



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 SIXTH
ITEM ON THE AGENDA OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS'
MEETING OF BRUNELLO CUCINELLI S.P.A. CONVENED, IN A SINGLE CALL, FOR 27
APRIL 2023.**

Item No. 6 on the Agenda - *Appointment of the Board of Statutory Auditors pursuant to article 148 of Italian Legislative Decree no. 58/1998, articles 144-quinquies et seq. of CONSOB Regulation no. 11971/1999 (Issuers' Regulation) and articles 20 et seq. of the Company's Bylaws.*

- 6.1 Appointment of three Statutory Auditors and two Alternate Auditors;*
- 6.2 Appointment of the President of the Board of Statutory Auditors;*
- 6.3 Determination of the remuneration of the Statutory Auditors.*

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

Dear Shareholders,

This Report has been drawn up pursuant to article *125-ter*, paragraph 1, of Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and additions (the “TUF”) and article 84-ter of the Regulation adopted by Consob resolution no. 11971 of 14 May 1999 and subsequent amendments and additions (the “**Issuers' Regulation**”). This Report was approved by the Board of Directors of Brunello Cucinelli S.p.A. (the “**Company**” or “**Brunello Cucinelli**”) at its meeting held on March 15th, 2023 and is made available to the public, within the terms of the law and regulations, at the Company's registered office, on the Company's website at the following address <http://investor.brunellocucinelli.com/en/governance/shareholders-meetings>, as well as with the other methods provided for by the applicable regulations.

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With reference to the sixth item on the agenda, we inform you that the office of the current Board of Statutory Auditors, appointed by the Shareholders' Meeting of May 21st, 2020, will expire with the approval of the financial statements as at December 31st, 2022.

Accordingly, the Shareholders' Meeting convened, in a single call, for April 27th, 2023 shall proceed with the appointment of the new members of the Board of Statutory Auditors, pursuant to Articles 20 and 21 of the Bylaws, to the contents of which, transcribed below, reference is made for the provisions concerning (i) manner of appointment of the members of the Board of Statutory Auditors; (ii) appointment of the Chairman of the Board of Statutory Auditors; and (iii) remuneration of the members of the Board of Statutory Auditors.

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Appointment of the members of the Board of Statutory Auditors

Submission of candidate lists for the office of Statutory Auditor and Alternate Auditor

With reference to the appointment procedures, please note that the appointment of Statutory Auditors (standing and alternate), pursuant to Article 21 of the Bylaws and Article 148 of the TUF, will be made on the basis of lists of candidates submitted by Shareholders who, at the time of submitting the list, also jointly, hold at least 1% of the share capital made up of ordinary shares, as established by Consob, pursuant to Article 147-ter, paragraph 1, of the TUF and Article 144-septies, paragraph 1, of the Issuers' Regulation, in the Consob's Executive Determination No. 76 of 30 January 2023.

Ownership of the minimum shareholding required for the submission of lists is determined by taking into account the shares registered in favour of the shareholder on the day the lists are filed with the Company. The relevant communication made by the authorized intermediary may be transmitted to the Company even after the filing provided that it is made within the deadline set for the Company to publish the lists, *i.e.* by the 21st (twenty-first) day prior to the date of the

Shareholders' Meeting (*i.e.* by **April 6th, 2023**).

The lists, formed in accordance with the Bylaws and applicable regulations, must be signed by the Shareholders submitting them and accompanied by the necessary documentation, and must be filed by the 25th (twenty-fifth) day prior to the date of the Shareholders' Meeting (*i.e.*, by **Sunday, April 2nd 2023**). Lists may be deposited by one of the following methods, as indicated in the notice of call: (i) hand delivery at the Company's registered office, from Monday to Friday from 08:00 to 17:30, or (ii) sent by registered letter with return receipt to the Company's registered office, or (iii) by certified electronic e-mail, to the address brunellocucinelli.spa@legalmail.it.

It is understood that (i) each Shareholder, (ii) Shareholders belonging to the same group, and (iii) Shareholders who are parties to a shareholders' agreement pursuant to Article 122 of the TUF concerning the Company's shares, may not submit or vote for more than one list, even if through a third party or trust company; subscriptions and votes cast in violation of this prohibition shall not be attributed to any list. Furthermore, each candidate may be present only in one list, otherwise ineligibility will occur, and candidates who do not comply with the maximum number of positions held established by law and the relevant implementing provisions in force cannot be included in the lists.

Pursuant to Article 21.1 of the Bylaws, the lists shall consist of two sections: one for the appointment of Standing Auditors, the other for the appointment of Alternate Auditors. The first candidate in each section must be selected from among the certified public auditors, who are registered into the relevant register and meet the requirements of the applicable regulations. The lists shall contain a number of candidates not exceeding the number of members to be elected (equal to 3 candidates for the office of Standing Auditor and equal to 2 candidates for the office of Alternate Auditor, pursuant to Article 20.1 of the Bylaws), listed according to a progressive number.

Lists that present 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 the office of Alternate Auditor as established by the *pro tempore* regulation in force on gender balance (as referred to below). Pursuant to Article 21.5 of the Bylaws and Article 144-*sexies* of the Issuers' Regulation, the lists must be accompanied by the following documents at the time of filing:

- (i) information regarding the identity of the Shareholders who have submitted them, with an indication of the total percentage of shareholding held and certification of the ownership of such shareholding, issued by an intermediary authorised by law;
- (ii) the statement whereby the individual candidates accept the candidature and certify, under their own responsibility, the non-existence of grounds for incompatibility and the existence of the requirements prescribed by current legislation for the office;

(iii) a *curriculum vitae* containing the personal and professional profiles of each candidate, including positions held in the boards of directors and auditors of other companies;

(iv) the declaration of the Shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of relations of connection with the latter, pursuant to Article 144-*quinquies* of the Issuers' Regulation, which also takes into account the recommendations issued by Consob itself with Communication no. DEM/9017893 of 26 February 2009.

With reference to document referred to (iii) above, pursuant to Article 2400, last paragraph, of the Italian Civil Code and Article 148-bis of the TUF, we invite you to update the list of management and control positions held by candidates in other companies up to the day on which the Shareholders' Meeting is actually held.

With reference to document referred to (iv) above, please note that those submitting a minority list are addressees of the recommendations issued by Consob in its Communication no. DEM/9017893 of 26 February 2009, pursuant to which Shareholders submitting a "minority list" must file, together with the list, a statement specifying any existing relationships, if significant, with Shareholders that hold, even jointly, a controlling or relative majority interest, identifiable on the basis of the notifications of significant shareholdings pursuant to Article 120 of the TUF or the publication of shareholders' agreements pursuant to Article 122 of the TUF. In particular, at least those relations listed in the aforementioned Consob Communication (available at www.consob.it) must be indicated, if significant.

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If only one list or only lists linked to each other are submitted by the above deadline for filing lists (*i.e.* by **Sunday, April 2nd, 2023**), pursuant to Article 144-*sexies*, paragraph 5, of the Issuers' Regulation, additional lists may be submitted up to the third day following that date (*i.e.*, by **April 5th, 2023**), in which case the share capital threshold required for the submission of lists will be reduced by half (*i.e.*, to 0.5%).

Composition of the Board of Statutory Auditors

Pursuant to Article 20.1 of the Bylaws, the Board of Statutory Auditors consists of three standing members and two alternates.

It should also be noted that the Bylaws provide that the composition of the corporate bodies of administration and control must, in any event, ensure gender balance in accordance with current legislation. In this regard, we recall Consob Communication No. 1/20 of 30 January 2020 which, recalling the new two-fifths distribution criterion introduced by Law No. 160 of 27 December 2019 ("**Budget Law 2020**"), specified that, with reference to corporate bodies composed of three members, the two-fifths criterion must be applied with rounding down and

not up.

All auditors must meet the independence requirements set forth in Article 148, paragraph 3, of the TUF under penalty of ineligibility.

Please also note that, without prejudice to the other incompatibilities provided for by the applicable laws and regulations, those who do not meet the requirements of honorability and professionalism set forth in the Italian Ministry of Justice's Decree No. 162 of 30 March 2000 cannot be appointed as members of the Board of Statutory Auditors. Furthermore, persons who do not comply with the maximum number of administration and control offices, as provided for by the applicable laws and regulations, cannot be appointed as members of the Board of Statutory Auditors.

Lastly, it should be noted that, in accordance with the law, the Board of Statutory Auditors to be appointed will remain in charge for three financial years and will therefore expire on the date of the Shareholders' Meeting called to approve the financial statements as at December 31st, 2025.

Method of Appointment of the Members of the Board of Statutory Auditors

With regard to the appointment procedures, please refer to the provisions of Article 21 of the Bylaws, as transcribed at the end of this Report.

With reference to the appointment of the Chairman of the Board of Statutory Auditors, it should be noted that Article 21.8 provides that the first candidate of the list that came out second by number of votes (the so-called "Minority List") and that was submitted by Shareholders that are not connected even indirectly with the Shareholders that submitted or voted for the list that came out first by number of votes (the so-called "Majority List") will be appointed President of the Board of Statutory Auditors.

Pursuant to Article 21.12, if only one list has been submitted, the Shareholders' Meeting shall vote on it; if the list obtains a relative majority of the voters, without taking abstainers into account, the candidates indicated in the respective section of the list shall be elected as Statutory Auditors and Alternate Auditors; the person indicated in first place in the aforesaid list shall be appointed as President of the Board of Statutory Auditors.

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Please note that lists for which the above provisions are not observed will be considered as not having been submitted.

With regard to the terms and procedures for the preparation and delivery of the lists, please also refer to the detailed provisions of the notice of call of the Shareholders' Meeting to be published within the legal terms.

Appointment of the President of the Board of Auditors; Determination of the

remuneration of the members of the Board of Auditors

Moreover, Shareholders who intend to submit a list are recommended to prepare, and file, together with the list, a proposal for a shareholders' meeting resolution on: (i) appointment of the President of the Board of Statutory Auditors; (ii) determination of the remuneration of the members of the Board of Statutory Auditors.

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For the sake of completeness and for the purposes of the presentation of the proposed resolutions in this Report, the full text of Articles 20 and 21 of the Bylaws in force is reproduced below:

“Article 20 - Board of Auditors

20.1 The General Meeting appoints a Board of Auditors consisting of three regular auditors and two alternate auditors, and determines, at the time of assignment, their fee.

20.2 The Auditors are in office for three years, until the date of the General Meeting called to approve the budget for the last year of their office, and may be reappointed.

20.3 The requirements, duties, responsibilities of the Board of Auditors are governed by law.

Article 21 - Procedure for the Appointment of the Board of Auditors

21.1 The Board of Auditors is appointed from the lists submitted by the shareholders in accordance with the prevailing legislation regarding the gender balance and with the procedures specified here below. To this end, lists composed of two sections are submitted: one section for the appointment of the regular auditors, the other section for the appointment of alternate auditors. The first candidate in each section shall be chosen among the legal auditors recorded in the proper register and that meet the requirements by the applicable law.

21.2 Only those shareholders who, alone or together with other shareholders, hold at the time of submission of the list, a shareholding at least equal to that determined by CONSOB according to art. 147-ter, sub-section 1, of the Italian Legislative Decree 58/1998 and in accordance with the provisions set out by the Issuer Regulation, will be entitled to submit the lists. The Board of Auditors will disclose in the call notice of the General Meeting to approve the appointment of the Auditors the holding threshold that justifies the submission of the candidates lists. The ownership of the minimum shareholding to submit the lists is determined with respect to the shares registered in favour of the shareholder on the day on which the lists are lodged in the Company.

21.3 Each shareholder may submit or participate in submitting, through a third party or a trust Company, one list only. They may also submit or participate in submitting, through a third party or a trust Company, and vote for one list only: (i) shareholders belonging to the same group, (ii) belonging to the same shareholders' agreement concerning the Company's shares ex art. 122 of Italian Legislative Decree. No. 58/1998.

21.4 Each candidate may appear on only one list on pain of ineligibility.

21.5 The lists, subscribed by those presenting them, shall be deposited at the registered office of the Company at least 25 (twenty five) days before the date fixed for the General Meeting on first call, along with:

a) the information regarding the shareholders who have presented the lists, indicating their shareholding percentage and a certificate showing the ownership of such shares. This certification can be produced within a different term prescribed by the applicable legislative and regulatory rules;

b) the statements with which the single candidates accept their application and certify, under their own responsibility, there are no reasons for incompatibility and the existence of the requirements prescribed by laws and regulations for these positions;

c) the curriculum vitae of each of the designated persons on their personal and professional skills with an indication of the administrative and inspector tasks held in other companies;

d) the statement of the shareholders other than those who hold, even jointly, a controlling or a relative majority shareholding, indicating the absence of connections as expected by art. 144-quinquies of the Issuer Regulation with the latter.

The list presented with no observation of the above estimates shall be considered as not submitted.

The lists presenting a total number of candidates equal to or greater than three shall be composed of candidates belonging to both genders, so that the proportion of candidates for the position of regular auditor and alternate auditor belonging to the less represented gender in the list is in compliance with the laws and regulations regarding the gender balance in force from time to time.

21.6 If, at the expiry date of 25 (twenty five) days to deposit the lists and documents at the registered office, only one list has been submitted, or only lists presented by shareholders who are connected to each other as expected by art. 144-quinquies of the Issuer Regulation, other lists may be presented up to the third day following that date. In this case, the threshold percentages set by the Bylaws are reduced by half.

21.7 Any changes that occur up to the date of the General Meeting must be timely notified to the Company.

21.8 Will be elected as regular auditors the first two candidates on the list obtaining the highest number of votes ("Majority List") and the first candidate of the second most important list for number of votes ("Minority List") and that has been submitted by shareholders who are not even indirectly connected with the shareholders who submitted or voted the Majority List, which candidate will also be appointed as Chairman of the Board of Auditors.

Will be elected as alternate auditors the first alternate candidate from the Majority List and the first alternate candidate of the Minority List.

21.9 *If more than one list obtained the same number of votes, a recount vote between these lists will be made by all of those entitled to vote present at the meeting, and the candidates on the list that obtains the simple majority of votes will be elected.*

If the above mentioned procedures do not satisfy the composition of the effective members of the Board of Statutory Auditors, the necessary replacements shall be made in accordance with the prevailing legislation concerning the balance between genders among the candidates for the office of auditor of the Majority List according to the order in which candidates are listed.

21.10 *If, for any reason, a regular auditor leaves the office in advance, the first alternate auditor from the same list of regular auditor will replace him until the next General Meeting. If the Chairman is replaced, the chair shall be taken until the next General Meeting, by the alternate member elected from the minority list.*

21.11 *If a single list is submitted or in the event of votes being equal between two or more lists, the Chairman will be replaced, until the next General Meeting, by the first regular auditor from the list of the Chairman retired.*

If the Board of Auditors is not complete after the addition of the alternate auditors, the General Meeting must be called to provide, with the majority of the law and in compliance with the legislative proceedings and regulations in force, the integration of the Board of Auditors. In particular:

- if there is a need to replace (i) the Regular Auditor and/or the Chairman or (ii) the Alternate Auditor drawn from the Minority List, for the position are respectively proposed the candidates as Regular Auditor for the case sub (i) and as Deputy Auditor for the case sub (ii) - not elected - listed in the corresponding sections of the same Minority List and who obtains the highest number of votes will be elected;*
- in the absence of names to be proposed according to the previous paragraph and if there is a need to replace one/more regular auditors and/or alternate auditors drawn from the Majority List, the provisions of the Italian Civil Code will be applied and the General Meeting shall decide by the majority of votes.*

It is understood that, at the time of replacement, the composition of the Board shall comply with the prevailing legislation concerning the balance between genders.

21.12 *If one list is submitted, the General Meeting shall vote on it; if the list obtains the relative majority of voters, without considering the abstentions, the candidates indicated on the respective section of the list will be elected as alternate candidates; the chair of the Board of Auditors lies with the person named on top of the sudden list.*

If no list has been presented, the General Meeting shall decide with the majorities required by law and, in any case, without prejudice to the relevant legislation concerning the balance between genders.

21.13 *May be proposed as candidates only those who have made available, by the date of the*

General Meeting, the documents and certificates referred to this Article, in accordance with the law and regulations in force.

21.14 At the end of what provided by art. 1, sub-section 2, letters b) and c) of the Italian Ministerial Decree No. 162 of March 30th, 2000, it's understood that the subjects and business fields closely related to those exercised by the Company are the subjects and business fields connected or concerning the Company's activity, as stated in the article 3 of this Bylaws.

21.15 Meetings of the Board of Auditors may also be held by means of telecommunication, provided that all those attending can be identified and such identification is acknowledged in the meeting minutes and they are able to follow the discussion and participate in real time in the discussion on the items on the agenda, exchanging documents if appropriate; in that case, the meeting of the Board of Auditors shall be deemed held in the place where the person chairing the meeting is located."

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We therefore invite you to submit your candidacies for the office of Statutory Auditor in accordance with the aforementioned provisions of the Bylaws and as indicated in the notice of call of the Shareholders' Meeting, and to submit your proposals regarding the candidacy for the office of Chairman of the Board of Statutory Auditors and the remuneration due to the members of the Board of Statutory Auditors.

Solomeo, 15 March 2023

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