



Moncler S.p.A.

Registered office: Milan, Via Stendhal, 47

Share capital: Euro 50,955,998.20 fully paid-in

Company Register of Milan and fiscal code No. 04642290961

**Board of Directors' report on the first item of the agenda of the extraordinary
Shareholders' meeting called for 16 April 2018, in single call**

EXTRAORDINARY SHAREHOLDERS' MEETING

Item No. 1 of the agenda – **Proposal to delegate the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for a term of five years from the date of the relevant resolution, with the power to increase the share capital free of charge in tranches, pursuant to article 2349 of the Italian Civil Code, by issuing not more than 2,800,000 ordinary shares, for an amount not exceeding Euro 560,000, at a value equal to the par value of the Moncler's shares on the date of execution of the capital increase, to be entirely charged to the share capital, to be assigned to the employees of Moncler S.p.A. and of its subsidiaries, which are beneficiaries of the 2018-2020 incentive plan concerning the ordinary shares of Moncler S.p.A., named "2018-2020 Performance Shares Plan"; subsequent amendment of article 5 of the By-laws currently in force.**

Dear Sirs,

This report is issued pursuant to article 125-*ter* of the Legislative Decree of February 24, 1998, No. 58 (the "**Consolidated Financial Act**") and article 72 of the CONSOB Regulation on issuers adopted pursuant to resolution No. 11971 of May 14, 1999 and subsequent amendments and integrations (the "**Issuers' Resolution**").

The Board of Directors has called this extraordinary shareholders meeting in order to resolve upon the granting, pursuant to article 2443 of the Italian Civil Code, to the Board of Directors of a proxy, for a term of five years from the date of the relevant resolution, empowering the same to resolve upon a gratuitous and divisible capital increase, pursuant to article 2349 of the Italian Civil Code, of maximum Euro 560,000 with the issuance of a maximum number of 2,800,000 ordinary shares, at a value equal to the par value of the Moncler shares on the date of the execution of the capital increase, to be entirely charged to capital account, to be awarded to the subordinate employees of Moncler S.p.A. and its subsidiaries which may be appointed as beneficiaries of the 2018-2020 incentive plan concerning the ordinary shares of Moncler S.p.A. named "2018-2020 Performance Shares Plan" (the "**Plan**"), with the subsequent amendment of article 5 of the by-laws currently in force.

1. Reasons for the capital increase

The meeting of the Board of Directors held on February 26, 2018 has resolved upon, among others, the submission to the Ordinary Shareholders' Meeting, as second item of the agenda an incentive and loyalty plan named "2018-2020 Performance Shares Plan" (the "**Plan**"), addressed to the executive directors, executive with strategic responsibilities, employees, collaborators and consultants of Moncler S.p.A. ("**Moncler**" or the "**Company**") and its subsidiaries pursuant to article 93 of the Consolidated Financial

Act, to be executed through the gratuitous allocation of Moncler ordinary shares (the “**Shares**”), upon achievement of certain performance targets (the “**Performance Targets**”).

The details of the Plan are described in the relevant directors' report and the information memorandum drafted in compliance with article 84-*bis* of the Issuers' Regulation at the Shareholders' disposal for the assessment thereof in light of the above mentioned item of the agenda of the ordinary shareholders' meeting.

The object of the Plan is, namely, the granting of the so-called Moncler Rights which give the right, in case certain performance targets are achieved, to gratuitously receive one (1) Share per each Moncler Right granted, it being understood that the number of Shares to be allocated will be defined on the basis of the level of achievement of the above mentioned Performance Targets.

Such Shares shall result from a capital increase – to be executed through profits or reserves pursuant to article 2349 of the Italian Civil Code – or from the allocation of own shares.

Therefore, for the purposes of securing a sufficient amount of Shares to be allocated to the subordinate employees of Moncler S.p.A. and its subsidiaries which may be appointed as beneficiaries of the Plan upon achievement of the Performance Targets, the Board of Directors hereby suggests granting, pursuant to article 2443 of the Italian Civil Code, the same Board of Directors a proxy, for a term of five years from the date of the relevant resolution, empowering the same to resolve upon a gratuitous and divisible capital increase, pursuant to article 2349 of the Italian Civil Code, of maximum Euro 560,000 with the issuance of a maximum number of 2,800,000 ordinary shares, at a value equal to the par value of the Moncler shares on the date of the execution of the capital increase, to be entirely charged to capital account, to be awarded to the subordinate employees of Moncler S.p.A. and its subsidiaries which may be appointed as beneficiaries of the Plan.

The grounds for the adoption of the Plan are based on the need to keep on offering a remuneration system which, on the one hand, builds loyalty and encourages managers and key individuals of the Group, linking the variable part of the relevant compensation to the actual performance of the Company and the creation of new value, orienting the key personnel towards medium-long term results and, on the other hand, may attract highly qualified resources within the management team.

2. Features of the capital increase reserved for the subscription by the beneficiaries of the Plan

For the execution of the capital increase serving the Plan, it is hereby proposed to empower the Board of Directors, pursuant to article 2443 of the Italian Civil Code, to resolve upon a gratuitous and divisible

capital increase through profits and reserves to be identified by the Board of Directors, pursuant to article 2349 of the Italian Civil Code, of maximum Euro 560,000 with the issuance of a maximum number of 2,800,000 ordinary shares, with par value equal to the Moncler shares on the date of the execution of the capital increase, to be entirely charged to capital account.

The Plan spans a three-year period (2018-2020) and provides for the allocation to the Beneficiaries of the Moncler Rights to be carried out during the 2018 financial year and the possible granting of the Shares to be performed in 2021 following the assessment of the Performance Targets. The maximum number of Shares to be allocated to the Beneficiaries is equal to No. 2,800,000.

The share capital increase pursuant to article 2349, paragraph 1 of the Italian Civil Code will have to be executed by means of profits and/or reserves as resulting from the last financial statement approved during the financial year in which the Shares are allocated. For this reason, the most effective technical means for the above purposes is empowering the Board of Directors, pursuant to article 2443 of the Italian Civil Code, to resolve upon the gratuitous capital increase in order to serve the Plan.

The Board of Directors will be also empowered to determine, in due course and from time to time, the profits and/or reserves to be allotted to such purpose, and to adjust the relevant account books in accordance with the issuance of such shares, in compliance with the applicable laws and accounting principles.

3. Features of the newly issued shares

The Shares allocated to the beneficiaries of the Plan have regular dividend rights and, therefore, the rights related thereto are due to each beneficiary as of the date when the same becomes the holder of such Shares, together with the relevant dividend coupon in force on such date.

4. Amendments to article 5 of the by-laws

As a consequence of the proposed resolution, article 5 of the by-laws currently in force will have to be amended by adding a paragraph providing for the proxy to be granted to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, in order to empower the same to gratuitously increase the share capital in accordance with article 2349 of the Italian Civil Code.

It is hereby pointed out that the proposed amendment to the by-laws does not grant to the Shareholders who do not vote in favor of such amendment the right to withdraw, since it does not ground any reason for their withdrawal pursuant to article 2437 of the Italian Civil Code.

Here below is the wording currently in force of article 5 of the by-laws of Moncler currently in force, against the wording hereby proposed by the Board of Directors (through the addition of a paragraph 5.6 as per the first item of the Extraordinary Shareholders' meeting of the date hereof):

Wording currently in force	Proposed wording
<p>5.1 The Company's share capital shall consist of EUR 50,021,642.00, represented by 250,108,210 250,000,000 shares with no stated nominal value. The Company's share capital may be increased by a Shareholders' Meeting resolution, even by means of issuing shares having different rights from ordinary shares and with contributions other than in cash, to the extent permitted by law. In resolutions for a paid-up capital increase, preemptive rights may be excluded up to a maximum of 10% of the Company's pre-existing share capital, provided that the issue price corresponds to the market price of the shares and this is confirmed by an appropriate report of a statutory auditor (<i>revisore legale</i>) or statutory audit firm (<i>società di revisione legale</i>).</p>	<p>Unchanged</p>
<p>5.2 The Shareholders' Meeting of October 1, 2013 resolved to authorize the Board of Directors, pursuant to Italian Civil Code Article 2443, to increase the Company's share capital, on one or more occasions no later than five years from the effective date of the resolution, by a maximum nominal amount of EUR 1,500,000.00 (One Million Five Hundred Thousand), with preemptive rights excluded pursuant Article 2441, paragraphs 5 and 8 of the Civil Code, in order to service one or more incentive plans in favor of directors, employees and associates (<i>collaboratori</i>) of the Company and/or its subsidiaries, to be</p>	<p>Unchanged</p>

<p>approved by the Shareholders' Meeting, with the additional right to establish, from time to time, the dividend rights and issue price of the shares (and thus the number of shares to be issued), as well as the portion of said price to be allocated to capital, without prejudice to the requirement that the issue price be determined in compliance with legal provisions and, in particular, for increases decided upon pursuant to Article 2441 (5) of the Civil Code, taking into account the performance of the price quotations for the shares over the last six months. On April 23, 2015, the Shareholders' Meeting resolved to revoke the proxy granted by the extraordinary Shareholders' Meeting on October 1, 2013 to the Board of Directors pursuant to article 2443 of the Civil Code for the latter to increase the share capital, to the extent said proxy has not been exercised by the Board of Directors by means of the share capital increase resolutions adopted on February 28, 2014.</p>	
<p>5.3 In partial execution of the authorization granted pursuant to article 2443 of the Italian civil code, to the Board of Directors by the Extraordinary Shareholders' Assembly of October 1, 2013, the Board of Directors, in the meeting of February 28, 2014, resolved to make a paid divisible increase in the Company's share capital, before the final deadline of October 15, 2018, of a maximum sum of Euro 1,006,000, through the issuing, including in more than one occasion, of a maximum of 5,030,000 ordinary shares, with no par value, with the same characteristics as the ordinary shares in circulation at the issue date, with regular dividend rights, with</p>	<p>Unchanged</p>

<p>the exclusion of options pursuant to article 2441, paragraphs 5, 6 and 8, of the Italian Civil Code, to be reserved for the subscription of the beneficiaries of the stock option plan named “Stock Option Plan 2014-2018 Top Management and Key People” approved by the ordinary shareholders’ assembly on February 28, 2014, at an issue price of Euro 10.20 per share, of which Euro 0.20 is to be credited as capital and Euro 10 as share premium. Pursuant to article 2439, paragraph 2, of the Italian Civil Code, we are not entirely subscribed before the final deadline of October 15, 2018, the capital shall be considered to have been increased by an amount equal to the subscriptions collected. On April 23, 2015, the Shareholders’ Meeting resolved to revoke the said share capital increase resolution, to the extent of nominal EUR 95,000.00. Consequently, the maximum amount of the share capital increase serving the “Stock Option Plan 2014-2018 Top Management and Key People” is limited to EUR 911,000.00, to be done by the issue of up to no. 4,555,000 ordinary shares without indication of the par value.</p>	
<p>5.4 In partial execution of the authorization granted pursuant to article 2443 of the Italian Civil Code, to the Board of Directors by the Extraordinary Shareholders’ Assembly of October 1, 2013, the Board of Directors, in the meeting of February 28, 2014, resolved to make a paid divisible increase in the Company’s share capital, before the final deadline of October 15, 2018, of a maximum sum of Euro 105,000, through the issuing, including in more than one</p>	<p>Unchanged</p>

<p>occasion, of a maximum of 525,000 ordinary shares, with no par value, with the same characteristics as the ordinary shares in circulation at the issue date, with regular dividend rights, with the exclusion of options pursuant to article 2441, paragraphs 5, 6 and 8, of the Italian Civil Code, to be reserved for the subscription of the beneficiaries of the stock option plan named “Stock Option Plan 2014-2018 Italian Corporate Structures” approved by the ordinary shareholders’ assembly on February 28 2014, at an issue price of Euro 10.20 per share, of which Euro 0.20 is to be credited as capital and Euro 10 as share premium. Pursuant to article 2439, paragraph 2, of the Italian Civil Code, we are not entirely subscribed before the final deadline of October 15, 2018, the capital shall be considered to have been increased by an amount equal to the subscriptions collected. On April 23, 2015, the Shareholders’ Meeting resolved to revoke the said share capital increase resolution, to the extent of nominal EUR 25,645.00. Consequently, the maximum amount of the share capital increase serving the “Stock Option Plan 2014-2018 Corporate Structures Italy” is limited to EUR 79,354.20, to be done by the issue of up to no. 396,771 ordinary shares without indication of the par value.</p>	
<p>5.5 On April 23, 2015, the Shareholders’ Meeting resolved upon a paid divisible increase of the Company’s share capital to be done by and no later than June 30, 2022, up to a maximum amount of nominal EUR 509,645, by means of the issue, even in more than one <i>tranches</i>, of up to</p>	<p>Unchanged</p>

<p>no. 2,548,225 ordinary shares without indication of the par value, having the same characteristics of the ordinary shares circulating as of the date of issue, with regular entitlement and exclusion of the right of option according to article 2441, paragraph 4, second line, of the Civil Code, to be reserved to the subscription of the beneficiaries of the stock options plan named “2015 Performance Stock Option Plan” approved by the Shareholders’ Meeting on April 23, 2015, at an issuing price equal to the average of the official Company shares’ price on the MTA during the thirty days preceding the meeting of the Board of Directors called to assign the options to the said stock option plan’s beneficiaries and determine the number of options to be assigned to each of them; of such issuing price, an amount equal to (or no higher than) EUR 0.20 will be computed as capital and the remaining part as markup. Pursuant to article 2439, paragraph 2, of the Civil Code, if it is not subscribed in full by June 30, 2022, the share capital will be increased by an amount equal to the collected subscriptions.</p> <p>On April 20, 2016 the Shareholders’ Meeting resolved upon the revocation of the resolution concerning the capital increase passed on April 23, 2015, to the extents the same is not necessary in order to allow the beneficiaries of the “Performance Stock Options Plan 2015” approved by the Ordinary Shareholders’ Meeting held on April 23, 2015 to exercise the options granted thereto as of April 20, 2016. Without prejudice to the remainder of the terms, the above</p>	
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<p>capital increase shall, therefore, entail the issuance of maximum 1,375,000 ordinary shares.</p>	
<p>5.6 The employees of the Company or subsidiaries thereof may be granted, in the forms and at the conditions set forth by the applicable laws, with profits or reserves through the issuance of shares pursuant to paragraph 1 of article 2349 of the Italian Civil Code.</p> <p>The Directors are granted a proxy, for a term of five years from April 20, 2016, empowering the same to resolve upon a gratuitous and divisible capital increase, for the implementation of an incentive and loyalty plan named “2016-2018 Performance Shares Plan”, of maximum Euro 760,000.00 with the issuance of a maximum number of 3,800,000 ordinary shares, with no par value, with the same features of those currently on the market, regular dividend rights, with an issuance value equal to the par value of the Moncler shares on the date of the execution of such proxy, through the allocation of a corresponding amount of profits and/or reserves as resulting from the last financial statement approved from time to time pursuant to article 2349 of the Italian Civil Code, at the terms and conditions set forth by the same Plan.</p>	<p>5.6 The employees of the Company or subsidiaries thereof may be granted, in the forms and at the conditions set forth by the applicable laws, with profits or reserves through the issuance of shares pursuant to paragraph 1 of article 2349 of the Italian Civil Code.</p> <p>The Directors are granted a proxy, for a term of five years from April 20, 2016, empowering the same to resolve upon a gratuitous and divisible capital increase, for the implementation of an incentive and loyalty plan named “2016-2018 Performance Shares Plan”, of maximum Euro 760,000.00 with the issuance of a maximum number of 3,800,000 ordinary shares, with no par value, with the same features of those currently on the market, regular dividend rights, with an issuance value equal to the par value of the Moncler shares on the date of the execution of such proxy, through the allocation of a corresponding amount of profits and/or reserves as resulting from the last financial statement approved from time to time pursuant to article 2349 of the Italian Civil Code, at the terms and conditions set forth by the same Plan.</p> <p><u>The Directors are granted a proxy, for a term of five years as from April 16, 2018, to resolve upon a gratuitous and divisible capital increase, for the implementation of an incentive and loyalty plan named “2018-2020 Performance Shares Plan”, of maximum Euro 560,000 by means of the issuance of a maximum number of 2,800,000 ordinary</u></p>

	<u>shares, with no par value, bearing the same rights as those currently traded on the market, regular dividend rights, with an issuance value equal to the par value of the Moncler shares on the date of the execution of such proxy, through the allocation of a corresponding amount of profits and/or reserves from profits as resulting from the last financial statement approved from time to time pursuant to article 2349 of the Italian Civil Code, at the terms and conditions set forth by the same Plan.</u>
5.7 Shares shall be in registered form and freely transferable. Each share gives the right to one vote. Shares shall be issued and transferred in compliance with the applicable laws and regulations.	Unchanged
5.8 Status as a shareholder constitutes per se acceptance of these bylaws.	Unchanged
<i>(1) Please note that the text of article 5 of the by-laws quoted hereinabove acknowledges the amendment proposed through the introduction of the power to allocate profits and/or reserves pursuant to article 2349 of the Italian Civil Code set forth under the first item of the Extraordinary Shareholders' Meeting agenda</i>	

Now therefore, the Board of Directors submits to your approval the following resolution:

“The Extraordinary Shareholders’ Meeting of Moncler S.p.A., having examined the Report of the Board of Directors and the proposals comprised therein, having acknowledged the proposed adoption of the plan named “2018-2020 Performance Shares Plan” and the addition within the Company’s by-laws of the powers to allocate profits and/or reserves to the employees by issuing shares addressed to the same, pursuant to article 2349 paragraph 1 of the Italian Civil Code as set forth under

the first item of the Ordinary Shareholders' Meeting agenda and the fourth item of the Extraordinary Shareholders' Meeting agenda, as well as having considered the decision of the Board of Directors not to allot further options under the 'Performance Shares Plan 2016-2018' approved by the Ordinary Shareholders' meeting on April 20, 2016,

resolves

- 1. to grant the Board of Directors a proxy, pursuant to article 2443 of the Italian Civil Code, for a term of five years from the date hereof, empowering the same to resolve upon a gratuitous and divisible capital increase for the implementation of an incentive and loyalty plan named "2018-2020 Performance Shares Plan" of maximum Euro 560,000 with the issuance of a maximum number of 2,800,000 ordinary shares, with no par value, with the same features of those currently on the market, regular dividend rights, with an issuance value equal to the par value of the Moncler shares on the date of the execution of such proxy, through the allocation of a corresponding amount of profits and/or reserves as resulting from the last financial statement approved from time to time pursuant to article 2349 of the Italian Civil Code, at the terms and conditions set forth by the 2018-2020 Performance Shares Plan;*
- 2. to amend the Company's By-laws by adding a new last paragraph of article 5.6 (as amended in accordance with the first item of the Extraordinary Shareholders' Meeting agenda) as follows: "The Directors are granted a proxy, for a term of five years from April 16, 2018, empowering the same to resolve upon a gratuitous and divisible capital increase, for the implementation of an incentive and loyalty plan named "2018-2020 Performance Shares Plan" for maximum Euro 560,000 with the issuance of a maximum number of 2,800,000 ordinary shares with no par value, with the same features of those currently on the market, regular dividend rights, with an issuance value equal to that of the Moncler shares on the date of the execution of such proxy, through the allocation of a corresponding amount of profits and/or reserves as resulting from the last financial statement approved from time to time pursuant to article 2349 of the Italian Civil Code, at the terms and conditions set forth by the same Plan.";*
- 3. To grant as of the date hereof to the Board of Directors, and, severally, to the pro tempore legal representatives of the Company, the broadest powers in order to amend article 5 of the By-laws as required from time to time as a result of any resolutions, execution and implementation of the capital increase provided for under the proxy, to such purposes seeing to all duties related thereto and fulfill any formality required for the adopted resolution to be filed at Register of Enterprises and in order to include in these resolutions any amendments, changes or additions which may be necessary or requested by the competent authorities as well as any powers needed for the execution of any fulfilment required by the applicable laws and regulations as a result of the resolutions passed".*

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Milan, February 26, 2018

On behalf of the Board of Directors

The Chairman, Remo Ruffini