

## **BYLAWS**

### **Item I**

#### **NAME – REGISTERED OFFICE – PURPOSES – COMPANY DURATION – SHAREHOLDER’S DOMICILE**

##### **Article 1 – Name**

1.1 A joint-stock Company is hereby established under the name of "BRUNELLO CUCINELLI S.P.A.".

##### **Article 2 – Registered Office**

2.1. The Company is located in Corciano (PG), hamlet of Solomeo.

2.2. With ways and forms each time requested, the Company will be allowed to institute or abolish branches, shops, deposits, offices and agencies in Italy and in the foreign countries.

##### **Article 3 – Purposes**

3.1 Company’s purposes are:

- i) The ideation, production and merchandising of knitwear, packaging for clothing, leather clothes and related products and accessories (e.g. perfumes and glasses);
- ii) The dressing and management of showrooms for the exhibition and sale, wholesale and retail, of the above products;
- iii) The organisation of parades and events for the promotion and diffusion of clothing articles and accessories. The activity will be conducted both on its own or on behalf of third parties and the sales will be both wholesale and

retail, directly and indirectly through third party agreements in franchising.

The Company will be allowed to hire, create, grant trademarks and patents.

iv) The publishing activity, excluding the publication of newspaper and magazines;

v) The organisation of cultural, educational and training events, conferences, congresses, etc., for its own and on behalf of third parties and other companies within the group; in this activity is particularly included the organisation of events and parades to promote and distribute the products made by companies that belong to the industry of clothing.

vi) The merchandising of books, gadgets, clothes, art objects, etc. and any other asset related to the above activities (v), and the commercial use of all the industrial and intellectual property rights related to the activities and products mentioned under (i);

3.2. The Company can: (i) make any business, real estate, insurance and financial transaction (including, but not limited to, securitisation, project finance) to the extent permitted by law and non-financial authorities, which might be considered from the director board as necessary or useful to reach the social purpose, including warranty performance for bonds of third parties the Company does business or is involved with; (ii) buy, sell, exchange and invest in companies both personal and real properties, give and receive them for lease or extended loan; (iii) extend loans to subsidiaries and affiliates; (iv) extend/receive real and personal warranties to/from

subsidiaries; (v) assume, directly or indirectly, profit sharing and holdings in other companies and Italian or foreign institutions (vi) collect funds from its own members to finance its activities, subjected to conditions and limits provided by law, regulations, directives and decisions taken by the expert authorities and the administration.

3.3. The Company can provide technical, business, accounting, administrative, IT and financial services, including the cash pooling, to other companies of the group, subjected to the business exclusivities provided by law.

3.4. The activities referred above can be exercised by the Company either directly or through subsidiaries and affiliates.

#### **Article 4 - Term**

4.1 The term of this Company is set until December 31<sup>st</sup> 2050 and can be extended as provided by the law.

#### **Article 5 – Shareholder’s Domicile**

5.1 The domicile of the shareholders, as regards their social connections, is the one noted on the shareholder’s book.

## **Item II**

### **SHARE CAPITAL – SHARES - SHAREHOLDER’S DEPOSIT - BONDS**

#### **Article 6 – Share Capital**

6.1. The share capital is equal to 13,600,000 Euros (thirteen millions six hundred thousand), divided in 68,000,000 (sixty-eight millions) ordinary shares with no nominal value and can be increased. The General Meeting can assent to issue classes of share with different rights, in accordance with law prescriptions.

6.2 The shares are registered, indivisible, freely transferable and confer to their holders equal rights. Each share entitles the holders to one vote. The shares are subjected to the dematerialised and centralised management of the financial instrument traded on the regulated markets.

6.3 The share capital may also be increased, according to law, with assets of loans and kind.

6.4 In case of increase in cash capital, also by the issuance of convertible bonds, the right of option may be excluded by a General Meeting resolution, in the form and terms set forth by the art. 2441, sub-section four, second paragraph of the Italian Civil Code provided that the issue price corresponds to the market value of the shares and that is confirmed with a proper report by the legal auditor or by the Company assigned to the legal auditing of accounts.

#### **Article 7 - Withdrawal**

7.1. Shareholders are entitled to withdraw from the Company for all or part of their shares as provided by the law.

7.2 Do not have rights to withdraw the shareholders who did not take part to the approval of the resolutions related to:

- (i) the introduction, modify and abolition of the share circulation ties;
- (ii) the extension of the Company's time limit.

#### **Article 8 – Bonds**

8.1 The Company may issue bonds with terms and conditions of investment, in observance of the applicable law.

8.2 The issue of ordinary bonds is up to the Board of Directors, while the issue of convertible debentures is up to the extraordinary General Meeting.

### **Item III**

#### **THE GENERAL MEETING**

#### **Article 9 – Call of the General Meeting**

9.1 The General Meeting can be ordinary or extraordinary according to the law and is called, according to the law terms, at the corporate office or somewhere else, but in Italy.

9.2 The ordinary general meeting must be called at least once a year, for budget approval, within 120 (one hundred twenty) days after the close of the corporate year or within the end of the 180 (one hundred and eighty) days otherwise required by law.

9.3 The notice, with the information provided by the law and prescribed rules

each time applicable, is published on the Company's website and with the other procedures provided by the law and prescribed rules each time applicable.

#### **Article 10 – Attendance and Vote During the General Meeting**

10.1 Who has the right to vote can attend the General Meeting. The right to participate at the General Meeting and the exercise of the right to vote is established by a notice to the Company, made by the intermediary in favour of the person who has the right to vote, based on the evidence related to the end of the accounting day at the seventh market day preceding the date fixed for the General Meeting first call (or other period required by the law applicable from time to time). The Company has to receive the intermediary notice, as in the art.10, by the end of the third open market day preceding the date fixed for the General Meeting on first call, or within the different term provided by the law and prescribed rules each time applicable.

The right to action and to vote is without prejudice when the communications mentioned above have been made to the Company after the terms listed above, but provided by the beginning of the general meeting of the single call.

10.2 Who has rights to attend at the General Meeting can take action by representative in accordance with the law. The shareholders are entitled to notify to the Company with the proxy of attendance in the General Meeting by its delivery to the email address indicated in the notice of the

meeting call.

10.3 The General Meeting proceeding is regulated, as well as by the law and the bylaws, by the General Meeting rule that should be approved by the ordinary General Meeting.

#### **Article 11 – General Meeting Deliberations**

11.1 The General Meeting is regularly formed and decide with the majority provided by the law.

11.2 The vote can be expressed also by mail, with terms provided by the law.

#### **Article 12 – Chairmanship of the General Meeting and the Entering the Minutes**

12.1 The general meeting is chaired by the Chairman of the Board of Directors and, failing, by a person elected by those present at the meeting.

12.2 The Chairman of the General Meeting, also with the help of proper delegates, verifies the fairness of the General Meeting setting up, the identity and legitimacy of the participants, as well regulates the course of work, establishing the procedures for debate and voting (not with secret ballot-papers) and verifies the voting results.

12.3 The Chairman is assisted by a secretary, even a non-shareholder, appointed by the General Meeting.

12.4 When requested by the law or when the Chairman deems it advisable, the secretary.

12.4 When requested by the law or when the Chairman deems it

advisable, the secretary functions shall be performed by a notary public.

12.5 The resolutions of the General Meeting shall be recorded in minutes drawn up and signed in accordance with the law.

#### **Item IV**

### **ADMINISTRATION**

#### **Article 13 - Composition of the Administrative Body**

13.1 The Company is managed by a Board of Directors consisting of 5 (five) to 21 (twenty) members, elected by the ordinary General Meeting.

13.2 The members of the Board of Directors, which may include non-shareholders, hold office for a period not exceeding three corporate years and until the adoption of the financial statements related to their last charge practice and are re-eligible.

13.3 Before proceeding with the Prior to the appointment of the Board of Directors, the General Meeting determines the number of its members and their duration in office.

13.4 At least one member of the Board of Directors is endorsed by the minority list that obtained the highest number of votes and is not connected in any way, neither indirectly, to the shareholders who submitted or voted the list that obtained the highest number of votes.

13.5 Unless otherwise resolved by the Meeting, the administrators prohibit the competition as sanctioned by the art. 2390 of the Italian Civil Code.

#### **Article 14 - Procedure for the Appointment to the Board of Directors**



14.1 The appointment of members of the Board of Directors is based on lists presented by the shareholders according to the following sub-sections and must be in accordance with the prevailing legislation regarding the gender balance, containing not less than 5 (five) and not more than 21 (twenty) candidates, listed in numerical order.

14.2 Will be entitled to submit the lists only those shareholders who, alone or together with other shareholders, hold at the time of the submission of the list, a shareholding at least equal to that determined by the National Commission for Listed Companies and the Stock Exchange (CONSOB) according to art. 147-ter, section 1, of Italian Legislative Decree 58/1998 and in accordance with what provided by the CONSOB regulation 11971/1999 and following amendments and integrations (the "Issuers Regulation"). The Board of Directors will disclose in the notice of the General Meeting call to approve the appointment of the directors, the participation threshold that justifies the submission of the lists of candidates. The ownership of the minimum shareholding for the submission of 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.

14.3 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 according to art. 122 of Italian Legislative Decree. No. 58/1998.

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

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, together with:

- i) the acceptance of the nomination by individual candidates;
- ii) the statements with which the same certify, under their own responsibility, there are no reasons for ineligibility or incompatibility, as well the existence of the requirements prescribed by laws and regulations, including those concerning the integrity and, if appropriate, the independence;
- iii) 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 and any eventual eligibility to qualify themselves as independent, in the same way as according to law and the rules proper of the Company.

The certificate proving the ownership, upon deposit of the list at the Company, of the minimum shareholding needed for the submission of the lists shall be submitted together with the lists deposit, or on the different term provided by the laws and regularly applicable.

14.4 Each list must contain the application of the minimum number of subjects with the independence requirements established by the laws and

regulations applicable to the independent directors.

The independent director who, after appointment, loses the independence requirements, shall immediately notify the Board of Directors.

The loss of the independence requirements results in removal from office, unless such requirements are still held by a minimum number of directors as established by the legislation from time to time in force.

The lists that have a number of candidates equal to or greater than three shall be made from candidates belonging to both genders, so that at least one-third (rounded upwards) of the candidates belongs to the less represented gender.

The list that has not complied with the above regulations is considered as not submitted.

14.5 Any person entitled to vote will vote for one list only.

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

14.7 The election of the Board of Directors shall proceed in accordance with the prevailing legislation regarding the gender balance, as specified below,:

a) from the list that obtains the majority of the votes expressed by those entitled (the "Majority List") will be taken, following the order in which they appear in the list, all the directors to be elected but one;

b) the remaining director will be derived by the list that obtained the second highest number of votes and that is not connected in any way, directly or indirectly, with the shareholders who submitted or voted the Majority List

(the "Minority List").

If votes being equal between two or more lists, the votes obtained by the lists are after divided by one, two, three and so on, depending on the number of the directors to be nominated. The resulting ratios are progressively assigned to the potential candidates listed in each of these lists in the order respectively provided. The ratios thus attributed to the potential candidates from the various lists are arranged in one decreasing list. The potential candidates obtaining the highest ratios will be selected. Referring to the potential candidates who have obtained the same ratio, the potential candidate on the list that has not yet elected any director or that has elected the lowest number of directors will be selected. If none of these lists has yet elected a director, or all the lists have elected the same number of directors, as part of these lists the candidate who obtained the highest number of votes will be elected.

If list votes and ratios being equal, a new vote by the General Meeting will take place, and the candidate who obtains a simple majority of votes will be elected.

If only one list is submitted, all the directors shall be chosen, in numerical order, only from the submitted list, provided that it obtains a majority of the votes: if no list has been submitted, the General Meeting shall resolve by simple majority of votes, without following the procedure described above; in any case, it must comply with the prevailing legislation concerning the balance between genders. If with the candidates elected following the terms

and conditions described above is not ensured the appointment of as many independent directors than the existing legislation requires:

a) in the presence of a Majority List the candidates who are not independent (equal to the number of the missing independent directors) elected as the last of the progressive order of the Majority List will be replaced by the independent directors not elected on the same list in the progressive order;

b) in the absence of a Majority List the candidates who are not independent (equal to the number of the missing independent directors) elected as the last on the lists from which no independent director has been obtained will be replaced by the not elected independent directors of the same lists in the progressive order.

Furthermore, if with the candidates elected through the above described procedures it is not ensured the composition of the Board of Directors accordingly with the prevailing legislation concerning the balance between genders, the candidate of the most represented gender elected last in progressive order in the Majority List will be replaced by the first candidate of the less represented gender not elected in the Majority List in numerical order.

This substitution procedure will be applied until it is assured the composition of the Board of Directors, in accordance with the prevailing legislation concerning the balance between genders.

If this procedure does not determine the required effect, the substitution will be applied through a resolution passed by a simple majority, after a candidate belonging to the less represented gender has applied.

14.8 If the office of one or more directors expires, for any reason, their eventual replacement is carried out in accordance with the art. 2386 of the Italian Civil Code.

The Board of Directors and subsequently the General Meeting shall proceed to the appointment to ensure (i) the participation of independent directors in the minimum number required by the legislation currently in force, and (ii) the compliance with the regulations at the time being in force, concerning the balance between genders.

14.9 If the majority of the directors elected by the General Meeting fails, for resignation or other causes, the entire Board of Directors will retire and the art. 2386, sub-section 4, of the Italian Civil Code will be applied.

#### **Article 15 - Powers of the Administrative Body**

15.1 The Board of Directors is vested with all the powers for the ordinary and extraordinary Company's management and for this scope may approve or take any action it deems necessary or useful for the carrying out of the corporate purpose, except what is exclusive by law and the General Meeting bylaws.

15.2 The Board of Directors is also empowered to adopt, in accordance with the art. 2436 of the Italian Civil Code, decisions regarding:

- the merger or spin-off under the arts. 2505, 2505-a, 2506-b, last sub-section of the Italian Civil Code;
- the opening and closing of branches;
- the indication of which directors become the agents of the Company;
- the capital reduction if a shareholder withdraws;
- the adjustments of the Bylaws to regulatory provisions;
- the transfer of the registered office in the local area.

15.3 The allocation to the administrative body of authorities which by law belong to the General Meeting, referred to in this article, does not detract from the core authority the General Meeting, which retains the power to decide on the subject.

15.4 In case of urgency the transactions with related parties (carried out also through subsidiaries) that the General Meeting is not responsible for or do not have to authorize, may be approved by the competent body, notwithstanding the usual provisions of the procedure for transactions with related parties adopted by the Company, provided in compliance with the conditions provided for that purpose by the same procedure.

#### **Article 16 – Call and Meetings of the Board of Directors**

16.1 The Board of Directors is called by the Chairman whenever he deems necessary, or when a written request is made by at least two of its members at the corporate office or elsewhere, in Italy or abroad.

The Board of Directors may also be convened by the Board of Auditors, or by

each regular auditor.

16.2 The call is made by the Chairman or, in his absence or impediment, by the Deputy Chairman (if appointed), by written notice sent to each councillor and mayor, also by telegram, fax, email or other electronic instruments with confirmation of receipt at least five days before the meeting and, in cases of urgency, at least 24 hours before the meeting.

16.3 The call notice must contain at least the day, place and time when the meeting will take place and the agenda.

16.4 The Board of Directors is validly constituted if, even in the absence of a formal call, all the directors in office and all the regular auditors are present.

16.5 It is admitted the possibility that the meetings of the Board of Directors may be held by teleconference or videoconference, provided that: (a) the chairman and the secretary of the meeting, if appointed, are present in the same place and will arrange to sign the minute, since the meeting deemed to be held at that place; (b) the chairman is allowed to verify the identity of those present at the meeting, to moderate the course of the meeting, to establish and declare the results of the voting; (c) who is taking the minute can adequately follow the meeting events that need to be recorded; (d) those present at the meeting are allowed to take part in the discussion and vote simultaneously on the agenda, as well as to view, receive or send documents.

16.6 The meetings are chaired by the Chairman of the Board of Directors or, in case of his absence or impediment, by other person designated by the



majority of the attending directors and are validly formed but at least the majority of the councillors in office intervene; the resolutions are passed with the favourable vote from the majority of those present at the meeting.

16.7 The Board of Directors - also from time to time - appoints the secretary of the Board, who can be also chosen outside of its components.

16.8 The Board deliberations must be recorded in minutes signed by the Chairman or the Secretary.

#### **Article 17 - Chairman, Deputy Chairman and Delegation of Powers**

17.1 The Board of Directors, when not provided by the General Meeting, appoint the Chairman from among its members. The Board of Directors may also appoint from among its members a Deputy Chairman and determine his powers.

17.2 The Board of Directors may delegate, within the limits of the law and bylaws, its own functions to one or more of its members, including the Chairman and the Deputy Chairman, and determine their powers.

17.3 The delegate bodies report to the Board of Directors and the Board of Auditors at least once every three months, on the overall management trend and on its predictable development as well its most important transactions, for their size and characteristics, carried out by the Company and its subsidiaries .

17.4 The Board of Directors, within the limits provided by law, may delegate its assignments, in whole or in part, to an executive committee composed of

some of its members, determining the limits of the delegation and of the attribute powers. The executive committee, if appointed, shall consist of a minimum of 3 (three) to a maximum of 5 (five) members. The members of the executive committee may at any time be revoked or replaced by the Board of Directors. The Chairman, the Deputy Chairman and the managing directors, if appointed, are members of the executive committee. The executive committee - also from time to time - appoint the secretary of the executive committee, who can be also chosen outside of its components. The call, the constitution and functioning of the executive committee are ruled by the norms provided for the Board of Directors.

17.5 The Board of Directors may also appoint directors, attorney general as well for specific acts or acts categories. In addition, the Board of Directors may also appoint one or more committees with consultative, proposal or control function, determining the assignments and faculties in accordance with applicable laws and regulations.

#### **Article 18 - Social Representation**

18.1 The Chairman of the Board of Directors and, within the powers conferred, the eventual Deputy Chairman and the Managing Directors are entitled, with free signature, the power of attorney of the Company in front of third parties and in court, with the power to take action and judicial and administrative instances for any level of authority and to appoint purpose lawyers and action attorneys.

18.2 The representative of the Company for single acts or acts categories may also be given to employees of the Company and to third parties by the entitled to the exercise of legal representation.

### **Article 19 - Compensations**

19.1 The directors are up to receive a compensation for the term of office, determined by the General Meeting at the time of assignment, and the refund of expenses incurred for official reasons.

19.2 The director's compensation vested with special positions is established by the Board of Directors, possibly with an unsteady portion, after the opinion of the Board of Auditors according to the art. 2389, sub-section 3, of the Civil Code.

## **Item V**

### **BOARD OF AUDITORS AND LEGAL AUDITING OF ACCOUNTS**

#### **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 presented: 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 picked out from the legal auditors recorded in the proper register and that meet the requirements by the applicable law.

21.2 Will be entitled to submit the lists 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 what provided by the Issuer Regulation. 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 formed by candidates belonging to both genres, so that they belong to the less represented gender in the list at least one-third (rounded upwards) of the candidates for the office of auditor and at least one third (rounded upwards) of the candidates for the office of auditor.

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-section2, letters *b*) and *c*) of the Italian Ministerial Decree No. 162 of March 30<sup>th</sup>, 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.

#### **Article 22 – Legal Auditing of the Accounts**

22.1 The Company's legal auditing of the accounts is assigned to a legal auditor or an audit Company certified as provided by the applicable law.

22.2 The legal auditing appointment is given by the General Meeting, on a reasoned proposal from the Board of Auditors, according to the laws and regulations from time to time in force.

#### **Article 23 - Officer in Charge of Drawing up the Company Accounting Records.**

23.1 The Board of Directors, subject to the mandatory opinion of the Board of Auditors, appoint a person responsible for the drawing up the Company accounting records in accordance with what provided by art. 154-*bis* of the Italian Legislative Decree No.58/1998. The Board of Auditors opinion is

not binding; however, the Board of Directors must justify its decision if it differs from the indications from the Board of Auditors. The Board of Directors has the power to revoke the officer placed in charge.

23.2 The officer in charge for drawing up the Company accounting records must have experienced at least three years in the fields of administration, finance and control and satisfied the integrity requirements established for the directors. The loss of these requirements involves the forfeiture of the office, which must be declared by the Board of Directors within thirty days from the acknowledgment of the defect.

23.3 The officer in charge for drawing up the Company accounting records exercises the powers and responsibilities attributed to him in accordance with the art. 154-*bis* of the Legislative Decree No.58/1998, as well by the related implementing regulations.

23.4 The salary for the officer in charge for drawing up the Company accounting records is determined by the Board of Directors.

## **Item VI**

### **BUDGET AND USEFUL**

#### **Article 24 - Corporate Year**

24.1 The corporate year begins on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of each year.

#### **Article 25 - Allocation of Profits**

25.1 The net profits resulting from the balance sheet, after the deduction of 5%

(five per cent) to be allocated to the legal reserve, until it reaches one fifth of the capital, will be distributed to the shareholders in proportion to their share capital, unless otherwise determined by the General Meeting.

25.2 The payment of dividends will be made within the terms established by the General Meeting and the amounts that have not been claimed within five years from the date they become payable will be forfeited to the Company.

25.3 The Board of Directors may approve, according to the law limits and conditions, the distribution of interim dividends.

#### **Item VII**

### **DISSOLUTION AND LIQUIDATION**

#### **Article 26 – Winding Up and Liquidation**

26.1 In the event of the winding up of the Company, the General Meeting shall determine the mode of liquidation and will appoint one or more official receivers, determining their powers, their salary, offices and contacts, both in Italy and abroad.

#### **Item VIII**

### **RULES OF VENUE**

#### **Article 27 – Venue According to the Law**

27.1 For what not expressly regulated in this Bylaws the provisions of the law in force will be applied.

Signed Brunello Cucinelli

Signed Adriano Crispolti notary public