



MONCLER S.p.A.

Registered office at Via Stendhal 47, Milan - fully-paid share capital Euro
54,736,558.00 Milan Companies Register, tax code and VAT no.
04642290961 - REA no. 1763158

**DIRECTORS' EXPLANATORY REPORT ON THE FIFTH ITEM ON
THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING
SCHEDULED ON 21 APRIL 2022 IN SINGLE CALL**

ITEM NO. 5 ON THE AGENDA – Incentive plan based on shares concerning the allocation of ordinary shares of Moncler S.p.A. named “2022 Performance Shares Plan”, reserved to Executive Directors, Managers with strategic responsibility, employees and/or collaborators and/or consultants of Moncler and its subsidiaries. Subsequent and related resolutions

Dear Shareholders,

The Board of Directors convened the ordinary shareholders’ meeting in order to submit to your approval, pursuant to Art. 114-bis of Italian Legislative Decree No. 58 of February 24, 1998, and subsequent amendments and integrations (the “**Consolidated Financial Act**”), an incentive and loyalty plan named “2022 Performance Shares Plan” (the “**Plan**”) addressed to Executive Directors, Managers with Strategic Responsibility, employees and collaborators of Moncler S.p.A. (“**Moncler**” or the “**Company**”) and its subsidiaries pursuant to Art. 93 of the Consolidated Financial Act (the “**Subsidiaries**”), to be executed through the gratuitous allocation of Moncler’s ordinary shares (the “**Shares**”), upon achievement of certain performance targets, and for the execution of which the Company will avail itself of its own shares.

The information document regarding the Plan, drafted in accordance with Art. 84-bis and Annex 3A of the Issuers’ Regulation, will be available within the terms set forth by the applicable laws on the Company’s website www.monclergroup.com, in the section “Governance/Shareholders’ Meeting” as well as on the storage mechanism www.emarketstorage.com together with this report.

1) Reasons behind the adoption of the Plan

In line with the best market practices adopted by listed companies at a national and international level, remuneration plans based on shares constitute an effective tool to incentive and build loyalty for individuals who hold key positions and employees in order to improve their performance as well as to contribute to increase the development and the success of the companies.

2) Object and implementation of the Plan

The object of the Plan is the granting of the so-called **Moncler Rights** which give the right, in case certain performance targets are achieved (the “**Performance Targets**”), to gratuitously receive one (1) Share per each Moncler Right granted. The number of Shares to be allotted pursuant to this Regulation will be defined on the basis of the level of achievement of the above-mentioned Performance Targets.

The Shares to be allotted have regular dividend rights and, therefore, the related rights may be exercised by the relevant beneficiary (the “**Beneficiary**”) starting from the acquisition of their ownership.

The Company will make available to the Beneficiary the Shares to which the same is entitled pursuant to the assessment of the Performance Targets in accordance with the terms and conditions set forth in the Regulation of the Plan.

The Company reserves the right, in lieu – in whole or in part – of allocating the Shares, to award to the Beneficiary an amount of money calculated on the arithmetic average of the official prices of the Shares on the market as published by Borsa Italiana S.p.A. in the months prior to the date of allocation of the Shares or, in the event that the Shares were not listed anymore, on the basis of the normal value pursuant to Art. 9 of Italian Presidential Decree No. 917 of December 22, 1986, as defined by an independent expert appointed by the Company (the “**Substitutive Amount**”).

For further details of the Plan, please refer to the information memorandum drafted in accordance with Art. 84-bis and Annex 3A of the Issuers’ Regulation.

3) Beneficiaries of the Plan

The Plan is intended for Executive Directors and/or Managers with Strategic Responsibilities, and/or employees and/or collaborators, including external consultants, of Moncler or of the Subsidiaries holding key positions in the pursuit of Moncler's strategic objectives, identified by the Board of Directors pursuant to the Regulation of the Plan and subject to the opinion of the Remuneration Committee.

The number of Moncler rights to be allocated to each Beneficiary will be defined assessing the strategic importance of each Beneficiary with respect to the creation of the value and taking into consideration the following features: (i) the organizational importance of the office; (ii) performance track; (iii) criticality of retention; (iv) organizational fit and trust; (v) talent and potential.

4) Methods and implementation clauses of the Plan, duration and conditions for the allocation of Shares

The Plan provides one or more Attribution Cycles, up to a maximum of three and each one composed of a 3-year vesting period for the assessment of the Performance Targets (the "Vesting Period") to which the allocation of the Shares is subject.

The Performance Targets of any Attribution Cycle are defined by the Board of Directors, subject to prior proposal of the Remuneration Committee and the Control, Risks and Sustainability Committee, each for the parts for which it is responsible before the granting of the Moncler Rights to the Beneficiaries. In particular, the Performance Targets are determined on the basis of the following indicators: (i) Net Income, (ii) Free Cash Flow and (iii) ESG (collectively, the "KPI" or "Indicators") and are expressed by the ratio of the KPIs achieved to the KPIs indicated as targets in the Vesting Period (the "KPI Target").

The ESG Indicator represents the KPI in the field of sustainability with respect to the following 3 objectives:

- (i) Climate Change: carbon neutrality of the Group's offices achieved through 100% energy from renewable sources, 90% of company fleet vehicles with low emissions and offsetting residual emissions that cannot be avoided;
- (ii) Circular economy: 25% of sustainable nylon used in 2024 collections;
- (iii) Diversity, Equity & Inclusion: obtaining Equal Pay certification for the Moncler Headquarter perimeter.

In addition, for the purposes of over-performance, an additional objective is set to reflect the achievement of a high rating of the Group's sustainability performance by one of the leading ESG rating companies including S&P Global, CDP, MSCI or Sustainalytics. This objective is linked to Moncler's inclusion in the Dow Jones Sustainability World or Europe index or, alternatively, to obtaining an A- or A rating from CDP Climate Change or an A or AA or AAA rating from MSCI Research rather than recognition by Sustainalytics of the Industry Top-Rated Badge or Regional Top Rated badge.

For each Attribution Cycle, the Board of Directors of Moncler:

1. shall have (a) previously approved the business plan for the three-year period in relation to which the (i) Net Income and (ii) Free Cash Flow Indicator of the reference Vesting Period shall be identified, and (b) previously defined the ESG Indicator for the three years of the reference Vesting Period;
2. shall assess the achievement of the Performance Targets, (a) with reference to the (i) Net Income and (ii) Free Cash Flow Indicator, after evaluation by the Remuneration Committee and following approval of the consolidated financial statements relating to the last financial year of the three-year period of reference of any Attribution Cycle, while (b) with reference to the ESG Indicator, after evaluation by the Control, Risks and Sustainability Committee and following approval of the consolidated non-financial statement relating to the last financial year of the three-year period of reference of any Attribution Cycle.

Furthermore, the achievement of the ESG Indicators shall be verified and confirmed by the issue, by an independent third party appointed by the Board of Directors on the proposal of the Control, Risks and Sustainability Committee, who shall act as external auditor (the "Advisor"), of an assurance letter at the end of each Attribution Cycle.

In case of failure to achieve the minimum Performance Targets during the Vesting Period, the Moncler Rights shall be considered as expired to all purposes.

Should the Group achieve, at the end of the Vesting Period, KPI lower or higher than the KPI Target, the number of Shares to be allocated to any Beneficiary will be reduced or increased proportionally to the Moncler Rights granted to such Beneficiary as indicated in the following table.

KPI	WEIGHT (%)		PERFORMANCE / PAYOUT (% OF ACHIEVEMENT / % OF SHARE GRANTING VS. MONCLER RIGHTS GRANTED)		
			MINIMUM (***)	KPI TARGET	MAXIMUM
NET INCOME (*)	70	Performance	-10%	Cumulated target from Plan	+5%
		Payout	80	100	120
FREE CASH FLOW (**)	15	Performance	-10%	Cumulated target from Plan	+5%
		Payout	80	100	120
ESG	15	Performance	Achievement of at least two ESG targets (<i>Carbon neutrality, sustainable nylon and Equal Pay certification</i>) in the reference period	Achievement of all the three ESG targets (<i>Carbon neutrality, sustainable nylon and Equal Pay certification</i>) in the reference period	Achievement of all the three ESG targets (<i>Carbon neutrality, sustainable nylon and Equal Pay certification</i>) in the reference period and achievement of a high sustainability performance valuation of the Group from one of the primary ESG rating agencies
		Payout	80	100	120

(*) Pre IFRS16

(**) Pre IFRS16 - excluding Change in Other Curr/Non-Curr Assets/(Liabilities)

(***) The minimum payout value is 0; 80% corresponds to the first payout threshold

Instead of and as a substitute for the allocation of the Shares, at the terms and conditions set forth by the Plan, on the Allocation Date the Company reserves the right to substitute, in whole or in part, the Shares with the payment of the Substitutive Amount.

In order to benefit the Plan, without prejudice to specific exceptions, the Regulation requires the existence of a directorship and/or employment relationship and/or self-employment/ collaboration/ consultancy relationship between the Beneficiary and the Company or a Subsidiary. (the "**Relationship**"). The termination of the Relationship affects the allocation of the Shares, and triggers the expiration of the Moncler Rights, in the cases set forth by the Plan.

The Plan also provides that, should an extraordinary event occur (change of control, launch of a tender offer for the purchase or exchange of the Moncler Shares, delisting of the Moncler Shares from Euronext Milan, the Beneficiaries of the Plan will have the right to request the early allocation of a number of Shares to be determined pro rata temporis, after verification of the achievement of the Performance Targets pursuant to the Regulation of the Plan.

5) Support of the plan by the special Fund for the incentive of the participation of employees to enterprises, as per Art. 4, paragraph 112 of Law No. 350 of December 24, 2003

The Plan will not receive any support from the special Fund for the incentive of the participation of employees to enterprises, as per Art. 4, paragraph 112 of Law No. 350 of 24 December 2003.

6) Limits to the transfer of the Moncler Rights and of the Shares granted

The Moncler Rights and all rights related thereto are strictly personal, not transferrable nor negotiable, and, therefore, not distrainable nor exchangeable against any debt or contract entered into by any of the Beneficiaries with Moncler or third parties. The Regulation implementing the Plan will set forth further details with respect to the lock-up obligation on the Shares, in consideration of the existence of claw-back clauses. In particular, the Beneficiaries that are Executive Directors or Managers with Strategic Responsibility, in accordance with the recommendations of the Self-Regulatory Code, shall not transfer, respectively:

- (i) a number of Shares equal to 30% of those allocated until the end of their office for the Chairman and CEO and for the Executive Directors, and
- (ii) a number of Shares equal to 30% of those allocated, for at least 24 months from the Allocation Date for the Managers with Strategic Responsibility,

net of the Shares assignable for the payment of taxes, and social security contributions, where due, connected with the allocation of the Shares.

The Beneficiaries who are Executive Directors or Managers with Strategic Responsibility to whom Substitutive Amounts have been allocated shall be required to reinvest the Substitutive Amounts in Shares of the Company to be held continuously on the terms and conditions set out in that article, commencing on the date of purchase of the Shares.

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Dear Shareholders,

In consideration of the above, we invite you to resolve upon the following:

"The Shareholders Meeting of Moncler S.p.A.

- *having examined the directors' report drafted by the Board of Directors in accordance with Art. 114-bis and 125-ter of Italian Legislative Decree No. 58 of February 24, 1998, and subsequent amendments and integrations;*

- *having examined the information memorandum drawn up in accordance with Art. 84-bis of the Regulation adopted by 6 CONSOB with Resolution No. 11971 of May 14, 1999, as subsequently amended, which is publicly available in accordance with the applicable regulations*

resolves

(i) *to approve, pursuant to and for the purposes of Art. 114-bis of Italian Legislative Decree No. 58 of February 24, 1998, the adoption of the incentive plan based on shares named "2022 Performance Share Plan" with the features (including conditions and implementation requirements) indicated in the Directors' report and in the information memorandum of the Plan;*

(ii) *to grant the Board of Directors, all necessary and specific powers, including the power to sub-delegate, to execute the "2022 Performance Shares Plan", namely including, but not limited to, all powers in order to prepare, adopt the regulation of the Plan and to modify it and/or integrate it, to identify the beneficiaries and to determine the amount of Moncler rights to be granted to each beneficiary, to provide for the allocation of the shares, as well as to carry out all acts, duties, formalities, notices necessary or appropriate in order to manage and/or execute the Plan, as well as in order to comply with legal and regulatory requirements ensuing from these resolutions".*

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Milan, 22 March 2022

For the Board of Directors

The Chairman, Remo Ruffini