



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

**REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSALS CONCERNING THE FIFTH
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. 5 on the agenda - Proposal for the modification of the remuneration to be awarded
to the members of the Board of Directors. Resolutions pertaining thereto and resulting
therefrom.*

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

Dear Shareholders,

We submit for your approval the proposal to amend the current gross annual remuneration of the members of the Board of Directors of Brunello Cucinelli S.p.A. (the "**Company**"), for the remaining period of time in which the Board of Directors will remain in office, i.e. until the date of the Shareholders' Meeting called to approve the Company's financial statements as at December 31st, 2025.

By resolution adopted on 27 April 2023, the Ordinary Shareholders' Meeting appointed the new members of the Company's Board of Directors and, accepting the compensation proposal made by the majority shareholder Foro delle Arti S.r.l., set at € 36,000.00 (Euro thirty-six thousand) the gross annual remuneration for each member of the Board of Directors and at € 400,00 (Euro four hundred) the attendance fee for participation in each meeting of the Board of Directors. This remuneration is without prejudice to the remuneration of directors invested with special offices pursuant to Article 2389, paragraph 3, of the Italian Civil Code.

For further information on the remuneration paid to the members of the Board of Directors for the year 2023, please refer to the report on the policy regarding the remuneration and fees paid for the year 2023 pursuant to Article 123-*ter* of Legislative Decree 58/1998 and Article 84-*quarter* of the Regulation adopted by Consob resolution no. 11971 of May 14th, 1999 (the "**Remuneration Report**").

The proposal, which the Board of Directors hereby submits to the approval of the Shareholders, is the result of a comparative analysis (or "benchmarking"), conducted at the initiative of the Company's Remuneration and Appointments Committee, which concerned the structure and levels of remuneration paid to directors of Italian listed companies operating within the same sector as the Company or of Italian listed companies with a similar capitalization to the Company.

The benchmarking survey, also started in consideration of the recent listing of the "Brunello Cucinelli" share in the Ftse Mib share index, included information regarding the remuneration paid to the directors of the companies in the reference sample, as made available by the same companies in the remuneration reports published on their respective corporate websites. The Remuneration and Appointments Committee, while clarifying that each benchmark has limits, since each company is unique in its culture, strategy and operating circumstances, considered that an increase in the basic remuneration of the members of the Company's Board of Directors would be coherent with the level of remuneration due to the directors of other Italian listed companies. Actually, the benchmarking analysis revealed that the current basic remuneration

paid to each director of the Company is lower than the one paid to directors of the listed companies in the reference sample and among the lowest in relation to the reference sample represented by the other companies belonging to the Ftse Mib stock index.

The outcome of the benchmarking analysis conducted by the Remuneration and Appointments Committee has been shared with the Company's Board of Statutory Auditors.

The Company believes that in a scenario in which shareholders are increasingly concerned about the remuneration of directors and management, a clear explanation of the reasons for and methods of remuneration of directors can help to enhance the perception and trust in the Company by shareholders and by stakeholders in general.

The Board of Directors, therefore, following the opinion expressed by the Remuneration and Appointments Committee, proposes that the current gross annual remuneration of the Company's Directors should be increased from € 36,000.00 (Euro thirty-six thousand) to € 60,000.00 (Euro sixty thousand) and the attendance fee for participation in meetings of the Board of Directors should be increased from € 400.00 (Euro four hundred) to € 600.00 (Euro six hundred). This is without prejudice to the possibility for the Board of Directors to assign a remuneration to directors holding particular offices pursuant to the provisions of art. 2389, paragraph 3, of the Italian Civil Code.

In detail, the Board of Directors observes that the aforementioned proposal is formulated in accordance with Article 19 of the Bylaws of the Company, as well as Article 2389, paragraph 3, of the Italian Civil Code, which provides that the remuneration package to be attributed to the directors holding particular offices (including, therefore, the amount of the variable component to be paid upon the achievement of the performance objectives provided for in the incentive plans adopted by the Company) may be directly determined by the Board of Directors, upon consultation with the Board of Statutory Auditors. For the sake of clarity, it should be specified that the amount of the variable component to be granted to directors holding particular offices upon achievement of the performance objectives set out in the short- and medium-long-term incentive plans adopted by the Company will, in any case, be determined in accordance with the remuneration policy described in Section One of the aforementioned Remuneration Report.

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.

resolves

- *to revoke the previous resolution adopted by the Shareholders' Meeting held on April 27th, 2023, for the portion not implemented;*
- *to determine in:*
 - (i) *€ 60,000.00 (sixty thousand euros) the gross annual remuneration to be granted to each member of the Board of Directors for the sole office of directors, in addition to the refund of expenses incurred in the exercise of and due to their functions;*
 - (ii) *€ 600.00 (Euro six hundred) the attendance fee for participating in each meeting of the Board of Directors.*
- *to determine that, pursuant to art. 2389, paragraph 3, of the Italian Civil Code. and art. 19.2 of the Company's Articles of Association, the remuneration to be granted to directors holding special offices is determined, even if possible, with a variable component, by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, after consulting with the Board of Statutory Auditors and in accordance with the remuneration policies adopted by the Company and described in the Remuneration Report;*
- *that such remuneration will be paid to each member of the Board of Directors for the remaining period of time in which the Board of Directors will remain in office, i.e. until the date of the Shareholders' Meeting called to approve the financial statements as at December 31st, 2025;*
- *to assign to the Board of Directors all necessary and appropriate powers to implement the above resolution."*

Solomeo, March 14th, 2024

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