implementation to the Plan itself, including the fulfilment of the related disclosure obligations towards Consob and the market, as well as, in general, to implement the resolutions adopted by the Shareholders' Meeting.

The Shareholders' Meeting will also be called upon to authorise, in the ordinary session, the purchase of treasury shares pursuant to article 2357 of the Italian Civil Code to service the Plan for a maximum of 200,000 shares.

### **3.2 Indication of the individuals entrusted with of the plan execution and their function and competence**

The Board of Directors shall be responsible for the execution of the Plan, which, without prejudice to the prerogatives of the Shareholders' Meeting, shall be entrusted by it with supervising the management and implementation of the Plan, with the preliminary and advisory support of the Remuneration Committee, as well as the assistance of the Human Resources Department.

In particular, the Board of Directors identifies the Beneficiaries of the Plan other than the Managing Directors, on the joint proposal of the latter, after consulting the Remuneration Committee; sets the amount of Rights to be granted to the Beneficiaries; verifies during the period of duration of the Plan the permanence of the requirements for participation in the Plan; has the power to amend the Plan.

### **3.3 Any existing procedures for the revision of the plans also in relation to any changes in the basic objectives**

Without prejudice to the competence of the Shareholders' Meeting in the cases established by the law, the Board of Directors, having heard the opinion of the Remuneration Committee, is entrusted with the authority to make amendments to the Plan, to its Regulation and to the documents related to it.

### **3.4 Description of the ways used to determine the availability and allocation of the financial instruments on which the plans are based (e.g. free allocation of shares, capital increases with exclusion of pre-emptive rights, purchase and sale of own shares)**

The Plan grants Brunello Cucinelli Rights which entitle the holder, in case of the achievement of the Performance Objectives and subject to the provisions of the Regulation, to the allocation of one (1) free Share for each Right granted, provided that the conditions set out in the Regulation are met.

The Plan will be serviced by using treasury shares subject to purchase against authorisation by the Shareholders' Meeting to be resolved upon pursuant to article 2357 of the Italian Civil Code.

The Board of Directors intends to propose to the Shareholders' Meeting convened, in a single call, for April 23, 2024, a proposal to authorise the purchase and disposal of treasury shares, in compliance with current legislation, to service the Plan.

### **3.5 Role played by each director in determining the characteristics of these plans; any conflict of interest for the directors concerned**

The characteristics of the Plan, to be submitted to the approval of the Shareholders' Meeting pursuant to article 114-bis of the TUF, were determined by the Board of Directors and preliminarily shared with the Remuneration Committee, which expressed a favourable opinion on the Plan.

### **3.6 Date of the resolution adopted by the competent body with respect to the allocation of the financial instruments and of any proposal to the aforesaid body made by the remuneration committee**

The proposal for the adoption of the Plan was approved by the Board of Directors in the meeting held on March 14, 2024, subject to the opinion of the Remuneration Committee, with the abstention of the Managing Directors due to their inclusion among the Beneficiaries, to be then submitted for approval to the Shareholders' Meeting convened for April 23, 2024.

The favourable opinion of the Remuneration Committee was adopted at the Committee meeting held on March 13, 2024.

### **3.7 Date of the decision taken by the competent body regarding the assignment of the instruments and of the proposal to the aforementioned body, if any, formulated by the remuneration committee**

The Rights will be allocated to the Beneficiaries by the Board of Directors, subject to the opinion of the Remuneration Committee, within the maximum number set forth in Section 2.3, following the approval of the Plan by the Shareholders' Meeting.

The Shares shall be granted to the Beneficiaries, subject to the fulfilment of the conditions provided for by the Plan and detailed in the Regulation. Please refer to Paragraphs 2.2-2.3.

The date of the decision of the Board of Directors regarding the award of the Rights to receive the Shares, the date of the allocation of the Shares and the date of the opinion of the Remuneration Committee are not available at the date hereof and, therefore, will be communicated at a later date pursuant to article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

### **3.8 Market price, recorded on the aforementioned dates, for the financial instruments on which the plans are based, if traded on regulated markets**

At the date of the resolution of the Board of Directors held on March 14, 2024, the official price of the Shares was 117.86 euros per Share.

### **3.9 In case of plans based on financial instruments traded on regulated markets, in which terms and how the issuer takes into account, within the identification of the timing for the allocation of the instruments within the scope of the implementation of the plans, of any timing coincidence of: (i) said allocation or any decisions taken in this respect by the remuneration committee, and (ii) the disclosure of any relevant information in accordance with Art. 17 of Regulation (EU) No. 596/2014; e.g., in case such information is: a. not already public and apt to positively influence the market quotations, or b. already published and apt to negatively influence the market quotations**



The structure of the Plan, the conditions and procedures to grant the Brunello Cucinelli Rights do not currently suggest that the allocation may be influenced by the possible disclosure of relevant information pursuant to Article 17 of Regulation (EU) no. 596/2014 (the "MAR Regulation"), without prejudice to the fact that the procedure for the allocation of the Brunello Cucinelli Rights and the Shares will be carried out in full compliance with the disclosure obligations to which the Company is subject so as to ensure transparency and equality of information to the market, as well as in compliance with the internal procedures adopted by the Company and the prohibitions on operating in so-called *closed periods pursuant to Article 19(11)* of the MAR Regulation.

#### **4. CHARACTERISTICS OF THE GRANTED INSTRUMENTS**

##### **4.1 Description of the forms in which compensation plans based on financial instruments are structured**

The purpose of the Plan is the free allocation to the Beneficiaries of a maximum number of 200,000 Rights according to the calculation mechanism indicated in Section 2.2. above.

Such Rights entitle the holder to accrue, free of charge, a corresponding number of Shares (according to the ratio one Right for one Share).

The exact number of Shares to be allocated to each Beneficiary, after the accrual of the corresponding number of Rights, shall be determined as indicated in Section 2.2 above.

##### **4.2 Indication of the period of actual implementation of the plan also with regard also to the various cycles, if any**

The Plan includes a single allocation cycle, consisting of: a) the award of the Brunello Cucinelli Rights to the Beneficiaries to be carried out by September 30, 2024; b) the reference period in which the rights of the Beneficiaries to receive the Shares accrue (in accordance with Paragraphs 2.2-2.3); c) from the possible allocation of the Shares to be carried out on the Allocation Date, and therefore following the approval of the Company's consolidated financial statements relating to the Financial Year 2026; as well as from the period during which the Beneficiaries will be obliged to continuously hold, for at least 12 months from the Allocation Date, a part of the allocation Shares (pursuant to the Lock-Up Obligation described in Paragraph 4.6 below).

##### **4.3 Time limit of the plan**

The Plan is valid for three years. Please refer to Section 4.2.

##### **4.4 Maximum number of financial instruments, also in the form of options, granted in each fiscal year in relation to the persons identified by name or the categories indicated**

The Plan provides for the allocation of a maximum of 200,000 Shares.

##### **4.5 Methods and implementation clauses of the plan, specifying whether the actual allocation of the instruments is subject to the occurrence of conditions or the achievement of certain results, including performance results; descriptions of such conditions and results**

With regard to the methods and implementation clauses, please refer to the individual paragraphs of this Information Document. In particular, following the approval of the Plan by the Shareholders' Meeting convened for April 23, 2024, the Board of Directors, at its meeting on March 14, 2024, after hearing the opinion of the Remuneration Committee and with the abstention of the Managing Directors, determined the maximum number of Brunello Cucinelli Rights to be granted to each of the Managing Directors at 65,000.

Following the approval of the Plan by the Shareholders' Meeting, the Board of Directors, subject to the opinion of the Remuneration Committee, shall determine the maximum number of Brunello Cucinelli Rights to be paid to the other Beneficiaries in accordance with the criteria indicated in Paragraph 2.2 above.

The awarding of Brunello Cucinelli Rights to Beneficiaries is free of charge, is not subject to the achievement of performance objectives and is not linked to other key variables.

Each Beneficiary may be granted Shares on condition that the Performance Objectives specified in Section 2.2 above are achieved.

#### **4.6 Indication of any restrictions on the availability of the instruments granted or on the instruments resulting from the exercise of the options, with particular reference to the terms within which the subsequent transfer to the same company or to third parties is permitted or forbidden**

The Brunello Cucinelli Rights and all the rights incorporated therein are strictly personal, nominative, non-transferable by deed between living persons and non-negotiable and therefore cannot be pledged and cannot be used against debts or contracts undertaken by each of the Beneficiaries towards Brunello Cucinelli or third parties.

The Beneficiaries will be obliged to continuously hold a number of Shares equal to 30% of those subject to the allotment until the end of 12 months from the Allocation Date.

Such Shares shall be subject to a restriction of inalienability - and therefore may not be sold, conferred, exchanged, transferred or subject to other acts of disposition between living persons - until the expiry of the term referred to above, unless authorised in writing by the Board of Directors, after consulting the Remuneration Committee (the "Lock-Up Obligations").

Beneficiaries who are executive directors (or key management personnel) of the Company to whom Substitute Amounts have been granted shall be obliged to reinvest such Substitute Amounts in Shares of the Company which shall be subject to the Lock-Up Obligations provided for herein, commencing on the date of purchase of the Shares.

#### **4.7 Description of any termination clauses in relation to the assignment of the plans in the event that the beneficiaries engage in hedging operations that make it possible to neutralise any prohibitions on the sale of the financial instruments assigned, including in the form of options, or of the financial instruments resulting from the exercise of such options**

Not applicable, given that there are no termination conditions is provided in the event that the Beneficiary engages in hedging transactions.

#### **4.8 Description of the effects determined by the termination of the Relationship**

The award to the Beneficiaries of the Brunello Cucinelli Rights (and, where applicable, the allocation of the Shares) is subject, among other things, to the condition that the Beneficiary has a Relationship with Brunello Cucinelli or one of the Subsidiaries as specified below.

In the event that, at the date of the approval by the Board of Directors of the consolidated financial statements of the Group for the Financial Year 2026, each of the Managing Directors or the other Beneficiaries is no longer in office or is no longer employed in case of circumstances falling within the definition of *Bad Leaver* occurs, he/she will irrevocably and definitively forfeit the right to receive the Shares whose allocation was conditional upon the achievement of the Performance Objectives. The related Rights will automatically lapse and be deprived of any effect, and the Company will be released from any obligation or liability to it in connection with the Plan. If, on the other hand, a *Good Leaver* case occurs, the Beneficiaries may retain the right to receive an amount of Shares, to be determined pro-rata, based on the Board of Directors' unquestionable assessment of the level of achievement of the Performance Objectives. The remaining Rights shall be deemed to be permanently extinguished.

Without prejudice to the foregoing, the Regulation shall establish, with reference to the different types of relationship (making a distinction between employment and directorships), the different effects caused by any termination of the relationship, taking into account the cause and the time at which the termination takes place.

#### **4.9 Indication of any other possible causes for cancellation of plans**

Except as indicated elsewhere in this Information Document, there are no other causes for cancellation of the Plan.

#### **4.10 Reasons for any provision for a "redemption" by the company of the financial instruments covered by the plans, pursuant to Articles 2357 et seq. of the Italian Civil Code**

The Plan does not include any redemption clauses by the Company.

The Plan includes claw back clauses, which will apply in the event that, in accordance with the terms and conditions of the Plan Regulation, the Performance Objectives: (i) have been determined by the Board of Directors on the basis of data that has proven to be manifestly incorrect; (ii) the Beneficiary concerned has been found to have acted in a fraudulent or grossly negligent manner to the detriment of the Company or detrimental to the Company's interests.

#### **4.11 Any loans or other facilities to be granted for the purchase of shares pursuant to Article 2358 of the Italian Civil Code**

Not applicable, since the Plan provides for the free allocation of Brunello Cucinelli Rights.

#### **4.12 Indication of assessments of the expected changes on the company at the date of the relevant allocation, as determinable on the basis of terms and conditions already defined, by total amount and in relation to each instrument of the plan**

Not applicable, as at the date of this Information Document, the Plan has not yet been approved by the Company's Shareholders' Meeting and, consequently, the Shares have not yet been granted.

#### **4.13 Indication of any dilutive effects on capital determined by the compensation plans**

Taking into account the characteristics of the Plan, i.e. that the shares serving the Plan will be subject to the purchase of treasury shares, no dilutive effects on the share capital are expected.

#### **4.14 Limits to the exercise of the voting right and to the granting of financial rights**

The allocated Shares have regular dividend entitlement and, therefore, the rights related to them accrue to each Beneficiary from the moment he/she becomes the owner of the Shares. There are no limits on the exercise of voting rights.

#### **4.15 If the Shares are not traded on regulated markets, any information useful for an accurate assessment of the value attributable to them**

Not applicable, as the Shares are traded on Euronext Milan - FTSE MIB Index.

#### **4.16 Number of financial instruments underlying each Brunello Cucinelli Right**

Each Brunello Cucinelli Right gives the right to be granted one Share.

#### **4.17 Expiry of the options**

Not applicable given that the Plan involves the free allocation of Shares upon achievement of the Performance Objectives.

#### **4.18 Mode (American/European), timing (e.g. valid exercise periods) and exercise clauses (e.g. knock-in and knock-out clauses)**

Not applicable as the Plan involves the free allocation of Shares upon achievement of the Performance Objectives.

#### **4.19 Exercise price of the option or the manner and criteria for its determination**

Not applicable as the Plan involves the free assignment of Shares upon achievement of the Performance Objectives.

#### **4.20 Reasons for the difference between the exercise price and the market price determined in accordance with 4.19 (fair market value)**

Not applicable.

#### **4.21 Criteria on the basis of which different exercise prices among the various beneficiaries or different categories thereof**

Not applicable.

#### **4.22 Where the financial instruments underlying the options are not traded in regulated markets, indication of the value attributable to the underlying instruments or the criteria for determining such value**

Not applicable.

#### **4.23 Criteria for adjustments made necessary as a result of extraordinary capital transactions and other transactions involving a change in the number of underlying instruments (capital increases, extraordinary dividends, regrouping and splitting of underlying shares, mergers and demergers, transactions involving conversion into other classes of shares, etc.).**

In the event of extraordinary and/or unforeseeable events, operations or circumstances concerning Brunello Cucinelli or the Group, as well as changes in laws or regulations, changes in macroeconomic conditions, changes in strategic plans, or other events that may affect the Company, the Group, the Performance Objectives, the Shares or the Plan, the Board of Directors, subject to the binding opinion of the Remuneration Committee, shall have the right to make all the amendments and additions deemed necessary and/or appropriate to the Plan, the related Regulation and the documents related thereto in order to keep the essential contents of the Plan as unchanged as possible - within the limits allowed by the laws and regulation applicable from time to time - in accordance with the objectives and purposes pursued by the Plan.

Moreover, upon the occurrence, before the Allocation Date, of certain extraordinary events (change of control, promotion of a public purchase or exchange offer on the Brunello Cucinelli Shares, delisting of the Brunello Cucinelli Shares from Euronext Milan), the Board of Directors may grant to the Beneficiaries of the Plan to convert all or part of the Rights into Shares, possibly re-proportioned *ratione temporis* on the basis of the portion of the Performance Period already elapsed and/or of the level of achievement of the Performance Objectives according to the detailed terms and conditions provided by the Regulation.

#### **4.24 Compensation plans based on financial instruments**

As of the date of this Information Document, the Plan has not yet been approved by the Brunello Cucinelli Shareholders' Meeting.

The information set out in Table 1 attached to Schedule 7 of Annex 3A of the Issuers' Regulations, where applicable, shall be provided, from time to time, pursuant to article 84 bis, paragraph 5, letter a) of the Issuers' Regulations.