



**MONCLER S.p.A.**

*Registered office at Via Stendhal 47, Milan - fully-paid share capital Euro  
51,164,024.80 Milan Companies Register, tax code and VAT no. 04642290961 - REA no.  
1763158*

**Directors' explanatory report on the third item on the agenda of the  
ordinary Shareholders' meeting called for April 16, 2019, in single call**

*Item no. 3 on the agenda – Appointment of the Board of Directors. 1) Determination of the number of members of the Board of Directors. 2) Determination of the duration of the appointment of the Board of Directors. 3) Appointment of the members of the Board of Directors. 4) Appointment of the Chairman and of the Vice Chairman. 5) Determination of the remuneration of the members of the Board of Directors.*

Dear Shareholders,

With the approval of the financial statements of Moncler S.p.A. (“**Moncler**” or the “**Company**”) as of December 31, 2018, the mandate of the Board of Directors appointed by the Shareholders’ Meeting with the resolution dated April 20, 2016 expires.

You are therefore required to appoint the new Board of Directors and, more specifically, to: (i) determine the number of members of the Board of Directors, (ii) determine the duration of the appointment, (iii) appoint the members of the Board of Directors, and (iv) the Chairman and the Vice Chairman of such body, as well as to (v) determine the annual remuneration of the members of the Board of Directors.

Taking into account the recommendations of the Corporate Governance Code and the assessments made following to the annual self-assessment process, the Board of Directors (i) on December 18, 2018, following the assessment of the Nomination and Remuneration Committee held on October 4, 2018 together with the Board of Statutory Auditors, adopted the “*Diversity Policy of the Board of Directors and the Board of Statutory Auditors*”, in accordance with the provisions of art. 123-*bis*, paragraph 2, letter d-*bis*) of Legislative Decree no. 58 of February 24, 1998 and (ii) on February 28, 2019, following the assessment of the Nomination and Remuneration Committee of January 22, 2019, approved the guidance opinion on the qualitative and quantitative composition that the Board of Directors of the Company should have.

The Diversity Policy and the guidelines of the outgoing Board of Directors, published under section “*Governance/Shareholders’ Meeting*” of the Company’ website [www.monclergroup.com](http://www.monclergroup.com), reflect the view concerning the size and composition of the administrative body, which the Shareholders of the Company are invited to consider in view of the renewal of such body.

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Pursuant to art. 13 of the Company’ by-laws (the “**By-laws**”), the Shareholders’ Meeting shall appoint a Board of Directors composed by 11 or 13 members and shall determine the number of its members, within the above limits, prior to their appointment. The Directors shall be appointed for a period of three financial years or for the period, in any case not exceeding three financial years, established at the time of appointment and will be re-eligible.

It is hereby reminded that, pursuant to applicable law and regulations, as well as pursuant to art. 13 of the By-laws, the appointment of the Board of Directors by the Shareholders’ Meeting shall take place with the presentation of slates of candidates, in compliance with the rules in effect from time to time with regard to gender balance. The candidates, to be no more than 13 in number and who shall fulfill the requirements

provided for by the legal and regulatory provisions in effect from time to time, are to be listed with an assigned sequence number.

At least three directors possessing the requirements of independence established by law or regulatory provisions must be appointed to the Board. Each slate must indicate which candidates possess the requirements of independence established by the legal and regulatory rules in force from time to time. The independent candidates of each slate must be indicated with the numbers 2/4/8/ of the slate with the non-independent candidates. Slates containing three or more candidates must include candidates belonging to both genders so that at least one third (rounded up) of the candidates belongs to the less represented gender.

Each Shareholder may submit, or participate to the submission of, only one slate and each candidate may be presented only in one slate, otherwise the candidate will be considered ineligible. Only Shareholders holding, individually or jointly with other Shareholders, at least 1.0% of the Company's share capital are entitled to submit slates, as established by the Consob resolution no. 13 issued on January 24, 2019.

The slates of candidates must be filed by the Shareholder or by the Shareholders at the registered office of the Company at least 25 calendar days prior to the date on which the Shareholders' Meeting is convened (*i.e.*, within Friday **March 22, 2019**), by means of: delivery by hand at the legal office at the Corporate Affairs Secretary, in Via Stendhal, no. 47, 20144 – Milan (Italy), during the ordinary business hours, or (ii) by certified electronic mail to the address [moncler@legalmail.it](mailto:moncler@legalmail.it).

It is hereby reminded that the ownership of the minimum capital share necessary in order to present slates, in the percentage referred to above, is ascertained on the basis of the shares registered in the Shareholder's name at the date on which the slates are filed with Company. The relative evidence of ownership may be provided also after the filing of the slates, but in any case within the term provided by the Company for the publishing of the slates (*i.e.*, within Tuesday **March 26, 2019**), by means of a communication issued by an intermediary authorized pursuant to the regulations in force.

Together with each slate, within the terms provided by the laws and regulations in force from time to time, the following must be submitted: i) statements by which the individual candidates accept their candidacies and declare, under their own responsibility, that no cause of ineligibility or incompatibility exists and that they possess the requirements provided by the laws and regulations in force for the respective positions; ii) résumés relating to each candidate's personal and professional qualities, indicating the candidate's potential suitability to qualify as independent, according to the definitions provided by the legal and regulatory provisions in force and the Code of Conduct for listed companies; iii) information regarding the identity of the Shareholders presenting the slates, with the indication of the aggregate share capital owned, certified by adequate documentation provided by an intermediary authorized pursuant to applicable law. The slates that do not meet the above requirements shall not be considered. The appointed directors must inform the Board of Directors without delay of any loss of the independence requirements, as well as of supervening instances of ineligibility or incompatibility.

It is hereby reminded that those submitting a “minority slate” should follow the recommendations provided by Consob with the Communication no. DEM/9017893 issued on February 26, 2009.

The slates will be made available to the public by the Company at least 21 days prior to the date on which the Shareholders’ Meeting is convened (*i.e.* within Tuesday March 26, 2019), with the methods provided by the laws in force.

Each person entitled to vote may vote for only one slate. When the voting ends, the candidates from the two slates which received the greatest number of votes shall be elected on the basis of the following criteria:

- (a) directors equal in number to the total number of members to be elected, less 1 (one), shall be drawn from the slate which received a majority of the votes cast, in the sequential order in which they are listed on that slate;
- (b) the remaining director will be taken from the second slate that obtained the highest number of votes at the Shareholders’ Meeting (“minority slate”) that is not linked in any way, even indirectly, to those who submitted or voted for the slate which came first in number of votes.

In the event of a tie vote for slates, a new vote shall be taken by the entire Shareholders’ Meeting and the candidates who obtain the simple majority of the votes shall be elected. If, when the voting ends, a sufficient number of directors possessing the requirements of independence provided under the legal and regulatory framework in force has not been elected, the candidate not possessing such requirements, elected last in sequential order from the slate which received the greatest number of votes, shall be excluded and replaced by the subsequent candidate possessing the independence requirements drawn from the same slate of the excluded candidate. Such procedure, if necessary, shall be repeated until the number of independent directors to be elected is reached. If the candidates elected pursuant to the procedures indicated above do not ensure a composition of the Board of Directors that conforms with the gender balance regulations in force from time to time, the candidate of the better represented gender elected last in sequential order from the slate which received the greatest number of votes shall be replaced by the first candidate of the less well represented gender not elected in sequential order.

This replacement procedure will take place until the composition of the Board of Directors is ensured in compliance with the regulations currently in force regarding gender balance. Finally, if this procedure does not ensure the above result, the replacement will be carried out through the resolution of the Shareholders’ Meeting to be passed by a relative majority, following the presentation of candidates belonging to the less represented gender.

If only one slate is submitted, the directors will be taken from the submitted slate, provided that it has been approved by a simple majority of votes and, if the number of directors so elected does not correspond to that of the members of the board determined by the shareholders’ meeting, or if no slate is submitted or if the slate submitted does not allow the appointment of independent directors in compliance with the laws and

regulations in force, the shareholders' meeting will resolve in accordance with the majorities required by law; all this, without prejudice to compliance with the regulations currently in force concerning the gender balance.

Should one or more directors leave office during the financial year, the procedure provided for in art. 2386 of the Italian Civil Code shall apply. If one or more of the directors who ceased to hold office were taken from a slate that also included non-elected candidates, the replacement shall be made by appointing, in progressive order, persons taken from the slate to which the director who ceased to hold office belonged and who are still eligible and willing to accept the office or, in the absence of such candidates on the slate or in the case of their unavailability, by appointing another candidate indicated by the directors taken from the slate to which the director who ceased to hold office belonged. In any case, the replacement of the directors who have ceased to hold office shall ensure the presence of the necessary number of directors meeting the independence requirements provided by law and compliance with the regulations currently in force concerning gender balance.

In addition, pursuant to the By-laws, the Shareholders' Meeting shall elect a Chairman and a Vice Chairman, who shall replace the Chairman in the event of absence or impediment, from among the directors drawn from the slate that obtained the highest number of votes.

Finally, the By-laws provide that the members of the Board of Directors are entitled to a remuneration to be determined by the Shareholders' Meeting, which may establish the remuneration as a total amount for all the Directors, including those holding particular offices. In any event, the Directors shall be entitled to the reimbursement of expenses incurred in the performance of their duties.

The Shareholders Meeting of April 20, 2016 resolved to attribute to the Board of Directors an annual total gross compensation of Euro 530,000.00 of which Euro 20,000.00 per year for all Directors other than the Independent Directors; an equal fixed gross compensation for all Independent Directors of Euro 40,000.00 per year; an additional fixed gross compensation of Euro 15,000.00 per year for each Non-executive Director and Independent member of the internal Committees of the Board for participation in each Committee. The compensation was not inclusive of the emolument for special roles.

The outgoing Board of Directors refrains from making specific proposals on the subject and invites the Shareholders' Meeting to determine the remuneration payable to the members of the Board of Directors on the basis of the proposals presented by the Shareholders.

The Board of Directors recommends that the Shareholders present such proposals in advance of the date of the Shareholders' Meeting, in line with the recommendations of the Corporate Governance Code for listed companies.

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Dear Sirs, in consideration of the above, we invite you to resolve upon the following:

- a) the number of members of the Board of Directors,
- b) the term of office of the Board of Directors,

- c) the appointment of the members of the Board of Directors,
- d) the appointment of the Chairman and the Vice Chairman, and
- e) the remuneration of the members of the Board of Directors.

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Milan, February 28, 2019

On behalf of the Board of Directors

The Chairman

Remo Ruffini