



REPORT OF THE BOARD OF DIRECTORS

ON THE SIXTH ITEM OF THE AGENDA OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF ITALIAN DESIGN BRANDS S.P.A. CONVENED FOR 22 APRIL 2024 IN A SINGLE CALL

6. PROPOSAL FOR THE ESTABLISHMENT OF AN INCENTIVE PLAN BASED ON FINANCIAL INSTRUMENTS PURSUANT TO ART. 114-BIS OF D. LGS. NO. 58/1998 NAMED "PERFORMANCE SHARES ITALIAN DESIGN BRANDS 2024 / 2029 PLAN". RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

You have been convened to discuss and resolve on the proposal of the Board of Directors of Italian Design Brands S.p.A. (**IDB** or the "**Company**") for the approval ex art. 114-bis del D.lgs. 24 February 1998 n. 58 and amendments and supplements thereto (TUF) of the financial instrument-based incentive plan called "Performance Shares Italian Design Brands 2024/2029 Plan" (**Share Plan**) reserved for executive directors and key employees of the Company.

The conditions, terms and methods of implementation of the Share Plan are illustrated in the Information Document prepared pursuant to Article 114-bis of the TUF and Article 84-bis of the regulations adopted by Consob resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented (**Issuers' Regulations**), as well as in accordance with the instructions contained in Schedule 7 of Annex 3A to the Issuers' Regulations itself (**Information Document**). The Information Document, together with this explanatory report, is made available to the public, in accordance with Article 84-bis of the Issuers' Regulations, at IDB's registered office, on the Company's website (www.italiandesignbrands.com) at the section "[Investors/Governance/Shareholders'-Meetings](#)", as well as at the 1Info Storage system (www.1info.it).

1. The recipient subjects

The Share Plan is reserved for the Chairman of the Board of Directors and CEO Andrea Sasso and Executive Director Giorgio Gobbi and employees of the Company who perform relevant roles or functions and for whom an action is justified to strengthen their loyalty with a view to value creation (**Beneficiaries**).

2. Reasons for adopting the Incentive Share Plan

The Share Plan is developed over a medium- to long-term time horizon and is aimed at creating a close correlation between the interests of the Beneficiaries and those of the company's shareholders and stakeholders over the same time horizon by having the Beneficiaries act to improve the Company's performance. Therefore, the Board of Directors submits the Share Plan to the shareholders for approval as a form of incentive aimed at: (i) aligning the interests of the Beneficiaries with those of the Company's shareholders and stakeholders; (ii) relating the remuneration of the Beneficiaries, in view of their role and duties in the Company to the effective performance of the Company as well as to the creation of new value and the achievement of specific pre-set medium-long term goals; (iii) strengthening the Company's retention policy with respect to its key management figures by incentivizing the permanence of the Beneficiaries within

the Company; (iv) to increase the Company's level of attraction to talented managerial and professional figures; (v) to accentuate, within the remuneration policy adopted by the Company with respect to its key managers, the weight of the variable remuneration component; and (vi) to incentivize the Beneficiaries, through the linking of the Share Plan to the achievement also of ESG objectives, to the pursuit of environmental and social sustainability.

3. The terms, stipulations and conditions of implementation of the Incentive Share Plan.

The Beneficiaries will be granted, on a personal basis, a specified number of Units, consisting of the conditional, gratuitous and non-transferable inter vivos right, not subject to encumbrances or other acts of disposition for any reason, to the free allotment of ordinary shares of the Company (**Shares**).

Under the terms and conditions outlined in the Information Document, the Units awarded will vest, resulting in the Grantee's right to receive Shares, provided that at the end of the vesting period (as defined in the Information Document) at least the minimum performance targets as outlined in the Information Document have been achieved. In the sole case of the Chairman of the Board of Directors and CEO and the Executive Director, the granting of Shares is also subject to the Trigger Event (as defined in the Information Document) having occurred. It is also stipulated that the Beneficiary loses the right to convert the Units into Shares in the event of termination of his or her directorship or employment with the Company (except in the specific cases set forth in the Information Document). The Units are allocated to each Beneficiary to a different extent depending on the role he or she holds in the Company and the related responsibilities, as further detailed in the Information Document.

In the service of the Share Plan, the Board of Directors may employ: (i) Shares already in the Company's portfolio; (ii) Shares that will be subject to purchase by the Company pursuant to the authorization from time to time granted by the Shareholders' Meeting pursuant to Article 2357 of the Italian Civil Code; and (iii) newly issued Shares from a capital increase with the exclusion of pre-emptive rights including those referred to in Article 2349 of the Italian Civil Code, to be resolved, if necessary, during the term of the Share Plan by the Board of Directors, subject to the granting to the same of appropriate authority by the Shareholders' Meeting. The Share Plan provides that the Beneficiaries, as of the date on which the Company has communicated the achievement of the performance targets (and in the case of the Chairman of the Board of Directors and CEO and the Executive Director, the fulfillment of the Trigger Event) and the number of Units vested, may apply for: (a) until December 31, 2029, the allotment up to a maximum number of Shares equal to 50% (fifty percent) of the total number of Shares that can be allotted to each Beneficiary; (b) from January 1, 2030 to December 31, 2030, the allotment up to the total number of allottable Shares for which each Beneficiary has not requested the allotment during the 2029 fiscal year pursuant to (a) above.

The Share Plan requires Beneficiaries to hold a number of Shares at least equal to 40% (forty percent) of the Shares delivered from time to time (**Lock Up**) for a period of 2 (two) years from the date the Shares are delivered to them. Any Shares that a Beneficiary already held on the date of delivery shall be counted for the purpose of verifying the Beneficiary's compliance with the obligations of the Lock Up.

The Share Plan also provides for the possibility for the Company, at the sole discretion of the Board of Directors also for accounting purposes only and as an alternative to the transfer of the Shares, to proceed with the transfer of the Shares on the market, allowing the Beneficiaries to receive an amount corresponding to the transfer price of the Shares, net of the relevant legal withholdings, and subject to the settlement terms provided by the market regulations, within the limits and under the conditions provided by the applicable regulations and the Internal Dealing Code from time to time applicable (**Cash Settlement**). In this case, the Beneficiaries, in accordance with the Lock Up terms and conditions outlined in the Information Document, shall reinvest 40% (forty percent) of the profits received in the form of the Cash Settlement by purchasing Shares in the market and such Shares shall be subject to the Lock Up. The percentage of re-investment of the profits received in the form of Cash Settlement to purchase Shares in the market may be reduced, according to the formula outlined in the Information Document, if the Beneficiary already holds Shares.

For a description of the terms, methods and conditions of implementation of the Share Plan, please refer to the Information Document made available to the public.

4. Proposed resolution

In view of the above, the Board of Directors submits the following proposed resolution for your approval.

«The Ordinary Shareholders' Meeting of Italian Design Brands S.p.A.,

- having examined the Report of the Board of Directors;
- having examined the illustrative report of the Board of Directors;
- having examined the Information Document prepared pursuant to Article 114-bis of Legislative Decree No. 58 of February 24, 1998, and Article 84-bis of the regulations adopted by Consob with resolution No. 11971 of May 14, 1999, as amended and supplemented;

resolves

1. to approve the financial instrument-based plan called "Performance Shares Italian Design Brands 2024/2029 Plan" reserved for the Chairman of the Board of Directors and CEO Andrea Sasso, executive director Giorgio Gobbi and the Company's employees identified in the plan;
2. to grant the Board of Directors all powers necessary or appropriate to execute the "Performance Shares Italian Design Brands 2024/2029 Plan", including, but not limited to, the power, to: (i) approve the regulations that will govern the plan; (ii) exercise all the duties and functions assigned to the Board of Directors by the regulations that will govern the plan as well as establish any other terms and conditions for the execution of the plan; (iii) amend and/or supplement the plan regulations, in accordance with the indications in this regard provided in the information document pursuant to Article 114-bis of Legislative Decree 58/1998 and Article 84-bis of the regulations adopted by Consob resolution no. 11971/1999; (iv) to perform any act necessary and/or appropriate to implement the plan, including the fulfillment of the related disclosure obligations to Consob and the market; (v) to use as shares to service the plan any shares already in the Company's portfolio and/or shares that will be subject to purchase by the Company pursuant to the authorization from time to time granted by the Shareholders' Meeting pursuant to Article 2357 of the Italian Civil Code and/or shares to be used in capital increase with exclusion of pre-emptive rights including those referred to in Article 2349 of the Italian Civil Code, to be resolved, if necessary, during the term of the plan by the Board of Directors, subject to the granting to the same of appropriate delegation by the Shareholders' Meeting;
3. to empower the Board of Directors with the broadest powers necessary or appropriate to execute this resolution and by providing for all the fulfillments required by current regulations."

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Milan, 11 March 2024

**for the Board of Directors of Italian Design Brands S.p.A.
The Chairman - Andrea Sasso**