MONCLER

# REPORT ON THE POLICY REGARDING REMUNERATION AND FEES PAID

APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 10, 2020

# MONCLER S.p.A.

*Registered office at Via Stendhal 47, Milan - share capital Euro 51.661.324,80 fully paid-in*
*Milan Companies Register, tax code and VAT no. 04642290961 - REA no. 1763158*

# REPORT ON THE POLICY REGARDING REMUNERATION AND FEES PAID

*Prepared pursuant to Art. 123-ter of Italian Legislative Decree no. 58 of February 24, 1998 and 84-quater of the Issuers' Regulation*

**Approved by the Board of Directors meeting of February 10, 2020**
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# LETTER OF THE CHAIRWOMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

Even this year, as Chairwoman of Moncler's Nomination and Remuneration Committee, I am pleased to present to you, also on behalf of the Board of Directors, the Report for the financial year 2020.

The extremely positive performance continuity of the Moncler Group is the result of the commitment of an outstanding management team that is ready to face even the challenges of a more unstable and volatile international environment. The Remuneration Policy adopted so far by the Company has demonstrated its ability to support in a sustainable way the achievement of the medium-long term objectives it had set itself.

Today the Group has reached significant sizes, positioning itself among the relevant operators in the reference sector. As such, its ability to attract, retain and motivate the best resources, capable of supporting the expected development and performance objectives, through the right mix of innovation, experience and risk management, is becoming increasingly important.

Consistent with this design, in the course of the year the Committee prepared and submitted to the Board of Directors the new Remuneration Policy for the two-year period 2020-2021, aligning it with the term of office of the Board of Directors and, therefore, until the approval of the financial statements at December 31, 2021. The central novelty of the Policy is the integration of sustainability objectives into the remuneration system, thus aligning the remuneration of top management with the sustainability strategy pursued by the Company, as well as the objective of creating value for shareholders in the medium-long term, in line with the new indications of the Corporate Governance Code.

In defining the Remuneration Policy for the next two years - as illustrated in Section I of the Report - the Committee referred to national and international best practices, taking into account the impulses and considerations that emerged during the engagement activity on corporate governance issues carried out by the Company with the main proxy advisors and institutional investors present in Moncler's share capital.

In continuity with the previous Policies, the Committee confirmed the structure of the remuneration treatment in terms of the pay mix between fixed and variable remuneration in the short and long term, considering it still appropriate to the characteristics and the historical phase of the business. At the same time, the Committee has introduced some substantial changes in the long-term incentive system with the new share plan called "2020 Performance Shares Plan", which will be subject to the approval of the Shareholders' Meeting to be held on April 22, 2020. A detailed set of performance indicators has replaced the previous single KPI (EPS), in order to capture both income and cash generation performances - through new financial KPIs - and the Company's ESG performances, through an "ESG Performance Indicator", linked to specific objectives of the Sustainability Plan. This Plan includes the commitments of the Fashion Pact (to which Moncler adhered on August 23, 2019) as well as Moncler's continued membership of the Dow Jones Sustainability Index (in which the Company ranked first as Industry Leader in the "Textiles, Apparel & Luxury Goods" World and Europe in 2019), focused on "carbon neutrality", the reduction of disposable plastic and the recycling of pre-consumer nylon.

With reference to the information on the remuneration applied to Executive Directors and Key Managers during 2019, the second section of the Report contains all relevant details and comments.

Satisfied with the result achieved, together with the Company, we present to you today a Policy consistent with the Company's purpose and capable of increasingly aligning the interests of top management with those of all the Company's stakeholders. Together with the Directors Marco De Benedetti and Alessandra Gritti, to whom I would like to extend my personal thanks for their constant and precious commitment in their role as members of the Committee, I would like to thank you now for the support you intend to provide to the Remuneration Policy planned for the two-year period 2020-2021.

Good job, everybody,

Diva Moriani

Chairwoman of the Nomination and Remuneration Committee.

# INDEX

## GLOSSARY

| | |
|---|---|
| **Board of Directors** | The Board of Directors of Moncler. |
| **Board of Statutory Auditors** | The Board of Statutory Auditors of Moncler. |
| **By-laws** | The by-laws of Moncler in force at the date of this Report. |
| **Consolidated Law on Finance** | The Italian Legislative Decree of February 24, 1998 no. 58, as subsequently amended and integrated. |
| **Corporate Governance Code** | The corporate governance code of listed companies, in force at date of this Report, approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria. |
| **EBIT** | Earnings Before Interest and Taxes. It is a profitability indicator that is obtained by subtracting depreciation, amortisation and provisions from EBITDA, without considering the impact of the application of the new accounting standard IFRS16. |
| **Financial Year** | The financial year ended December 31, 2019 to which this Report relates. |
| **Issuers' Regulation** | The Regulation issued by Consob by resolution no. 11971 of May 14, 1999, as subsequently amended and integrated. |
| **Key Managers** | Those having the power and responsibility – direct or indirect – of planning, directing and controlling the activities of the Company, according to the definition provided by Art. 1 of CONSOB Regulation on operations with related parties adopted by resolution no. 17221 of March 12, 2010, as subsequently amended and integrated. |
| **MBO** | The management by objective system for the short-term variable incentive component. |
| **Moncler Group** or **Group** | Collectively the Issuer and the other companies directly or indirectly controlled by Moncler S.p.A. pursuant to Art. 93 of the Consolidated Law on Finance. |
| **Moncler** or **Company** | Moncler S.p.A., a company with registered office in Milan, Via Stendhal, 47, Company Register of Milan, taxpayer's code and VAT number 04642290961. |
| **Nomination and Remuneration Committee** or **Committee** | The nomination and remuneration committee established within the Board of Directors pursuant to the Corporate Governance Code. |
| **Remuneration Policy** or **Policy** | The policy adopted by the Company regarding remuneration of the Directors, Key Managers and the Board of Statutory Auditors of the Company. |

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|---|---|
| **Report** | This report on the policy regarding remuneration and fees paid drafted pursuant to Art. 123-*ter* of the Consolidated Law on Finance, Art. 84-*quater* of the Issuers' Regulation. |
| **Shareholders' Meeting** | The Shareholders meeting of Moncler. |
| **Shares** | The shares of the Company. |
| **Strategic Committee** | The committee acting in an advisory capacity established for supporting the Chairman and Managing Director in the definition and implementation of strategies in order to create connections and cooperation between the main strategic areas of the Company and the Group. |

# INTRODUCTION

This Report, approved on February 10, 2020 by the Board of Directors of Moncler, upon proposal by the Nomination and Remuneration Committee at the meeting held on February 6, and subject to the favourable opinion of the Related Parties Committee which held a meeting on the same date, was prepared pursuant to Art. 123-*ter* of the Consolidated Law on Finance and in compliance with the provisions of Art. 84-*quater* of the Issuers' Regulations and Schedule 7-*bis* of Annex 3A to the Issuers' Regulations in force at the date of the Report. The Report is divided into two Sections:

1) **Section I** illustrates the Remuneration Policy adopted by the Company and the procedures used for the adoption and implementation of the Policy; in particular, the Remuneration Policy:

    i) indicates how it contributes to the Company's strategy, long-term interests and sustainability, and is determined taking into account the compensation and working conditions of the Company's employees;

    ii) defines the different components of remuneration that may be recognised and establishes the criteria for the recognition of variable remuneration

    iii) specifies the elements of the Remuneration Policy from which, in the presence of exceptional circumstances, derogation may be made and the procedural conditions under which the derogation may be applied, without prejudice to the provisions on related party transactions.

The duration of the Remuneration Policy is aligned with that of the term of office of the Board of Directors and, therefore, until the approval of the financial statements for the year ended 31 December 2021, and will remain in force until the approval of a new policy for the following period.

2) **Section II** illustrates the remuneration paid by the Company and its subsidiaries during the Financial Year for whatsoever reason and in whatsoever form to the Directors, Key Managers and members of the Board of Statutory Auditors, providing a description of every single item their remuneration is made of. Pursuant to Art. 84-*quater*, paragraph 4 of the Issuers' Regulation, this Report illustrates also, within specific tables, some data related to the stocks – of the Company and its subsidiaries – owned by the Directors, Statutory Auditors and Key Managers, as well as by non-legally separated spouses and children younger than 18, directly or through subsidiaries, trust companies or third persons, as evidenced by the Shareholders register, communications received and other information acquired by the Directors, Statutory Auditors, and Key Managers.

For the purposes of the Report, it is hereby stated as follows:

a) the Board of Directors in office on the date of this Report was appointed by the Shareholders Meeting of April 16, 2019, until the date of approval of the financial statements for the year ended on December 31, 2021. The current Board is made of 11 members: Remo Ruffini (Chairman of the Board of Directors and Chief Executive Officer), Marco De Benedetti (Deputy Chairman of the Board of Directors, Independent Non-Executive Director, Lead Independent Director and Chairman of the Control, Risks and Sustainability Committee), Nerio Alessandri (Independent Non-Executive Director), Roberto Eggs (Executive Director), Gabriele Galateri di Genola (Independent Non-Executive Director), Alessandra Gritti (Independent Non-Executive Director), Virginie Morgon (Non-Executive Director and Chairwoman of the Related

Party Committee), Diva Moriani (Non-Executive Independent Director and Chairwoman of the Nomination and Remuneration Committee), Stephanie Phair (Independent Non-Executive Director), Guido Pianaroli (Independent Non-Executive Director) and Luciano Santel (Executive Director);

b) the Board of Statutory Auditors in office at the date of the Report was appointed by the Shareholders Meeting of April 20, 2017 and will remain in charge until the date of approval of the financial statements for the Year. It is composed by Riccardo Losi (Chairman), Antonella Suffriti (Effective Statutory Auditor), Mario Valenti (Effective Statutory Auditor), Lorenzo Mauro Banfi (Alternate Auditor) and Federica Albizzati (Alternate Auditor);

c) Executive Directors:

   i. **Remo Ruffini**, Chairman of the Board of Directors and Chief Executive Officer;

   ii. **Roberto Eggs**, Executive Director and Chief Marketing & Operating Officer;

   iii. **Luciano Santel**, Executive Director, Chief Corporate & Supply Officer and manager in charge for preparing the Company's financial reports pursuant to Art. 154-*bis* of the Consolidated Law on Finance (the "**Manager in Charge**");

d) Key Managers:

   i. **Francesca Bacci**, Operations & Supply Chain Director; and

   ii. **Andrea Tieghi**, Senior Director of Worldwide Retail Business and Development.

e) The Strategic Committee is composed of the Executive Directors and the Key Managers.

* * *

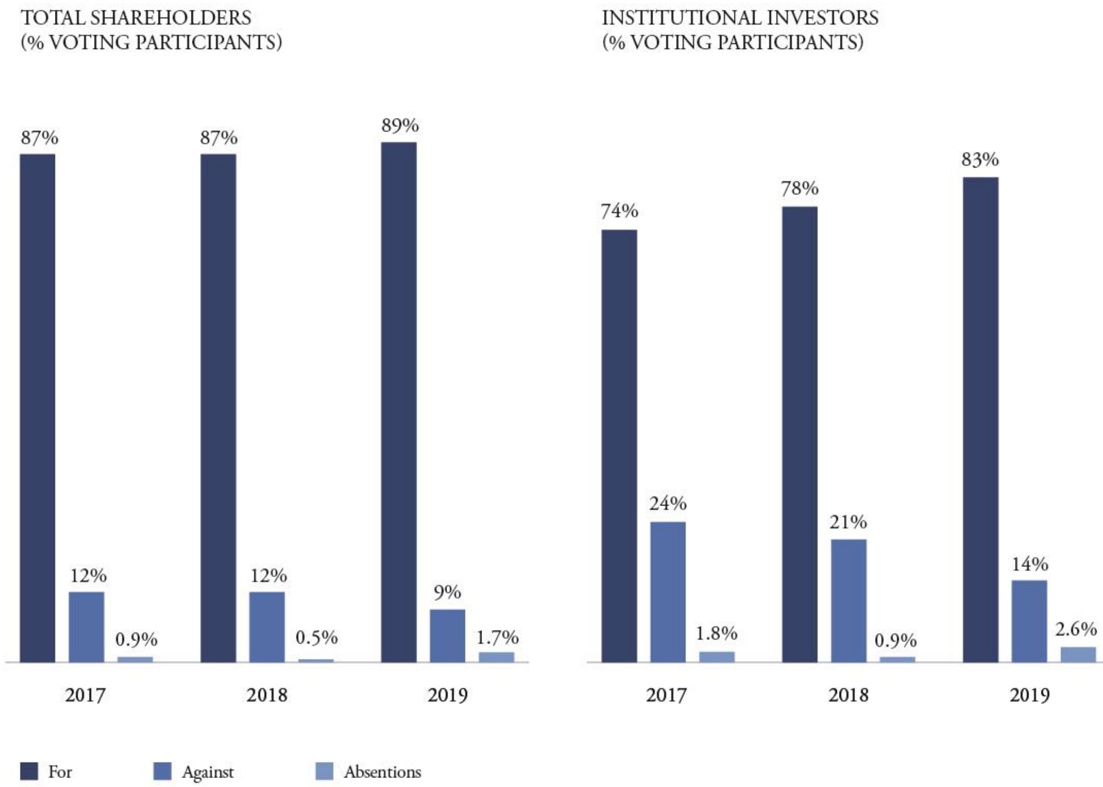
Section I of this Report, describing the Remuneration Policy, will be submitted to the binding vote of the Shareholders within the annual Shareholders' Meeting called for on April 22, 2020, pursuant to Art. 2364 of the Italian Civil Code to approve the financial statement for the Financial Year. Pursuant to Art. 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of the Consolidated Law on Finance, the Shareholders Meeting is in fact called to indicate, with a non-binding decision, its favourable or not-favourable opinion on Section I of the Report.

Section II of this Report, describing the compensation, will be submitted to the non-binding advisory vote of the same Shareholders' Meeting called for on April 22, 2020, which, pursuant to Art. 123-*ter*, paragraph 6, of the TUF, will be called to express its opinion, either for or against.

To this purpose, based on Art. 84-*quater* of the Issuers' Regulation, the Report is made available to the public at the Company's registered offices and on the website www.monclergroup.com, in the sections "*Governance/Shareholders Meeting*" and "*Governance/Remuneration*" as well as at the centralised stocking information center named "1Info", not later than twenty-one days before the date of the Shareholders Meeting.

The Shareholders' Meeting of April 16, 2019, in accordance with the regulations then in force, cast an advisory vote on Section I of the 2019 Remuneration Report.

The percentage of votes in favour was 88.716% of total shareholders and 83% of the institutional investors in 2019. Below are the results of the Shareholders' Meeting on Moncler's Remuneration Policy for the last 3 years.




Milan, February 10, 2020

The Chairman of the Board of Directors

Remo Ruffini

# SECTION I - POLICY ON REMUNERATION

## 1. Policy on Remuneration for Directors and Key Managers

### A) Bodies and individuals involved in the preparation and approval of the Remuneration Policy; roles, bodies and individuals responsible for the proper implementation of said Policy

The preparation and approval of the Company's Remuneration Policy involves the Board of Directors, the Nomination and Remuneration Committee, the Board of Statutory Auditors and the Shareholders' Meeting.

The Board of Directors has the exclusive and non-delegable power to define and yearly approve the Remuneration Policy based on proposals formulated by the Nomination and Remuneration Committee (the composition and responsibilities of the Committee are described in paragraph B below).

Pursuant to Art. 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of the Consolidated Law on Finance, upon the approval of the financial statements the Shareholders' Meeting is called to resolve in favour of or against the Remuneration Policy described in this Section of the Report.

The Nomination and Remuneration Committee, in the exercise of its tasks described herein below, and the Board of Directors are responsible of the correct implementation of the Remuneration Policy.

The Remuneration of directors granted with specific charges is determined by the Board of Directors, in accordance with the Remuneration Policy, upon proposal by the Nomination and Remuneration Committee having heard the Board of Statutory Auditors, within the limits of the total compensation determined by the Shareholders Meeting (if any) pursuant to Art. 2389, paragraph 3, of the Italian Civil Code and Art. 22 of By-laws.

### B) Nomination and Remuneration Committee; composition, responsibilities and functioning rules of said Committee

On April 16, 2019, the Board of Directors appointed the members of the Nomination and Remuneration Committee composed of 3 member, who shall be in office until the date of approval of the financial statements for the year ended on December 31, 2021. The Nomination and Remuneration Committee is composed by the following 3 non-Executive Directors (all of whom Independent), according to the combined provisions of Art. 147-*ter*, paragraph 4 and Art. 148, paragraph 3 of the Consolidated Law on Finance, and of Art. 3 of the Corporate Governance Code:

Diva Moriani (Chairman of the Nomination and Remuneration Committee), Alessandra Gritti (Independent Director) and Marco De Benedetti (Independent Director).

The Board also verified that all the members of the Nomination and Remuneration Committee have adequate knowledge and experience in financial remuneration matters.

#### Meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee meets at the request of its Chairman whenever the Chairman deems appropriate or when requested to do so by the Executive Directors or by the Chairman of the Board of Statutory Auditors or by the Chairman of the Board of Directors, and, anyway, at least half yearly.

The Nomination and Remuneration Committee's works are coordinated by its Chairman.

The Chairman of the Board of Statutory Auditors (or other Statutory Auditors designated by him) attends the meetings of the Nomination and Remuneration Committee; the other Statutory Auditors may participate as well. The Chairman of the Nomination and Remuneration Committee has the power to invite to the meetings of the Nomination and Remuneration Committee the Head of the Human Resources department of the Company, the Manager in Charge, other Directors, other persons that are responsible for corporate functions of the Company and its subsidiaries, as well as persons with reference to specific items on the agenda, in order to provide information and express evaluations, or persons whose presence may help to improve the Committee's work.

The meetings of the Nomination and Remuneration Committee are recorded in minute which are kept by the secretary in chronological order.

In line with the recommendations of application criterion 6.C.6 of the Corporate Governance Code, Directors do not attend the meetings of the Nomination and Remuneration Committee where proposals are formulated on their own remuneration, except where the proposals are related to the generality of the members of the committees established on the Board of Directors.

## Activities of the Nomination and Remuneration Committee

The resolutions of the Nomination and Remuneration Committee are adopted by absolute majority of the Committee's members in charge.

In accordance with the recommendations contained in Art. 6 of the Corporate Governance Code, the Nomination and Remuneration Committee carries out the following consultancy activities regarding the Policy:

a) providing the Board of Directors with proposals regarding the remuneration of Directors and Key Managers;

b) assessing periodically the adequacy, general coherence and actual implementation of the Remuneration Policy, availing itself of the information provided by the Managing Director and making proposals to the Board in this respect;

c) submitting proposals or expressing opinions to the Board regarding the remuneration of Executive Directors, other Directors having particular charges and Key Managers, as well as regarding the determination of performance targets connected to the variable components of the remuneration, monitoring the implementation of the decisions adopted by the Board itself and the actual achieving of performance goals;

d) to examine in advance the annual remuneration report, to be made available to the public for the Annual General Meeting of the Shareholders

The Nomination and Remuneration Committee can access the Company's records, functions and structures, interacting with them in a functionally and operationally effective manner to carry out its duties. The Committee can rely on external consultants, at the Company's cost and expense, within the limits of the budget possibly approved annually by the Board of Directors, after it has been assessed that such consultants are not in a position in which their independent judgment is compromised and, in particular, they are not requested to provide the HR Department, the Directors or the Key Managers with services affecting their independence of judgment.

The Chairman of the Nomination and Remuneration Committee reports (i) to the next following Board meeting on each meeting previously held and annually report to the Board of Directors on its activity and (ii) reports to the Shareholders' Meeting on an annual basis on the approval of the financial statements about arrangements for the exercise of its functions.

## B-*bis*) Components relating to remuneration and working conditions of employees in determining the Remuneration Policy

The Policy consists of tools and logic, applied to the entire corporate workforce, aimed at attracting, motivating and retaining people with the professional qualities necessary to contribute to the definition of the Company's growth strategy and the strengthening of Moncler's long-term interests and sustainability. It is based on the principles of fairness, equal opportunities, meritocracy and market competitiveness.

The definition of the remuneration of the corporate workforce takes into account specific criteria, including comparison with the external market and the internal fairness of the business, the characteristics of the role and responsibilities assigned, as well as the distinctive skills of the people, always with maximum objectivity, in order to avoid any form of discrimination.

The remuneration package offered to all employees includes a wide range of benefits, including life insurance, pension plans and prevention programmes aimed at improving people's well-being. The benefits offered by Moncler to its employees are linked to the professional category to which they belong, regardless of the type of contract (permanent, fixed term; full time, part time) and follow guidelines applied at international level, with possible variations depending on the local policy of the country of reference.

The remuneration of 94% of the workforce consisting of professionals, managers, executives and senior executives has a fixed component, evaluated in line with the abovementioned criteria, and a variable component, aimed at rewarding the achievement of specific economic-financial and qualitative objectives, evaluated on the basis of a balance score card system and closely linked to the Company's strategic projects.

Moncler also ensures:

a) a safe, functional and pleasant working environment: architectural criteria functional to the activities are applied in the Moncler offices and shops, promoting exchange and collaboration and respecting fundamental health and safety criteria. In terms of workers' health and safety, in 2016 Moncler obtained OHSAS certification for offices and shops in Italy and for the logistics centre located in Piacenza; this certification, which has been maintained over time, was extended during 2017 to the production unit in Romania, and during 2018 to all offices and shops in Europe and the United States; during the year, it was extended with the new ISO 45001 standard to all offices and shops worldwide (existing as of 2018 with the exception of shop-in-shop in APAC, Americas, Korea and Japan);

b) working practices that facilitate effective and efficient collaboration, relying on smart spaces and technologies, allowing for greater global proximity and ensuring continuous value for the company and individuals;

c) the real possibility to orientate one's individual and professional development, by means of a periodic and structured performance evaluation; a continuous learning environment, which facilitates the advancement of knowledge and skills; the global dimension, which allows one to face continuous, complex and innovative challenges, offering significant opportunities for growth.

## C) Independent Expert(s) who may have participated in preparing the Remuneration Policy

No independent expert participated in the preparation of the Remuneration Policy.

## D) Purposes pursued with the Remuneration Policy, underlying principles and any changes to the Remuneration Policy with respect to the previous financial year

The Remuneration Policy has been designed with the aim of fulfilling the constant needs for:

a) ensuring an overall remuneration structure which recognises the managerial value of the beneficiaries and the contribution provided to the growth of the Company in terms of their respective competences;

b) awarding the achievement of the performance objectives on the basis of the company economic-financial growth indicators and of non financial objectives, as well as their sustainability over time;

c) attracting, withholding and motivating people having the professional skills required by the growth perspective of Moncler Group's business, with particular regard to key positions for the development and management of the business;

d) matching the interests of the Company and its management with shareholders' ones;

e) promoting the creation of profits for the Shareholders within a mid-long term.

The Remuneration Policy is inspired by the following principles:

a) **the fixed component and the variable component** of remuneration are adequately balanced based on the Company's strategic objectives and its policy on risk management, with reference to its business field and the characteristics of the activities it conducts, in line with the objective of promoting long-term creation of value for all shareholders and sustainable growth;

b) the remuneration **fixed component** is sufficient to remunerate the performance of Executive Directors and Key Managers if the variable component is not paid due to failure to reach the performance targets specified by the Board;

c) the remuneration **variable component** is designed to significantly reward results that exceed targets, decreasing their value when they are not met. It is paid within maximum limits.

The remuneration variable component is divided into a short-term component (MBO) and a long-term component (equity incentive plans). The latter is much higher in terms of importance than the former, and provides for an adequate deferral period since it is linked to the achievement of long-term objectives. The length of the deferral period is consistent with the characteristics of the business activity carried out and the related risk profiles.

Such share-based compensation plans comply with the following recommendations of the Corporate Governance Code:

i. the Shares, options and any other rights granted to Executive Directors and Key Managers to purchase Shares or to be remunerated on the basis of the price movements of the Shares shall have an average vesting period of at least three years;

ii. the vesting referred to in point (i) is subject to predetermined and measurable performance targets;

iii. Executive Directors and Key Managers maintain - until the end of their term of office for the former, and for at least 24 months for the latter - a portion of the Shares assigned or purchased through the exercise of the rights referred to in point (i). If the beneficiaries of the share plans (whether Executive Directors or Key Managers) have been allotted, at the end of the vesting period, sums of money in place - in whole or in part - of the Shares, they are obliged to reinvest such sums in shares of the Company to be held consistently with the above terms.

The performance targets – i.e., the economic results and other specific objectives linked to payment of variable components (including objectives set for remuneration plans based on stocks) – as better described below, are defined, measurable, and aimed to create value for the Shareholders in the medium/long term. The achievement of these targets is verified at least once a year by the Board of Directors (following the approval of the draft financial statements), upon a prior opinion being given by the Nomination and Remuneration Committee;

d) In order to ensure that the Remuneration Policy is as competitive and aligned with the market as possible, the remuneration practices and best practices adopted in the reference market are constantly analysed and monitored. The preparation of the guidelines and the evaluation of the policies implemented are carried out with the support of leading independent and highly specialised international consulting firms, using specific remuneration benchmarks. Moncler has therefore identified a panel of companies comparable with Moncler to serve as a clear and solid reference for a competitive definition of the Remuneration Policy. The remuneration benchmark is carried out on the basis of a solid and proven methodology for evaluating organisational positions, which makes it possible to weigh each role, allowing for consistent comparisons both internally, including at global level, and externally, ensuring competitive alignment with the reference market.

The following table shows the incidence, in percentage terms, of the fixed component, the short-term variable component and the long-term variable component on the remuneration package of the Chairman and Chief Executive Officer, Executive Directors and Key Managers.

***Pay-mix***

| Office | % Fixed Remuneration | % Short-term Incentive | % Long-term Incentive |
|---|---|---|---|
| Chairman and Chief Executive Officer | 31% | 21% | 48% |
| Executive Director and Chief Marketing & Operating Officer | 34% | 17% | 49% |
| Executive Director and Chief Corporate & Supply Officer | 25% | 13% | 62% |
| 2 Key Managers (*) | 36% | 12% | 52% |

(*) Key Managers are represented in aggregate format.

The Remuneration Policy covers the following institutions:

a) **compensation for the early termination of the relationship or the failure to renew it (known as "parachute agreements")**

It is meant that the contracts to hire Key Managers and Executive Directors may include clauses providing for a compensation to be paid in case of termination of the employment relationship within a certain limit and pursuant to the provisions of application criterion 6.C.1 letter g) and 6.C.3. of the Corporate Governance Code.

Such component of the remuneration does not prevent, however, from inserting provisions enabling the Company to get back (or withhold), in full or in part, the said compensation according to the recommendations by the Corporate Governance Code (application criterion 6.C.1. letter f) and 6.C.3.). These agreements can apply to Key Managers and Executive Directors. The provision for such compensations is however subject to prior assessment and approval by the Board of Directors, having heard the Nomination and Remuneration Committe

b) **non-competition covenants**

At the moment, non-competition covenants are intended to apply only to high-level management (managers and executives), and does not include Executive Directors and Key Managers. Such covenants provide for (i) a one-year duration and (ii) a consideration which may vary from 50% to 70% of the fixed gross annual compensation as for managers, and from 70% to 100% of the fixed gross annual compensation as for key executives.

c) **claw back / malus clauses**;

The introduction of the claw back / malus clauses has been deemed as positive according to the Corporate Governance Code, that suggests the introduction of "contractual provisions enabling the Company to get back, in full or in part, of the paid variable components of remuneration (or to withhold postponed amounts), determined on the basis of data which then revealed themselves to be clearly wrong" (application criterion 6.C.1, letter f of the Corporate Governance Code).

d) **Provision of entry bonus**

Exclusively during the first year of the employment relationship it could be confer to selected high profile figures (including therefore Key Managers and Executive Directors) a total or partial guaranteed entry bonus, and in whole or in part bound to qualitative bound of strategic-operational significant relevance.

Compared to the previous Remuneration Policy of the Financial Year, the duration of this Remuneration Policy is in line with that of the term of office of the Board of Directors and, therefore, will be effective until the approval of the financial statements for the year ended 31 December 2021, remaining in force until the approval of a new policy for the following period.

During the Financial Year, Moncler conducted engagement activities on remuneration and corporate governance in general with the main Proxy Advisors and institutional investors present in the Company's share capital. In defining the Remuneration Policy referred to in this Report, the Company, taking into account the considerations that emerged during this activity, as well as national and international best practices, has kept the key elements of the Policy unchanged and, at the same time, has brought some innovations aimed at consolidating the Company's responsible approach. In particular, some substantial changes have been introduced in the long-term incentive plans and, specifically, with respect to the new share plan called "Performance Shares 2020 Plan", subject to the approval of the Shareholders' Meeting to be held on 22 April 2020, as described in the relevant Information Document prepared pursuant to Art. 84-*bis* of Issuers' Regulation.

## E) Description of policies regarding the fixed and variable components of the compensation package

The Board of Directors considered appropriate to distinguish the remuneration structure in relation to the competences and executive/managerial responsibilities recognised to the persons concerned and consequently autonomously define the remuneration criteria of:

(i) Directors, and in particular:

   a. Non-Executive Directors;

   b. Managing Director and Executive Directors;

(ii) Key Managers.

More specifically, considering the objectives and criteria of the Remuneration Policy, the remuneration of Directors and Key Managers is determined as follows:

## <u>Directors</u>

Pursuant to the applicable laws and Bylaws provisions, the remuneration paid to Directors for the positions they hold is determined by the Shareholders' Meeting, and may include either the aggregate amount of remuneration to be paid or specific details on how it is to be divided among the Directors.

The members of the Board of Directors are entitled to reimbursement of any expenses incurred by reason of their position.

The remuneration is formulated in order to attract and motivate top professionals to perform their tasks to the best of their ability and to reach the Remuneration Policy objectives described in paragraph D) above.

All Executive Directors receive a fixed compensation that ensures an adequate remuneration for their work and commitment to the Company.

### *Non-Executive Directors*

The remuneration of Non-Executive Directors and Independent Directors is determined as a fix compensation and it is proportional to the commitment required, in relation also to their participation into the Board's committees. The remuneration of such Directors is not linked to economic results nor to specific objectives of the Company and such persons do not benefit from remuneration plans based on stocks, unless it is specifically resolved to do so by the Shareholders' Meeting.

### *Managing Director and Executive Directors*

The remuneration of the Managing Directors and other Executive Directors is fairly balanced in order to ensure consistency between short-term growth objectives and sustainability of value creation for Shareholders in the mid-long term; in particular, the compensation structure consists of:

(i) a **fixed component** consistent with the level of internal authority, special positions, and strategic responsibilities assigned;

(ii) a **variable component** defined within pre-established limits and designed to reward expected short-term (in case of MBO) and medium/long-term results (in case of incentive plans).

The Company has adopted a simple and clear overall remuneration system, which uses transparent performance criteria directly linked to short and long-term objectives, capable of aligning the interests of the beneficiaries with the interests of the shareholders. In addition to this, the overall remuneration is consistent with market references applicable to similar roles.

The various remuneration components are balanced and consistent with the company's philosophy of conferring significant importance and value on the variable component of remuneration.

The annual fixed component and the short-term variable (*i.e.*, the MBO) compensation are structured in relation to the characteristics of the position within the Company and the responsibilities attributed to them, in order to guarantee the sustainability of the Company's results and the creation of value for Shareholders in the medium-to-long term.

To help create value in the medium-long term, the Chief Executive Officer and the Executive Directors may be beneficiaries of incentive plans based on financial instruments pursuant to Art. 114-*bis* of the Consolidated Law on Finance, prepared in line with best market practice, which provide for adequate vesting periods for the right to exercise the options and/or receive the Shares granted (vesting period). For the same purpose, the Chief Executive Officer and the Executive Directors may also be beneficiaries of medium/long-term monetary incentive plans, with a deferment of payment mechanism.

The benefits are designed to supplement the remuneration package with components consistent with the status of the beneficiary aimed at protecting the beneficiary's welfare in a broad sense. Benefits are defined in line with the practices of the reference remuneration markets and in compliance with current regulations, in order to complete and enhance the overall remuneration package by taking into account the roles of the responsibilities assigned.

Remuneration packages are subject to periodic review on the basis of overall company and personal performance, the individual's potential for future development and the competitiveness and attractiveness of remuneration in relation to market values.

The Policy provides for the possibility of awarding Directors additional compensation for any directorships in Moncler's subsidiaries.

## Key Managers

The remuneration paid by the Company and Moncler's subsidiaries is structured in such a way as to attract and retain highly qualified Managers capable of supporting the Company's development, excellence and innovation objectives.

Proposals relating to the fixed compensation of Key Managers are always submitted by the Human Resources Department to the Nomination and Remuneration Committee. In the case of Key Managers who report hierarchically to the Chairman of the Board of Directors and Chief Executive Officer, proposals relating to remuneration are approved by the Board of Directors, after consulting the Nomination and Remuneration Committee. The individual performance, level of responsibility, experience and competence of Key Managers can have a positive impact on compensation reviews.

The variable component consists of (a) an annual incentive (i.e., the MBO) and (b) the application of any incentive plans based on financial instruments pursuant to Art. 114-*bis* of the Consolidated Law on Finance. The variable component is also submitted by the Human Resources Department to the Nomination and Remuneration Committee for examination. In the case of Executives with Strategic Responsibilities who then report hierarchically to the Chairman of the Board of Directors and Chief Executive Officer, the proposals relating to these members are resolved by the Board of Directors, after hearing the opinion of the Nomination and Remuneration Committee.

Key Managers may be beneficiaries of incentive plans based on financial instruments pursuant to Art. 114-*bis* of the Consolidated Law on Finance, prepared in line with best market practices that provide for adequate vesting periods for the right to exercise the options granted.

Key Managers may also be recipients of medium/long-term monetary incentive plans, with a payment deferral mechanism.

The benefits are designed to supplement the remuneration package with components consistent with the status of the beneficiary aimed at protecting the beneficiary's welfare in a broad sense. Benefits are defined in line with the practices of the reference remuneration markets and in compliance with current regulations, in order to complete and enhance the overall remuneration package taking into account the roles of the responsibilities assigned.

Remuneration packages are subject to periodic review on the basis of overall company and personal performance, the individual's potential for future development and the competitiveness and attractiveness of remuneration in relation to market values.

The Policy provides for the attribution to Key Managers of additional compensation for any directorships in Moncler's subsidiaries.

## Structure of MBOs of Executive Directors and Key Managers

The MBO system has a short-term incentive function, and is built to significantly reward results that exceed predefined targets, decreasing its value when targets are not met. It aims to focus Executive Directors and Key Managers on the key objectives for the development of the business, namely economic and financial, i.e. linked to projects, activities and processes useful for the creation of value in the long term for the benefit of Shareholders, taking into account the interests of all stakeholders relevant to the Company.

Such system is made up of two levels, a collective one, to incentivise performance that increases value for the company, and an individual one, to recognise the contribution of each individual within his or her direct sphere of responsibility and influence. To reward results that exceed the targets, the system includes performance curves and the application of multipliers.

| Key Elements | Description |
|---|---|
| **Eligibility and Pay Mix** | • Eligibility: based on the Moncler's organisational band system (*);<br>• Pay Mix: the variable part must increase as the band to which it belongs increases |
| **Structure** | A 2-level system:<br>1. Collective indicators: economic/financial<br>2. Individual Indicators: Balance Score Card (Financial/processes/projects) |
| **Performance** | • A chart with levels in order to reward economic and financial over performance<br>• Multiplier linked to the Group's EBIT |

(*) Based on the organizational evaluation system pursuant to international standards.

The structure and impact of the financial indicators varies according to the organizational band to which they belong; the maximum impact of these indicators is 85% with reference to the Chairman and Chief Executive Officer, Executive Directors and Key Managers, consistently and in line with the different roles they hold.

| Office | Financial Collective | Financial Individual | Total Financial | Qualitative, quantitative, project-linked |
|---|---|---|---|---|
| **Chairman and CEO** | 85% | n.a. | 85% | 15% |
| **Executive Director and Chief Marketing & Operating Officer** | 85% | n.a. | 85% | 15% |
| **Executive Director and Chief Corporate & Supply Officer** | 85% | n.a. | 85% | 15% |
| **Two Key Managers (*)** | from 30% to 50% | from 30% to 35% | from 60% to 85% | from 15% to 40% |

(*) Key Managers are represented in aggregate format.

The objectives related to the variable component are pre-established, measurable and defined in such a way as to ensure, through different accrual periods and parameters, that both short-term and medium-to-long-term performances are rewarded based on the (mostly quantitative) annual results of economic-financial nature achieved by the Group (primarily including the Group's consolidated EBIT, and the qualitative objectives of significant strategic and operating importance, including respect for certain objectives contained within the Sustainability Plan (described in the consolidated non-financial statement pursuant to Legislative Decree no. 254/2016) and, as far as the principle of people engagement, objectives based on the results of the survey carried out on the degree of employee satisfaction ("MONVoice").

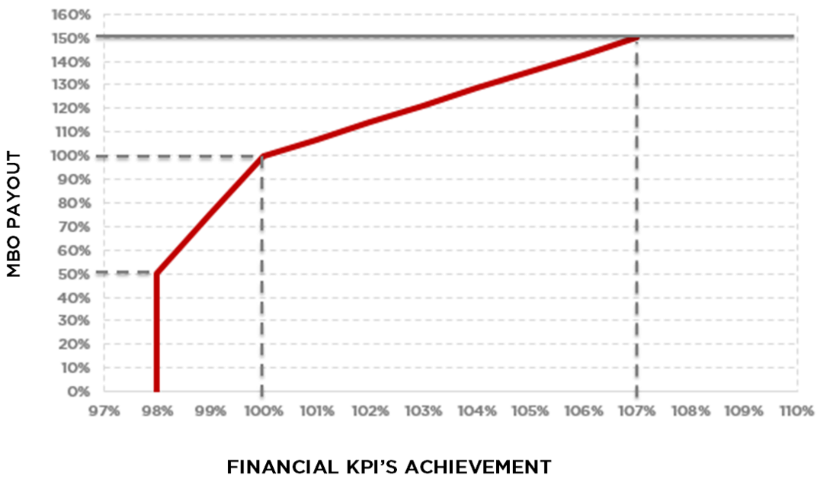
In order to encourage the achievement of distinctive objectives and further stimulate the contribution to the company's results, a performance curve linked exclusively to economic-financial indicators is applied. In addition, a multiplier effect is applied to the final value of the MBO, linked to the Group's EBIT performance in the reference year, which begins from the achievement of the target. Both effects have a maximum payout level of 150%.

The annual incentive can vary from an incidence of about 30% to a maximum of 50%, compared to the basic compensation.

Moreover, the MBO must be structured in order to enable to foreseen that the variable component of the remuneration deriving from achieving the targets set forth from time to time, does not exceed, also in the event of significant *over performance*, 100% of the fixed component.

The application of the curve and multiplier follows the diagram below:

| From | To | Payout % |
|---|---|---|
| | < 98% | 0% |
| 98% | 98,99% | 50% |
| 99% | 99,99% | 75% |
| 100% (*) | 100,99% | 100% |
| 101% | 101,99% | 107% |
| 102% | 102,99% | 114% |
| 103% | 103,99% | 121% |
| 104% | 104,99% | 129% |
| 105% | 105,99% | 136% |
| 106% | 106,99% | 143% |
| ≥107% | | 150% (**) |
| (*) Level at which the multiplier is applied; (**) Maximum level/cap | | |




The following is the scheme of objectives:

| Role | Collective Performance | | Individual Performance | |
|---|---|---|---|---|
| **Chairman and Executive Directors** | 55% | Group's EBIT | 10% | Sustainability |
| | 30% | Free Cash Flow (*) | 5% | People engagement & enablement |
| **Key Managers** | 30% | Group's EBIT | from 30% to 35% | Financial (Function) |
| | from 0 % to 20% | *Free Cash Flow (*)* | 10% | Sustainability |
| | | | 5% | *People engagement & enablement* |
| | | | from 0% to 25% | Key (Function) |

(*) Pre IFRS16 and net of changes in other receivables, current and non-current payables.

The incentive is paid upon the approval by the Board of Directors of the relevant draft annual financial statements and subject to the verification of the objectives' achievement, and the amounts may vary in proportion to the results achieved, up to the incentive's maximum amount (including the multiplier effect - if any - referred to in the abovementioned over-performance mechanism).

With the aim to increase the attraction and retention potential, only during the first year of employment, a bonus may be granted, which is, in full or in part, guaranteed or linked to qualitative objectives having significant operative-strategic importance.

The Company may ask the beneficiary of said bonus to reimburse, in full or in part, the paid amounts or to withhold deferred amounts, if such amounts have been calculated based on data which then revealed themselves as being clearly incorrect and/or behaviors from which a significant loss to the Company derived or, anyway, following acts of willful misconduct or gross negligence resulting into a loss for the Company.

## F) Policy regarding non-monetary benefits

Non-monetary benefits are paid in line with standard practices and in accordance with the position and role covered. Non-monetary benefits include the use of a company car, life insurance, accident insurance, and supplemental health insurance.

## G) Description of performance targets used to assign variable components

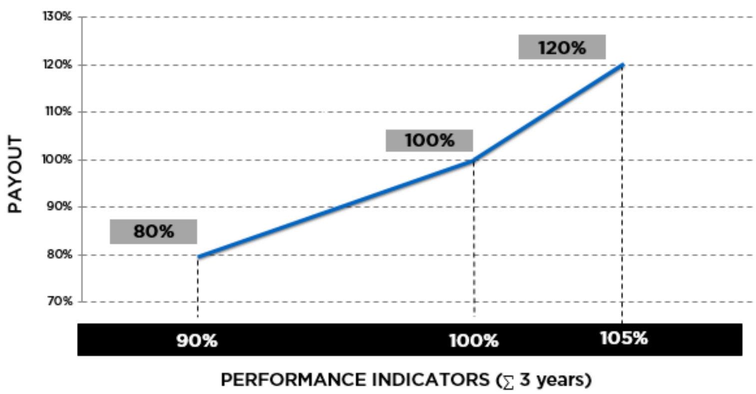
See paragraph E) above.

## H) Criteria applied to the evaluation of performance targets used to assign shares, options, other financial instruments, or other variable components of remuneration

Consistent with the Policy, long-term variable incentive instruments are also linked to the achievement of specific objectives.

All the incentive plans in place, whether they relate to the allocation of Shares or options, adopt the following approach: an access barrier is identified when 90% of the set target is reached, which activates a payout of 80%, and a maximum payout cap of 120% is defined, corresponding to a target of 105%.

| Incentive Plan | Performance conditions | Performance Curve | Payout Curve |
|---|---|---|---|
| **2015 Performance Stock Option Plan** | Group's EBITDA | 90% - 105% | 80% - 120% |
| **2016-2018 Performance Shares Plan** | EPS | 90% - 105% | 80% - 120% |
| **2018-2020 Performance Shares Plan** | EPS | 90% - 105% | 80% - 120% |




In general, the objectives are based on the specific activities carried out by the Company and they are markers of the Company's capability to produce value in a sustainable way and to manage the risks connected to its business within the mid-long term.

With regard to the indication of the variable component of remuneration linked to the achievement of the Company's objectives, broken down according to the level of achievement of the same, see paragraph E) above.

In addition, at the next Shareholders' Meeting called for April 22, 2020, a new share incentive plan called "Performance Shares 2020 Plan" will be submitted to the Shareholders for approval, with the following structure:

| Indicators | Impact | Performance / Payout Min | Performance / Payout Target | Performance / Payout Max |
|---|---|---|---|---|
| **Net Income** (*) | 70% | 90%/80% | 100%/100% | 105%/120% |
| **Free Cash Flow** (**) | 15% | 90%/80% | 100%/100% | 105%/120% |
| **ESG Performance Indicator** | 15% | 80%<br>At least 2 indicators reached in the period | 100%<br>3 indicators reached in the period | 120%<br>3 indicators reached in the period, and inclusion in the DJSI for each year of the period |

(*) Pre IFRS16
(**) Pre IFRS16 and net of changes in other receivables, current and non-current payables.

Moncler also judges the value of its results by the way they have been achieved, strongly convinced that success is only long-term if it can create a shared value. It is precisely on this corporate philosophy that the desire to integrate environmental impact assessment indicators into the new long-term plan is based, which also takes into account the indications provided by the market to the Company in the context of engagement activities. The ESG Performance Indicator refers to the new Sustainability Plan, published in the Consolidated Non-Financial Statement 2019, which contains the strategic guidelines for the medium-long term on sustainability. In defining the strategic drivers and related commitments of the new Plan, Moncler also took into account the priorities defined by the Fashion Pact, signed in 2019 together with other fashion and textile companies, to achieve concrete objectives in three areas relevant to the protection of the planet: the fight against climate change, the protection of the oceans and the safeguarding of biodiversity. Consistent with this, the ESG Performance Indicator focuses primarily on three challenges: carbon neutrality, the reduction of disposable plastics and the recycling of pre-consumer nylon.

Climate neutrality (carbon neutrality) is the result of a process of monitoring, reducing and offsetting the residual $CO_2$ emissions generated by the Company in its direct operational management. Moncler's decision to become carbon neutral is part of the broader scope of reducing its environmental impacts and thus contributing to the fight against climate change.

The issue of disposable plastics, on the other hand, represents not only one of the most felt global challenges in recent years but also a stimulus to promote the circular economy.

As well as recovering nylon waste (pre-consumer nylon) during the production process to recycle it so that it can become raw material again, it represents a virtuous example of corporate commitment to an increasingly circular economy. To implement a circular model, in fact, it is necessary to integrate sustainability into the product and processes by acting on various aspects ranging from the choice of more eco-sustainable materials, to initiatives to extend the life of the product, such as repair services or "second life" projects, to the design of the garment to encourage recovery and recycling, up to the sustainability of production processes, distribution and packaging with low environmental impact. A challenge that Moncler has taken up, including the circular economy as one of its five priority commitments under the Sustainability Plan.

In addition, the ESG Performance Indicator considers Moncler's performance in the Dow Jones Sustainability Index, one of the most prestigious sustainability indices in the world. The index includes only those companies rated best in managing their business according to the criteria of economic, social and environmental responsibility taken into account by S&P Global's annual assessment. In 2019, Moncler was included for the first time in the Dow Jones Sustainability World and Europe indices as Industry Leader for Textile, Apparel and Luxury Goods and received the Gold Award and Industry Mover Award from S&P Global.

The choice to integrate the ESG Performance Indicator confirms the Company's commitment to combine operational, economic and financial standing with social and environmental responsibility and to further develop an internal culture of sustainability, linking it to concrete and measurable objectives.

For further details on Moncler's performance and sustainability commitments, please refer to the Consolidated Non-Financial Statement 2019.

The essential characteristics of the abovementioned plan are detailed in the relevant Information Document prepared pursuant to Art. 84-*bis* of Consob's Issuers' Regulation, to which reference has been made, published together with the additional documentation submitted to the Shareholders' Meeting of April 22, 2020 for approval of the plan, available on the Company website www.monclergroup.com, in the "*Governance / Shareholders' Meeting*" section.

## I) Information pointing out the contribution of the Remuneration Policy to the corporate strategy, the pursuit of the Company's long-term interests and its sustainability

As described in paragraphs D) and E) above, the Remuneration Policy pursues the creation of value for the Company and its Shareholders in the medium-long term. In line with such objective, the remuneration of Executive Directors and Key Managers is structured in such a manner as to:

a) balance fixed and variable remuneration in order to create sustainable value for the Company in the medium-long term ;

b) link variable compensation to the achievement of operating and financial objectives aligned with the creation of value in the medium-long term and the actual results achieved by the Company;

c) pay adequate compensation to attract, motivate, and retain in the medium-long term individuals with the personal and professional skills that are needed to achieve the Company's business development objectives in the medium-long term.

## J) Vesting periods and deferred payment systems and *ex post* correction mechanisms

With reference to the incentive plans based on financial instruments pursuant to Art. 114-*bis* of the Consolidated Law on Finance, the Remuneration Policy provides for them to include vesting periods for the right to exercise the options and/or to receive the allocated shares (*vesting period*) of at least three years. The same applies to mid-long term monetary incentive plans.

Furthermore, with regard to the incentive plans based on financial instruments pursuant to Art. 114-*bis* of the Consolidated Law on Finance, the Policy provides for them to include adequate *ex-post* rectification mechanisms (*claw back* / *malus* clauses).

The Company reserves the right to request that Executive Directors and Key Managers repay, in whole or in part, any amounts paid or to withhold amounts subject to deferment, if such amounts have been determined on the basis of information that has subsequently been proven to be manifestly incorrect, or if the termination of the relationship is due to the achievement of objectively inadequate results or results achieved by way of a conduct leading to a significant loss to the Company or, in any case, as a result of fraudulent conduct or gross negligence to the detriment of the Company.

## K) Information on clauses for holding financial instruments in portfolio after purchase

The Remuneration Policy adopted by the Company provides for obligations aimed to keep financial instruments within the portfolio purchased with reference to the "2015 Performance Stock Option Plan", the "2016-2018 Performance Shares Plan" and the "2018-2020 Performance Shares Plan", as follows:

a) The stock option plan named "2015 Performance Stock Option Plan" (the "**2015 Performance Stock Option Plan**"), approved by the Shareholders' Meeting of April 23, 2015, includes the commitment not to sell the stocks upon the beneficiaries being Executive Directors and Key Managers. Due to such commitment, said beneficiaries shall have the obligation to continuously hold, for at least 12 months as of the exercise date, a number of stock equal to at least 20% of the subscribed ones, once the stocks' vesting period is over, net of the stocks which can be assigned for the payment of (i) the options' exercise price and (ii) tax and fiscal duties, if any, connected to the exercise of the same.

It is also provided that, according to the Corporate Governance Code's recommendations, the beneficiaries being also Executive Directors have the obligation, even after the period mentioned here above, to continuously keep a certain percentage of the exercised stocks subject of the commitment not to sell until the end of their charge, whose amount is 50%.

Due to the said clause, therefore, the stocks are subject to inalienability and so they cannot be sold, assigned, swapped, carried-over, anyway given to other persons by means of *inter vivos* deed, until the expiry of the term referred to herein above, unless this is authorised in writing by the Board of Directors, having heard the Nomination and Remuneration Committee.

b) The plan called "2016-2018 Performance Shares Plan" (the "**2016-2018 Performance Shares Plan**") approved by the Shareholders' Meeting of April 20, 2016, also provides for lock-up clauses upon expiration of the vesting period. Namely, the beneficiaries that are Executive Directors or Key Managers, shall not transfer, respectively: (i) a number of shares equal to 30% of those allocated until the end of their office, and (ii) a number of shares equal to 30% of those allocated, for at least 24 months from the allocation date, net of the shares assignable for the payment of taxes, and social security contributions, where due, connected with the allocation of the shares.

   Such Shares shall be subject to a lock-up obligation – and therefore they shall not be transferred, contributed, exchanged, loaned, or be subject to any other acts *inter vivos* – until the expiration of the term as set forth above, except in case of prior written authorisation by the Board of Directors, having consulted with the Remuneration Committee.

c) The plan called "2018-2020 Performance Shares Plan" (the "**2018-2020 Performance Shares Plan**") approved by the Shareholders' Meeting of April 16, 2018, also provides for lock-up clauses upon expiration of the vesting period. Namely, the beneficiaries that are Executive Directors or Key Managers, shall not transfer, respectively: (i) a number of shares equal to 30% of those allocated until the end of their office, and (ii) a number of shares equal to 30% of those allocated, for at least 24 months from the allocation date, net of the shares assignable for the payment of taxes, and social security contributions, where due, connected with the allocation of the shares.

   Such Shares shall be subject to a lock-up obligation – and therefore they shall not be transferred, contributed, exchanged, loaned, or be subject to any other acts *inter vivos* – until the expiration of the term as set forth above, except in case of prior written authorisation by the Board of Directors, having consulted with the Nomination and Remuneration Committee.

## L) Policy regarding benefits provided in case of resignation or termination of employment

The Remuneration Policy, up to the previous financial year, provided for the possibility to subscribe solely with Key Managers agreements regulating *ex ante* the economic aspects even in case of early termination of the relationship by the Company or the concerned person or in case of lack of renewal (parachute agreements). Said agreements are subject to the prior assessment and approval by the Board of Directors, having heard the Nomination and Remuneration Committee.

Such compensations must be defined in the light of the reasons underlying the early termination of the relationship. In particular, the compensations shall be paid in the following events (i) mutual agreement;

(ii) change in the ownership or corporate control if this implies the termination of the relationship within a 6 months term; (iii) dismissal for objective reasons, which is not due to justified reason expressly excluded, or dismissal due to justified reasons pursuant to Art. 2119 of the Italian Civil Code and dismissal due to justified subjective reasons.

However, the compensations shall not be higher than what is provided by the current laws and relevant CCNL in respect of the gross maximum supplementary compensation in case of un-justified dismissal, in addition to the prior notice as per the applicable law and contractual provisions.

Such compensation shall be paid subject to the Executive Director and/or Key Manager having preliminarily subscribed conciliation minutes pursuant to Art. 2113 of the Italian Civil Code and Art. 411 of the Italian Civil Procedure Code, declaring that his claims regarding the termination of the contract are fully satisfied, waiving all and any other remedies and to receive the indemnities set forth by the applicable law and relevant CCNL arising from the termination of the employment relationship with the sole exception of compulsory treatments provided for by the law.

However, the Company reserves the right to request that Executive Directors and Key Managers repay, in whole or in part, any amounts paid or to withhold amounts subject to deferment, if such amounts have been determined on the basis of information that has subsequently been proven to be manifestly incorrect, or if the termination of the relationship is due to the achievement of objectively inadequate results or results achieved by way of a conduct leading to a significant loss to the Company or, in any case, as a result of fraudulent conduct or gross negligence to the detriment of the Company.

## M) Information on insurance, health, or pension coverage other than mandatory forms

As mentioned in paragraph F) above, non-monetary benefits may include life insurance, accident insurance and supplemental health insurance other than mandatory forms.

## N) Remuneration Policy applied to: (i) Independent Directors, (ii) participation in committees, and (iii) performance of special roles

In accordance with the provisions of the Code, the remuneration of Non-Executive Directors is not linked to the economic results achieved by the Company.

The Remuneration Policy provides for the payment of additional fixed compensation to Non-Executive Directors and to Independent Directors who are members of Committees formed within the Board to adequately remunerate the additional work and commitment provided to the Company.

See paragraph E) above for further information and for information on the remuneration of Key Managers.

## O) Other companies as reference for the definition of the remuneration policy

The Company's Remuneration Policy was drawn up using Italian and foreign companies belonging to panels in the Fashion & Luxury sector (see Table below) relevant for size and track record, as reference parameters. These include: Burberry Group PLC, Hermès International S.A, Hugo Boss AG, Kering S.A., Salvatore Ferragamo S.p.A., LVMH.

| ***Fashion & Luxury - Panel* 2019** |
|---|
| Balenciaga |
| Bottega Veneta |
| Burberry |
| Christian Dior |
| Ermenegildo Zegna |
| Fendi |
| Gucci |
| Loro Piana |
| Louis Vuitton |
| LVMH |
| Prada |
| Richemont |
| Saint Laurent |
| Salvatore Ferragamo |
| Tod’s |
| Valentino |

## O-*bis*) Elements of the remuneration policy that may be derogated from in exceptional circumstances and the procedural conditions under which the derogation may be applied

Moncler takes a negative view of the possibility of making exceptions to the elements that make up the Remuneration Policy. However, if there are exceptional circumstances (as defined by Art. 123-ter of the Consolidated Law on Finance), such as the need to attract and retain individuals with the skills and professional qualities required to successfully manage the Company, as well as the need to motivate such individuals with respect to specific KPI's that may be of significant importance due to contingent circumstances, the Company considers it appropriate to do so, in which case the provisions of the procedure adopted by Moncler regarding transactions with related parties apply.

Such exceptions may concern, inter alia, (a) the attribution of an annual bonus (replacing or in addition to that already provided for in the Policy) linked to performance objectives and quantitative parameters different from those set out in the Policy, as well as (b) the adoption of an incentive system different from that based on the allotment of Shares.

## 2. Remuneration policy for the Board of Statutory Auditors

The remuneration of the Company's Board of Statutory Auditors is commensurate with the commitment required, the importance of the role held as well as the size and sectorial characteristics of the Company, consistently with the provisions of Art. 8.C.4 of the Corporate Governance Code.

Since the Shareholders' Meeting convened on April 22, 2020 will be called to resolve on the renewal of the control body as well as, pursuant to Art. 2402 of the Italian Civil Code, the remuneration for the entire duration of the appointment, the Board of Statutory Auditors submitted to the Company a document summarising the activities carried out during the term of office useful for the assessment by the Company's Shareholders of the adequacy of the remuneration of the members of the Board of Statutory Auditors.

This assessment shows that, in view of the dimensional characteristics, the composition of the organisational structure and the overall compensation granted to the Company's Non-Executive Directors for the work they perform, both within the Board of Directors and within the Internal Committees, the compensation of the members of the Board of Statutory Auditors is substantially adequate and in proportion to their ongoing commitment to attending meetings of the Board of Directors and the Internal Committees. However, given the growth in the Company's size and the increased complexity of its organisational structure, taking also into account the related responsibilities of the Board of Statutory Auditors and the number, duration and items on the Agenda of the meetings that the Board of Statutory Auditors is asked to attend, the Board of Statutory Auditors invited the Company to consider the opportunity to proceed with an adjustment to the compensation paid to the Board of Statutory Auditors itself.

The Shareholders of the Company, in the meeting held on April 22, 2020, will be called, among other things, to determine the compensation of the members of the Board of Statutory Auditors and the recommendations contained in Art. 8 of the Corporate Governance Code, without prejudice to the limits of Art. 2402 of the Italian Civil Code.

# SECTION II - COMPENSATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS, TO MEMBERS OF THE BOARD OF STATUTORY AUDITORS, AND TO KEY MANAGERS IN FINANCIAL YEAR 2019

Section II is made of two Parts and illustrates the remuneration of individual members of managing and control bodies and, collectively, the remuneration of Key Managers paid in the Financial Year.

In accordance with Annex 3A, Chart 7-*bis* of the Issuers' Regulation, compensations of Key Managers are reported collectively because in 2019 none of them received a total compensation higher than the highest of the Directors' total compensation.

## PART I – BREAKDOWN OF THE 2019 REMUNERATION

Part I of Section II provides an adequate, clear and comprehensible illustration of the items composing the remuneration.

Items composing the remuneration are detailed in Table 1, as referred to in Annex 3A, Chart 7-*bis* of the Issuers' Regulation, attached hereto as appendix to Part I of this Section.

### 1.1 Composition of the Remuneration

### Board of Directors

The Shareholders Meeting of April 16, 2019 resolved to attribute to the Board of Directors an annual total gross compensation of Euro 530.000,00 to be divided as follows:

a) an equal fixed gross compensation of Euro 20.000,00 per year for each **Executive Director**;

b) an equal fixed gross compensation of Euro 40.000,00 per year for each **Non-executive Director**;

c) an additional fixed gross compensation of Euro 15.000,00 per year for each **member of the internal Committees of the Board** for participation in each committee.

The abovementioned compensation was not inclusive of the emolument for special roles, for the purposes of Art. 2389, paragraph 3, of the Italian Civil Code and Art. 22 of the Bylaws.

### Executive Directors

In light of what has been approved by the Shareholders' Meeting, the Board of Directors of May 9, 2019, pursuant to Art. 2389, paragraph 3, of the Italian Civil Code and Art. 22, paragraph 2, of the By-laws, having heard the opinion of the Board of Statutory Auditors and subject to the prior opinion of the Nomination and Remuneration Committee also with regards the definition of the performance goals related to the variable component of the compensation, has approved additional compensations for the Executive Directors of the Company.

As at the date of the Report, these additional compensations are broken down as follows:

a) for the Chairman and Chief Executive Officer **Remo Ruffini** is provided a fixed annual gross compensation of Euro 1.500.000,00 and a variable annual gross compensation of Euro 1.000.000,00;

b) for the Executive Director **Luciano Santel** is provided a fixed annual gross compensation of Euro 180.000,00 and a variable annual gross compensation of Euro 130.000,00;

Furthermore, the Executive Directors Remo Ruffini, Luciano Santel and Roberto Eggs, in addition to the compensation mentioned above, receive as well the following compensations by the subsidiary Industries S.p.A. ("**Industries**"):

a) **Remo Ruffini**, as Chairman of the Board of Directors and Executive Director of Industries, receives a fixed annual gross compensation of Euro 10.000,00;

b) **Luciano Santel**:

   i. as Executive Director of Industries, receives a fixed annual gross compensation of Euro 190.000,00 and a variable annual gross compensation of Euro 70.000,00;

   ii. as Chief Corporate & Supply Officer; receives a fixed annual gross compensation of Euro 230.000,00 and a variable annual gross compensation of Euro 100.000,00

c) **Roberto Eggs** as Chief Marketing & Operating Officer, receives a fixed annual gross compensation of Euro 1.198.000,00 and a variable annual gross compensation of Euro 500.000,00

With reference to the Financial Year, the variable compensation (MBO) of the Chairman and Managing Director Remo Ruffini and of the Executive Directors Luciano Santel and Roberto Eggs, in light of results of the EBITDA achieved, benefits, in accordance with the Remuneration Policy currently in force, from the effect deriving from the application of the performances curve and the relevant multiplier. Therefore, such variable gross compensation is increased by Euro 495.775,00 for Remo Ruffini, Euro 129.059,00 (of which Euro 44.781,00 relating to Moncler and Euro 84.278,00 relating to Industries) for Luciano Santel and Euro 247.878,00 for Roberto Eggs.

The payout scheme and the effects resulting from the application of the performance curve and its multiplier are as follows:

| K€ | MBO PER TARGET | PERFORMANCE CURVE AND MULTIPLIER EFFECT | TOTAL |
|---|---|---|---|
| **Chairman and Managing Director** | 1.000.000 | 495.755 | 1.495.755 |
| **Executive Director and Chief Marketing & Operating Officer** | 500.000 | 247.878 | 747.878 |
| **Executive Director and Chief Corporate & Supply Officer** | 260.329 | 129.059 | 389.388 |

(*) The value considers variable compensation in Moncler and Industries, *pro rata temporis* for 2019.

The Chairman and Managing Director Remo Ruffini and the Executive Directors Luciano Santel and Roberto Eggs are also beneficiaries of the 2016-2018 Performance Shares Plan and 2018-2020 Performance Shares Plan.

## Monetary and non-monetary benefits paid to Directors

The Chairman and Managing Director Remo Ruffini and the Executive Directors Luciano Santel and Roberto Eggs have been granted with the following non-monetary benefits: a car, a life, accident and healthcare insurance, for an aggregate amount of, respectively, Euro 5.636,00 for Remo Ruffini, Euro 18.845,00 for Luciano Santel and Euro 19.321,00 for Roberto Eggs.

## Remuneration of Statutory Auditors

On April 20, 2017 the Shareholders Meeting appointed the Board of Statutory Auditors granting the same with a gross fixed yearly remuneration of Euro 60.000,00 for the Chairman and Euro 41.000,00 for the other standing Statutory Auditors.

## Monetary and non-monetary benefits paid to Statutory Auditors

No monetary or non-monetary benefits are paid to the Statutory Auditors.

## Remuneration of Key Managers

The total gross compensation of the two Key Managers, for the Financial Year, amounts to Euro 3.517.951,00. The amount includes the fixed component of remuneration represented by gross annual retribution received as an employee (so-called RAL), the variable component for the purposes of the annual incentive (MBO), which includes the additional amount deriving from the application of the performance curve linked to the EBITDA of the Group, the non-monetary benefits, as well as the potential remuneration for the charges covered within other subsidiaries.

## Monetary and non-monetary benefits paid to Key Managers

Key Managers are attributed the use of a Company car, life, accident insurance, and supplemental health insurance as non-monetary benefits, for a total gross amount of Euro 21.613,00.

The annual incentive (MBO) is the monetary benefit for Key Managers. For the Financial Year the gross amount payable is Euro 321.500. Said amount is paid following the approval by the Board of Directors having heard the Nomination and Remuneration Committee, and after the approval of the financial statements, subject to the verification of the achieve of the relevant objectives.

With reference to the Financial Year, the variable compensation (MBO) of the Key Managers, in light of results of the EBITDA achieved, benefits, in accordance with the Remuneration Policy currently in force, from the effect deriving from the application of the performance curve and the relevant multiplier. Therefore, such variable compensation is increased by gross aggregate of Euro 148.667, compared with the amount payable per target.

| K€ | MBO per Target | Performance Curve and Mulitplier Effect | Total |
|---|---|---|---|
| **2 Key Managers(*)** | 321.500 | 148.667 | 470.167 |

(*) Key Managers are represented in aggregate format.

Both the Key Managers have benefited of the 2018-2020 Performance Shares Plan Described in this Report.

## Incentive plans based on financial instruments

### 2014-2018 Top Management Stock Option Plan

As of the date of this Report, all of the option rights referred to in the 2014-2018 Top Management Stock Option Plan have been exercised pursuant to the terms and conditions provided therein; therefore, the above plan is terminated.

For all information on the 2014-2018 Top Management Stock Option Plan, please refer to the information memorandum drafted pursuant to Art. 84-*bis* of the Issuers' Regulation and published, along with the remainder of the documentation submitted to the Shareholders' meeting of February 28, 2014 for the approval of the plan, on the Company's website www.monclergroup.com in the "*Governance/Remuneration*" section.

### 2015 Performance Stock Option Plan

The 2015 Performance Stock Option Plan, approved by the Shareholders' Meeting of April 23, 2015 pursuant to Art. 114-*bis* of the Consolidated Law on Finance, is reserved to the Executive Directors, Key Managers, employees and collaborators, including external consultants, of Moncler and its subsidiaries pursuant to Art. 93 of the Consolidated Law on Finance, indicated by the Board of Directors having heard the opinion of the Nomination and Remuneration Committee and it regards the assignment, free of charge, of some options for the subscription of regular stocks of Moncler, in the ratio of n. 1 (one) regular stock for each n.1 (one) assigned option, pursuant to the terms and conditions set forth by the plan, with an exercise price fixed according to the criteria to be approved by the said Shareholders Meeting.

In May 12, 2015, the Board of Directors, with the favourable opinion of the Nomination and Remuneration Committee, executing the resolutions adopted by the Shareholders' Meeting of April 23, 2015, has *inter alia* allocated no. 600,000 options to a Key Manager (Chief Marketing & Operating Officer).

The 2015 Performance Stock Option Plan, in line with the best market practices and the recommendations of the Code, aims to achieve the objectives of (i) linking the total remuneration and, in particular, the incentive plan of the Group's managers and key personnel, to the actual performance of the Company and to the creation of new value for Moncler Group, as stated also by the Corporate Governance Code; (ii) orienting the Company's key-people toward strategies aimed to achieve mid-long term results; (iii) aligning the key personnel's interests to the Shareholders' and investors' ones; (iv) further developing retention policies for the Company's key personnel and incentive their permanence within the Company or Moncler Group; and (v) further developing attraction policies toward skilled managers and professionals worldwide, aiming to keep developing and strengthen the key distinctive skills of Moncler.

The 2015 Performance Stock Option Plan sets forth the exercise of the options assigned to the beneficiaries is subject to expiry of a vesting period equal to 3 years and to the achievement of specific performance targets linked to the consolidated EBITDA of Moncler Group for the last fiscal year of the relevant three years term (2017).

The Plan provides for: (i) malus condition and claw back clauses*;* ii) a lock-up obligation with respect to the shares subscribed after the vesting period.

The Board of Directors meeting held on March 3, 2016 has resolved upon the possibility to serve the plan through the Company's own shares in addition to those resulting from the capital increase resolved for the purposes of the Plan itself. Therefore, the Extraordinary Shareholders' Meeting of April 20, 2016 revoked the capital increase approved on April 23, 2015 with reference to the part where it is not necessary for the beneficiaries to comply with the 2015 Performance Stock Option Plan and as well with the options assigned on April 20, 2016. Without prejudice to any other condition, the mentioned capital increase shall regard the issuance of maximum no. 1.375,000 ordinary shares.

For any further details regarding the 2015 Performance Stock Option Plan, please refer to the information note drafted pursuant to Art. 84-*bis* of the Issuers' Regulation, available on the website www.monclergroup.com, in the Section "*Governance/Remuneration*", as well as the centralised stocking information centre named "1Info".

**2016-2018 Performance Shares Plan**

The 2016-2018 Performance Share Plan approved by the Shareholders' Meeting of April 20, 2016 pursuant to Art. 114-*bis* of the Consolidated Law on Finance, is addressed to Executive Directors, Key Managers, the employees and the collaborators, including external consultants of Moncler and its subsidiaries pursuant to Art. 93 of the Consolidated Law on Finance, holding key positions in the pursuit of Moncler's strategic objectives, identified by the Board of Directors, having consulted with the Nomination and Remuneration Committee, and concerns the granting of Moncler Rights (as defined in the plan) which give the right, upon achievement of the performance targets, to the gratuitous allocation of one (1) share per each "Moncler Right" granted.

The 2016-2018 Performance Shares Plan, in line with the best market practices and the recommendations of the Corporate Governance Code, aims at: (i) linking the overall remuneration and in particular the incentive plan of executives and key managers of the Group to the actual performance of the Company and to the creation of new value for the Moncler Group; (ii) directing the key managers towards strategies aimed at achieving medium-long term results; (iii) aligning the interests of the key managers with those of Shareholders and investors; (iv) further developing retention policies aimed at building loyalty among key managers and encourage them to stay within the Company or the Moncler Group; and (v)further developing policies designed to attract talented managerial and professional personnel on the world's job markets, for the purpose of the continuously develop and strengthen Moncler's key and distinctive competences.

Pursuant to the 2016-2018 Performance Shares Plan, the exercise of the Moncler Rights granted to the relevant beneficiaries to the expiry of a 3-year vesting period and to the achievement of specific performance targets linked to the Moncler Group's consolidated earnings per share ("**EPS**") of the reference vesting period.

On May 10, 2016, the Board of Directors assigned to the beneficiaries of the Plan:

- no. 420.000 "Moncler Rights" to Remo Ruffini;

- no. 180.000 "Moncler Rights" to Luciano Santel; and

- no. 120.000 "Moncler Rights" to Sergio Buongiovanni; and

- no. 420.000 total Moncler Rights to the Key Managers (Chief Marketing & Operating Officer, Senior Director of Worldwide Retail Business and Development and Director of Operation and Supply Chain).

On 29 June 2017, the Board of Directors assigned, as part of the second cycle of the Plan, 70.000 Moncler Rights to Roberto Eggs (Chief Marketing & Operating Officer). On February 28, 2019 the Board of Directors, after having consulted with the Nomination and Remuneration Committee, verified the achievement of the performance targets referred therein and, in consideration of the achievement of the benchmark objectives exceeding the EPS target, the multiplier referred to in the over-performance curve was applied and 504.000 shares were allocated to Remo Ruffini, 216.000 shares to Roberto Eggs and 216.000 shares to Luciano Santel.

As of the date of the Report, the total Moncler Rights assigned to Key Managers amounted to 144.000.

The plan provides for: (i) malus condition and claw back clauses; (ii) a lock-up obligation with respect to the shares subscribed after the vesting period.

For any further information on the 2016-2018 Performance Shares Plan, reference can be made to the information memorandum drafted pursuant to Art. 84-*bis* of the Issuers' Regulation, published on the Company's website www.monclergroup.com in Section "*Governance/Remuneration*", as well as on as well as the centralised stocking information centre named "1Info".

## 2018-2020 Performance Shares Plan

The 2018-2020 Performance Share Plan approved by the Shareholders' Meeting of April 16, 2018 pursuant to Art. 114-*bis* of the Consolidated Law on Finance, is addressed to Executive Directors, Key Managers, the employees and the collaborators, including external consultants of Moncler and its subsidiaries pursuant to Art. 93 of the Consolidated Law on Finance, holding key positions in the pursuit of Moncler's strategic objectives,identified by the Board of Directors, having consulted with the Nomination and Remuneration Committee, and concerns the granting of Moncler Rights (as defined in the plan) which give the right, upon achievement of the performance targets, to the gratuitous allocation of one (1) share per each "Moncler Right" granted.

The 2018-2020 Performance Shares Plan, in line with the best market practices and the recommendations of the Corporate Governance Code, aims at: (i) linking the overall remuneration and in particular the incentive plan of executives and key managers of the Group to the actual performance of the Company and to the creation of new value for the Moncler Group; (ii) directing the key managers towards strategies aimed at achieving medium-long term results; (iii) aligning the interests of the key managers with those of Shareholders and investors; (iv) further developing retention policies aimed at building loyalty among key managers and encourage them to stay within the Company or the Moncler Group; and (v)further developing policies designed to attract talented managerial and professional personnel on the world's job markets, for the purpose of the continuously develop and strengthen Moncler's key and distinctive competences.

Pursuant to the 2018-2020 Performance Shares Plan, the exercise of the Moncler Rights granted to the relevant beneficiaries is subordinated to the expiry of a 3-year vesting period and to the achievement of specific performance targets linked to the Moncler Group's consolidated EPS of the reference vesting period.

On May 4, 2018 the Board of Directors assigned no. 1.365.531 "Moncler Rights" to 99 beneficiaries of the 2018-2020 Performance Shares Plan including the Executive Directors and the Key Managers. More specifically, the Board of Directors assigned to the beneficiaries of the Plan:

(i) no. 186.423 "Moncler Rights" to Remo Ruffini,

(ii) no. 118.363 "Moncler Rights" to Luciano Santel, and

(iii) no. 177.545 "Moncler Rights" in aggregate to the Key Managers at the time of assignment (Chief Marketing & Operating Officer e Senior Director of Worldwide Retail Business and Development).

The aforementioned, following the appointment of Roberto Eggs as Executive Director of Moncler and the appointment of Francesca Bacci as Key Manager, is amended as follows:

(i) no. 186.423 "Moncler Rights" to Remo Ruffini,

(ii) no. 118.363 "Moncler Rights" to Luciano Santel,

(iii) no. 118.363 "Moncler Rights" to Roberto Eggs, and

(iv) no. 118.364 "Moncler Rights" in aggregate to the Key Managers (Operations & Supply Chain Director and Senior Director of Worldwide Retail Business and Development).

For any further information on the 2018-2020 Performance Shares Plan, reference can be made to the information memorandum drafted pursuant to Art. 84-*bis* of the Issuers' Regulation, published on the Company's website www.monclergroup.com in Section "*Governance/Remuneration*", as well as on as well as the centralised stocking information centre named "1Info".

* * *

## 1.2 Agreements providing for compensation in the event of early termination of the employment relationship

There is a parachute agreement with an Executive Director for the case of early termination of the employment relationship

* * *

### Table 1: Remuneration paid to the members of the board of directors, general managers and other key managers

| First and Last name | Office | Period of office | Expiration of office | Fixed remuneration for the charge | Remuneration for the participation into Committees | Variable remuneration (non-equity) | | Non-monetary benefits | Other compensations | Total | Fair Value of equity remuneration (5) | Compensation for the end of the charge or termination of the employment relationship |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Bonus and other incentives | Participation into the profits | | | | | |
| **Remo Ruffini** | Chairman and Chief Executive Officer | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 1.520.000 (1) | | 1.495.755 (3) | | 5.636 (4) | | 3.021.391 | 3.498.334 | |
| Remuneration from subsidiaries | | | | 10.000 (2) | | | | | | 10.000 | | |
| Total | | | | 1.530.000 | | 1.495.755 | | 5.636 | | 3.031.391 | 3.498.334 | |
| **Marco De Benedetti** | Deputy Chairman and Independent Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 40.000 | 34.356 (9) | | | | | 74.356 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 40.000 | 34.356 | | | | | 74.356 | | |
| **Nerio Alessandri** | Independent Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 40.000 | | | | | | 40.000 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 40.000 | | | | | | 40.000 | | |
| **Roberto Eggs** | Executive Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 14.192 (7) | | | | | | 14.192 | | |
| Remuneration from subsidiaries | | | | 1.198.000 (8) | | 747.878 (3) | | 19.321 (4) | | 1.965.199 | 2.722.508 | |
| Total | | | | 1.212.192 | | 747.878 | | 19.321 | | 1.979.391 | 2.722.508 | |
| **Gabriele Galateri di Genola** | Independent Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |

| First and Last name | Office | Period of office | Expiration of office | Fixed remuneration for the charge | Remuneration for the participation into Committees | Variable remuneration (non-equity) | | Non-monetary benefits | Other compensations | Total | Fair Value of equity remuneration (5) | Compensation for the end of the charge or termination of the employment relationship |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Bonus and other incentives | Participation into the profits | | | | | |
| Remuneration from the company drafting the financial statements | | | | 40.000 | 15.000 (10) | | | | | 55.000 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 40.000 | 15.000 | | | | | 55.000 | | |
| **Alessandra Gritti** | Independent Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 28.384 | 10.644 (14) | | | | | 39.027 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 28.384 | 10.644 | | | | | 39.027 | | |
| **Virgine Morgon** | Non-Executive Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 34.192 | 15.000 (6) | | | | | 49.192 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 34.192 | 15.000 | | | | | 49.192 | | |
| **Diva Moriani** | Independent Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 40.000 | 30.000 (11) | | | | | 70.000 | | |
| Remuneration for subsidiaries | | | | | | | | | | | | |
| Total | | | | 40.000 | 30.000 | | | | | 70.000 | | |
| **Stephanie Phair** | Independent Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 40.000 | | | | | | 40.000 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 40.000 | | | | | | 40.000 | | |

| First and Last name | Office | Period of office | Expiration of office | Fixed remuneration for the charge | Remuneration for the participation into Committees | Variable remuneration (non-equity) | | Non-monetary benefits | Other compensations | Total | Fair Value of equity remuneration (5) | Compensation for the end of the charge or termination of the employment relationship |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Bonus and other incentives | Participation into the profits | | | | | |
| **Guido Pianaroli** | Independent Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 40.000 | 30.000 (15) | | | | | 70.000 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 40.000 | 30.000 | | | | | 70.000 | | |
| **Luciano Santel** | Executive Director | 2019 | Approval of financial statements as of 31/12/2021 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 170.247 (1) | | 135.110 (3) | | | | 305.357 | | |
| Remuneration from subsidiaries | | | | 420.000 (13) | | 254.278 (3) | | 18.845 (4) | | 693.123 | 2.095.656 | |
| Total | | | | 590.247 | | 389.388 | | 18.845 | | 998.480 | 2.095.656 | |
| **Sergio Bongiovanni** | Executive Director (16) | 2018 | Approval of financial statements as of 31/12/2018 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 94.222 (17) | | 43.438 (3) | | 15.223 (4) | | 152.883 | 173.784 | |
| Remuneration from subsidiaries | | | | 2.904 (18) | | | | | | 2.904 | | |
| Total | | | | 97.126 | | 43.438 | | 15.223 | | 155.787 | 173.784 | |
| **Juan Carlos Torres Carretero** | Non-Executive Director (12) | 2019 | Approval of financial statements as of 31/12/2018 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 5.808 | | | | | | 5.808 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 5.808 | | | | | | 5.808 | | |
| **Riccardo Losi** | Chairman of the Board of Statutory Auditors | 2019 | Approval of financial statements as of 31/12/2019 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 60.000 | | | | | | 60.000 | | |

| First and Last name | Office | Period of office | Expiration of office | Fixed remuneration for the charge | Remuneration for the participation into Committees | Variable remuneration (non-equity) | | Non-monetary benefits | Other compensations | Total | Fair Value of equity remuneration (5) | Compensation for the end of the charge or termination of the employment relationship |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Bonus and other incentives | Participation into the profits | | | | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 60.000 | | | | | | 60.000 | | |
| **Mario Valenti** | Statutory Auditor | 2019 | Approval of financial statements as of 31/12/2019 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 41.000 | | | | | | 41.000 | | |
| Remuneration from subsidiaries | | | | 22.000 (19) | | | | | | 22.000 | | |
| Total | | | | 63.000 | | | | | | 63.000 | | |
| **Antonella Suffriti** | Statutory Auditor | 2019 | Approval of financial statements as of 31/12/2019 | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | 41.000 | | | | | | 41.000 | | |
| Remuneration from subsidiaries | | | | | | | | | | | | |
| Total | | | | 41.000 | | | | | | 41.000 | | |
| **Key Managers (2)** | | 2019 | Open-term | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | | |
| Remuneration from subsidiaries | | | | 1.017.406 | | 470.167 (3) | | 21.613 (4) | | 1.509.186 | 2.008.765 | |
| Total | | | | 1.017.406 | | 470.167 | | 21.613 | | 1.509.186 | 2.008.765 | |

(1) Of which Euro 20,000 as remuneration for the office of Director of Moncler.
(2) Remuneration for the office of Director of Industries.
(3) The annual incentive (MBO) shall be paid during 2020, after the approval of the financial statements for the Financial Year and subject to prior verification of the objectives' achievements.
(4) Non-monetary benefits may include: car, life insurance, accident insurance, healthcare insurance.

(5) The part of the remuneration based on equity relating to the concerned fiscal year is indicated herein and calculated distributing the *fair value* on the assignment day of said equity means, calculated by means of actualisation techniques, during the vesting period.
(6) Of which Euro 4.356 as remuneration for the office of member of the Nomination and Remuneration Committee of Moncler and Euro 10.644 as remuneration for the office of the Related Parties Committee
(7) Remuneration for the office of Director of Moncler.
(8) Remuneration for the office of Chief Marketing & Operating Officer of Industries.
(9) Of which Euro 15.000 as remuneration for the office of member of the Nomination and Remuneration Committee of Moncler and Euro 15.000 as compensation for the office of member of the Control, Risks and Sustainability Committee of Moncler and Euro 15.000 as compensation for the office of member of the Related Parties Committee of Moncler.
(10) Remuneration for the office of member of the Control, Risks and Sustainability Committee of Moncler.
(11) Of which Euro 15.000 as remuneration for the office of member of the Nomination and Remuneration Committee of Moncler and Euro 15.000 and Euro 15.000 as compensation for the office of member of the Related Parties Committee.
(12) On March 20, 2019, Director Juan Carlos Torres Carretero resigned with immediate effect from office; the compensation is calculated *pro rata temporis*.
(13) Remuneration for the office of Director and Chief Corporate & Supply Officer of Industries.
(14) Remuneration for the office of the Nomination and Remuneration Committee of Moncler.
(15) Of which Euro 15.000 as compensation for the office of the Control, Risks and Sustainability Committee and Euro 15.000 as compensation for the office of member of the Related Parties Committee.
(16) In office until the date of approval of the 2018 financial statements by the Shareholders' meeting (*i.e.*, until 16 April 2019), all compensations shown in the table are considered *pro-rata temporis* until that date.
(17) Of which Euro 5.808 as remuneration for the office of Director of Moncler, *pro-rata temporis* value as of 16 April 2019.
(18) Remuneration for the office of Director of Industries, *pro-rata temporis* as of 16 April 2019.
(19) Compensation for the office of Auditor of Industries.

## Table 2: Stock options assigned to the members of the board of directors, general managers and other key managers.

The options under the 2015 Performance Stock Option Plan to be indicated in the Table in question have been fully exercised and therefore there is no data to report.

**Table 3 A: Incentive plans based on financial instruments, other than stock options, in favor of the members of the board of directors, general managers and other key managers.**

| First and Last Name | Office | Plan | Financial instruments assigned during the past Fiscal Years, non-vested in the current Fiscal Year | | Financial instruments assigned during the Fiscal Year | | | | | Vested financial instruments during the Fiscal Year and not assigned | Vested financial instruments during the Fiscal Year and to be assigned | | Financial instruments related to the Fiscal Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number and type of the financial instruments | Vesting period | Number and type of the financial instruments | Fair value on the assignment date | Vesting period | Assignment date | Market price on the assignment date | Number and type of the financial instruments | Number and type of the financial instruments | Value at the maturity date | Fair value [4] |
| **Remo Ruffini** | Chairman and Chief Executive Officer | 2016-2018 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | 504.000 | 18.103.680 | 608.244 |
| Remuneration from subsidiaries | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | 18.103.680 | 608.244 |
| **Remo Ruffini** | Chairman and Chief Executive Officer | 2018-2020 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | 186.423 | [1] | | | | | | | | | 2.890.091 |
| Remuneration from subsidiaries | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | 2.890.091 |
| **Roberto Eggs** | Executive Director | 2016-2018 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | | | |
| Remuneration from subsidiaries | | | 70.000 | [2] | | | | | | | 216.000 | 8.043.840 | 887.542 |
| Total | | | | | | | | | | | | 8.043.840 | 887.542 |
| **Roberto Eggs** | Executive Director | 2018-2020 Performance Shares Plan | | | | | | | | | | | |

| First and Last Name | Office | Plan | Financial instruments assigned during the past Fiscal Years, non-vested in the current Fiscal Year | | Financial instruments assigned during the Fiscal Year | | | | | Vested financial instruments during the Fiscal Year and not assigned | Vested financial instruments during the Fiscal Year and to be assigned | | Financial instruments related to the Fiscal Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number and type of the financial instruments | Vesting period | Number and type of the financial instruments | Fair value on the assignment date | Vesting period | Assignment date | Market price on the assignment date | Number and type of the financial instruments | Number and type of the financial instruments | Value at the maturity date | Fair value [4] |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | | | |
| Remuneration from subsidiaries | | | 118.363 | | | | | | | | | | 1.834.966 |
| Total | | | | | | | | | | | | | 1.834.966 |
| **Luciano Santel** | Executive Director | 2016-2018 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | | | |
| Remuneration from subsidiaries | | | | | | | | | | | 216.000 | 8.043.840 | 260.676 |
| Total | | | | | | | | | | | | 8.043.840 | 260.676 |
| **Luciano Santel** | Executive Director | 2018-2020 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | | | |
| Remuneration from subsidiaries | | | 118.363 | | | | | | | | | | 1.834.966 |
| Total | | | | | | | | | | | | | 1.834.966 |
| **Sergio Buongiovanni** | Executive Director | 2016-2018 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | 144.000 | 5.362.560 | 173.784 |
| Remuneration from subsidiaries | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | 5.362.560 | 173.784 |
| **Sergio Buongiovanni** | Executive Director | 2018-2020 Performance Shares Plan | | | | | | | | | | | |

| First and Last Name | Office | Plan | Financial instruments assigned during the past Fiscal Years, non-vested in the current Fiscal Year | | Financial instruments assigned during the Fiscal Year | | | | | Vested financial instruments during the Fiscal Year and not assigned | Vested financial instruments during the Fiscal Year and to be assigned | | Financial instruments related to the Fiscal Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number and type of the financial instruments | Vesting period | Number and type of the financial instruments | Fair value on the assignment date | Vesting period | Assignment date | Market price on the assignment date | Number and type of the financial instruments | Number and type of the financial instruments | Value at the maturity date | Fair value [4] |
| Remuneration from the company drafting the financial statements | | | 29.591 | | | | | | | | | | 458.745 |
| Remuneration from subsidiaries | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | 458.745 |
| **Key Managers** (2) | | 2016-2018 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | | | |
| Remuneration from subsidiaries | | | | | | | | | | | 144.000 | 5.362.560 | 173.784 |
| Total | | | | | | | | | | | | 5.362.560 | 173.784 |
| **Key Managers** (2) | | 2018-2020 Performance Shares Plan | | | | | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | | | | | |
| Remuneration from subsidiaries | | | 118.364 | | | | | | | | | | 1.834.981 |
| Total | | | | | | | | | | | | | 1.834.981 |

(1) The rights attributed within the 2018-2020 Performance Shares Plan are subject to a three-years vesting period; their exercise is subject to the cumulative EPS (Earning Per Share) performance for the three years period, as resulting from the consolidated financial statements of such fiscal year, and other terms and conditions of the Plan's regulation. For the three-year period 2018-2020 reference is made to the Target EPS referred to in the Business Plan 2018-2020.

(2) The rights attributed within the 2016-2018 Performance Shares Plan are subject to a three-years vesting period; their exercise is subject to the cumulative EPS (Earning Per Share) performance for the three years period, as resulting from the consolidated financial statements of such fiscal year, and other terms and conditions of the Plan's regulation. For the first allocation, three-year period 2016-2018, reference is made to the Target EPS referred to in the Business Plan 2016-2018. As a result of exceeding this target, an over-performance curve of 20% was applied to the rights awarded; the allocation period of the plan began in March 2019. For the second allocation, three-year period 2017-2019, reference is made to the EPS Target set by the 2017 - 2019 Business Plan, and the other conditions of the Plan Regulations: the allocation period of the plan will start in February 2020.

(3) In office until the date of approval of the 2018 financial statements (16/04/2019), all compensations shown in the table are considered *pro-rata temporis* until that date.

(4) The amount pertaining to the financial year of compensations based on financial instruments, calculated by dividing the fair value of the instruments at the assignment date, calculated using actuarial techniques, over the vesting period, is indicated.

**Table 3 B: Monetary incentive plans in favor of the members of the board of directors, general managers and other key managers.**

| First and Last name | Office | Plan | Annual Bonus [1] | | | Previous Years Bonus | | | Other Bonus |
|---|---|---|---|---|---|---|---|---|---|
| | | | Payable/Paid | Postponed | Relevant Period | Not Payable anymore | Payable/Paid | Still Postponed | |
| **Remo Ruffini** | Chairman and Chief Executive Officer | Annual incentive (MBO 2019) | | | | | | | |
| Remuneration from the company drafting the financial statements | | | 1.495.755 | | 2019 | | | | |
| Remuneration from subsidiaries | | | | | | | | | |
| Total | | | 1.495.755 | | | | | | |
| **Roberto Eggs** | Executive Director | Annual incentive (MBO 2019) | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | |
| Remuneration from subsidiaries | | | 747.878 | | 2019 | | | | |
| Total | | | 747.878 | | | | | | |
| **Luciano Santel** | Executive Director | Annual incentive (MBO 2019) | | | | | | | |
| Remuneration from the company drafting the financial statements | | | 135.110 | | 2019 | | | | |
| Remuneration from subsidiaries | | | 254.278 | | 2019 | | | | |
| Total | | | 389.388 | | | | | | |
| **Sergio Buongiovanni** | Executive Director | Annual incentive (MBO 2019) | | | | | | | |
| Remuneration from the company drafting the financial statements | | | 43.438 | | 2019 | | | | |
| Remuneration from subsidiaries | | | | | | | | | |
| Total | | | 43.438 | | | | | | |

| First and Last name | Office | Plan | Annual Bonus [1] | | | Previous Years Bonus | | | Other Bonus |
|---|---|---|---|---|---|---|---|---|---|
| | | | Payable/Paid | Postponed | Relevant Period | Not Payable anymore | Payable/Paid | Still Postponed | |
| **Key Managers** (2) | | Annual incentive (MBO 2019) | | | | | | | |
| Remuneration from the company drafting the financial statements | | | | | | | | | |
| Remuneration from subsidiaries | | | 470.167 | | 2019 | | | | |
| Total | | | 470.167 | | | | | | |

(1) The Annual incentive (MBO) will be paid during 2020 after the approval of the financial statements relating to the Financial Year and subject to verification of the achievement of the objectives.

**Chart N.7-TER Chart providing information on the shareholding by the members of the managing and control bodies, general managers and other key managers.**

| First and Last name | Office | Way of shareholding | Participated company | Number of stocks owned as of 31/12/2018 | Number of purchased stocks | Number of sold stocks | Number of stocks owned as of 31/12/2019 |
|---|---|---|---|---|---|---|---|
| **Remo Ruffini** | Chairman and Chief Executive Officer | Direct ordinary shares | Moncler S.p.A. | 70.000 | 504.000[1] | 422.352 | 151.648 |
| | | Indirect ordinary shares [2] | | 66.921.551 | - | 8.906.538[3] | 58.015.013 |
| **Marco De Benedetti** | Deputy Chairman and Independent Director | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |
| **Nerio Alessandri** | Independent Director | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |
| **Roberto Eggs** | Executive Director | Direct ordinary shares | Moncler S.p.A. | 30.000 | 364.214 [4] | 284.082 | 110.132 |
| | | Indirect ordinary shares | | - | - | - | - |
| **Gabriele Galateri di Genola** | Independent Director | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |

[1] Shares allocated free of charge under the 2016-2018 Performance Shares Plan.

[2] The indirect shareholding is owned through the company Ruffini Partecipazioni S.r.l., 87.2% owned by Ruffini Partecipazioni Holding S.r.l., a company whose share capital is wholly owned by Remo Ruffini.

[3] More specifically: 1.484.320 shares have been assigned in favour of Acamar S.r.l. as a consequence of the withdrawal of the latter from Ruffini Partecipazioni S.r.l. while 7.422.218 have been assigned in favour of Venezio Investments Pte Ltd. as a consequence of the partial withdrawal of the latter from Ruffini Partecipazioni S.r.l., pursuant to the shareholders' agreement whose essential information are published in the Company's website in the Section "*Governance / Documents and procedure*".

[4] Of which 216.000 shares have been allocated free of charge under the 2016-2018 Performance Shares Plan.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Alessandra Gritti** | Independent Director | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |
| **Diva Moriani** | Independent Director | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares (3) | | - | - | - | - |
| **Virginie Morgon** | Non-Executive Director | Direct ordinary shares | Moncler S.p.A. | 9.770 | - | - | 9.770 |
| | | Indirect ordinary shares | | - | - | - | - |
| **Stephanie Phair** | Independent Director | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |
| **Guido Pianaroli** | Independent Director | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |
| **Luciano Santel** | Executive Director | Direct ordinary shares | Moncler S.p.A | - | 216.000[5] | 117.155 | 98.845 |
| | | Indirect ordinary shares | | - | - | - | - |
| **Riccardo Losi** | Chairman of the Board of Statutory Auditors | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |
| **Mario Valenti** | Statutory Auditor | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |
| **Antonella Suffriti** | Statutory Auditor | Direct ordinary shares | Moncler S.p.A. | - | - | - | - |
| | | Indirect ordinary shares | | - | - | - | - |

5 Shares allocated free of charge under the 2016-2018 Performance Shares Plan.

**Table 2. Provided for by Annex 3A, Scheme 7-*ter* of the Issuers' Regulation – Information on the shareholding of Key Managers.**

| Number of Key Managers | Participated company | Way of shareholding | Number of shares owned as of 31/12/2018 | Number of purchased shares | Number of sold shares | Number of shares owned as of 31/12/2019 |
|---|---|---|---|---|---|---|
| 1 | Moncler S.p.A. | Direct ordinary shares | 49.000 | 144.000 [6] | 169.000 | 24.000 |
| | | Indirect ordinary shares | - | - | - | - |

[6] Shares allocated free of charge under the 2016-2018 Performance Shares Plan.