



Moncler S.p.A.

Registered office: Milan, Via Stendhal, 47

Share capital: Euro 50,024,891.60 fully paid-in

Company Register of Milan and fiscal code No. 04642290961

**Board of Directors report on the fourth item of the agenda of the ordinary
part of the ordinary and extraordinary Shareholders' meeting called for 20
April 2016, in single call**

ORDINARY MEETING

Item No. 4 of the agenda of the ordinary part – **Performance Shares Plan concerning the allocation of ordinary shares of Moncler S.p.A. named “2016-2018 Performance Shares Plan”, reserved to executive directors, employees, collaborators and consultants of Moncler S.p.A. and its subsidiaries; subsequent and related resolutions.**

Dear Sirs,

the Board of Directors convened the ordinary shareholders’ meeting in order to submit to your approval, pursuant to article 114-*bis* of Legislative Decree of 24 February 1998, No. 58 and subsequent amendments and integrations (the “**Consolidated Financial Act**”), an incentive and loyalty plan named “*Performance Shares Plan 2016-2018*” (the “**Plan**”) addressed to executive directors, employees and collaborators of Moncler S.p.A. (“**Moncler**” or the “**Company**”) and its subsidiaries pursuant to Article 93 of the Consolidated Financial Act (the “**Subsidiaries**”), to be executed through the gratuitous allocation of Moncler’s ordinary shares (the “**Shares**”), upon achievement of certain performance targets, and for the execution of which the Company will avail itself of both: (i) own shares reacquired by the Company upon authorization by the shareholders’ meeting; and (ii) shares resulting from a capital increase pursuant to article 2349 of the Italian civil code, of a maximum nominal value amounting to Euro 760,000.00 and maximum No. 3,800,000 shares, to be executed by virtue of a proxy granted to the Board of Directors pursuant to article 2443 of the Italian civil code (the “**Capital Increase**”).

The proposed capital increase pursuant to article 2349 of the Italian civil which serves the Plan, together with the description of the terms and conditions thereof, are clarified by a specific directors' report drafted in accordance with article 72 and Annex 3A, of the Regulation adopted by CONSOB with Resolution No. 11971 of 14 May 1999 and subsequent amendments and integrations (the “**Issuers’ Regulation**”), which will be publicly available on the Company’s website www.monclergroup.com, in the section “*Governance / Shareholders’ Meeting*” as well as on the storage mechanism www.1info.it

within the terms set forth by the sector regulations. For further information regarding the capital increase please refer to such documents and to the following point 2.

The above proposal will be submitted to the extraordinary Shareholders' meeting of the Company (the “**Extraordinary Meeting**”).

The information document regarding the Plan, drafted in accordance with article 84-*bis* and Annex 3A of the Issuers' Regulation, will be available within the terms set forth by the applicable laws on the Company's website www.monclergroup.com, in the section “*Governance/Shareholders' Meeting*” as well as on the storage mechanism www.1info.it together with this report.

1) Reasons behind the adoption of the Plan

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

The adoption of remuneration plans based on shares, besides, meets the recommendations of Article 6 of the Listed Companies' Self-Regulatory Code, which acknowledges that such plans constitute a suitable instrument to allow the alignment of the interests of the executive directors and executives with strategic responsibilities of listed companies with those of the shareholders, making it possible to achieve the priority objective of creating value in a medium-long term time frame.

2) Object and implementation of the Plan

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

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

The proposed maximum number of Shares serving the Plan is equal to No. 3,800,000 resulting from the Capital Increase (to be allocated to Beneficiaries who are employees of the Company or the Subsidiaries) and/or from the allocation of own shares (already on the market and in the Company’s share portfolio or subsequently purchased).

As for the effect of such Capital Increase on Moncler’s subscribed and paid-up share capital, the maximum dilution resulting from the Plan is equal to 1.5% of the share capital, with the Shares being allocated in 2019. For the purposes of the execution of the Plan as above illustrated, it is submitted to the Ordinary Shareholders’ Meeting, as second item of the agenda, the proposed proxy to the Board of Directors, pursuant to article 2443 of the Italian civil code, for a five-year period from the date of the resolution, the faculty to resolve upon a gratuitous and divisible capital increase pursuant to article 2349 of the Italian civil code, through the issuance of No. 3,800,000 new Moncler ordinary shares with no nominal value, to be allocated to the Beneficiaries.

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

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

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

3) Beneficiaries of the Plan

The Plan is intended for executive directors, executives with strategic responsibilities, employees and/or collaborators and/or consultants of Moncler and the Subsidiaries, identified by the Board of Directors after consultation with the Remuneration Committee.

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

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

The Plan's term is until the date of allocation of the Shares in 2019, and provides for a 3-year vesting period for the assessment of the Performance Targets (the "Vesting Period") to which the allocation of the Shares is subject.

The Performance Targets, defined by the Board of Directors, will have to be assessed in compliance with the 2016-2018 approved business plan, and are expressed base on the earning per share index ("**EPS**") of the Company in the Vesting Period ("**Cumulative EPS**") compared with the Target EPS as provided for by Moncler.

In the event that, upon expiration of the Vesting Period, Moncler Group has achieved a Cumulative EPS lower or higher than the Target EPS, the number of Shares to be allocated to each Beneficiary shall be decreased or increased accordingly, in proportion to the Moncler Rights granted to the same, as indicated in the table below:

% of Achievement EPS Target	% of allocated Shares per Moncler Rights granted
$x < 90\%$	$y = 0\%$
$90\% \leq x \leq 100\%$	$80\% \leq y \leq 100\%$
$100\% \leq x \leq 105\%$	$100\% \leq y \leq 120\%$
$x > 105\%$	$y = 120\%$

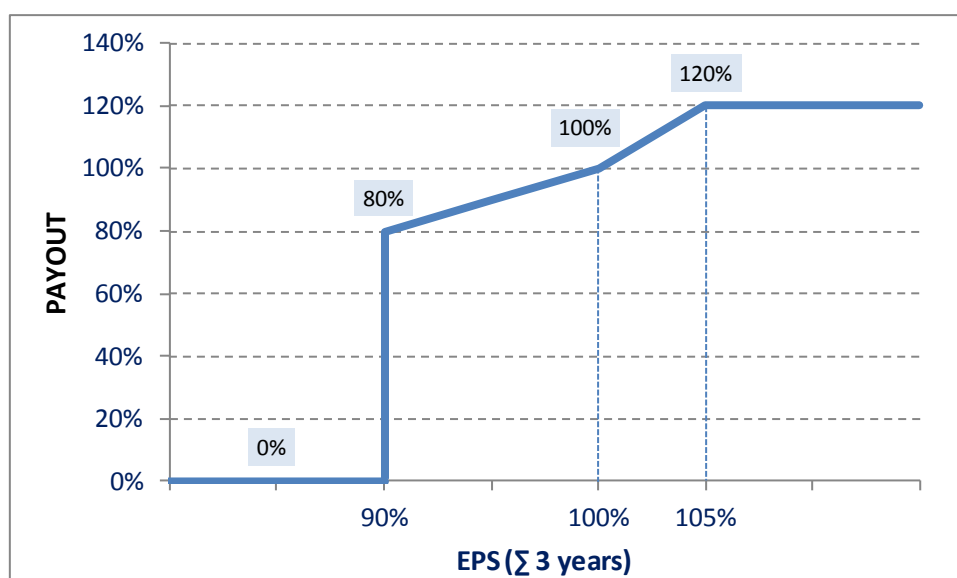
The achievement of a Cumulative EPS:

- i) equal to 90% of the Target EPS implies the allocation of a number of Shares equal to 80% of the Moncler Rights granted to the Beneficiaries;
- ii) between 90% and 100% of the Target EPS implies the allocation of a number of

Shares growing, as illustrated in the graphic below, up to 100% of the Moncler Rights granted to the Beneficiaries;

- iii) between 100% and 105% of the Target EPS implies the allocation of a number of Shares growing, as illustrated in the graphic below, up to 120% of the Moncler Rights granted to the Beneficiaries;
- iv) above 105% the Target EPS the allocation of Shares is capped at 120% of the Moncler Rights granted to the Beneficiaries.

In case of failure to achieve the minimum Performance Target equal to 90% of the Target EPS during the Vesting Period, the Moncler Rights shall be considered as expired to all purposes.



The assessment of the achievement of the Performance Targets will be carried out by the Board of Directors of the Company following the approval of the financial statement of the last financial year of the three-year Vesting Period.

In order to benefit the Plan, without prejudice to specific exceptions, the Regulation requires the existence of an employment relationship (temporary or permanent), or a collaboration relationship (including consultant relationships), or a directorship agreement between the Beneficiary and the Company or its Subsidiaries (the “**Relationship**”). The termination of the Relationship affects the allocation of the Shares,

and triggers the expiration of the Moncler Rights, in the cases set forth by the Plan.

The Plan also provides that, in the event of a change of control – meaning the cases where (i) Remo Ruffini ceases to hold, either directly or indirectly, an interest of at least 16% of the share capital of Moncler with voting rights in Ordinary and Extraordinary Shareholders' Meetings, or (ii) the majority of the members of the Board of Directors is appointed on the basis of a list filed by a shareholder other than Ruffini Partecipazioni S.r.l. – the Beneficiaries shall be entitled to continue their participation to the Plan at the conditions set forth by the relevant Regulation, without prejudice to any different contractual proposals made by the new controlling entity, or to request the allocation of the Shares, irrespective of the expiration of the Vesting Period and the achievement of the Performance Targets.

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

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

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

The Moncler Rights and all rights related thereto are strictly personal, not transferrable nor negotiable, and, therefore, not distrainable nor exchangeable against any debt or contract entered into by any of the Beneficiaries with Moncler or third parties.

The Regulation implementing the Plan will set forth further details with respect to the lock-up obligation on the Shares, in consideration of the existence of claw-back clauses.

In particular, the Beneficiaries that are Executive Directors or Executives with Strategic Responsibility, in accordance with the recommendations of the Self-Regulatory Code, shall not transfer, respectively: (i) a number of Shares equal to 30% of those allocated until the end of their office, 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.

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Dear Sirs,

in consideration of the above, we invite you to resolve upon the following: “*The Shareholders Meeting of Moncler S.p.A.*

- *having examined the directors' report drafted by the Board of Directors in accordance with Article 114-bis and 125-ter of the Legislative Decree of 24 February 1998, No. 58 and subsequent amendments and integrations;*
- *having examined the information memorandum drawn up in accordance with Article 84-bis of the Regulation adopted by CONSOB with Resolution No. 11971 of 14 May 1999, as subsequently amended, which is publicly available in accordance with the applicable regulations*

resolves

- (i) *to approve, pursuant to and for the purposes of article 114-bis of Legislative Decree of 24 February 1998, No. 58, the adoption of the performance shares allocation plan named “Performance Share Plan 2016-2018” with the features (including conditions and implementation requirements) indicated in the Directors' report and in the information memorandum of the Plan;*
- (ii) *to grant the Board of Directors, all necessary and specific powers, including the power to sub-delegate, to execute the “**Performance Shares Plan 2016-2018**”, namely including, but not limited to, all powers in order to prepare, adopt the regulation of the Plan and to modify it and/or integrate it, to identify the beneficiaries and to determine the amount of Moncler rights to be granted to each beneficiary, to provide for the allocation of the shares, as well as to carry out all acts, duties, formalities, notices necessary or appropriate in order to manage and/or execute the Plan, with the faculty to delegate its powers, tasks and responsibilities related to the execution and implementation of the plan to the Chairman of Board of Directors, it being understood that any decision relating to the allocation of the Moncler rights to the Chairman as beneficiary (as well as any other decision concerning the management and/or execution of the plan towards the same) shall pertain exclusively to the Board of Directors;*
- (iii) *to grant to the Chairman all powers, together with the power sub-delegate, necessary in order to comply with legal and regulatory requirements ensuing from these resolutions”*

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Milan, 21 March 2016

On behalf of the Board of Directors

The Chairman, Remo Ruffini