



**MONCLER S.p.A.**

*Registered office at Via Stendhal 47, Milan - fully-paid share capital Euro 51,164,024.80 Milan Companies Register, tax code and VAT no. 04642290961 - REA no. 1763158*

**Directors' explanatory report on the fourth item on the agenda of the ordinary Shareholders' meeting called for April 16, 2019 in single call.**

*Item no. 4 on the agenda – Authorization to the purchase and disposal of treasury shares pursuant to artt. 2357, 2357-ter of the Italian Civil Code, art. 132 of the Legislative Decree of February 24, 1998, no. 58 and art. 144-bis of the CONSOB Regulation adopted with Resolution no. 11971 of May 14, 1999, after revocation, for the portion not implemented, of the resolution on the authorization approved by the ordinary Shareholders' Meeting on April 16, 2018. Related and consequent resolutions.*

Dear Shareholders,

the Board of Directors has called you to an ordinary Shareholders' meeting to examine and approve the proposal of authorization to purchase and dispose of the ordinary shares of the Company, pursuant to articles 2357 and 2357-ter of the Italian Civil Code and article 132 of Legislative Decree of February 24, 1998, no. 58, as subsequently amended (“**TUF**”) and article 144-bis of the CONSOB Regulation adopted with Resolution no. 11971 of May 14, 1999, as subsequently amended (“**Issuers' Regulation**”), without prejudice to the application of the Regulation (EU) no. 596 of April 16, 2014 relating to market abuse (the “**MAR**”), to the Delegated Regulation (EU) no. 1052 of March 8, 2016, relating to the conditions applicable to the buyback of treasury shares and stabilization measures (the “**Delegated Regulation**”), and the market practice applicable from time to time approved by Consob pursuant to article 13 of the MAR including, but not limited to, the market practice set forth by the resolution of the *Commissione Nazionale per le Società e la Borsa* (“**Consob**”) no. 16839 of March 19, 2009 (the “**Admitted Practices**”).

It is hereby recalled that, through a resolution approved on April 16, 2018, the Shareholders' meeting authorized the purchase and disposal of the ordinary shares of the Company by the Board of Directors. The authorization to the purchase of shares has a duration of 18 months from the date of the resolution and, therefore, will expire on October 16, 2019, while the authorization to the disposal of shares was granted without any time limits.

After, the partial execution of the resolution, as of today's date, the Company holds no. 6,598,603 treasury shares (equal to 2.6% of the current share capital).

Considering the appropriateness to renew the authorization, for the reasons that will be explained in detail in this Report, we propose you to revoke the authorization granted through the resolution of April 20, 2017, since the date of the shareholders' resolution and for the portion not implemented, and to simultaneously the Board of Directors resolve on a new authorization to the purchase and disposal of ordinary treasury shares of the Company under the terms explained in this Report which is prepared pursuant to article 125-ter of the TUF and article 73 of the Issuers' Regulation, after revocation of the authorization in force only for the portion not implemented.

## **1. Reasons for which the authorization to the purchase and disposal of treasury shares has been requested.**

The request of authorization to the purchase and disposal of treasury shares, subject of the present proposal, is aimed at allowing the Company to purchase and dispose of the ordinary shares in compliance with the prescribed procedures of the applicable EU and national provisions, for the following purposes permitted by law, which include:

- (i) to support the liquidity and efficiency of the market;
- (ii) to be stored for subsequent use, including: consideration in extraordinary transactions, including the exchange or sale of shareholdings to be carried out by means of an exchange, contribution or other act of disposition and/or use with third parties, including the allocation of convertible bonds into shares of the Company or bonds with warrants; and
- (iii) to serve compensation plans based on financial instruments pursuant to article 114-*bis* of TUF in favour of directors, employees or collaborators of the Company and/or its subsidiaries, as well as programs for the free allotment of shares to shareholders.

The request of authorization provides for the faculty of the Board of Directors to carry out several subsequent sale and purchase transactions (or other deed of transfer) of treasury shares, even on a revolving basis, also only for part of the maximum amount authorized, in a way that at any time, the proposed amount of shares to be purchased and held by the Company would not exceed the limits set forth by the law and the Shareholders' meeting authorization. In any case, such purchase of treasury shares shall be carried out in compliance with the applicable provisions of the Issuers' Regulation, of the MAR, of the Delegated Regulation, as well as, eventually, of the Admitted Practices.

## **2. Maximum number, category and par value of the shares covered by the authorization.**

Pursuant to article 2357, paragraph 3, of the Italian Civil Code, the authorization is requested for the purchase, also in multiple tranches, of Moncler ordinary shares with no par value, up to a maximum amount that, taking into account the Moncler ordinary shares held from time to time in the portfolio of the Company and its subsidiaries, does not exceed, in the aggregate, 10% of the share capital, pursuant to the limits of article 2357, paragraph 3, of the Italian Civil Code; purchases performed according to art. 144-*bis*, paragraph 1, lett. c) of Issuer Regulation, up to a maximum amount that, taking into account the Moncler ordinary shares held from time to time in the portfolio of the Company and its subsidiaries, does not exceed, in the aggregate, 5% of the share capital.

As of the date of this Report, the share capital of Moncler is equal to Euro 51,164,024.80 and is divided in no. 255,820,124 ordinary shares with no par value and the Company does not own any treasury shares in its portfolio. As of the date of this Report, the subsidiaries of Moncler do not own shares of the same.

## **3. Useful information to fully assess the compliance with the provisions of article 2357, paragraph 1, of the Italian Civil Code.**

Pursuant to article 2357, paragraph 1 of the Italian Civil Code, the purchases of the treasury shares shall be carried out within the thresholds of the distributable profits and the available reserves resulting from the last approved financial statements at the moment of the carrying out of each transaction. Only shares fully paid-up may be purchased.

The Board of Directors shall assess the compliance with the thresholds set forth by article 2357 of the Italian Civil Code, prior to the start of each purchase of ordinary shares for the purposes mentioned under paragraph 1 above. In order to allow the assessments on the subsidiaries, the same will be instructed with specific directives for the prompt notice to the

Company of any possible purchase of ordinary shares of the controlling company carried out pursuant to article 2359-*bis* of the Italian Civil Code.

The provisions of law and the accounting principles applicable from time to time, shall be complied with for the purposes of the accounting entries to be made in connection with the purchase of treasury shares, their sale, exchange, contribution or depreciation. in case of sale, exchange, contribution or depreciation, the corresponding amount may be used for subsequent further purchases, until the expiry of the term set forth by the authorization of the Shareholders' meeting, within the terms, the limits of the amount and of the costs determined by the Shareholders' meeting itself.

#### **4. Term for which the authorization has been requested.**

The authorization for the purchase of treasury shares is requested for the maximum term permitted by the applicable laws, that article 2357, paragraph 2 of the Italian Civil Code sets forth in a period of eighteen months, starting from the date of the possible resolution of approval of this proposal by the Shareholders' meeting. Therefore, within the term of the authorization possibly granted, the Board of Directors may perform share purchases in one or more tranches and at any time, pursuant to the extent and timing freely determined in compliance with the applicable provisions and as gradually as it seems appropriate in the interest of the Company. The authorization to the disposal and/or utilization of treasury shares held or that will be possibly purchased is requested without any time limit, because of the absence of time limits pursuant to the applicable provisions and the appropriateness to allow the Board of Directors to dispose of the shares with the maximum flexibility, also in terms of timing.

#### **5. Minimum and maximum purchase price for the treasury shares.**

The Board of Directors proposes that the purchase price for each share shall not purchase price of each share should not be lower than the official Stock Exchange price of the Moncler shares on the day prior to the day on which the purchase transaction is carried out, less 20%, and not higher than the official Stock Exchange price on the day prior to the day on which the purchase transaction is carried out, plus 10%, subject to the further terms and conditions set forth by the Delegated Regulation (EU) no. 1052 of March 8, 2016 and the Admitted Practices, where applicable.

The Board of Directors proposes to be authorized to sell, dispose of and/or use, pursuant to article 2357-*ter* of the Italian Civil Code, for any reason and at any time, wholly or partially, in one or more tranches, the treasury shares purchased pursuant to the authorization possibly granted by the Shareholders' meeting, for the purposes mentioned under paragraph 1 above, pursuant to modalities, terms and conditions determined by the Board of Directors from time to time, taking into account the modalities of implementation actually adopted, the price trend of the Moncler title and the best interest of the Company, it being understood that the proceeds of any possible act of disposal of the treasury shares might be used for further purchases of shares until the expiration of the requested shareholders' authorization, within the restrictions set forth by the same and the applicable legal provisions.

#### **6. Modalities through which the purchases and disposals will be carried out.**

The transactions of purchase of treasury shares shall be performed on regulated markets or multilateral trading facilities, pursuant to the operating modalities set forth in the regulations of organization and management of the same markets, also through the trading of options or derivatives on the Moncler title, and according to the procedures and the conditions set forth in the Admitted Practices, by article 5 of the MAR and of the Delegated Regulation, and in any case in compliance with the applicable provisions and, in particular, pursuant to article 132 of the TUF, with particular reference to the principle of equal treatment of the Shareholders and to the EU and national market abuse provisions applicable from time to time.

With reference to transactions involving the disposal of treasury shares, the Board of Directors proposes to perform the same through any means deemed appropriate in the interest of the Company, in compliance with the laws and regulations applicable from time to time and for the purposes of this proposed resolution, including sales on regulated markets, in bulk or by means of exchange or securities lending. The Board also proposes to be authorized to carry out any subsequent or further purchase and transfer activity, within the context of the trading activity, as indicated in the purposes illustrated in paragraph 1 above.

## **7. Information on the instrumentality of the purchase transaction to a share capital reduction.**

It is noted that the purchase of treasury shares of this request of authorization is not instrumental to the reduction of the share capital by means of the annulment of the treasury shares purchased, it being understood that the Company shall maintain the faculty, in case the Shareholders' meeting will resolve upon a capital reduction, to give execution to such resolution by means of the annulment of the treasury shares held.

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### **Proposed resolution:**

Dear Shareholders,

in light of the above explanation, the Board of Directors proposes to you to approve the following resolutions:

*"The Shareholders' meeting of Moncler S.p.A.:*

- having examined and discussed the explanatory report prepared by the Board of Directors;*
- having acknowledged that, as of the date of this report, the Company holds no. 6,598,603 treasury shares, purchased on the basis of previous authorizations resolved upon by the Shareholders' meeting and that no other controlled company holds any shares of Moncler S.p.A.*
- having read the financial statements as of December 31, 2018, approved by today's Shareholders' meeting;*
- having acknowledged the overall amount of the available reserves resulting from the balance sheet of Moncler S.p.A. as of December 31, 2018, approved on the date hereof, amounting to Euro 275,666,710;*

- *having taken into account the proposed resolutions;*

*resolves*

1. *to revoke the previous resolution to authorize the purchase of treasury shares held by the shareholders meeting as of April 16, 2018, for the portion not implemented.*
2. *to authorize pursuant to articles 2357 and seq. of the Italian Civil Code and article 132 of the Legislative Decree of February 24, 1998, no. 58, the purchase of treasury shares of the Company, in one or more tranches, for a maximum period of 18 months from the date of this resolution, pursuant to the following terms and conditions:*
  - (i) *the purchase may be performed:*
    - to support the liquidity and efficiency of the market;*
    - to be stored for subsequent use, including: consideration in extraordinary transactions, including the exchange or sale of shareholdings to be carried out by means of an exchange, contribution or other act of disposition and/or use with third parties, including the allocation of convertible bonds into shares of the Company or bonds with warrants; and*
    - to serve compensation plans based on financial instruments pursuant to article 114-bis of TUF in favour of directors, employees or collaborators of the Company and/or its subsidiaries, as well as programs for the free allotment of shares to shareholders;*
  - (ii) *the purchase will be performed pursuant to the applicable law provisions and, in particular, article 132 of the TUF; and article 144-bis of the Consob Regulation no. 11971/1999, and, eventually, pursuant to the Delegated Regulation (EU) no. 1052 of March 8, 2016 and to the market practices pursuant to article 180, paragraph 1, letter c) of the TUF, approved through Consob Regulation no. 16839 of March 19, 2009;*
  - (iii) *the purchase price for each share should not be lower than the official Stock Exchange price of the Moncler shares on the day prior to the day on which the purchase transaction is carried out, less 20%, and not higher than the official Stock Exchange price on the day prior to the day on which the purchase transaction is carried out, plus 10%, subject to the application of the terms and conditions set forth by article 5 of the EU Regulation no. 569 of April 16, 2014 and article 3 of the Delegated Regulation no. 1052 of March 8, 2016;*
  - (iv) *the maximum number of the purchased shares shall not have a nominal aggregate value exceeding 10% of the share capital of the Company as of the date of this resolution, including any possible shares owned by the subsidiaries;*
3. *to authorize the Board of Directors, pursuant to article 2357-ter of the Italian Civil Code to dispose, wholly and/or partially, without any time limits, of the purchased treasury shares even before having completed the relevant purchases, determining the price and modalities of disposal and performing any necessary or appropriate accounting record, in compliance with the laws and regulations and the accounting principles applicable from time to time;*
4. *to grant the Board of Directors and, through it, the Chairman and Managing Director, with all the powers and authority necessary or appropriate to perform the purchases of treasury shares, as well as for the performance of sale, disposal and/or use of all or part of the purchased treasury shares and in any case to implement the above resolutions, also through attorneys-in-fact, also*

*approving and carrying out each and any action implementing the relevant purchase programs, including repurchase programs pursuant to the Delegated Regulation, and in compliance with any requirement of the competent Authorities.”*

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Milan, February 28, 2019  
For the Board of Directors  
The Chairman, Mr. Remo Ruffini