



MONCLER



THE BOARD OF DIRECTORS' AND THE BOARD OF STATUTORY AUDITORS' DIVERSITY POLICY





**Moncler S.p.A.**

*Registered office at Via Stendhal No. 47, 20144 Milan (MI) - fully paid in share capital of EUR  
51.164.024,80*

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**The Board of Directors' and the Board of Statutory Auditors' diversity policy**

Approved by the Board of Directors on 18 December 2018

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## INTRODUCTION

### *The relevant framework*

Legislative Decree No. 254 of 30 December 2016 (the “**Decree**”) transposed Directive 2014/95/EU of the European Parliament and of the Council on “*disclosure of non-financial and diversity information by certain large undertakings and groups*” into Italian law.

First, under the Decree, listed companies, banks and large insurance companies are required to draw up and publish a statement, consolidated or individual, containing information on different themes (including but not limited to, environmental, social or regarding the fight against corruption). Second, the Decree imposed on listed companies specific obligations for financial disclosure *i.e.*, transparency concerning diversity policies.

In this regard, art. 10 of the Decree was implemented through the introduction of art. 123-*bis*, paragraph 2, letter d-*bis*) of Legislative Decree No. 58 of 24 February 1998 (the “**Italian Consolidated Law on Finance**”) that significantly impacted the companies’ corporate governance model by requiring financial disclosure obligations towards the public with reference to company policies on diversity, without prejudice to the application of the “comply or explain” principle.

Under the above provision, the annual Report on corporate governance and the ownership structures referred to in art. 123-*bis* of the Italian Consolidated Law on Finance shall include “*a description of the diversity policy applied to the composition of the administrative, management and supervisory bodies in relation to matters such as age, gender composition and educational and professional backgrounds, in addition to a description of the objectives, methods of implementation and results of these policies. In the event where no policy is applied, the company shall clearly and in a logical manner account for the reasons for this choice*”.

In July 2018, the corporate governance code for listed companies promoted by the Corporate Governance Committee of Borsa Italiana S.p.A. (the “**Corporate Governance Code**”) was updated and supplemented to introduce recommendations on diversity, and also gender, as to how management and control bodies are composed (principles 2.P.4 and 8.P.2 and related criteria for application of the Corporate Governance Code) with the aim of preserving the effects of Law No. 120/2011 (the “**Law 120**”) on the composition of the corporate bodies of

listed companies <sup>(1)</sup>, inviting the companies to apply the new recommendations starting from the first renewal of company offices after the discontinuance of Law 120's effectiveness.

### *Analysis and evaluation process with a view to adopting the Policy*

Moncler S.p.A. (the “**Company**” or “**Moncler**”) carried out an analysis and evaluation of the current composition of its corporate bodies focusing:

- (i) on their compliance with legislative and regulatory requirements, with the requirements of the by-laws of Moncler (the “**By-Laws**”), as well as with the recommendations of the Corporate Governance Code to which the Company subscribes; and
- (ii) on the diversity profiles considered significant and beneficial for the purposes of the abovementioned bodies' composition, in compliance with the cornerstones on which the system of corporate governance is based and with the established values in Moncler's Code of Ethics.

drafting, at the outcome of the abovementioned process, a proposal for a policy on diversity for the composition of the administrative, management and supervisory bodies of the Company (the “**Policy**” or “**Diversity Policy**”). The Policy was previously submitted to the review of the Nomination and Remuneration Committee, together with the Board of Statutory Auditors, at its meeting on 4 October 2018 and was subsequently approved by the Board of Directors at its meeting on 18 December 2018, in implementation of art. 123-*bis*, paragraph 2, letter d-*bis* of the Italian Consolidated Law on Finance and in acceptance of the new recommendations of the Corporate Governance Code on diversity.

## **1. OBJECTIVES OF THE DIVERSITY POLICY**

This Diversity Policy pursues the Company's objective, which is in line with the stakeholders' expectations and in compliance with the cornerstones on which the corporate governance system and the values of Moncler's Code of Ethics are based, of creating the necessary

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<sup>1</sup> Law 120 introduced the obligation for listed companies to reserve at least one third of the positions of Directors and members of the Board of Statutory Auditors for the less represented gender for three consecutive mandates, from the first renewal of the bodies after one year from the date of the above law's entry into force, reserving a quota of at least one-fifth of the Directors and Statutory Auditors elected to the less represented gender for the first mandate in which the law is applied.

conditions for its management and supervisory bodies to exercise their duties in the most effective and lawful manner, through decision-making processes that express a majority of qualified and diverse contributions.

More specifically, the Company intends to pursue this objective, through 3 basic principles:

**Objective 1.1 – Protection of gender equality**

To ensure continued compliance with the legal obligations on governance and gender equality as well as to adapt to Italian best practices, even after the expected termination of the legal obligation concerning gender quotas and therefore in compliance with the new recommendations of the Corporate Governance Code relating to gender diversity.

**Objective 1.2 – Upholding the independence of Directors**

To ensure an adequate number of Independent Directors in accordance with the law and with the Corporate Governance Code for the purpose, among other things, of allowing the Board of Directors to be able to identify the members of its internal Committees (which must be composed mostly of Independent Directors) from a large number of Directors, and therefore to choose those Directors considered most suitable in accordance with their respective abilities, thereby ensuring an appropriate composition for the Committees within the Board of Directors.

**Objective 1.3 – Research on the diversity of managerial and professional skills**

To ensure that the management and supervisory bodies are able to exercise, as effectively as possible, in a synergistic and collaborative climate, their tasks and make decisions on the business activities of the Company and the Group, by relying on the contribution of a majority of qualified and diverse points of view, thanks to the presence of fundamental professional and managerial skills and from diversified backgrounds inside it, able to examine and evaluate each issue from different perspectives due to origin, age, gender, educational, professional, cultural and personal backgrounds, in a discursing, critical, open and constructive environment.

**2. SIGNIFICANT DIVERSITY PROFILES**

Below are listed the ideal characteristics for the composition of these bodies in consideration of the objectives of the Policy itself.

## **2.1 Board of Directors**

Under art. 13 of the By-Laws, the Board of Directors is composed of 11 or of 13 members who may be re-elected, appointed by the general shareholders' meeting for a period of three financial years, or for a period, not to exceed three years, established at the time of their appointment.

The Company, in line with the provisions of principle 2.P.4 of the Corporate Governance Code, already enforces diversity criteria, regarding gender as well, in the composition of the Board of Directors, in accordance with the priority objective of ensuring adequate skills and the professionalism of its members.

### *Independence*

Under the By-Laws, at least three Directors shall meet the independence requirements prescribed by law or by the regulations. Moreover, paragraph 3 of art. 13 of the By-Laws requires that each slate indicates which candidates have the conditions of independence established by the laws and regulations in force from time to time.

Furthermore, in accordance with the recommendations laid down in application criterion 2.C.4 of the Corporate Governance Code, if the Chairman of the Board of Directors is also the main person responsible for the management of the enterprise (Chief Executive Officer), as well as the person who controls the Company, the appointment of a Lead Independent Director is required. The presence of the abovementioned figure on the Board would strengthen the characteristics of impartiality and balance of that body. The main duties of the Lead Independent Director are (i) to collect and coordinate requests and contributions from non-Executive Directors, and especially from those who are Independent, and (ii) to assist the Chairman of the Board of Directors to ensure that the Directors receive complete and timely information flows.

### *Gender equality*

Art. 13 of the By-Laws includes the provisions with which the Company has complied with the legislation introduced by Law 120, under which the appointment of the Board of Directors takes place by presenting slates drawn up so as to ensure equal access and the presence of the less represented gender among its members. Specifically, under art. 13.3 of the By-Laws, and in line with the provisions of application criterion 2.C.3 of the Corporate Governance Code, the slates containing a number of candidates that are equal to or more than three must consist of candidates belonging to both genders, so that at least one third (rounded up) of the candidates belong to the less represented gender.

*Diversity of age and seniority, of professional and managerial skills and of origin*

In line with the provisions of principle 2.P.4 of the Corporate Governance Code, the Company, in accordance with the priority objective of ensuring that its members have adequate skills and professionalism:

- (a) **Age and seniority:** ensures a balanced combination within it, in varying proportions, of different age groups and with different seniority. The Company believes that with a varied personal biographical composition, without excluding certain age thresholds, the Board of Directors ensures a balanced majority of managerial and professional experiences and perspectives for the Company.
- (b) **Professionalism:** with regard to educational and professional backgrounds, the Company ensures, as far as possible:
  - (i) the presence, even in executive roles<sup>(2)</sup>, of individuals with a managerial profile and/or with proven professional stature, in order to include a set of different and complementary skills and experiences with running undertakings in the fashion and luxury industry, or in other or more specific additional areas explored by the Company from time to time, in line with its business' development;
  - (ii) the presence of persons with proven skills within industrial groups of significant complexity and/or size, as well as with knowledge about structuring and developing corporate governance processes and systems for listed companies;
  - (iii) more specifically:

Chairman of the Board of Directors

The Company believes that the role of the Chairman of the Board of Directors should be held by a person able to ensure the proper functioning of the Board, to stimulate Directors' participation and encourage the Company's growth during his/her mandate using the experience gained in the relevant industry.

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<sup>2</sup> Without prejudice to complying with the maximum number of offices allowed to Directors or Statutory Auditors (in companies listed on regulated markets, including foreign markets, in financial, banking, insurance companies or large companies) which may be considered consistent, according to the guidelines from time to time expressed by the Company, with an effective performance of the directorship of Moncler.



### Chief Executive Officer

The Chief Executive Officer of the Company should demonstrate authority and leadership, along with having extensive business, financial and management experiences and knowledge of the relevant industries, in full agreement with the Company's fundamental values.

### Committee Members

The Company's corporate governance is ensured by the members, who must be able to provide sufficient time for the role covered, of the Board of Directors seriously and constantly carrying out the position held within Committees;

- (c) **Origin:** the Company shall ensure, due to its international presence, the presence of persons from diverse geographical backgrounds inside its structure, also where possible with origins from outside of Europe.

## **2.2 Board of Statutory Auditors**

Under art. 2397 of the Italian Civil Code, the Statutory Board of Auditors is made up of three or five Standing Auditors and two Alternate Auditors, and at least one Standing Auditor and one Alternate Auditor must be chosen from among the statutory Auditors (*revisori legali*), while, on the other hand, the remaining Auditors must however be chosen from those enrolled in the professional registers identified by Decree of the Italian Ministry of Justice or from among university professors with tenure in economics or law.

The Company, in accordance with the provisions of principle 8.P.2 of the Corporate Governance Code, shall apply the diversity criteria, also on gender, to the Board of Statutory Auditors' composition.

### *Requirements*

Under art. 148 of the Italian Consolidated Law on Finance, the company's by-laws establishes that the Board of Statutory Auditors cannot have less than three standing Auditors and two Alternate Auditors and calls for, under penalty of dismissal from office, the specific requirements of trustworthiness and professionalism. Furthermore, it is also envisaged that one Standing Auditor of the Board of Statutory Auditors is elected by the minority shareholders who are not associated, not even indirectly, with the shareholders who presented or voted for the slate resulting first out of the number of votes.

Likewise, under art. 24 of the By-Laws, “*the general shareholders' meeting shall elect the Board of Statutory Auditors, consisting of three standing auditors, establishing the remuneration thereof. The general shareholders' meeting shall also elect two alternate auditors*”. Furthermore, it is also provided that those who “*do not fulfil the requirements of trustworthiness and professionalism established by the laws and regulations in force*” cannot be elected as Statutory Auditors.

Under the application criterion set out in application criterion 8.C.1 of the Corporate Governance Code with which the Company complies, the Auditors are chosen from persons who may be classified as Independent also in accordance with the criteria prescribed by the Code with reference to Directors.

The Board of Statutory Auditors consists of five members: the Chairman, two Standing Auditors and two Alternates, all of whom have the abovementioned requirements of independence, in addition to the requirements of trustworthiness and of professionalism.

#### *Gender equality*

Under art. 148, paragraph 1-*bis* of the Italian Consolidated Law on Finance, at least one third of the members of the Board of Auditors shall be made up of the less represented gender.

Consistent with the abovementioned principle of law, under art. 24 of the By-Laws, the Board of Statutory Auditors is appointed through the presentation of slates made in such a way as to ensure equal access to and the presence of the less represented gender among its members. Specifically, under art. 24.2 of the By-Laws, and in line with the provisions of the application criterion 8.C.3 of the Corporate Governance Code, the slates containing a number of candidates that are equal to or more than three must consist of candidates belonging to both genders, so that at least one third (rounded up) of the candidates for the office of Standing Auditor and at least one third (also rounded up) of the candidates for the office of Alternate Auditor belong to the less represented gender.

#### *Diversity of age and seniority, of professional skills*

In order to ensure an appropriate balance concerning aspects relating to diversity, the Company:

- (a) **Age and seniority:** ensures a balanced combination within it, in varying proportions, of different age groups, promotes a balanced majority of perspectives and experiences;
- (b) **Professionalism:** ensures, regarding educational and professional backgrounds, the presence of persons who meet the requirements of trustworthiness and professionalism

provided for by law, as required under art. 24 of the By-Laws in order to permit the optimal performance of the supervisory duties. All members of the Board of Statutory Auditors have held positions which demonstrate their preparation and professionalism;

- (c) **Origin:** the Company shall ensure, due to its international presence, the presence of persons from diverse geographical backgrounds inside its structure, also from outside Europe, if possible.

### **3. IMPLEMENTING AND UPDATING THE POLICY**

The Board of Directors is vested with the responsibility of monitoring the results obtained from applying the Diversity Policy and its update, assisted by the Nomination and Remuneration Committee and, where applicable, the Board of Statutory Auditors.

A description of the results will be provided, starting from the first year after the adoption of this Policy, in the annual Report on corporate governance and on the ownership structures in accordance with art. 123-*bis* of the Italian Consolidated Law on Finance.