



**Moncler S.p.A.**

Registered office in Milan (Italy), Via Stendhal No 47

Corporate capital EUR 51,661,324.80 fully paid-in

Company's Register of Milan, tax code and VAT No 04642290961

Economic and Administrative Index (REA) No 1763158

**Explanatory Report by the Board of Directors on the proposed amendment of the bylaws on the agenda of the Extraordinary Shareholders' Meeting called on March 16, 2020 in a single session**

Dear Shareholders,

The Board of Directors has drawn up and is providing you with this report in accordance with Article 125-*ter* of Italian legislative decree No 58 of February 24, 1998 (the “**Consolidated Law on Finance**”, known as “**TUF**”) and with Articles 72 and 84-*ter* of the regulations implementing the TUF in respect of issuers’ governance, adopted by Consob by resolution No 11971 of May 14, 1999, as later amended and supplemented (the “**Issuers’ Regulation**”) to illustrate the proposed amendments to the bylaws detailed in the following agenda and their rationale, with respect to which the Board is hereby requesting your approval.

## AGENDA

**Proposed amendments to the following articles of the bylaws: 5, 8, 10, 12, 13 and 14, and related resolutions.**

### **A. Introduction of Increased Voting Rights (*maggiorazione del voto*)**

#### **1.1. Amendment of Article 5.**

##### **Rationale of Proposed Amendment**

The Board of Directors proposes the adoption of increased voting rights to continue the success story of the Company and its growth path. As of the date of this Report, Remo Ruffini, at the helm of the Group as Creative Director since the acquisition of the brand in 2003 and as CEO following the listing on the Italian Stock Exchange in 2013, holds, indirectly through Ruffini Partecipazioni S.r.l., a relative majority stake of 22.548 %; no shareholder thus controls the majority of the share capital or holds a stake above the takeover bid threshold (25%). In all these years, the management led by Remo Ruffini has delivered constantly growing results to the Shareholders and the market (between 2013 and 2019, turnover grew at an annual average rate of 19% and net profit increased by 26%)<sup>1</sup>, creating value for all Shareholders and transforming Moncler into a global brand which is among the most appreciated and innovative in the world luxury goods sector. From 2013 to today, Moncler’s capitalization has grown steadily from Euro 2.55 billion at the time of the IPO to the current Euro 9.57 billion<sup>2</sup>, thus joining the five largest companies by capitalization in the soft luxury

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<sup>1</sup> For the purpose of comparability, the 2019 results exclude the application of IFRS 16. The 2013 net profit is normalized and relates to the results of ordinary operations.

<sup>2</sup> Value at February 7th 2020.

goods sector.

The increased voting rights aim at providing the Company's managerial and creative direction with stability and continuity and encouraging the investment of all Shareholders who share such approach and strategy, without jeopardizing the Company's contestability. In the case of Moncler, even after the increase in voting rights, no Shareholder, including Remo Ruffini, will be able to hold more than 30% of voting rights, except by launching a mandatory public tender offer addressed to all Shareholders with respect to the entire outstanding shares of Moncler<sup>3</sup>.

In any case, stable investors will benefit in general, as they will be able, subject to the necessary conditions being met, to avail themselves of the increased voting rights.

The increased voting rights will also render the share capital structure more flexible in the event of acquisition growth events reducing potential shareholding dilution effects.

The Board of Directors also invites you to consider that shares with increased voting rights (or similar mechanisms, such as multiple voting shares in the form of loyalty or dual class shares) constitute the benchmark in the luxury goods sector to which Moncler belongs and have been adopted by its main peers (LVMH, Hermes, Kering, Ferragamo, Tod's) and other primary players (Richemont, Ralph Lauren, Swatch, Canada Goose). The adoption of increased voting rights will therefore allow the Company to align itself with this benchmark and benefit from competitive advantages also with respect to the attractiveness and stability of the equity investment as well as potential business combinations and acquisitions on the market.

Finally, by encouraging stable investments and the long-term commitment of Shareholders, the increase in voting rights will contribute to balance potential short-termism oriented investor strategies.

### **Legal Framework of Reference for Increased Voting Rights**

The provision on the increase of voting rights ascribable to ordinary shares of Italian listed companies (commonly referred to as "loyalty shares") was introduced by the Italian legislator in 2014 in the Decree on Competitiveness<sup>4</sup> in the framework of a series of measures aimed at streamlining,

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<sup>3</sup> According to the Italian mandatory takeover provisions: (i) the relevant threshold is determined by taking into account the number of voting rights which can be exercised in shareholders' resolutions regarding the appointment or revocation of directors in respect of the overall voting rights (see article 44-bis, paragraph 1, of the Issuers Regulation); (ii) the increase in voting rights in general is equal to the purchase of voting shares with respect to the 30% of voting rights threshold (see article 106, paragraph 1, TUF), without prejudice to the remedies provided by applicable law as recalled by the by-laws provision included to bring the shareholding below the takeover bid threshold; (iii) the increase in voting rights – without purchases – does not count in connection for purposes of crossing of the 25% of voting rights threshold (see article 106, paragraph 1-bis, TUF).

<sup>4</sup> Legislative decree No 91 of June 24, 2014, converted with amendments by Law No 116 of August 11, 2014.

revamping and fostering the development of Italian enterprises, with the purpose of promoting listings and long-term investments on Italian capital markets. Based on the assumption that the presence of loyal shareholders interested in the management of the company is a positive factor for the organization and growth of such company, notwithstanding the traditional “one share-one vote” principle of proportionality, the legislator introduced increased voting rights aimed at offering greater flexibility of the capital structure, to reward the loyalty of stable shareholders who hold stakes based on a long-term investment strategy.

The Italian legislator’s decision is in line with the main foreign legislative systems, which provide for the enhancement of voting rights by means of multiple-voting shares or loyalty shares (e.g. United States, France, United Kingdoms), and with the EU legislation, namely with the Action Plan on European company law and corporate governance adopted by the European Commission on December 12, 2012, followed by the adoption of Directive (EU) 2017/828, recently implemented in Italy<sup>5</sup>, which amended the directive on the exercise of certain rights of shareholders in listed companies (Directive 2007/36/EC) with the intent of promoting and strengthening long-term shareholder engagement in listed companies.

#### **Overview of Regulations on Increased Voting Rights set out in Italian Laws**

The essential regulations on increased voting rights are contained Article 127-*quinquies* of the TUF, introduced by the Decree on Competitiveness. Pursuant to such laws, Italian companies with listed shares may introduce in their respective bylaws the attribution of increased voting rights of up to two votes for each ordinary share held by the same shareholder for an uninterrupted period of no less than 24 months starting from the date of registration in a special list prepared and maintained by the Company in accordance with the detailed provisions on such list’s content and on its update and disclosure obligations adopted by CONSOB (Articles 85-*bis* and 143-*quater* of the Issuers’ Regulation). Listed companies may set forth in their bylaws that shareholders entitled to increased voting rights may irrevocably waive such rights in whole or in part.

Increased voting rights are forfeited in case of transfer, against payment or free of charge, of shares with increased voting rights, or in case of direct or indirect assignment of controlling interests in companies or entities holding a number of increased voting shares in listed companies exceeding the threshold set out in Article 120(2) of the TUF. Unless the bylaws expressly provide otherwise, increased voting rights are preserved in case of succession to the estate of a deceased person or of a merger or demerger of the owner of the shares, and extend to newly-issued shares in case of free share capital increases. Specific provisions must be set out in the relevant merger or demerger plan

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<sup>5</sup> Legislative decree No 49 of May 10, 2019.

or in the bylaws to respectively vest exchanged shares or shares issued in connection with capital increases against new cash contributions with increased voting rights.

As clarified in Article 127-*quinquies*, shares with increased voting rights do not constitute a special class of shares, different from the ordinary shares vested with the increased rights. In addition, the resolution regarding the amendment of the bylaws for the adoption of increased voting rights does not grant rights of withdrawal.

Unless the bylaws provide otherwise, increased voting rights are taken into account in determining the quorum to convene meetings and pass resolutions that relate to corporate share quotas (*e.g.*, resolutions of the ordinary shareholders' meetings on the appointment or revocation of corporate bodies and on the approval of the annual financial statements and distribution of profits, resolutions of the extraordinary shareholders' meetings on the amendment of bylaws), but has no effect whatsoever on the rights, other than voting rights, granted by virtue of the ownership of certain capital quotas (*e.g.*, call of shareholders' meetings upon request of the shareholders, right of shareholders to present candidate lists for the appointment of corporate bodies).

#### **Increased Voting Rights Ratio, Tenure Period and Limited Duration of Increase (Sunset Provision)**

As described in the preceding section, the law remits the decision as to the determination in the bylaws of the increased voting rights ratio (up to two votes per share) and the minimum uninterrupted period of ownership of the shares required to be entitled to increased voting rights (no less than 24 months) to the company.

In light of the foregoing, the Board of Directors is hereby proposing to increase the voting rights to two votes per share and to provide that such increased voting rights be automatically assigned after the expiry of a continuous holding period of no less than 24 months from the date of registration in the special list as further described below. The Board believes that an increase ratio of two votes will actually and efficiently reward shareholders who are willing to take advantage of such mechanism, and that a holding period of no less than 24 months is a consistent and balanced duration to ensure stable and long-term investments in the Company, while also adequately balancing the charges associated with maintaining the securities in the portfolio and the effects on their liquidity. For these same reasons, the Board proposes to set a limited duration of the increased voting rights until June 30, 2028. The Board believes that the above limited duration is an appropriate time frame to allow the Company and its management to pursue the Company's growth strategy and to create sustainable and durable value for all shareholders, hence allowing them to at the end of such period, to freely assess and evaluate the value and return on investment associated with such increased voting rights.

### **Special List: Registration, Removal and Waiver**

Applicable law provides that in order to be entitled to increased voting rights, shareholders must register in a special list prepared and maintained by the Company in accordance with the detailed provisions on such list's content and on its update and disclosure obligations set out in the Issuers' Regulation (Articles 85-*bis* and 143-*quater*). The holding period of no less than 24 months starts from the date of registration in such list, during which registered shareholders will be required to hold the registered shares on an uninterrupted basis in order to be automatically entitled to the increase of their voting rights at the end of the period.

Each application for registration in the list must (i) indicate the number of shares in respect to which the registration is requested (which may be limited to only part of the shares owned by the applicant), (ii) provide the certification from the intermediary on whose accounts the shares are registered providing evidence of the ownership of such shares by the applicant, and (iii) in the case the applicant is not a natural person, indicate whether the entity is under the direct or indirect control of third parties and specify, as applicable, the identification details of such controlling entity.

Applicants will automatically be entitled to increased voting rights at the expiry of the proposed period of at least 24 months of uninterrupted ownership of their registered shares.

Applications for registration may be filed with the Company anytime and the Company shall carry out the registration in a timely manner.

The Company shall remove any registered shareholder from the list upon request by the shareholder or the intermediary in case the requirements for the entitlement to increased voting rights are no longer complied with, or the Company will do so directly upon becoming aware of facts entailing the loss of such requirements.

Following the registration in the list, shareholders may request the removal of all or part of the shares from such register at any time in writing, as a result of which such shareholder shall have irrevocably waived their increased voting rights, if the increased rights had already been vested, or the accrual of the holding period, if such holding period had not yet been completed. After the removal, shareholders will however be entitled to apply for a new registration in the list for all or part of the removed shares and be vested with the respective increased voting rights at the expiry of a new uninterrupted period of ownership of no less than 24 months.

### **Qualifying Rights *in Rem* and Forfeiture of Entitlement**

The Board of Directors hereby proposes to specify in the bylaws that the requirement of "ownership" of the shares provided for by law for the purpose of conferring increased voting rights be construed as, and relate to, shares with voting rights held by the same shareholder by virtue of either one of the following rights *in rem*:

- a) full ownership of the voting share;

- b) bare ownership of the voting share;
- c) usufruct of the voting share.

For the sake of completeness and clarity, the bylaws will also reference in full the provisions of law setting forth the forfeiture of the entitlement to increased voting rights (if accrued) or the period of ownership required to accrue such increased rights (if not yet accrued) in the following circumstances:

- a) transfer, free of charge or against payment, of the qualifying right *in rem*;
- b) direct or indirect transfer of controlling interests in companies or entities holding a number of increased voting rights exceeding the threshold set out in Article 120(2) of the TUF.

Shares will be removed from the list upon the occurrence of either of the above scenarios, without prejudice to the right to apply for a new registration upon the occurrence of the relevant requirements.

In accordance with applicable laws and regulations, the Board proposes to specify in the bylaws that the increased voting rights, or, if not yet accrued, the effectiveness of the period of ownership required to accrue the increased vote will not be forfeited and will remain in full force and effect in the following instances:

- a) grant of a pledge or of another security right entailing the retention of the voting right by the owner of the qualifying right *in rem* registered in the list;
- b) succession to the estate of a deceased person in favor of his or her assignees (either heirs or legatees);
- c) merger or demerger involving the shareholder registered in the list;
- d) transfer to heirs, free of charge, by virtue of a family agreement, for the set up and/or servicing of a trust, marital fund or foundation of which the registered transferor or his or her heirs are the beneficiaries;
- e) transfer from a portfolio to another of the UCIs managed by the same entity;
- f) in such instances where the qualifying right *in rem* is held through a trust, a change of the trust.

In such cases, the entity obtaining ownership of the shares with increased voting rights as a result of the above-described transactions will retain the increased vote, if accrued, or the seniority of registration in the list of the formerly registered shareholder.

#### **Extraordinary Transactions and Effects on the Increased Vote**

Consistently with the underlying rationale for the introduction of increased voting rights by the Company which the Board is hereby submitting to your approval, the Board is willing to exercise the options provided for by applicable law to proportionally extend the increase of voting rights to shares issued in connection with capital increases implemented free of charge or against cash contributions. Regarding potential merger or demerger transactions involving the Company, in accordance with applicable law, the Board proposes to provide that the increase be also extended to shares received

in exchange of shares with increased voting rights or whose increase is being accrued, so long as it is provided for in the relevant merger or demerger plan.

In the scenarios described above, newly-issued shares and exchanged shares will be vested with increased voting rights (i) if the originally registered shares were vested with increased voting rights, starting from the registration in the list on an uninterrupted basis of the originally registered shares, and without the passing of a new holding period being required, or, (ii) in the case of a capital increase, merger or demerger transaction being carried out during the period of ownership needed to accrue the entitlement to increased voting rights, starting from the completion of such period, calculated from the date of registration of the originally registered shares.

### **Calculation of Quorums for Shareholders' Meetings**

With reference to the effects of increased voting rights on the quorum for shareholders' meetings, the Board proposes to replicate the provisions of applicable law by providing that increased voting rights shall be taken into account in determining the quorums to convene shareholders' meetings and pass resolutions on capital quotas, while they shall have no effects on the rights, other than the right to vote, to which shareholders are entitled and which they may exercise as a result of owning certain stakes in the share capital of the company.

### **Potential Effects of Increased Voting Rights on the Company's Ownership Structure**

As of the date of this report and based on the communications received by the Company pursuant to Article 120 of the TUF, the following Shareholders own stakes of more than 3% in the share capital of the Company:

- Remo Ruffini directly owns 0.59% and through Ruffini Partecipazioni S.r.l. (22.489%) owns 22.548%;
- Morgan Stanley owns 3.016%; and
- Blackrock Inc. owns 5.259%.

As of the date of this report, no entity has *de jure* control over the Company in accordance with Article 93 of the TUF. The Company is under the indirect *de facto* control of Remo Ruffini, through Ruffini Partecipazioni Holding S.r.l., an Italian company wholly-owned by Remo Ruffini. Ruffini Partecipazioni Holding S.r.l. controls Ruffini Partecipazioni S.r.l. through a 87.206% stake in its share capital, whereas the remaining 12.794% is held by Venezia Investments Pte Ltd. The interests of Ruffini Partecipazioni Holding S.r.l. and Venezia Investments Pte Ltd are subject to a shareholders' agreement pursuant to Article 122(1) and (5) of the TUF and published in accordance with applicable law.

As already described, the increase in voting rights shall apply following the expiry of a continuous holding period of no less than twenty four months from the registration of shareholders requesting



such increased voting rights on a special list to be established and maintained by the Company following the approval of the amendment of the by-laws by the shareholders' meeting in connection with the adoption of increased voting rights. In addition, the resolution to amend the by-laws to adopt increased voting rights does not confer withdrawal rights in accordance with article 2437 of the Italian Civil Code.

**Proposed Amendment of Article 5 of the Bylaws and Comparison with Current Version**

The following table shows a comparison between the current version of Article 5, Clauses 8 and 9, of the bylaws against the proposed amended text introducing, in a new Clause 5.9, the increased voting rights as contemplated hereunder.

Current Text	Proposed Text
<p>5.8 Shares shall be in registered form and freely transferable. Each share gives the right to one vote. Shares shall be issued and transferred in compliance with the laws and regulations in effect.</p>	<p>5.8 Shares shall be in registered form and freely transferable. Each share gives the right to one vote, <b><u>except as set out in following Clause 5.9.</u></b> Shares shall be issued and transferred in compliance with the laws and regulations in effect.</p>
	<p><b><u>5.9 Notwithstanding the provisions of preceding Clause 5.8, until June 30, 2028 (the “Expiry Date”) each share shall be entitled to 2 (two) votes if both the following conditions are met: (a) the shareholder has held the share, by virtue of a qualifying right <i>in rem</i> to exercise voting rights (full ownership with voting right or bare ownership with voting right or usufruct with voting right) for an uninterrupted period of no less than 24 (twenty-four) months; (b) the precondition under letter (a) is attested by the uninterrupted registration, for a period of no less than 24 (twenty-four) months, in the special list, specifically drawn up by the Company and regulated by this clause, and by a dedicated communication issued by the intermediary</u></b></p>

	<p><u>with whom the shares are deposited in accordance with the existing law, providing evidence of the ownership of the shares as at the expiry of the uninterrupted period of 24 (twenty-four) months.</u></p> <p><u>Should the conditions under letters (a) and (b) above be met, the assignee shall be entitled, until the Expiry Date, to exercise two voting rights in the forms laid down in the applicable laws and regulations.</u></p> <p><u>It is understood that the creation of a pledge or of another security right on the shares entailing the retention of the voting right by the holder of the qualifying right <i>in rem</i> shall not result in the forfeiture of the right to the increased vote (if accrued) or of the period of ownership of no less than 24 (twenty-four months) needed to accrue the increased vote (if not yet accrued).</u></p> <p><u>In the form and with the content set out by the laws in force from time to time, the Company shall draw up and keep a special list of shareholders entitled to increased voting rights (the “Special List”). The Company shall appoint the person in charge of managing the Special List and determine the list-keeping criteria (as the case may be, even on an electronic media only). The person in charge of managing the Special List shall be entitled to provide information (including on an electronic media) regarding the content of the Special List and each shareholder registered in such list shall be entitled to receive a copy, at no cost, of their respective annotations.</u></p>
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	<p><u>Any person entitled under this clause who wishes to apply for increased voting rights shall be entitled to request the registration in the Special List by filing the relevant documentation providing evidence of the ownership of the qualifying right <i>in rem</i> (or arrange for the intermediary to transmit any equivalent documentation). Shareholders registered in the Special List shall be entitled to request the removal therefrom anytime (in whole or in part) and this shall automatically entail the loss (in whole or in part) of the right to the increase. In addition, persons having acquired increased voting rights may decide anytime to waive any such rights (in whole or in part) on an irrevocable basis by serving written notice to the Company, without prejudice to the disclosure obligations, if any, provided for by the applicable laws and regulations. The foregoing shall be without prejudice to the entitled shareholders' right to reapply for registration in the Special List for the purpose of the uninterrupted period of ownership of no less than 24 (twenty-four) months in respect of the shares that were removed or with respect to which the increased vote was waived.</u></p> <p><u>Applications for registration in the Special List may be filed anytime with the Company, who shall register, and subsequently update, the Special List in a timely manner. Under penalty of inadmissibility, applications shall be filed along with a certificate signed by the</u></p>
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	<p><u>applicant in which (a) in case of natural persons, applicants declare that (i) they have full, formal and material ownership of the voting right by virtue of a qualifying right <i>in rem</i>, and that (ii) they undertake to inform the Company without delay in case of loss, for any reason whatsoever, of the qualifying right <i>in rem</i> and/or of the voting right related thereto; (b) in case of legal persons or other entities, with or without legal personality: applicants declare that (i) they have full, formal and material ownership of the voting right by virtue of a qualifying right <i>in rem</i>, that (ii) they are controlled (directly or indirectly), as applicable, by another legal person or by another entity with or without legal personality (including the identification details of the controlling entity), and that (iii) they undertake to inform the Company without delay in case of loss, for any reason whatsoever, of the qualifying right <i>in rem</i> and/or of the voting right related thereto.</u></p> <p><u>Accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase shall always be retained (i) in case of succession to the estate of a deceased person, or (ii) as a result of the transfer, free of charge, by virtue of a family agreement, or (iii) as a result of the transfer, free of charge, for the setup and/or servicing of a trust, marital fund or foundation of whom the transferor or his or her heirs are the beneficiaries, in favor of the assignees, who shall therefore be entitled to</u></p>
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	<p><u>apply for registration with the same seniority than the assignor or with the retention of the assignor's accrued increased voting rights.</u></p> <p><u>Accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase shall also be retained (i) in case of transfer from a portfolio to another of the UCIs or AIFs managed by the same entity, (ii) in such instances where the qualifying right <i>in rem</i> is held through a trust, in case of change of the trustee or trust.</u></p> <p><u>Whenever qualifying rights <i>in rem</i> are transferred as a result of the merger or demerger of an entity registered in the Special List, the assignee shall be entitled to apply for registration with the same seniority as the assignor, hence retaining the increased voting rights, if accrued.</u></p> <p><u>Except as set out in the preceding paragraphs, the transfer of the qualifying right <i>in rem</i> at any title (free of charge or against payment) shall entail the removal from the Special List (as well as the forfeiture of the increased voting rights, if accrued, or of the period of ownership needed to accrue the vote increase, if not yet accrued).</u></p> <p><u>Should the Company become aware, including based on communications or reports received, that a person registered in the Special List does no longer qualify (in whole or in part) to register in the list for any reason whatsoever pursuant to this clause,</u></p>
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	<p><u>the Company shall remove the relevant shares (in whole or in part) from the Special List in a timely manner.</u></p> <p><u>In case of a capital increase implemented free of charge or against contribution, the increased vote shall proportionally extend to newly-issued shares by virtue of the shares already registered in the Special List (hence extending the accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase calculated as of the date of registration of the already registered shares).</u></p> <p><u>Except as set out in the following paragraph, in case of merger or demerger of the Company, the relevant merger or demerger plan may provide that the increased voting right be also extended to shares received in exchange of shares with regard to whom the assignee applied for registration in the Special List (hence extending the accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase calculated as of the date of registration of the already registered shares).</u></p> <p><u>Any amendment (in more favorable or less favorable terms) to the laws on increased voting rights that regulate this clause, or the lapse thereof ahead of the Expiry Date, or the renewal thereof beyond the Expiry Date shall require approval by the Extraordinary</u></p>
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	<p><u>Shareholders' Meeting in accordance with the law.</u></p> <p><u>The quorums to convene meetings and pass resolutions regarding share capital quotas shall always take into account the increased voting rights, if any. Conversely, the entitlement to the exercise of rights, other than the right to vote, granted by virtue of the ownership of certain capital quotas, shall always be determined irrespectively of accrued increased voting rights, if any.</u></p>
5.9 Status as a shareholder constitutes <i>per se</i> acceptance of these bylaws.	5. <del>10</del> Status as a shareholder constitutes <i>per se</i> acceptance of these bylaws.

## **B. Additional Bylaws Amendments and Underlying Rationale**

Concurrently with the adoption of an increased voting rights, the Board is hereby proposing to approve additional amendments to the bylaws which, along with the voting right increase, form a “package” of amendments that the Board believes to be in the best interest of the Company and of the shareholders to strengthen and consolidate Moncler’s governance, hence aligning its structure to that of best-in class companies at a domestic and global level, and to foster and strengthen the long-term commitment and involvement of the shareholders.

The amendments are detailed in the following sections.

### **Amendment of Article 10**

The Board hereby proposes to delete the second clause of Article 10 of the bylaws, which provides for the exclusion of the Company’s right to designate a representative (known as the “*designated representative*”/“*rappresentante designato*”) for each Shareholders’ Meeting, to whom the shareholders may grant a proxy with voting instructions pertaining to all or some of the items on the agenda, as set out in Article 135-*undecies* of the TUF. Upon examining the practical application of such instrument by other listed companies, the Board believes and hopes that this instrument will contribute to encouraging and facilitating the participation of shareholders at shareholders’ meetings, and to reducing costs incurred by shareholders with respect to such participation given that the costs of such designated representative will be borne by the Company.

### **Comparison Table**

The following table shows a comparison between the current text of Clause 10.2 and Clause 10.3 and

the text resulting from the deletion proposed by the Board.

Current Text	Proposed Text
10.2 The Company shall not avail itself of its legal right to appoint the representative to whom proxies may be granted by shareholders, with instructions to vote on some or all of the proposals on the agenda of the Shareholders' Meeting.	<del>10.2 The Company shall not avail itself of its legal right to appoint the representative to whom proxies may be granted by shareholders, with instructions to vote on some or all of the proposals on the agenda of the Shareholders' Meeting.</del>
10.3 The conduct of Shareholders' Meetings shall be governed by appropriate rules approved by resolution of an ordinary meeting of the Company's shareholders.	10.2 The conduct of Shareholders' Meetings shall be governed by appropriate rules approved by resolution of an ordinary meeting of the Company's shareholders.

#### **Amendment of Article 12 and consequent amendment of Article 8**

This amendment intends to remove the quorums to convene meetings and pass resolutions for the approval by the extraordinary shareholders' meeting with respect to resolutions on matters listed in the third clause of Article 12 and to provide for the application of the quorums to convene meetings and pass resolutions provided by applicable law, with no distinction, thus aligning the bylaws of the Company with those of other Italian listed companies that apply the quorums provided by applicable law, which are standard and easily recognizable by the market. The approval of such amendment will entail the removal of the third clause of Article 12 and the consequent amendment of the third clause of Article 8 and of the second clause of Article 12 to remove the cross-references to Clause 12.3 contained therein.

#### **Comparison Table**

The following table shows a comparison between the current text of Clauses 8.3, 12.2 and 12.3 and the removed section as proposed by the Board.

Current Text	Proposed Text
8.3 The convocation shall be made within the time periods set forth by the legal and regulatory rules in force from time to time, by notice to be published on the Company's website, as well as under the procedures provided for by the legal and regulatory rules in force for time to time, with not less than the minimum	8.3 The convocation shall be made within the time periods set forth by the legal and regulatory rules in force from time to time, by notice to be published on the Company's website, as well as under the procedures provided for by the legal and regulatory rules in force for time to time, with not less than the minimum



<p>legal notice prior to the date set for the Shareholders' Meeting.</p> <p>Ordinary and Extraordinary Shareholders' Meetings shall be held upon single call, to which the majorities indicated by law for this purposes shall be applied, except as provided by Article 12.3 below.</p>	<p>legal notice prior to the date set for the Shareholders' Meeting.</p> <p>Ordinary and Extraordinary Shareholders' Meetings shall be held upon single call, to which the majorities indicated by law for this purposes shall be applied, <del>except as provided by Article 12.3 below.</del></p>
<p>12.2 Resolutions of both Ordinary and Extraordinary Shareholders' Meetings shall be passed by the majorities required by law in individual cases, both as regards the proper constitution of the Meetings and the validity of the resolutions passed, except as provided by Article 12.3 below.</p>	<p>12.2 Resolutions of both Ordinary and Extraordinary Shareholders' Meetings shall be passed by the majorities required by law in individual cases, both as regards the proper constitution of the Meetings and the validity of the resolutions passed, <del>except as provided by Article 12.3 below.</del></p>
<p>12.3 A Shareholders' Meeting shall be duly constituted with the presence of shareholders representing at least half of the share capital, and may validly pass resolutions upon a favorable vote of at least 70% of the share capital represented at the Shareholders' Meeting, for resolutions dealing with: (i) capital increases or the issuance of convertible bonds or other convertible financial instruments, or those that provide a right to receive shares of the Company on whatever basis, with preemptive rights excluded or, even where such right has not been excluded, if issued at a unit issue price not calculated based on the Company's fair market value, taking into account the average stock exchange price for the six (6) months preceding the date of convocation of the meeting of the Board of Directors that passed the resolution regarding the proposed capital increase or proposed issuance of bonds or other securities referred to</p>	<p><del>12.3 A Shareholders' Meeting shall be duly constituted with the presence of shareholders representing at least half of the share capital, and may validly pass resolutions upon a favorable vote of at least 70% of the share capital represented at the Shareholders' Meeting, for resolutions dealing with: (i) capital increases or the issuance of convertible bonds or other convertible financial instruments, or those that provide a right to receive shares of the Company on whatever basis, with preemptive rights excluded or, even where such right has not been excluded, if issued at a unit issue price not calculated based on the Company's fair market value, taking into account the average stock exchange price for the six (6) months preceding the date of convocation of the meeting of the Board of Directors that passed the resolution regarding the proposed capital</del></p>

<p>in this point (i); (ii) mergers or spin-offs participated in by companies which are not 100% owned by the Company; (iii) changes to the Company's bylaws pertaining to (a) the business purpose; (b) the appointment of the Company's corporate bodies; or (c) the rights of shareholders, including but not limited to any qualified majority; and (iv) a request for voluntary exclusion from trading.</p>	<p><del>increase or proposed issuance of bonds or other securities referred to in this point (i); (ii) mergers or spin-offs participated in by companies which are not 100% owned by the Company; (iii) changes to the Company's bylaws pertaining to (a) the business purpose; (b) the appointment of the Company's corporate bodies; or (c) the rights of shareholders, including but not limited to any qualified majority; and (iv) a request for voluntary exclusion from trading.</del></p>
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### Amendment of Article 13

The Board proposes to amend the first and third clauses of Article 13.

The amendment of the first clause of Article 13 intends to replace the fixed number of directors, *i.e.* 11 or 13, with the indication, in accordance with applicable law, of a minimum number of 9 directors and a maximum number of 13 directors. Such amendment is aimed at granting increased flexibility and adaptability in respect of the size and composition of the management board.

The proposed amendments with respect to the third clause of Article 13 are aimed at strengthening in an even more incisive manner the commitment by Moncler to preserve over time a Board composition that acknowledges the increasing role and weight of independent Directors in line with best-in class companies. For this reason, the Board proposes to provide in the bylaws, as a rule for the composition and functioning of the management board, that the board be composed at all times by a majority of independent Directors, which constitutes a much higher quota than the minimum quota required by applicable law (2 independent directors for boards of directors composed of more than 7 members) and higher than the quota recommended by the new Corporate Governance Code for listed companies published on January 31, 2020 (at least half of the management board of large-size companies that do not have a concentrated ownership as Moncler). In addition, to pursue this purpose even more effectively, the Board proposes to provide for the right by the Board of Directors to present its own list of candidates for the board, in line with the governance systems adopted by public companies.

### Comparison Table

The following table shows a comparison between the current text of Article 13, first clause and third clause, first, second and fourth paragraphs, and the amendment proposed by the Board. The below

comparison also shows that the text of third the clause, second paragraph, has recently been aligned by the Board of Directors together with Article 24, by resolution adopted on February 5, 2020 in accordance with Clause 19.2 of the bylaws, with the new laws and regulations on gender balance in the management and supervisory boards of listed companies approved by Budget Law 2020 (Italian law No 160 of December 27, 2019) in amendment of the laws and regulations introduced by Italian law No 120 of July 12, 2011.

Current Text	Proposed Text
<p>13.1 The Company shall be managed by a Board of Directors composed of 11 or 13 members. The Shareholders' Meeting shall determine their number thereof, subject to the aforesaid limits, prior to their appointment.</p>	<p>13.1 The Company shall be managed by a Board of Directors composed of <b><u>no less than 9 and no more than 11</u></b> or 13 members. The Shareholders' Meeting shall determine their number thereof, subject to the aforesaid limits, prior to their appointment.</p>
<p>13.3 Directors shall be appointed by the Shareholders' Meeting, in compliance with the rules in effect from time to time pertaining to gender balance, on the basis of lists submitted by the shareholders in compliance with the legal and regulatory provisions in effect from time to time, in which the candidates, no more than 13 in number and possessing the requisites provided for by the legal and regulatory provisions in effect from time to time, are to be listed with an assigned sequence number.</p>	<p>13.3 Directors shall be appointed by the Shareholders' Meeting, in compliance with the rules in effect from time to time pertaining to gender balance, on the basis of lists submitted by the shareholders <b><u>or by the exiting Board of Directors</u></b> in compliance with the legal and regulatory provisions in effect from time to time, in which the candidates, no more than 13 in number and possessing the requisites provided for by the legal and regulatory provisions in effect from time to time, are to be listed with an assigned sequence number.</p>
<p>At least 3 Directors possessing the requisites of independence established by law or regulatory provisions must sit on the Board. Each list must indicate which candidates possess the requisites of independence established by the legal and regulatory rules in effect from time to time. The independent candidates on each list must be indicated with numbers 2/ 4/ 8/ of the list) with the non-independent candidates. The lists are to be filed at the registered office and</p>	<p><b><u>The majority of the directors</u></b><del>At least 3 Directors shall possess</del> <del>possessing</del> the requisites of independence established by law or regulatory provisions<del> must sit on the Board.</del> <del>The independent candidates on each list must be indicated with numbers 2/ 4/ 8/ of the list) with the non-independent candidates.</del> Each list must indicate which candidates possess the requisites of independence established by the legal and</p>

<p>published in accordance with applicable rules. Lists with three or more candidates must be composed of candidates belonging to both genders, in accordance with gender balance rules in effect from time to time.</p>	<p>regulatory rules in effect from time to time. The lists <b><u>presented by shareholders</u></b> are to be filed at the registered office and published in accordance with applicable rules. <b><u>The list, if any, presented by the Board of Directors is to be filed at the registered office of the Company no later than the thirty-first day preceding the date of the Shareholders' Meeting, and shall be made available to the public according to the same mechanics applicable to and with the same documents required for lists presented by shareholders.</u></b></p> <p>Lists with three or more candidates must be composed of candidates belonging to both genders, in accordance with gender balance rules in effect from time to time.</p>
<p>Each shareholder may submit, or participate in the submission of, one and only list and each candidate may be presented in only one list, otherwise ineligibility will occur.</p>	<p><b><u>UNVARIED</u></b></p>
<p>Lists may be submitted only by shareholders that, alone or together with others, own shares representing at least 2.5% of the capital or such different percentage of participation in the share capital as established by the legal and regulatory provisions in effect from time to time.</p>	<p>Lists may be submitted <del>only</del> <b><u>by the Board of Directors and</u></b> by shareholders that, alone or together with others, own shares representing at least 2.5% of the capital or such different percentage of participation in the share capital as established by the legal and regulatory provisions in effect from time to time.</p>

**Amendment of Article 14**

These amendments supplement and complete the amendments proposed with respect to Clause 13.3 and are aimed at strengthening the role and weight of independent directors within the Board of Directors of Moncler, hence aligning the Company's governance with best practices. For this reason, the Board proposes to amend the first clause of Article 14 to provide that the Chair be elected, by the Shareholders' Meeting or by the Board of Directors as the case may be, exclusively from among the independent directors and that, as a result, the role of Chair may no longer be cumulated with that of executive director or CEO.

The other amendments made to the first clause of Article 14 are aimed at aligning the provisions on the appointment of the Chair and Vice-Chair with the standard rules set forth by applicable law (Article 2380-*bis*(5) of the Italian Civil Code) and adopted by the majority of listed companies to increase their flexibility, among others.

### **Comparison Table**

The following table shows a comparison between the current text of Clause 14.1 and the amendments proposed by the Board.

<b>Current Text</b>	<b>Proposed Text</b>
<p>14.1 The Shareholders' Meeting shall elect a Chairman and a Vice Chairman, who is to replace the Chairman in the event of absence or impairment, from among the Directors drawn from the list which received the greatest number of votes.</p>	<p><b><u>14.1 If not already elected by the Shareholders' Meeting, the Board of Directors shall elect a Chair from among its members, as well as a Vice-Chair who shall replace the Chair in case of his or her absence or impediment. The Chair shall be elected by the Shareholders' Meeting or the Board of Directors, exclusively from among the independent directors.</u></b></p>

\* \* \* \* \*

### **Right of Withdrawal**

The amendment of Article 5 of the bylaws proposed hereunder to introduce increased voting rights does not entitle shareholders to withdraw pursuant to Article 2437 of the Italian civil code, as expressly excluded by law (Article 127-*quinquies*(6) of the TUF).

In light of the fact that the shares with increased voting rights, as expressly set out by applicable law, do not form a special class of shares, the Board proposes to clarify that any amendment, renewal at expiry, lapse or suppression of increased voting rights be exclusively approved by an extraordinary shareholders' meeting in accordance with applicable law.

Similarly, all further amendments to the bylaws proposed in this explanatory report do not grant shareholders any rights of withdrawal pursuant to Article 2437 of the Italian Civil Code.

### **Decision-Making Process Adopted in Phrasing the Proposed Amendments to the Bylaws**

The proposed amendments to the bylaws contemplated hereunder were approved by the Board of Directors on February 10, 2020. This decision was passed with the unanimous favorable vote of all directors in office, including the independent directors, deeming the proposals described in this

report to be in the best interest of the Company.

\* \* \* \* \*

Now, therefore, the Board of Directors is hereby requesting you to approve the following proposed resolution:

### **Proposed Resolution**

*“The extraordinary Shareholders’ Meeting of Moncler S.p.A.,*

*(i) having examined the explanatory Report drawn up by the Board of Directors as well as the proposals contained therein,*

*(ii) having shared the rationale behind the proposals contained therein,*

#### **resolves**

1. *to amend the Company’s bylaws as follows:*

– *amendment of Article 5, eighth clause, as follows:*

*“Shares shall be in registered form and freely transferable. Each share gives the right to one vote, except as set out in following Clause 5.9. Shares shall be issued and transferred in compliance with the laws and regulations in effect.”*

– *amendment of Article 5, with the addition of a new ninth clause, as follows:*

*“Notwithstanding the provisions of preceding Clause 5.8, until June 30, 2028 (the “Expiry Date”) each share shall be entitled to 2 (two) votes if both the following conditions are met: (a) the shareholder has held the share, by virtue of a qualifying right in rem to exercise voting rights (full ownership with voting right or bare ownership with voting right or usufruct with voting right) for an uninterrupted period of no less than 24 (twenty-four) months; (b) the precondition under letter (a) is attested by the uninterrupted registration, for a period of no less than 24 (twenty-four) months, in the special list, specifically drawn up by the Company and regulated by this clause, and by a dedicated communication issued by the intermediary with whom the shares are deposited in accordance with the existing law, providing evidence of the ownership of the shares as at the expiry of the uninterrupted period of 24 (twenty-four) months.*

*Should the conditions under letters (a) and (b) above be met, the assignee shall be entitled, until the Expiry Date, to exercise two voting rights in the forms laid down in the applicable laws and regulations.*

*It is understood that the creation of a pledge or of another security right on the shares entailing the retention of the voting right by the holder of the qualifying right in rem shall not result in the forfeiture of the right to the increased vote (if accrued) or of the period of ownership of no less than 24 (twenty-*

*four months) needed to accrue the increased vote (if not yet accrued).*

*In the form and with the content set out by the laws in force from time to time, the Company shall draw up and keep a special list of shareholders entitled to increased voting rights (the “Special List”). The Company shall appoint the person in charge of managing the Special List and determine the list-keeping criteria (as the case may be, even on an electronic media only). The person in charge of managing the Special List shall be entitled to provide information (including on an electronic media) regarding the content of the Special List and each shareholder registered in such list shall be entitled to receive a copy, at no cost, of their respective annotations.*

*Any person entitled under this clause who wishes to apply for increased voting rights shall be entitled to request the registration in the Special List by filing the relevant documentation providing evidence of the ownership of the qualifying right in rem (or arrange for the intermediary to transmit any equivalent documentation). Shareholders registered in the Special List shall be entitled to request the removal therefrom anytime (in whole or in part) and this shall automatically entail the loss (in whole or in part) of the right to the increase. In addition, persons having acquired increased voting rights may decide anytime to waive any such rights (in whole or in part) on an irrevocable basis by serving written notice to the Company, without prejudice to the disclosure obligations, if any, provided for by the applicable laws and regulations. The foregoing shall be without prejudice to the entitled shareholders’ right to reapply for registration in the Special List for the purpose of the uninterrupted period of ownership of no less than 24 (twenty-four) months in respect of the shares that were removed or whose increased vote was waived.*

*Applications for registration in the Special List may be filed anytime with the Company, who shall register, and subsequently update, the Special List in a timely manner. Under penalty of inadmissibility, applications shall be filed along with a certificate signed by the applicant in which (a) in case of natural persons, applicants declare that (i) they have full, formal and material ownership of the voting right by virtue of a qualifying right in rem, and that (ii) they undertake to inform the Company without delay in case of loss, for any reason whatsoever, of the qualifying right in rem and/ or of the voting right related thereto; (b) in case of legal persons or other entities, with or without legal personality: applicants declare that (i) they have full, formal and material ownership of the voting right by virtue of a qualifying right in rem, that (ii) they are controlled (directly or indirectly), as applicable, by another legal person or by another entity with or without legal personality (including the identification details of the controlling entity), and that (iii) they undertake to inform the Company without delay in case of loss, for any reason whatsoever, of the qualifying right in rem and/ or of the voting right related thereto.*

*Accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase shall always be retained (i) in case of succession to the estate of a deceased person, or (ii) as a result of the transfer, free of charge, by virtue of a family agreement, or (iii) as a result of the*

*transfer, free of charge, for the setup and/ or servicing of a trust, marital fund or foundation of whom the transferor or his or her heirs are the beneficiaries, in favor of the assignees, who shall therefore be entitled to apply for registration with the same seniority than the assignor or with the retention of the assignor's accrued increased voting rights.*

*Accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase shall also be retained (i) in case of transfer from a portfolio to another of the UCIs or AIFs managed by the same entity, (ii) in such instances where the qualifying right in rem is held through a trust, in case of change of the trustee or trust.*

*Whenever qualifying rights in rem are transferred as a result of the merger or demerger of an entity registered in the Special List, the assignee shall be entitled to apply for registration with the same seniority as the assignor, hence retaining the increased voting rights, if accrued.*

*Except as set out in the preceding paragraphs, the transfer of the qualifying right in rem at any title (free of charge or against payment) shall entail the removal from the Special List (as well as the forfeiture of the increased voting rights, if accrued, or of the period of ownership needed to accrue the vote increase, if not yet accrued).*

*Should the Company become aware, including based on communications or reports received, that a person registered in the Special List does no longer qualify (in whole or in part) to register in the list for any reason whatsoever pursuant to this clause, the Company shall remove the relevant shares (in whole or in part) from the Special List in a timely manner.*

*In case of a capital increase implemented free of charge or against contribution, the increased vote shall proportionally extend to newly-issued shares by virtue of the shares already registered in the Special List (hence extending the accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase calculated as of the date of registration of the already registered shares).*

*Except as set out in the following paragraph, in case of merger or demerger of the Company, the relevant merger or demerger plan may provide that the increased voting right be also extended to shares received in exchange of shares with regard to whom the assignee applied for registration in the Special List (hence extending the accrued increased voting rights or, if not yet accrued, the period of ownership needed to accrue the vote increase calculated as of the date of registration of the already registered shares).*

*Any amendment (in more favorable or less favorable terms) to the laws on increased voting rights that regulate this clause, or the lapse thereof ahead of the Expiry Date, or the renewal thereof beyond the Expiry Date shall require approval by the Extraordinary Shareholders' Meeting in accordance with the law.*

*The quorums to convene meetings and pass resolutions regarding share capital quotas shall always take into account the increased voting rights, if any. Conversely, the entitlement to the exercise of*



*rights, other than the right to vote, granted by virtue of the ownership of certain capital quotas shall always be determined irrespectively of accrued increased voting rights, if any.”*

- *renumbering of Article 5, ninth clause, in Article 5, tenth clause, as a result of the addition of the new clause reported under the preceding item;*
- *amendment of Article 8, third clause, as follows:*

*“The convocation shall be made within the time periods set forth by the legal and regulatory rules in force from time to time, by notice to be published on the Company’s web-site, as well as under the procedures provided for by the legal and regulatory rules in force for time to time, with not less than the minimum legal notice prior to the date set for the Shareholders’ Meeting.*

*Ordinary and Extraordinary Shareholders’ Meetings shall be held upon single call, to which the majorities indicated by law for this purposes shall be applied.”*
- *removal of Article 10, second clause, and consequent renumbering of Article 10, third clause, in Article 10, second clause;*
- *amendment of Article 12, second clause, as follows:*

*“Resolutions of both Ordinary and Extraordinary Shareholders’ Meetings shall be passed by the majorities required by law in individual cases, both as regards the proper constitution of the Meetings and the validity of the resolutions passed”.*
- *removal of Article 12, third clause;*
- *amendment of Article 13, first clause, as follows:*

*“The Company shall be managed by a Board of Directors composed of no less than 9 and no more than 13 members. The Shareholders’ Meeting shall determine their number thereof, subject to the aforesaid limits, prior to their appointment.”*
- *amendment of Article 13, third clause, first paragraph, as follows:*

*“Directors shall be appointed by the Shareholders’ Meeting, in compliance with the rules in effect from time to time pertaining to gender balance, on the basis of lists submitted by the shareholders or by the exiting Board of Directors in compliance with the legal and regulatory provisions in effect from time to time, in which the candidates, no more than 13 in number and possessing the requisites provided for by the legal and regulatory provisions in effect from time to time, are to be listed with an assigned sequence number.”*
- *amendment of Article 13, third clause, second paragraph, as follows:*

*“The majority of the directors shall possess the requisites of independence established by law or regulatory provisions. Each list must indicate which candidates possess the requisites of independence established by the legal and regulatory rules in effect from time to time. The lists presented by shareholders are to be filed at the registered office and published in accordance with applicable rules. The list, if any, presented by the Board of Directors is to be filed at the registered office of the*

*Company no later than the thirty-first day preceding the date of the Shareholders' Meeting, and shall be made available to the public according to the same mechanics applicable to and with the same documents required for lists presented by shareholders. Lists with three or more candidates must be composed of candidates belonging to both genders, in accordance with gender balance rules in effect from time to time."*

– *amendment of Article 13, third clause, fourth paragraph, as follows:*

*"Lists may be submitted by the Board of Directors and by shareholders that, alone or together with others, own shares representing at least 2.5% of the capital or such different percentage of participation in the share capital as established by the legal and regulatory provisions in effect from time to time.";*

– *amendment of Article 14, first clause, as follows:*

*"If not already elected by the Shareholders' Meeting, the Board of Directors shall elect a Chair from among its members, as well as a Vice-Chair who shall replace the Chair in case of his or her absence or impediment. The Chair shall be elected by the Shareholders' Meeting or the Board of Directors, exclusively from among the independent directors.";*

2. *to grant to the Board of Directors, with the authority to sub-delegate, the power, as necessary, to adopt rules for the management of the special list provided for by Article 143-quater of the Issuers' Regulation, regulating the registration, list-keeping and updating mechanisms in compliance of the applicable laws and regulations and however ensuring the timely exchange of information among the shareholders, the issuer and the intermediary, and for the appointment of the person in charge of keeping the special list;*
3. *to grant to the Board of Directors, with the authority to sub-delegate, all broadest powers needed or appropriate to implement the above resolutions, as well as to carry out all actions and agreements needed or appropriate for the purpose thereof, including, by way of non-limiting example, all actions and agreements regarding:*
  - *the management of relationships with any competent body and/or Authority;*
  - *the obtainment of the approval required by law in respect of the above resolutions, with the power to make any amendment that may be required by the competent Authorities and/or by the Company's Register for the registration thereof."*

\* \* \*

Milan, February 10, 2020

On behalf of the Board of Directors

The Chairman, Remo Ruffini