

A photograph of a night sky with a vibrant green aurora borealis (Northern Lights) in the upper half. In the lower half, several orange-red tents are visible, illuminated from within, suggesting a campsite in a cold, possibly Arctic, environment.

**REPORT ON CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURES**

APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 28, 2019

**MONCLER S.p.A.**

*Registered office: Milan, Via Stendhal, 47 - Share capital: Euro 51,164,024.80 fully paid-in  
Company Register of Milan and fiscal code no. 04642290961 - REA no. 1763158*

**REPORT ON CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURES**

*Prepared in accordance with art. 123-bis  
of Italian Legislative Decree no. 58 of February 24, 1998 for financial year 2018*

**Approved by the Board of Directors on February 28, 2019**  
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Meeting*” and “*Governance/Documents and procedures*”

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## GLOSSARY

<b>Board of Directors</b>	The board of directors of Moncler.
<b>Board of Statutory Auditors</b>	The board of statutory auditors of Moncler.
<b>Consob Market Rules</b>	The Regulation on markets issued by Consob by means of Resolution no. 16191 of March 12, 2007, as subsequently amended and integrated.
<b>Consob Related Party Transactions Regulation or RPT Regulation</b>	The Regulation issued by Consob by way of Resolution no. 17221 of March 12, 2010 on related party transactions, as subsequently amended and integrated.
<b>Consolidated Law on Finance</b>	Italian Legislative Decree no. 58 of February 24, 1998, as subsequently amended and integrated.
<b>Corporate Governance Code</b>	The corporate governance code of listed companies approved in July 2018 by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.
<b>Financial Year</b>	The financial year ended December 31, 2018 to which this Report relates.
<b>Internal Control and Risk Management System</b>	The internal control and risk management system of Moncler.
<b>Issuers' Regulation</b>	The Regulation issued by Consob by Resolution no. 11971 of May 14, 1999 regarding stock issuers, as subsequently amended and integrated.
<b>Market Abuse Regulation or MAR</b>	The EU Regulation no. 596/2014 as subsequently integrated and implemented.
<b>Moncler Group or Group</b>	Collectively the Issuer and the other companies directly or indirectly controlled by Moncler pursuant to art. 93 of the Consolidated Law on Finance.
<b>Moncler or Company</b>	Moncler S.p.A., a company with registered office in Milan, Via Stendhal, 47 - Share capital: Euro 51,164,024.80, <i>Company Register of Milan, taxpayer's code and VAT number 04642290961</i>
<b>Report</b>	The present report on corporate governance and ownership structures, drafted pursuant to art. 123-bis of the Consolidated Law on Finance as well as according to the recommendations of the Corporate Governance Code.
<b>Shareholders' Meeting</b>	The shareholders meeting of Moncler.

## 1 PROFILE OF THE ISSUER

Moncler S.p.A. (“**Moncler**” or the “**Company**”) is a joint stock company with shares listed on the main market (*Mercato Telematico Azionario*, the “**MTA**”) of Borsa Italiana S.p.A. (“**Borsa Italiana**”) since December 16, 2013. Moncler is part of the FTSE-MIB index of *Borsa Italiana* as of March 24, 2014. At the date of this Report the market capitalization of the Company is equal to Euro 8,751,606,442.

The Company and the Group operate in the worldwide luxury goods sector and are one of the leading businesses involved in the design, production and distribution of luxury clothing for women, men and children as well as accessories.

Moncler produces and directly distributes its collections of clothing and accessories through direct boutiques and the most exclusive international department stores and multibrand shops.

Under the Company’ bylaws currently in force (the “**Bylaws**”), Moncler is organised on the basis of a traditional management and control organisational model as per art. 2380-*bis* and following of the Italian Civil Code, with a Shareholders’ Meeting, a Board of Directors and a Board of Statutory Auditors.

Moncler’s Board of Directors holds a central role in leading and managing the Company and the Group. In addition to the duties required of it by the law and the Bylaws, the Board of Directors also has exclusive responsibility for taking key decisions from a strategic and economic standpoint and in terms of having a structural effect on operations, meaning those functional to monitoring and directing the Company and the Group.

The Nomination and Remuneration Committee and the Control and Risks Committee have been set up within the Board of Directors, both having propositional and consultative functions in accordance with the recommendations set forth by the Corporate Governance Code.

The Board of Statutory Auditors oversees to ensure that the law and the Bylaws and principles of proper management are being respected, as well as in particular that the organisational, administrative and accounting structure adopted by the Company and the way it works are adequate. The Board of Statutory Auditors also acts as the internal control and audit committee within the meaning of art. 19 of Legislative Decree no. 39/2010, as amended by the Law Decree no. 135 of July 17, 2016.

The auditing firm KPMG S.p.A. (“**KPMG**”) has been appointed by the Shareholders’ Meeting to perform the statutory audit of the accounts for the nine-year period from 2013 to 2021 on the justified proposal of the Board of Statutory Auditors, in accordance with the requirements of current law contained in Legislative Decree no. 39/2010 applicable to entities of public interest.

As parent company, Moncler is responsible for the direction of strategy for the Company and the Group and performs management and coordination activities within the meaning of artt. 2497 and subsequent of the Italian Civil Code by setting out medium-long term strategies in terms of (i) economic and financial results, (ii) business and investment targets and (iii) selling and marketing policies.

The corporate governance system adopted by Moncler plays a key role in the transparent and responsible running of business operations. It contributes significantly to the creation of sustainable medium and long-term value both for shareholders and stakeholders, in keeping with the best practices of corporate social responsibility applicable in all countries in which the Group operates.

The corporate governance system complies with the principles set forth in the Corporate Governance Code and with the regulatory provisions governing Italian listed companies. It is based on four pillars:

- (i) the pivotal role of administrative and control bodies;
- (ii) the effectiveness and transparency of management decisions;
- (iii) the careful and diligent monitoring of related-party transactions and handling of privileged information;
- (iv) the set of values defined, recognised, shared, and established in both the code of ethics of Moncler (the “**Code of Ethics**”) and company policies.

The values established by Moncler’s Code of Ethics require all employees to ensure that the Group’s activities are carried out in accordance with the applicable law, regulations and internal procedure’ provisions, within a framework of fair competition, with honesty, integrity and propriety and with respect for the legitimate interests of shareholders, employees, customers, suppliers, commercial and financial partners and the societies of the countries in which the Moncler Group is present.

Moreover, Moncler developed and adopted an anti-corruption model that provides, among other things, for the regulatory review of corruption offences in the countries in which the Company operates, identifying the areas and business processes most at risk of corruption. More specifically, an anti-corruption policy was therefore implemented by each company of the Moncler Group, regulating the responsibilities for monitoring regulatory changes, risk controls, training, audit activities, management, and the reporting of any cases of non-compliance.

The Company does not qualify as a “SME” (small and medium-sized enterprise) pursuant to art. 1, comma 1, letter w-quarter.1) of the Consolidated Law on Finance and art. 2 of the Issuers’ Regulation.

## 2 INFORMATION ON OWNERSHIP STRUCTURES

### a) Capital structure (pursuant to art. 123-bis, paragraph 1(a) of the Consolidated Law on Finance)

The share capital results as subscribed and paid-in for Euro 51.164.024,80, consisting of 255.820.124 ordinary shares without nominal value.

### 2014-2018 Stock Option Plan - Top Management & Key People and 2014-2018 Stock Option Plan – Italian Corporate Structures

The extraordinary Shareholders’ Meeting of October 1, 2013 resolved to grant the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, the possibility to increase the Company’s share capital in one or more tranches within the maximum term of five years from the effective date of the resolution, established as of December 16, 2013, by an amount of up to Euro 1,500,000 nominal value, with the exclusion of the option right pursuant to paragraphs 5, 6 and 8 of art. 2441 of the Italian Civil Code, to be used to service one or more incentive plans in favour of the Directors, employees and collaborators of the Company and/or its subsidiaries (the “**2013 Delegated Powers**”).

In partial implementation of the 2013 Delegated Powers, the Board of Directors, in the meeting held on February 28, 2014:

- ① resolved to increase the Company’s share capital, in tranches, by payment by and no later than October 15, 2018, by an amount of up to Euro 1,006,000, through the issue, in one or more tranches, of a maximum of 5,030,000 ordinary shares without nominal value, having the same

features as the ordinary shares outstanding at the issue date, with normal dividend rights, excluding the option right pursuant to paragraphs 5, 6 and 8 of art. 2441 of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the stock option plan called “*2014-2018 Stock option Plan - Top Management and Key People*” approved by the Ordinary Shareholders’ Meeting held on February 28, 2014 (the “**2014-2018 Top Management Stock Option Plan**”), at an issue price of Euro 10.20 per share, of which Euro 0.20 as share capital and Euro 10 as share premium;

(ii) resolved to increase the Company’s share capital, in tranches, by payment by and no later than October 15, 2018, by an amount not exceeding Euro 105,000, through the issue, in one or more tranches, of a maximum of 525,000 ordinary shares without nominal value, having the same features as the ordinary shares outstanding at the issue date, with normal dividend rights, excluding the option right pursuant to paragraphs 5, 6 and 8 of art. 2441 of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the stock option plan called “*2014-2018 Stock Option Plan – Italian Corporate Structures*” approved by the ordinary Shareholders’ Meeting held on February 28, 2014 (the “**2014-2018 Corporate Structures Stock Option Plan**”), at an issue price of Euro 10.20 per share, Euro 0.20 of which Euro 0.20 as share capital and Euro 10 as share premium.

The extraordinary Shareholders’ Meeting of April 23, 2015 revoked the 2013 Delegated Powers for the not executed part and the previous resolutions to increase share capital approved by the Board of Directors on February 28, 2014, in partial execution of the 2013 Delegated Powers, in service of the 2014-2018 Top Management Stock Option Plan and the 2014-2018 Corporate Structures Stock Option Plan. Consequently: (a) the maximum amount of the share capital increase in service of the 2014-2018 Top Management Stock Option Plan has been limited to a nominal value of Euro 911,000.00, to be executed by issuing up to 4,555,000 ordinary shares without indication of the nominal value; and (b) the maximum amount of the share capital increase in service of the 2014-2018 Corporate Structures Stock Option Plan has been limited to a nominal value of Euro 79,354.20, to be executed by issuing up to 396,771 ordinary shares without indication of the nominal value.

In that regard, as of the date of this Report, all of the option rights referred to in the 2014-2018 Top Management Stock Option Plan and the 2014-2018 Corporate Structures Stock Option Plan have been exercised pursuant to the terms and conditions provided therein; therefore, the above plans are terminated.

For further details on the 2014-2018 Top Management Stock Option Plan and the 2014-2018 Corporate Structures Stock Option Plan please see the information documents prepared pursuant to art. 84-*bis* of the Issuers’ Regulation and also in the report on remuneration prepared pursuant to art. 123-*ter* of the Consolidated Law on Finance (the “**Remuneration Report**”), published on the Company’s website [www.monclergroup.com](http://www.monclergroup.com), under sections “*Governance/Remuneration*” and “*Governance/Shareholders’ Meeting*”.

### **2015 Performance Stock Option Plan**

The extraordinary Shareholders’ Meeting of April 23, 2015 has also approved the stock option plan “*2015 Performance Stock Option Plan*” (the “**2015 Performance Stock Option Plan**”) and resolved to increase, in tranches and upon payment, by the deadline of June 30, 2022, the Company’s share capital for a maximum nominal amount of Euro 509,645, by issuing, also in tranches, a maximum of 2,548,225 ordinary shares, with no indication of nominal value, having the same characteristics as the ordinary shares in circulation at the issuing date, with ordinary rights, excluding the option rights pursuant to art. 2441, paragraph 4, second sentence, of the Italian Civil Code, to be subscribed by the beneficiaries of the 2015 Performance Stock Option Plan at an issue price equal to the arithmetic average of the prices of the Company’s shares on the MTA during the thirty days preceding the meeting of the Board of Directors who shall make the attribution of stock options to beneficiaries of this stock option plan and

determines the number of options granted to each of them. The following Board of Directors on March 3, 2016 resolved that in service of the 2015 Performance Stock Option Plan may be used also 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 of the 2015 Performance Stock Option Plan to comply with the options assigned on April 20, 2016. Without prejudice to any other condition, the mentioned share capital increase shall regard the issuance of maximum no. 1,375,000 ordinary shares.

For further details on the 2015 Performance Stock Option Plan please see the information document prepared pursuant to art. 84-bis of the Issuers' Regulation and also in the Report on Remuneration, published on the Company's website [www.monclergroup.com](http://www.monclergroup.com), under section "Governance/Remuneration".

### **2016-2018 Performance Shares Plan**

In addition, the extraordinary Shareholders' Meeting of April 20, 2016 has granted to the Directors the power to increase the share capital for five years starting with April 20, 2016, in service of the implementation of the incentive and loyalty plan named "*2016-2018 Performance Shares Plan*" (the "**2016-2018 Performance Shares Plan**") up to a maximum of Euro 760,000.00, through the issuance of maximum of 3,800,000 new ordinary shares par value, having the same characteristics of the ones into circulation, regular dividend rights, at an issuance price equal to the accounting par value of the Moncler shares at the execution date of the subject matter power, through the assignment of the corresponding share of profits and/or reserves of profits as resulting in the last financial statements approved pursuant to art. 2349 of the Italian Civil Code, at the terms, with the modalities and, at the conditions provided under the same plan. The 2016-2018 Performance Shares Plan is addressed to delegated Directors, employees and collaborators, including external consultants, of Moncler and its subsidiaries for the purposes of Article 93 of TUF.

For any further information on the 2016-2018 Performance Shares Plan, please see the information document prepared pursuant to art. 84-bis of the Issuers' Regulation and also in the Report on Remuneration, published on the Company's website [www.monclergroup.com](http://www.monclergroup.com), under section "Governance/Remuneration" and "Governance/Shareholders' Meeting".

### **2018-2020 Performance Shares Plan**

In addition, the extraordinary Shareholders' Meeting of April 16, 2018 approved the implementation of the incentive and loyalty plan named "*2018-2020 Performance Shares Plan*" (the "**2018-2020 Performance Shares Plan**") addressed to delegated Directors, employees and collaborators, including external consultants, of Moncler and its subsidiaries for the purposes of Article 93 of TUF, holding key positions in the pursuit of Moncler's strategic objectives, identified by the Board of Directors subject to the opinion of the Remuneration Committee, concerning the granting of rights which give the right, in case certain performance targets are achieved, to gratuitously receive one share per each right granted.

For any further information on the 2018-2020 Performance Shares Plan, please see the information document prepared pursuant to art. 84-bis of the Issuers' Regulation and also in the Remuneration Report, published on the Company's website [www.monclergroup.com](http://www.monclergroup.com), under sections "Governance/Remuneration" and "Governance/Shareholders' Meeting".

**b) Restrictions on the transfer of securities (pursuant to art. 123-bis, paragraph 1(b) of the Consolidated Law on Finance)**

There are no restrictions on the free transfer of the Shares nor limits on the ownership of such, nor are there any consent clauses for becoming a shareholder pursuant to law or the Bylaws.

For completeness, it is here noted that, the ECIP Shareholders' Agreement 2016 (as defined under paragraph g) "Shareholders' agreements") entered into on October 14, 2016, as last amended during the Financial Year, currently in force, to which Ruffini Partecipazioni Holding S.r.l. (formerly, Ruffini Partecipazioni S.r.l.), Ruffini Partecipazioni S.r.l." (formerly, Ruffini Partecipazioni Due S.r.l.) and ECIP M S.A. are party, prescribes, *inter alia*, certain restrictions on the circulation of the Company's shares consisting of a co-sale right and the sale of the Moncler shares on the market, within specified limits, for stabilisation purposes (as described below on paragraph g) "Shareholders' Agreements").

Further details may be found in the abstract from the 2016 ECIP Shareholders' Agreement notified to Consob pursuant to art. 122 of the Consolidated Law on Finance, which may be consulted in the "Issuers" section of the Consob website [www.consob.it](http://www.consob.it) and in the essential information referred to in art. 130 of the Issuers' Regulation, published on the Company's website [www.monclergroup.com](http://www.monclergroup.com), under section "Governance/Documents and procedures".

\* \* \*

Moreover, it is here noted that Acamar and Venezio Shareholders' Agreement (as defined under paragraph g) "Shareholders' agreements") executed on August 3, 2016 between Ruffini Partecipazioni S.r.l., on one side, and Acamar S.r.l. and Venezio Investments Pte Ltd. on the other side, and Remo Ruffini and Juan Carlos Torres in relation to certain obligations undertaken by the same, prescribes, *inter alia*, a pre-emption right in favour of Acamar S.r.l. and Venezio Investments Pte Ltd. in case of transfer from Ruffini Partecipazioni S.r.l. of a number of Moncler shares representing the entire shareholding held in Moncler (in relation to which, please refer to paragraph g) "Shareholders' Agreements").

Further details may be found in the abstract from the Acamar and Venezio Shareholders' Agreement notified to Consob pursuant to art. 122 of the Consolidated Law on Finance, which may be consulted in the "Issuers" section of the Consob website [www.consob.it](http://www.consob.it) and in the essential information referred to in art. 130 of the Issuers' Regulation, published on the Company's website [www.monclergroup.com](http://www.monclergroup.com), in section "Governance/Documents and procedures".

**c) Significant direct and indirect holdings (pursuant to art. 123-bis, paragraph 1(c) of the Consolidated Law on Finance)**

Significant direct or indirect holdings in Moncler's share capital are stated in **Table 1** in the appendix, which has been prepared on the basis of the notifications received by the Company pursuant to art. 120 of the Consolidated Law on Finance up to the date of this Report.

**d) Securities with any special rights (pursuant to art. 123-bis, paragraph 1(d) of the Consolidated Law on Finance)**

No shares granting special control rights have been issued, nor are there any holders of special powers pursuant to the law or Bylaws currently in force.

**e) Employee share schemes: mechanism for the exercise of voting rights (pursuant to art. 123-bis, paragraph 1(e) of the Consolidated Law on Finance)**

At the date of the present Report, the Company adopted the remuneration plans for directors and employees of the Group described in the Remuneration Report, as well as the disclosure document prepared pursuant to art. 114-bis of the Consolidated Law on Finance and art. 84-bis of the Issuers' Regulations and the relative illustrative report prepared in accordance with art. 114-bis of the Consolidated Law on Finance, available on the Company website [www.monclergroup.com](http://www.monclergroup.com) under sections "Governance/Remuneration" and "Governance/Shareholders' Meeting".

These plans do not provide for the allocation of voting rights to parties other than the relative beneficiaries, nor particular mechanisms for the exercise of the voting right.

**f) Restrictions on voting rights (pursuant to art. 123-bis, paragraph 1(f) of the Consolidated Law on Finance)**

There are no restrictions on voting rights.

**g) Shareholders' agreements (pursuant to art. 123-bis, paragraph 1(g) of the Consolidated Law on Finance)**

**Acamar and Venezio Shareholders' Agreement**

On July 28, 2016 (the "**Signing Date**") Ruffini Partecipazioni S.r.l. ("**RP**"), direct shareholder of Moncler on one side, and Acamar S.r.l. ("**Acamar**") and Venezio Investments Pte Ltd ("**Venezio**"); Acamar and Venezio are collectively defined as "**Investors**"), on the other side, entered into a share purchase and investment agreement (the "**QPA**") for the purchase by the Investors of a shareholding representing 24,4% of the share capital of Ruffini Partecipazioni Due S.r.l. ("**Newco**") (hereinafter, the "**Newco Shareholding**"); pursuant to the QPA, the Newco Shareholding has been transferred from RP to the Investors on August 3, 2016 (the "**Closing Date**"); on the Signing Date, RP held no. 66,921,551 ordinary shares of the Company, representing 26,750% of its share capital (the "**Moncler Shareholding**") which has been conferred to Newco on the Closing Date; as a result of such transactions, on the Closing Date Newco owned the Moncler Shareholding and its corporate capital, following the execution of the QPA, was owned by RP (holding a stake equal to 75,6%), Acamar (holding a stake equal to 2,218%) and Venezio (holding a stake equal to 22,182%).

On the Closing Date (i) the deed of transfer concerning the transfer to Moncler Shareholding in Newco (which changed its name to "**Ruffini Partecipazioni S.r.l.**") was executed; (ii) the Investors purchased from Ruffini Partecipazioni Holding S.r.l. ("**RPH**"), formerly Ruffini Partecipazioni S.r.l., the Newco Shareholding pursuant to the terms and conditions set forth in the QPA; and (iii) RP, the Investors, as well as Remo Ruffini and Juan Carlos Torres, as for certain obligations undertaken by the same, in their capacity of controlling shareholders of RP and Acamar, executed a shareholder agreement (the "**Acamar and Venezio Shareholders' Agreement**") relevant for the purposes of art. 122 of the Consolidated Law on Finance, regulating their relationship in their capacity of shareholders of Ruffini Partecipazioni S.r.l.

On September 16, 2016 RP, the Investors, Remo Ruffini and Juan Carlos Torres entered into an agreement by which the Acamar and Venezio Shareholders' Agreement has been amended in order to set a meeting of the Board of Directors on October 31, 2016, as the date on which it has been the resignation of one of the current members of the Board of Directors of Moncler, in order to propose the appointment of Mr. Juan Carlos Torres Carretero as a member of the Board of Directors to replace the outgoing director (the "**Amendment Agreement**").

The Acamar and Venezio Shareholders' Agreement is relevant for the purposes of art. 122 of the Consolidated Law on Finance, paragraph 5, let. b). The Investors shall consult each other with respect to certain relevant matters to be resolved by the shareholders and the board of directors (as identified in the Acamar and Venezio Shareholders' Agreement); such obligation, according to the Acamar and Venezio Shareholders' Agreement, does not affect the validity of the resolutions to be adopted by Newco, does not bind RPH and it applies in relation to the relationship between the Investors only.

The Acamar and Venezio Shareholders' Agreement has been originally filed with the Companies' Register of Milan on August 4, 2016. The Amendment Agreement has been filed with the Companies' Register of Milan on September 21, 2016.

The excerpt of the above provisions has been notified to Consob pursuant to art. 122 of the Consolidated Law on Finance and published on Consob' website in section "*Issuers*". The essential information concerning the Acamar and Venezio Shareholders' Agreement, as amended by the Amendment Agreement, have been published, pursuant to art. 130 of the Issuers' Regulation, on the Company's website [www.monclergroup.com](http://www.monclergroup.com) under sections "*Governance / Documents and procedures*".

### **2016 ECIP Shareholders' Agreement**

On October 15, 2016 the shareholders' agreement concerning Moncler executed on December 16, 2013 between RPH (formerly, Ruffini Partecipazioni S.r.l.) ("RPH"), RP (formerly Ruffini Partecipazioni Due S.r.l.) and ECIP M S.A: ("ECIP M") and Remo Ruffini ("RR"), as for certain obligations undertaken by the same, expired (the "**2013 ECIP Shareholders' Agreement**"). The 2013 ECIP Shareholders' Agreement related to (i) the appointment and operation of the Board of Directors of the Company; (ii) the matters to be resolved upon by the Shareholders' Meeting and the Board of Directors of the Company in respect of which Ruffini Partecipazioni and ECIP M were bound to consult each other; (iii) ECIP M, CEP III and Ruffini Partecipazioni's tag-along rights; (iv) the restrictions on the sale of shares of the Company on the market to stabilize market share price; and (v) the undertaking, by Ruffini Partecipazioni, ECIP M and CEP III, not to take any action for the purchase of shares of the Company that may give rise to the obligation to launch a tender offer on the shares of the Company pursuant to the Consolidated Law on Finance.

On October 14, 2016 (the "**Signing Date**"), RP, RPH and ECIP M (collectively, the "**Parties**"), taking into account the shareholding respectively held in Moncler, and, in relation to certain obligations undertaken by the same, RR, have entered into a new shareholders' agreement concerning Moncler (the "**2016 ECIP Shareholders' Agreement**"), that substitutes the 2013 ECIP Shareholders' Agreement in relation to their respective shareholding in Moncler, in compliance with the provisions of the 2013 ECIP Shareholders' Agreement. More specifically, the main terms and conditions of the 2016 ECIP Shareholders' Agreement provide for (i) the appointment and operation of the Board of Directors of the Company; (ii) upon certain conditions, the transfer of Moncler' shares and the relevant exit; and (iii) the undertaking, by the Parties and RR, not to take any action that, according to the 2016 ECIP Shareholders' Agreement, may give rise to the obligation to launch a tender offer on the shares of the Company pursuant to art. 106 et seq. of the Consolidated Law on Finance.

The 2016 ECIP Shareholders' Agreement substituted the 2013 ECIP Shareholders' Agreement immediately after its expiration (on October 15, 2016) and therefore is in force as from October 16, 2016.

On October 26, 2017, ECIP M has transferred, in compliance with the provisions on the transfer of shares set forth by the 2016 ECIP Shareholders' Agreement, no. 8,500,000 shares of the Company, equal to approximately no 3.34% of the share capital, by means of an accelerate bookbuilding procedure reserved to institutional investors, settled on October 30, 2017. Following such transfer, ECIP M held

no. 13,530,049 shares of the Company, equal to approximately 5.31% of the share capital.

On June 6, 2018, ECIP M has transferred, in compliance with the provisions on the transfer of shares set forth by the 2016 ECIP Shareholders' Agreement, no. 1,330,423 shares of the Company, equal to approximately no 0.521% of the share capital. Following such transfer, ECIP M held no. 12,199,626 shares of the Company, equal to approximately 4.8% of the share capital.

The 2016 ECIP Shareholders' Agreement has been originally filed with the Companies' Register of Milan on October 19, 2016. The following amendments to the agreement have been filed with the Companies' Register of Milan.

The excerpt of the above provisions has been notified to Consob pursuant to art. 122 of the Consolidated Law on Finance and published on Consob' website in section "*Issuers*". The essential information concerning the 2016 ECIP Shareholders' Agreement and the relevant amendments have been published, pursuant to art. 130 of the Issuers' Regulation, on the Company's website [www.monclergroup.com](http://www.monclergroup.com) in section "*Governance/Documents and procedures*".

**h) Change of control clauses (pursuant to art. 123-bis, paragraph 1(h) of the Consolidated Law on Finance) and provisions on public tender offers in the Bylaws (pursuant to art. 104, paragraph 1-ter and art. 104-bis, paragraph 1 of the Consolidated Law on Finance)**

Moncler and its subsidiary Industries S.p.A. ("Industries"), are parties within their ordinary activity, of certain agreements for commercial lease and joint venture, which provide for, as customary negotiation practice for similar agreements, clauses which, if applied, may grant to each party the right to solve or amend such agreements in case of a change of control of such parties.

The Bylaws do not derogate from the application of the passivity rule within the meaning of art. 104 paragraphs 1 and 1-bis of the Consolidated Law on Finance and do not prescribe the application of the neutralisation rules contemplated by art. 104-bis, paragraphs 2 and 3 of the Consolidated Law on Finance.

**i) Delegated powers to increase share capital and authorisations to purchase treasury shares (pursuant to art. 123-bis, paragraph 1(m) of the Consolidated Law on Finance)**

**Delegated Powers to increase the share capital**

In addition to the 2013 Delegated Powers, described in the previous paragraph 2 a), partially executed by the Board of Directors before their revocation by the Shareholders' Meeting of April 23, 2015, the extraordinary Shareholders' Meeting of April 20, 2016 grants to the Directors the power to increase the share capital for five years starting with April 20, 2016, in service of the implementation of 2016-2018 Performance Shares Plan up to a maximum of Euro 760,000.00, through the issuance of maximum of 3,800,000 new ordinary shares par value, having the same characteristics of the ones into circulation, regular dividend rights, at an issuance price equal to the accounting par value of the Moncler shares at the execution date of the subject matter power, through the assignment of the corresponding share of profits and/or reserves of profits as resulting in the last financial statements approved pursuant to art. 2349 of the Italian Civil Code, at the terms, with the modalities and, at the conditions provided under the same plan.

Please note that pursuant to art. 7 of the Bylaws, the Company may issue equity financial instruments, but the Shareholders' Meeting did not grant any power to the Board of Directors.

### Purchase and disposition of treasury shares

On April 16, 2018, the Shareholders' Meeting, subject to revocation – for the non-executed part – of the purchase and disposal of ordinary shares of the Company granted by resolution adopted on April 20, 2017, resolved to authorize the purchase of treasury shares for a period of 18 months, in compliance with the criteria described in detail in the resolution of the Shareholders' Meeting.

On August 1, 2018, the Company has started the share buyback program for a maximum of no. 2,000,000 ordinary treasury shares of the Company (equal to the 0.8 % of its share capital), in accordance and within the limitations of the authority granted by Moncler Shareholders' meeting resolution dated April 16, 2018, pursuant to arts. 2357 and 2357-ter of the Italian Civil Code. The buy-back programme's purpose was to meet obligations arising from stock based incentive schemes or other allocations of shares to employees, members of the board of directors and consultants of Moncler and of its subsidiaries, within the parameters prescribed by the MAR, the Commission Delegated Regulation (EU) 2016/1052 and Consob regulation n. 11971/1999 and in compliance with all parameters (including prices and daily volumes), terms and conditions resolved upon by Moncler shareholders' meeting held on April 16, 2018 and publicly available. On September 20, 2018 Moncler announced to have completed the said buy-back programme; further to the buy-back transactions above, the treasury shares held by the Company amounted to no. 6,100,000.

On January 16, 2019, the Company has started the share buyback program for a maximum of no. 1,000,000 ordinary treasury shares of the Company (equal to the 0.4 % of its share capital), in accordance and within the limitations of the authority granted by Moncler Shareholders' meeting resolution dated April 16, 2018, pursuant to arts. 2357 and 2357-ter of the Italian Civil Code. The buy-back programme's purpose was to meet obligations arising from stock based incentive schemes or other allocations of shares to employees, members of the board of directors and consultants of Moncler and of its subsidiaries, within the parameters prescribed by the MAR, the Commission Delegated Regulation (EU) 2016/1052 and Consob regulation n. 11971/1999 and in compliance with all parameters (including prices and daily volumes), terms and conditions resolved upon by Moncler shareholders' meeting held on April 16, 2018 and publicly available.

On February 21, 2019 Moncler announced that the buy-back program was ended; further to such program, as of the date of the Report, the Company owns no. 6,598,603 treasury shares

### **j) Management and coordination (pursuant to art. 2497 *et seq.* of the Italian Civil Code)**

The Company, controlled de facto indirectly by Remo Ruffini, by means of the company Ruffini Partecipazioni Holding S.r.l. ("RPH"), a company incorporated under the laws of Italy, whose corporate capital is held 100% by Remo Ruffini and Ruffini Partecipazioni S.r.l., company incorporated under the laws of Italy, indirectly controlled by Remo Ruffini through RPH, is not subject to management and coordination, according to the evaluation of the relevant requirements by the Board of Directors' meeting held on February 26, 2018, and the Company is also the holding of the Moncler Group.

The assumption of art. 2497-*sexies* of the Italian Civil Code does not apply (and shall, therefore, be considered as superseded) in light of the fact that RPH carries out activities as holding of participations and financial investments; RPH does not carry out management and coordination activities *vis-à-vis* Moncler or its participated companies.

In particular, the Board of Directors has deemed that no management and coordination activity is carried out by RPH in light of the following:

- a) RPH does not draft nor approves industrial, financial, strategic plans and does not approve the budget relating to Moncler;

- b) RPH does not infer in the definition of commercial or market strategies of Moncler;
- c) RPH does not issue any directive or instruction to Moncler or its controlled companies in relation to financial or credit matters, or in relation to its counterparty or any extraordinary transaction;
- d) RPH is not required to provide its prior consent in relation to investment transactions of Moncler or its controlled companies;
- e) Moncler has never adopted and does not apply the policy, the regulations or the structuring imposed or recommended by RPH.

As discussed in paragraph 1 above, the Company exercises management and coordination, pursuant to art. 2497 and subsequent of the Italian Civil Code, over the Italian companies belonging to the Moncler Group and its direct and indirect subsidiaries by setting out their medium-long term strategies in terms of economic and financial results, business and investment targets and selling and marketing policies.

More generally, as the parent the Company directs corporate and Group strategies, is the owner of the Moncler brand, for which it determines the Moncler Group's brand management policies, and establishes the Group's activities with respect to communication and marketing strategies, starting with the presentation of new collections and going through to retail and wholesale sales activities.

\* \* \*

In conclusion, it is hereby stated that:

- (i) the information required by art. 123-bis, paragraph 1(i) of the Consolidated Law on Finance regarding “*agreements between the company and the directors ..... which provide for an indemnity in the event of resignation or dismissal without just cause or if their employment relationship ceases as the result of a public tender offer*” can be found in the Remuneration Report prepared and published pursuant to art. 123-ter of the Consolidated Law on Finance;
- (ii) the information required by art. 123-bis, paragraph 1(l) of the Consolidated Law on Finance regarding “*the rules applicable to the appointment and replacement of directors (...) as well as amendments to the Bylaws, if different from the legislative and regulatory rules applicable by way of supplement*” is described in paragraph 4.1 of this Report on the Board of Directors.

### 3 COMPLIANCE

Moncler adheres to the Corporate Governance Code which is accessible to the public on the website of the Corporate Governance Committee on the page:

<https://www.borsaitaliana.it/comitato-corporate-governance/codice/codiceeng2018.en.pdf>

In this Report - based on the principle of “*comply or explain*” which underlies the Corporate Governance Code and in line with EU Recommendation no. 208/2014 – reference is made to any and all recommendations the Company (up to date) has deemed not yet to comply with, either wholly or partially.

Neither the Company nor its subsidiaries are subject to non-Italian laws which might affect Moncler's corporate governance structure.

## 4 BOARD OF DIRECTORS

### 4.1 APPOINTMENT AND REPLACEMENT (pursuant to art. 123-bis, paragraph 1(l) of the Consolidated Law on Finance)

The appointment and replacement of directors are governed by current legislation, as transposed and supplemented, within the limits permitted, by the Bylaws.

Pursuant to art. 13 of the Bylaws, the Company is managed by a Board of Directors consisting of either 11 or 13 members. The Shareholders' Meeting sets the number within the above limits before appointing this body. Directors are appointed for a term of three financial years, or for a different period which in any case may not exceed three financial years, that is established on appointment, and may be re-elected.

Directors must hold the requirements established by the law, by the Bylaws and by any other applicable provisions in order to hold office as Director.

The provisions of the Bylaws which govern the composition and appointment of the Board of Directors enable the requirements of the law as per artt. 147-ter *et seq.* of the Consolidated Law on Finance and the relative implementation regulations to be met, as summarised in the following.

More specifically, art. 13.3 of the Bylaws establishes that in compliance with the rules in effect from time to time pertaining to gender balance, Directors shall be appointed by the Shareholders' Meeting on the basis of lists submitted by shareholders in compliance with the legal and regulatory provisions in effect from time to time, on which candidates, no more than 13 in number and possessing the requisites provided for by the legal and regulatory provisions in effect from time to time, are to be listed with an assigned sequential number.

As for the gender balance, it is worth noting that Law no. 120 dated July 12, 2011 (the "**Law 120/2011**") introduced the obligation for listed companies to reserve at least one third of the positions of Directors and members of the Board of Statutory Auditors for the less represented gender for three consecutive mandates, from the first renewal of the bodies after one year from the date of the above law's entry into force, reserving a quota of at least one-fifth of the Directors and Statutory Auditors elected to the less represented gender for the first mandate in which the law is applied.

The Board of Directors of the Company in charge at the date of this Report is compliant with the discipline provided by the Law 120/2011, regarding the balance between genders, since, for the first mandate in which Law 120/2011 is applied, a proportion of at least one fifth of the directors elected has been reserved to the less represented gender. Upon renewal of the Board of Directors which will be submitted to the Shareholders' approval convened on April 16, 2019, in line with the said Law's provisions and according to the application criterion 2.C.3 of the Corporate Governance Code, one third of positions of Directors will be reserved to the less represented gender.

At least three Directors holding the independence requirements established by the law or regulatory provisions must be members of the Board of Directors. Each list must indicate which candidates hold the independence requirements established by the law or regulatory provisions in effect from time to time. Independent candidates on each list must be stated at the numbers 2, 4 and 8 of the list, with the non-independent candidates. The lists must be lodged at the Company's registered office and published in accordance with current laws and regulations. Lists with three or more candidates must be made up of candidates belonging to both genders, so that at least one third (rounded up) of the candidates belongs to the less well represented gender.

Each shareholder may submit, or participate in the submission of, one and only list and each candidate may be presented in only one list, under penalty of ineligibility.

Pursuant to art. 13.3 of the Bylaws, lists may be submitted only by shareholders that, alone or together with others, own shares representing at least 2.5% of the capital or such different percentage of participation in the share capital as established by the legal and regulatory provisions in effect from time to time. In this respect, the participation threshold has been recently established by Consob for Moncler pursuant to art. 144-*quater* of the Issuers' Regulation by way of Resolution no. 13 of January 24, 2019 is 1%.

By the deadlines set by the legal and regulatory provisions in force from time to time, declarations are to be filed along with each list wherein the individual candidates accept their candidacies and declare, under their own responsibility, that no cause of ineligibility or incompatibility exists and that they possess the requisites prescribed by the laws and regulations in effect for the respective positions.

Together with the declarations, *curriculum vitae* are to be filed relating to each candidate's personal and professional characteristics, indicating the candidate's potential suitability to be classified as independent, within the meaning of the legal and regulatory provisions in effect and the codes of behaviour relating to corporate governance that may have been adopted by the Company.

Lists for which the aforesaid provisions have not been complied with are to be deemed not to have been submitted. Directors who have been appointed are to inform the Board of Directors without delay of the loss of the requisites of independence, as well as of any supervening causes of ineligibility or incompatibility.

Each person entitled to vote may vote for only one list.

When the voting ends, the candidates from the two lists which received the greatest number of votes shall be elected, using the following criteria:

- (a) Directors equal in number to the total number of members to be elected, less one, shall be drawn from the list which received a majority of the votes cast, in the sequential order in which they are included on that list;
- (b) the remaining Director shall be drawn from the list receiving the second greatest number of votes at the Shareholders' Meeting ("minority list") that is not linked in any way, even indirectly, to those who submitted or voted for the list which came first in terms of number of votes.

In the event of a tied vote for lists a new vote shall be taken by the entire Shareholders' Meeting, with those candidates being elected who obtain a simple majority of the votes.

If, when the voting ends, a sufficient number of Directors has not been elected holding the requisites of independence provided for by the legal and regulatory provisions in effect, the candidate not holding such requisites who was elected last in sequential order from the list which received the greatest number of votes shall be excluded and replaced by the subsequent candidate having the requisites of independence drawn from the same list as the candidate excluded. Such procedure, if necessary, shall be repeated until the number of independent directors to be elected is completed. If, in addition, the candidates elected under the procedures indicated above do not ensure a composition of the Board of Directors that conforms to the gender balance regulations in effect from time to time, the candidate of the more represented gender elected last in sequential order from the list which received the greatest number of votes shall be replaced by the first candidate of the less well represented gender not elected of the same list in sequential order.

This substitution procedure is followed until a Board of Directors composition is ensured that conforms to the gender balance rules in effect from time to time. Finally, if said procedure does not ensure the result just indicated, the replacement shall be made by a resolution passed by the Shareholders' Meeting

by a relative majority, after candidacies by persons belonging to the less well represented gender have been submitted.

In the event a single list is submitted, the directors shall be drawn from the list submitted, provided that it has been approved by simple majority vote. If the directors thereby elected do not correspond in number to that of the members of the Board determined by the Shareholders' Meeting or in the event that no list was submitted or in the event that the list submitted does not permit the appointment of independent directors in compliance with the legal and regulatory provisions in effect, the Shareholders' Meeting shall pass resolutions with the statutory majorities; all of which without prejudice to compliance with the gender balance regulations in effect from time to time.

The list voting procedure applies only in case of the appointment of the entire Board of Directors.

If during the course of the year one or more directors should come to leave office, the procedures of art. 2386 of the Italian Civil Code are to be followed. If one or more of the Directors leaving office were drawn from a list also containing the names of candidates not elected, the substitution shall be made through the appointment, in sequential order, of persons drawn from the list to which the departing director belonged and who are still eligible and disposed to accept the position or, in the absence or unavailability of such candidates on the list, by the appointment of another candidate indicated by the directors drawn from the list to which the departing director belonged. In any event, directors leaving office are to be replaced while assuring the presence of the necessary number of directors holding the requisites of independence established by law and in compliance with the gender balance regulations in effect from time to time.

The Bylaws do not prescribe independent requirements in addition to those required by art. 148, paragraph 3 of the Consolidated Law on Finance, nor any integrity requirements other than those required by current law. The Bylaws do not contain any professional requirements for holding a position as Director.

The Company is not required to comply with any other provisions regarding the composition of the Board of Directors in addition to those established by the Italian Civil Cod, the Consolidated Law on Finance and the Corporate Governance Code.

### **Continuity Plans**

In accordance with the market practice, the Board of Directors elected on April 20, 2016, after an investigation made by the Nomination and Remuneration Committee, adopted on February 28, 2017 a Leadership Continuity Plan aimed at ensuring the stability of the corporate governance of the Company and the continuity of the operational management of the Group in case of early termination and/or interruption of the offices of Executive Directors, including the position of Chief Executive Officer, and of the Top Management. The plan aims to mitigate any risk connected with the above cases, in order to mitigate the negative effects of any management discontinuity.

During the Financial Year the Board examined the Leadership Continuity Plan and, following the review, after consultation with the Nomination and Remuneration Committee, approved certain amendments aimed to update such document in order to reflect the new organisational structure of both Moncler and the Group. The Board has therefore identified, for each key position, the relevant scope of responsibility, expertise, required skills, strategic targets and has carried out an assessment and weighing of the risk associated with each key position, by identifying the profiles and professional figures already present in the Group able to guarantee business continuity.

## 4.2 COMPOSITION (pursuant to art. 123-bis, paragraph 2(d) of the Consolidated Law on Finance)

Taking account of the matters included in the 2013 ECIP Shareholders' Agreement, the Ordinary Shareholders' Meeting of April 20, 2016 appointed until the approval of the Company's annual financial statements for the Financial Year, the Board of Directors in office as at the date of this Report, consisting of 11 members, including 6 directors holding the independence requirements laid down by the combined requirements of art. 147-ter, paragraph 4 and art. 148, paragraph 3 of the Consolidated Law on Finance, as well as those of art. 3 of the Corporate Governance Code.

The Director Vivianne Akriche resigned from her office, in execution of the Shareholders' Agreement, on October 25, 2016. As a result of these resignations, the Board of Directors appointed by co-optation, in accordance with art. 2386 of the Italian Civil Code, on November 8, 2016 Juan Carlos Torres Carretero; the Shareholders' Meeting of April 20, 2017 confirmed the appointment of Juan Carlos Torres Carretero until the expiration of the current Board and, therefore, until the approval of the Company's annual financial statements for the Financial Year.

The current members of the Board of Directors are as follows:

First Name(s) and Last Name(s)	Position
<b>Remo Ruffini</b>	Chairman of the Board of Directors and Chief Executive Officer
<b>Virginie Sarah Sandrine Morgan</b> (c)(e)	Deputy Chairwoman of the Board of Directors
<b>Nerio Alessandri</b> (a)(b)(e)	Independent Director
<b>Juan Carlos Torres Carretero</b> (e)	Director
<b>Luciano Santel</b>	Executive Director
<b>Sergio Buongiovanni</b>	Executive Director in charge of the Internal Control And Risk Management System
<b>Marco De Benedetti</b> (a) (b) (c)(d)(e)	Independent Director appointed as Lead Independent Director
<b>Gabriele Galateri di Genola</b> (a)(b)(d)(e)	Independent Director
<b>Diva Moriani</b> (a)(b)(c)(e)	Independent Director
<b>Stephanie Phair</b> (a)(b)(e)	Independent Director
<b>Guido Pianaroli</b> (a)(b)	Independent Director

- (a) Director who meets the independence requirements pursuant to the Corporate Governance Code.
- (b) Director who meets the independence requirements pursuant to the Consolidated Law on Finance.
- (c) Member of the Nomination and Remuneration Committee.
- (d) Member of the Control, Risks and Sustainability Committee.

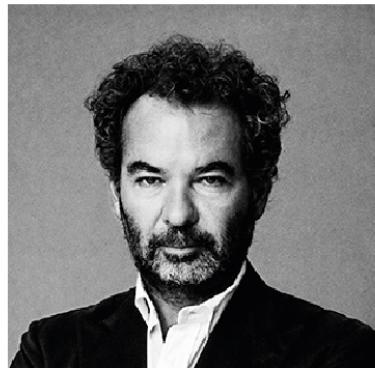
## (e) Non-Executive Director

Reference should be made to **Table 2** in the appendix for details of the composition of the Board of Directors.

Set out below is a brief profile of each Director in office with an indication of his or her main personal and professional characteristics which have been identified also with the support of Morrow Sodali S.p.A. (“**Morrow Sodali**”) in its capacity of external advisor.

## SKILL

	Sector Experience		Social Responsibility
	Financial Experience		International Experience
	Management		Knowledge of the Markets
	Entrepreneurial Experience		Governance
	Marketing		Accounting and Financial Statements



**REMO RUFFINI**  
Chairman and Chief Executive Officer

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Entrepreneur

POSITION HELD SINCE  
01—10—2013

## BOARD COMMITTEES

## SKILLS



**Remo Ruffini** – Remo Ruffini is the Chairman and Chief Executive Officer of Moncler S.p.A. He lives with his family between Milan and Como, his town of origin, where he was born on 27 August 1961. In 2003 Ruffini took over the helm of Moncler, the legendary Franco-Italian brand which specialized in producing down feather products, undertaking an international relaunch on a grand scale. With his love of challenges and a talent for overall vision, Ruffini left his hallmark on the Monestier-de-Clermont brand with an integrated strategy that combined the entrepreneurial, market related aspects with a multifaceted creative sensitivity which was constantly evolving. His global down jacket strategy marked the international success of Moncler and proved to be an outstanding reinvention of a brand which was floated on the Milan stock exchange just one decade later, in December 2013. On November 9th, 2017 Remo Ruffini has been named Entrepreneur of the Year 2017 for Italy at the XXI Edition of the EY award event held in Milan. On February 20th, 2018 Moncler presented in Milan the Moncler Genius project, resulting from Remo Ruffini's vision which initiates a new chapter for the Brand. Different

creative approaches, and therefore collections, redefine the Brand's dialectics in the digital era, able to establish a constant dialogue with the consumer. On June 2018, Remo Ruffini has been named "Cavaliere del Lavoro" or "Knight of Labour". Starting from January 27, 2017, Remo Ruffini became part of the Board of Directors of Acne Studios Holding AB, as Director.



VIRGINIE SARAH SANDRINE MORGON  
Vice-Chairman of the Board of Directors

NATIONALITY  
French

PROFESSIONAL BACKGROUND  
Manager

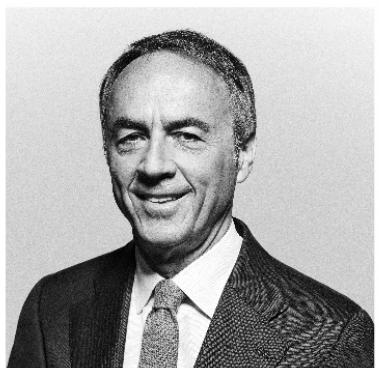
POSITION HELD SINCE  
01—10—2013

BOARD COMMITTEES  
Nomination and Remuneration Committee

SKILLS



**Virginie Sarah Sandrine Morgan** – Born in Tassin-la-Demi-Lune, France on November 26, 1969, Virginie Morgan took her degree in 1990 in Economics and Finance at the Institut d'Etudes Politiques in Paris and later earned a Masters in Economics and Management at the Università Commerciale Luigi Bocconi in Milan. For over 15 years she worked as an investment banker at Lazard in London, New York and Paris, taking on ever greater responsibilities, among which, starting in 1992, that of European head of the food, retail and consumer goods sector, until in 2000 she became a managing partner of Lazard, a position she held until 2007. In 2008 Virginie Morgan entered Eurazeo as a member of the Executive Board, becoming Deputy CEO in March 2014 and Chairwoman of the Executive Board in March 2018. She is Vice-Chairwoman of the Supervisory Board of Idinvest Partners, President of Eurazeo North America Inc and Alpine Newco Inc. and Vice-Chairwoman of the Supervisory Committee of CPK. Virginie Morgan is also member of the Board of Directors of L'Oréal.



NERIO ALESSANDRI  
Independent Director

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Entrepreneur

POSITION HELD SINCE  
04—11—2013

BOARD COMMITTEES

SKILLS



**Nerio Alessandri** – Born in Gatteo (FC) on April 8, 1961 and trained as an industrial designer, in 1983 Nerio Alessandri founded Technogym S.p.A., a leader in products and services for wellness, fitness and rehabilitation. In 2001 he was named a *Cavaliere del Lavoro*, while in 2004 the Faculty of Motor Sciences of the University of Urbino and in 2005 the Faculty of Engineering of the University of Bologna granted him honorary degrees. His qualities as an entrepreneur have earned him a number of awards and honours, both national and international, including the Premio Guido Carli for corporate social responsibility. A member of the Board of Directors of Confindustria since 2004, he currently holds the posts of Chairman of the Board of Directors of Technogym S.p.A., Wellness Holding S.r.l. and Wellness 21

Foundation, Sole Director of Oiren S.r.l., Duke S.r.l. and Nextrend S.r.l., Director of Enervit S.p.A., Shareholder and Director of Aedes 1770 s.s.



JUAN CARLOS TORRES CARRETERO  
Director

NATIONALITY  
Spanish

PROFESSIONAL BACKGROUND  
Manager

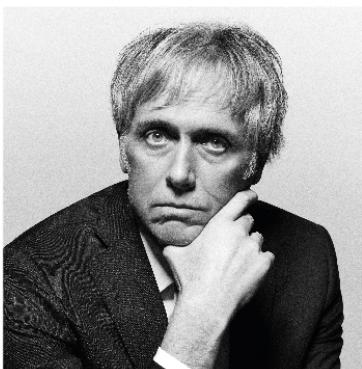
POSITION HELD SINCE  
08—11—2016

BOARD COMMITTEES

SKILLS



**Juan Carlos Torres Carretero** – Born in Burgos, Spain, on February 2, 1949, Juan Carlos Torres Carretero graduated in Physics at Universidad Complutense de Madrid and a Master in Management from MIT's Sloan School of Management. After many years of private equity and senior management operating experience, he joined as a partner Advent International in Boston. From 1991 to 1995 he has been Partner at Advent International in Madrid, while since 1995 he is Managing Director and Senior Partner in charge of Advent International Corporation's investment activities in Latin America. He is currently member of the Board of the following companies: Dufry AG and Acamar Partners.



LUCIANO SANTEL  
Executive Director

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Manager

POSITION HELD SINCE  
20—04—2016

BOARD COMMITTEES

SKILLS



**Luciano Santel** – Born in Venice, on October 12, 1956, Luciano Santel took a degree in Business Administration at Università Ca' Foscari di Venezia, then he worked in international audit companies, as Ernst & Young and Arthur Andersen. He worked as Finance Director at IVG and then at Rossignol group. In 1996, he became Chief Operating Officer of Retail Brand Alliance (already Casual Corner group Inc.), where he has been until 1999 when he joined Luxottica Group S.p.A. as Vice President Group International Development. From 2001 to 2009 he has been Chief Corporate Officer at Geox S.p.A., while in 2009 he became Chief Executive Officer in Stefanel S.p.A. Since 2013 he is Chief Corporate & Supply Officer and Manager assigned to the preparation of accounting documents of Moncler and Managing Director of Industries. In addition, since 2015, he is also Independent Director of Luxottica Group S.p.A. and Lead Independent Director as from 2018.



**SERGIO BUONGIOVANNI**  
Executive Director

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Manager

POSITION HELD SINCE  
01—10—2013

BOARD COMMITTEES

SKILLS



**Sergio Buongiovanni** – Born in Milan on April 29, 1962, Sergio Buongiovanni graduated in 1987 in Economics and Business at the Università Commerciale Luigi Bocconi in Milan. He began his professional career in Milan at KPMG as auditor and after a three-year experience at Pa.fin (Milan) in the post of Venture Capital Activities Supervisor, from 1996 to 2008 was Managing Director of Marina Yachting S.p.A. (then merged into the Company) and of Best Company S.r.l.. Since 1998 he has been working in Industries, initially as Director of Operations then as CFO and Director (from 2000 to 2004), while from 2004 to October 2013 he was Managing Director with responsibility for the administration, finance and management control area and the IT, personnel and logistics areas. From 2008 to October 2013 Mr. Buongiovanni was also an authorized officer with responsibility for the Company's finance area. To date Mr. Buongiovanni is a director of Industries.



**MARCO DE BENEDETTI**  
Lead Independent Director

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Manager

POSITION HELD SINCE  
01—10—2013

BOARD COMMITTEES  
Control, Risks and Sustainability Committee  
Nomination and Remuneration Committee  
Related Parties Committee

SKILLS



**Marco De Benedetti** – Born in Turin on September 9, 1962, Marco De Benedetti received a degree in Economics from Wesleyan University of Middletown, Connecticut, USA in 1984 and subsequently, in 1987, a Master in Business Administration from the Wharton Business School in Philadelphia, Pennsylvania. From 1998 to 2005 he held the post of Chief Executive Officer of TIM S.p.A. and from July to October 2005 was Chief Executive Officer of Telecom Italia S.p.A.. Subsequently, since November 2005, he has been the Managing Director of The Carlyle Group. He currently holds the office of Chairman of GEDI Gruppo Editoriale S.p.A. and of Director of CIR S.p.A. and COFIDE S.p.A.



**GABRIELE GALATERI DI GENOLA**  
Independent Director

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Manager

POSITION HELD SINCE  
07—07—2014

BOARD COMMITTEES  
Control, Risks and Sustainability Committee

SKILLS



**Gabriele Galateri di Genola** – Born in Rome on January 11, 1947, Gabriele Galateri di Genola is married with one daughter. He has been “*Cavaliere del Lavoro*” since May 31, 1999 and was awarded with the prestigious honor of the “*Legion d’Onore*”. He has been the Chairman of Assicurazioni Generali S.p.A. since April 8, 2011. Having graduated with a Master in Business Administration at the Columbia University Business School, he began his professional career in 1971 at the General Directorate of Banco di Roma, firstly as Head of the Financial Analysis Department and subsequently as Head of International Loans Department. In 1974 he joined the Saint Gobain Group firstly as CFO in Italy, then in Paris, where he remained until 1976. In 1977 he joined FIAT S.p.A. where he assumed some offices of increasing responsibility: from Head of North-Centre-South America of the International Finance department to Head of International Finance and, finally, as CFO. In 1986 he was appointed as Chief Executive Officer of Ifil S.p.A and in 1993 he took also the office of Chief Executive Officer and General Director of IFI, which he retained until 2002. In June 2002 he was appointed as the Chief Executive Officer of FIAT S.p.A. From April 2003 to June 2007 he has been the Chairman of the Board of Directors of Mediobanca S.p.A. and from December 3, 2007 to April 12, 2011 the Chairman of Telecom Italia S.p.A.. He is a non-Executive member of the Board of Directors of Lavazza S.p.A., Fondazione Giorgio Cini Onlus and Edenred S.A.. He is the Chairman of Istituto Italiano di Tecnologia, member of the Corporate Governance Committee of Borsa Italiana, as well as a member of the Board of Overseers of Columbia Business School and member of the International Advisory Board of Bank of America Merrill Lynch and the European Advisory Board of Temasek.



**DIVA MORIANI**  
Independent Director

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Manager

POSITION HELD SINCE  
15—12—2015

BOARD COMMITTEES  
Nomination and Remuneration Committee  
Related Parties Committee

SKILLS



**Diva Moriani** – Born in Arezzo, on October 18, 1968, married with one son. She received a Business Administration degree from Università degli Studi di Firenze. Since 2007 she is Executive Vice chairwoman of Intek S.p.A., listed holding company of a group of diversified industrial and financial participations with total revenues higher than Euro 2 billion and with more than 4,000 employees. She has the following executive roles and/or Board positions in the main companies of the Group. From 2014 until 2017 she has been Chief Executive Officer of KME AG, German holding company of KME

Group, global leading player in the copper and copper alloys semi-finished products industry, with Euro 2 billion of revenue and 3,800 employees in 15 manufacturing plants in Europe, China and US. From July 2017 is Deputy Chairman of the Supervisory Board of KME AG. From 2012 until June 2017 she has been an Executive Member of KME AG Vorstand, as executive in charge of M&A activities/strategic international partnerships for Group developments and/or assets portfolio rationalization. Since 2009 she is Supervisory Board member of KME Germany GmbH, German operating company of KME Group. From 2007 to 2012 Chief Executive Officer of I2Capital Partners, a private equity fund sponsored by Intek S.p.A, focused on Special Situations. Since 2004 member of the Board of Directors of Dynamo Foundation and member of the Board of Directors of Associazione Dynamo, first Italian Camp of recreational therapy for children with pathologies. Since May 2014 she is also a Member of ENI S.p.A. Board of Directors and member of its Control and Risks Committee, Compensation Committee and Chairman of the Nomination Committee. Since 2016 is member of the Board of Directors of Assicurazioni Generali S.p.A. and members of Nomination and Compensation Committee and Related Parties Committee.



STEPHANIE PHAIR  
Independent Director

NATIONALITY  
Mexican

PROFESSIONAL BACKGROUND  
Manager

POSITION HELD SINCE  
20—04—2016

BOARD COMMITTEES

SKILLS



**Stephanie Phair** – Born in Mexico City, Mexico on August 16, 1978, Stephanie Phair is Chief Strategy Officer at Farfetch. She is responsible for leading Farfetch's global strategic direction, innovation, M&A and for incubating new businesses. She is also a member of the Farfetch Executive Board. Stephanie is an advisor for venture capital firm Felix Capital and in May 2018, she was appointed Chairman of the British Fashion Council for a three year tenure. Until 2015, she was Founder & President of THE OUTNET.COM, the second business under THE NET-A-PORTER Group, which she launched in 2009. Under her leadership, THE OUTNET became the go-to destination for previous season designer fashion and a large scale, distinctive and profitable business, with a global footprint and over 2 million unique visitors a month. As an Executive Board Member of the NET-A-PORTER Group, Stephanie was involved in defining growth, strategy and leading a number of global initiatives for the Group. Previously, she has been in New York, from 1999 to 2009 where she led Business Development and Product for Portero.com, the first pre-owned online luxury marketplace. At American Vogue, Issey Miyake and Siren PR she focused on communications and marketing, building brands, partnerships and business development.



GUIDO PIANAROLI  
Independent Director

NATIONALITY  
Italian

PROFESSIONAL BACKGROUND  
Manager

POSITION HELD SINCE  
20—04—2016

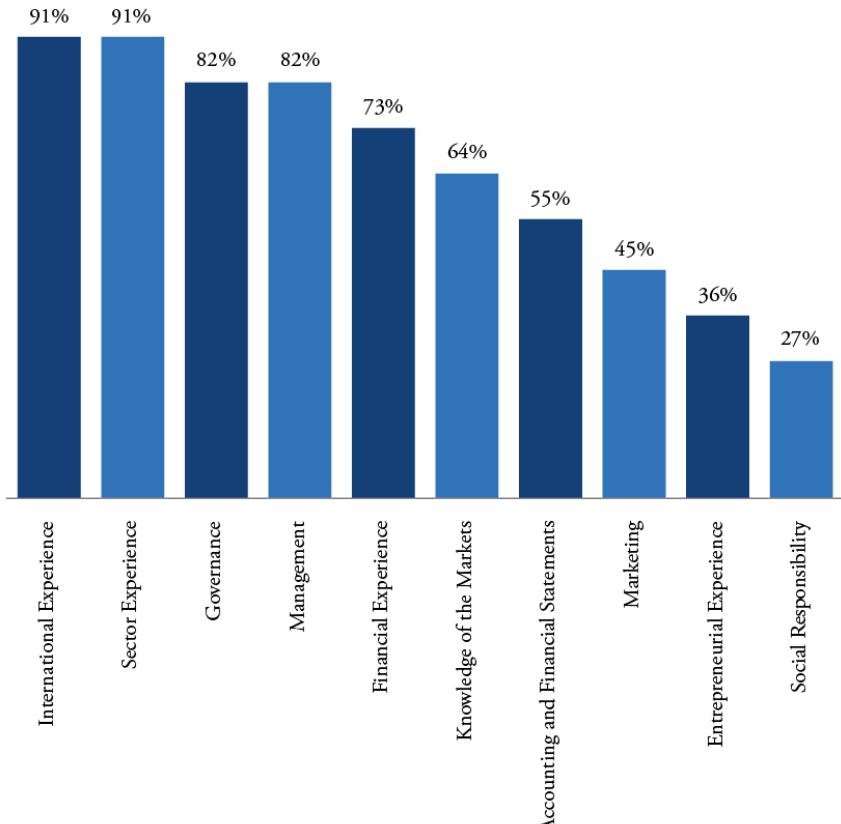
BOARD COMMITTEES  
Control, Risks and Sustainability Committee  
Related Parties Committee

SKILLS



**Guido Pianaroli** – Born in Milan, on December 2, 1952, Guido Pianaroli graduated in Business Administration at Università Commerciale Luigi Bocconi in Milan, then he completed a post-degree in Marketing Management at the same university. Mr. Pianaroli started his professional career at Unilever S.p.A. (1980 - 1982), then at Bayer S.p.A. (1982 - 1985), Seagaram (1985 - 1990). After, he has been General Manager of the Italian branch of Estee Lauder S.r.l. between 1990 and 1997, as well Managing Director in Guerlain S.p.A. of the LVMH group. From 2002 he has been Managing Director and General Manager of the Ferrari group, which includes three companies: Ferrari, Surgiva and Segnana, with responsibilities on the international re-launch of some brands.

### Aggregate skills



## TENURE

< 1 Year	0%
1-3 Years	36%
4-6 Years	64%
> 6 Years	0%

## Offices held in listed companies

Director	Position	Executive	Non Executive
<b>Remo Ruffini</b>	Chairman and Chief Executive Officer	0	0
<b>Virginie Morgan</b>	Vice-Chairman	1	1
<b>Nerio Alessandri</b>	Independent Director	1	0
<b>Sergio Buongiovanni</b>	Executive Director	0	0
<b>Marco de Benedetti</b>	Lead Independent Director	1	2
<b>Gabriele Galateri di Genola</b>	Independent Director	0	2
<b>Diva Moriani</b>	Independent Director	1	2
<b>Stephanie Phair</b>	Amministratore Indipendente	0	0
<b>Guido Pianaroli</b>	Amministratore Indipendente	0	0
<b>Luciano Santel</b>	Amministratore Esecutivo	0	1
<b>Juan Carlos Carretero</b>	Amministratore	1	0

No member of the Board of Directors has left office since the end of the Financial Year nor have there been any changes in the composition of the Board of Directors.

### Criteria and diversity policies

As of the renewal of Moncler's management bodies, the composition of the Board of Directors of the Company ensures an adequate level of diversity, not only in terms of gender composition of the Board, but also in terms of age, education and professional experience.

As for gender diversity, it is worth noting that Law 120/2011 introduced the obligation for listed companies to reserve at least one third of the positions of Directors for the less represented gender for

three consecutive mandates, from the first renewal of the bodies after one year from the date of the above law's entry into force, reserving a quota of at least one-fifth of the Directors elected to the less represented gender for the first mandate in which the law is applied. Moreover, in July 2018 the Corporate Governance Code was updated and supplemented to introduce recommendations on diversity, and also gender, as to how management and control bodies are composed (principle 2.P.4 and related criteria for application of the Corporate Governance Code) with the aim of preserving the effects of Law 120/2011 on the composition of the corporate bodies of listed companies, inviting the companies to apply the new recommendations starting from the first renewal of company offices after the discontinuance of Law 120/2011's effectiveness.

The Company, in line with the provisions of principle 2.P.4 of the Corporate Governance Code, already enforces diversity criteria, regarding gender as well, in the composition of the Board of Directors, in accordance with the priority objective of ensuring adequate skills and the professionalism of its members.

Specifically, under art. 13.3 of the Bylaws, and in line with the provisions of application criterion 2.C.3 of the Corporate Governance Code, the slates containing a number of candidates that are equal to or more than three must consist of candidates belonging to both genders, so that at least one third (rounded up) of the candidates belong to the less represented gender.

The Board of Directors of the Company in charge at the date of this Report is compliant with the discipline provided by the Law no. 120/2011, regarding the balance between genders, since a proportion of at least one fifth of the directors elected has been reserved to the less represented gender. More specifically, upon the first renewal of the Board of Directors on April 20, 2016, following the entry into force of Law 120/2011 and to the listing of the Company, the Shareholders' Meeting of Moncler appointed three women as members of its Board of Directors, in accordance with the provisions of Law 120/2011: Virginie Sarah Sandrine Morgon, Diva Moriani and Stephanie Phair. Therefore, the less represented gender represents 27% of the total members of the Board.

Upon renewal of the Board of Directors which will be submitted to the Shareholders' Meeting convened on April 16, 2019, in line with the said Law' provisions and with the application criterion 2.C.3 of the Corporate Governance Code, at least one third of the positions of Directors will be reserved for the less represented gender.

With respect to the diversity characteristics other than gender (such as, by way of example, age, education and professional experience), it is noted that:

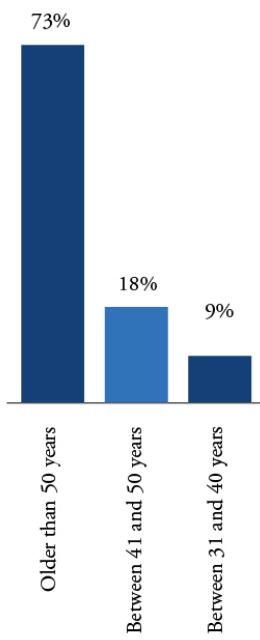
- (i) the Board is composed of three Executive Directors and eight Non-Executive Directors, six of which are Independent Directors;
- (ii) the average age is comprised between 41 and 50 years for the 19% of the members, between 51 and 60 years for the 45% of the members and older than 60 years for the remaining 36%;
- (iii) the diversity of the professional profiles and educational experiences of the Directors (as described above) provides to the Board the necessary and adequate competencies to manage the Company. In particular, 27% of the Board's members has an entrepreneurship background, 36% has extensive experience in the field of consultancy, and 64% has extensive experience in the financial area. In addition to the foregoing, more than half of the Board's members has developed educational or professional experience abroad.

**11** MEMBERS TOTAL OF WHICH

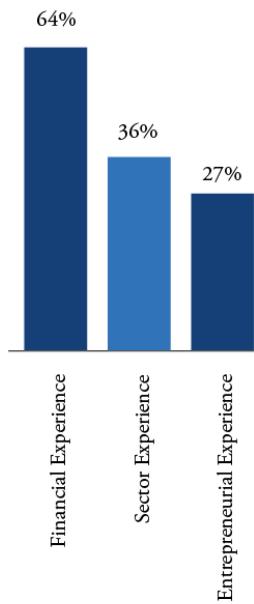
**3** EXECUTIVE  
Chairman and Chief Executive Officer and 2 Board of Directors members

**8** NON EXECUTIVE  
of which 6 are Independent Directors

AGE RANGE



EXPERTISE



## The Policy

Considering, *inter alia*, provisions of Legislative Decree No. 254 of 30 December 2016 (the “**Decree**”) which transposed Directive 2014/95/EU of the European Parliament and of the Council on “*disclosure of non-financial and diversity information by certain large undertakings and groups*” into Italian law, Moncler carried out an analysis and evaluation of the current composition of its corporate bodies focusing:

- (i) on their compliance with legislative and regulatory requirements, with the requirements of the Bylaws, as well as with the recommendations of the Corporate Governance Code to which the Company subscribes; and
- (ii) on the diversity profiles considered significant and beneficial for the purposes of the abovementioned bodies' composition, in compliance with the cornerstones on which the system of corporate governance is based and with the established values in Code of Ethics.

drafting, at the outcome of the abovementioned process, a proposal for a policy on diversity for the

composition of the Board of Directors and the Board of Statutory Auditors (the “**Policy**”).

The Policy was previously submitted to the review of the Nomination and Remuneration Committee, together with the Board of Statutory Auditors, at its meeting on October 4, 2018 and was subsequently approved by the Board of Directors at its meeting on December 18, 2018, in implementation of art. 123-*bis*, paragraph 2, letter d-*bis* of the Italian Consolidated Law on Finance and in acceptance of the new recommendations of the Corporate Governance Code on diversity.

The Policy includes the recommendation that, taking into account the outcomes of board evaluation carried out by the Board (in relation to which see paragraph 4.3 of this Report) have been identified by the same Board as conditions to exercise their duties in the most effective manner.

The Policy pursues the Company's objective, which is in line with the stakeholders' expectations and in compliance with the cornerstones on which the corporate governance system and the values of the Code of Ethics are based, of creating the necessary conditions for its management and supervisory bodies to exercise their duties in the most effective and lawful manner, through decision-making processes that express a majority of qualified and diverse contributions. More specifically, the Company intends to pursue this objective, through 3 basic principles: (i) protection of gender equality; (ii) upholding the independence of Directors; and (iii) research on the diversity of managerial and professional skills.

The Policy will apply upon renewal of the Board of Directors which will be submitted to the Shareholders' Meeting convened on April 16, 2019.

As for the implementation, the Policy primarily intends to guide the submission of candidacies by the Shareholders upon renewal of the entire Board of Directors, then ensuring an adequate consideration of the benefits deriving from a balanced composition of the Board, in line with the abovementioned diversity aspects. For the above purpose, the Board of Directors, after receiving the favourable opinion of the Nomination and Remuneration Committee, in line with the application criterion 1.C.1, lett. h) of the Corporate Governance Code, developed a position on the future size and composition of the Board to be presented to the shareholders prior to the Shareholders' Meeting called for April 16, 2019 to appoint the new Board of Directors, taking into account, *inter alia*, the diversity criteria referred to in art. 2 of the Corporate Governance Code. The shareholders should take account of this opinion when selecting the candidates' professional details, experience, including management experience, and gender.

The Board of Statutory Auditors concurred with the assessment of the Board.

The Guidelines to shareholders on the size and the composition of the renewal of the Board of Directors for the three-year period 2019-2021 are published on the Company's website [www.monclergroup.com](http://www.monclergroup.com) under sections “*Governance/Governance and ethics*”, “*Governance/Shareholders' Meeting*” and “*Governance/Documents and procedures*”.

Moreover, the Board of Directors is vested with the responsibility of monitoring the results obtained from applying the Policy and its update, assisted by the Nomination and Remuneration Committee and, where applicable, the Board of Statutory Auditors. The diversity criteria have been considered by the Board of Directors in the context of the Board evaluation activity which, according to the application criterion 1.C.1, lett. g) of the Corporate Governance Code, shall be performed every year by the Board with respect to the functioning, the size and the composition of the Board and the Committees.

A description of the results will be provided, starting from the first year after the adoption of this Policy, in the annual Report on corporate governance and on the ownership structures in accordance with art. 123-*bis* of the Italian Consolidated Law on Finance.

For further details on the Policy please refer to the document published on the Company's website [www.monclergroup.com](http://www.monclergroup.com), under sections "*Governance/Governance and ethics*", "*Governance/Shareholders' Meeting*" and "*Governance/Documents and procedures*".

### ***Diversity and equal opportunities***

Moncler operates in an international and multicultural context. It cherishes diversity as an asset to be enhanced, and as a source of competitive advantage for the Company. Bringing together people with diverse expertise, experience, and socio-cultural backgrounds enables the Group to rise to the challenges of an increasingly global and borderless market.

As stated in the Code of Ethics, respect for diversity and equal opportunities and the prevention of all forms of discrimination are key principles, which Moncler is committed to guaranteeing at every step of the employment relationship, from the recruitment process and definition of remuneration packages, to opportunities for professional growth, through to the conclusion of the employment relationship. The Group does not tolerate any form of discrimination based on race, skin colour, gender, sexual orientation, religion, nationality, age, political affiliation, trade union membership, marital status, physical or mental disability, or any other personal characteristic or condition.

Moncler believes that diversity, in all its expressions, brings cultural wealth and openness, and that the true value of diversity within the Company is best expressed when each and every person is encouraged to reach his/her potential to the fullest. The Company's awareness of the value and opportunities arising from cultural diversity is also reflected in the absolute confidence that Moncler has in its local management and personnel.

With regard to gender differences, women make up the majority of Moncler's workforce. Around 71% of employees are women with an increase equal to 19%, in line with the increase of all the Group's employees. The percentage is high in all of the Group's geographic areas and employee categories: women account for 54% of employees at managerial level (managers, executives, and senior executives), with an increase of 32% compared to the last year (40 more than in 2017). They represent 72% of employees having a permanent employment contract and 65% of employees having a temporary employment contract. 64% of contracts transformed into permanent employment contracts in 2018 are women. There is a significant increase in the incidence of women with permanent and full-time contracts on the total permanent population: from 52% in 2017 it stands at 67% in 2018, with over 520 more units.

Moncler is committed to offering equal pay for equal skills, competencies, and professional experience, thus guaranteeing the principle of equal opportunity in both theory and practice without bias. For senior executives, executives, managers, professionals, and white-collars, the differences in men's and women's salary levels range between 1% and 7%; salary levels are more aligned in the managers' and workers' categories.

The Company is also committed to employing people with disabilities. Moncler manages diversity in accordance with the rules and practices of the laws in force, and encourages Company departments to employ differently-abled people. All new hires are managed with due respect and consideration for their needs and capabilities, providing suitable workstations and adapting work hours as required. By doing so, people are protected and empowered to give their best.

At 31 December 2018, the employees with disabilities in Italy, Romania, Germany, Japan, and the United States were 51 in total, with an increase of 34% compared to 2017. In forthcoming years, the Group is committed to taking on additional people with various levels of disability, also by collaborating with institutions specifically tasked with helping the disabled find employment.

### **Maximum number of offices as Directors and Statutory Auditors**

In compliance with the recommendations of art. 1 of the Corporate Governance Code, each member of the Board of Directors must take decisions with full knowledge of the facts and by autonomously pursuing the objective of creating value for the shareholders over a medium-long term period, and undertakes to dedicate to the position held in the Company the time required to ensure that he or she diligently performs his or her functions, regardless of any positions held outside the Moncler Group, in the full knowledge of the responsibilities inherent in the position held.

For this purpose every candidate standing for the position as Director assesses in advance, on accepting the position in the Company and regardless of the limits set by laws and regulations regarding the number of positions which may be held, his or her ability to perform the duties assigned with due attention and effectiveness, with special consideration being given to the overall commitment which may be required by any positions held outside the Moncler Group.

All members of the Board of Directors are furthermore required to promptly notify the Board should they assume any positions as director or statutory auditor in other companies, for the purpose of satisfying the disclosure requirements of applicable laws and regulations.

Within the scope of the board evaluation relating to the Financial Year, performed by the Board of Directors (described in detail in the following paragraph 4.3), each Director was asked to express its evaluations, comments and suggestions regarding the size and the functioning of the Board of Directors, the Nomination and Compensation Committee and the Control, Risks and Sustainability Committee, taking into account the recommendations of the Corporate Governance Code. The Directors expressed their own assessment and orientations on, *inter alia*, the maximum number of management and control positions that the same Directors may hold in other listed companies (even foreign), in financial, banking or insurance companies or in other large companies, in compliance with the recommendations contained in the application criterion 1. C. 3. of the Corporate Governance Code. In particular, after the board evaluation, it has been considered that a maximum of three offices for Executive Directors or five for non-Executive Directors is compatible with effective performance of a directorship of the Company.

### **Induction Program**

During the Financial Year, selected Managers of the Moncler Group took regularly part to the meetings of the Board of Directors, each of them on the basis of their specific field of expertise, whereby the main issues about the business of the Group and the performance of the activities were discussed. Such meetings allowed the participants, including members of the Board of Statutory Auditors, to have accurate knowledge of Moncler operations, as well as of its business dynamics, of the principles of correct risk management and of the relevant legislative and regulatory framework. During the meetings the Board has been provided with, *inter alia*, in-depth knowledge and update with respect to the Company' sustainability performance (from the Sustainability Director and external advisors) and to the Cyber Security Project (from the Chief Information Officer and external advisors).

### **4.3 ROLE OF THE BOARD OF DIRECTORS (pursuant to Art. 123-bis, paragraph 2(d) of the Consolidated Law on Finance)**

During the Financial Year, five meetings of the Board of Directors were held (with an average duration of about two hours and forty-five minutes) and at least four meetings are scheduled for the year 2019 (one of which is held on the date of the present Report).

More specifically, given a total attendance percentage of 94%, the attendance percentage of each Director was as follows: (i) 100% for Remo Ruffini; (ii) 100% for Virginie Morgan; (iii) 60% for Nerio Alessandri; (iv) 100% for Sergio Buongiovanni; (v) 80% for Marco De Benedetti; (vi) 100% for Gabriele Galateri di

Genola; (vii) 100% for Diva Moriani; (viii) 100% for Stephanie Phair; (ix) 100% for Guido Pianaroli; (x) 100% for Luciano Santel; and (xi) 100% for Juan Carloss Torres Carretero.

The timeliness and completeness of pre-board information are ensured through the involvement of the competent corporate structures, which take care of and coordinate the preparation of the documentation needed from time to time for the specific matters on the agenda. In case where it is not possible to provide in advance the relevant information, the Chairman of the Board of Directors ensures that adequate and precise details are referred during the board meetings.

The Secretariat of the Corporate Affairs Department sends the documentation to the Directors and Statutory Auditors, arranging this with the Chairman in reasonable advance of the date of the meetings and taking suitable account of any urgency to which specific subjects may be liable. By way of practice, notice of 3 days prior to the date of the board meeting is considered reasonable for the dispatch of information. This notice period is usually respected.

It is also practice for the Key Managers to attend board meetings on the invitation of the Chairman, as well as the key managers and of the other managers of the Company and the Group who are in charge of the functions to which the subjects discussed from time to time by the Board refer, so that they may provide suitable details and explanations to the Directors and Statutory Auditors during the meetings.

The Board of Directors of Moncler is the central body in the Company's corporate governance system and has a primary role in leading and managing the whole Group. In addition to the duties with which it is charged pursuant to law and the Bylaws, the Board has exclusive jurisdiction on the most important decisions from an economic and strategic standpoint and in terms of structural effects on operations, meaning those functional to monitoring and directing the Company and the Group and creation of sustainable value in the medium-long period.

It has the power and duty to direct and manage the business, pursuing the objective of maximising the value for the shareholders and stakeholders. To this end, the Board of Directors approves the operations required to achieve the Company's business purpose, other than decisions expressly reserved for by the law or the Bylaws to the Shareholders' Meeting.

In addition to exercising the powers assigned to it by law, the Shareholders' Meeting has competence to adopt resolutions on the following matters, as per art. 19.2 of the Bylaws:

- (a) mergers and spin-offs, in the cases provided by law;
- (b) the creation or closing of secondary offices;
- (c) an indication of which directors may represent the Company;
- (d) the reduction of share capital in the event of withdrawal by one or more shareholders;
- (e) the adaptation of the Bylaws to legal and regulatory provisions;
- (f) the transfer of the registered office within Italy.

In addition, the following are also reserved for the exclusive competence of the Board of Directors:

- (iii) adopting the Company's corporate governance rules and setting the guidelines of the Group's corporate governance;
- (iv) approving and monitoring the organisational, administrative and general accounting structure of the Company and its subsidiaries having strategic importance, with particular reference to the

internal control system and managing conflicts of interest;

- (v) granting powers to managing directors and withdrawing those powers, setting limits and the means by which they may be exercised; determining the frequency, which may in any case not be less than on a quarterly basis, with which the delegated bodies must report to the Board on the work performed in exercising the powers granted to them;
- (vi) determining the Company's remuneration policies pursuant to art. 123-ter of the Consolidated Law on Finance, on the basis of the proposals of the Nomination and Remuneration Committee;
- (vii) determining the remuneration of Managing Directors and the other Directors having specific duties after reviewing the proposals of the Nomination and Remuneration Committee and after consulting with the Board of Statutory Auditors, as well as allocating the overall compensation due to the members of the Board if the Shareholders' Meeting has not already done so;
- (viii) assessing the general performance of operations, paying particular attention to the information received from the delegated bodies and periodically comparing the results achieved with those planned;
- (ix) closely examining and providing prior approval of the operations carried out by the Company and its subsidiaries when these operations have significant importance of a strategic or financial nature for the Company or on its results or assets, placing specific emphasis on situations where one or more directors have an interest on their own behalf or on behalf of third parties and, more generally, on related party transactions in accordance with the RPT Regulation and the procedures on related party transactions adopted by the Company in accordance with that regulation;
- (x) setting up and appointing the Nomination and Remuneration Committee and the Control, Risks and Sustainability Committee, the Strategic Committee and any other internal committees with consultative and propositional functions;
- (xi) appointing and removing the manager assigned to drawing up the corporate accounting documents in accordance with art. 19.4 of the Bylaws;
- (xii) approving the internal organisational procedures and controls required by applicable laws and regulations and recommended by the Corporate Governance Code (such as, by way or mere example, the related party transaction procedure, the internal procedure for managing and keeping the insider register and the processing of confidential information, the internal dealing procedure, etc.);
- (xiii) approving the purchase and/or sale of controlling investments in companies or other legal persons, businesses and /or fixed assets having a value, for each individual transaction, equal to or greater than Euro 5,000,000 (five million) or a number of employees equal to or greater than 50; or operations that lead or may lead to a substantial change in business activities;
- (xiv) approving transactions with related parties to which the Company and/or the companies of the Moncler Group are party, pursuant to laws and regulations in force from time to time, as well as the related party transaction procedures adopted by the Company in compliance with these regulations;
- (xv) initiating, amending and terminating contractual relations with executives and key managers who in both cases report directly to the Managing Director;
- (xvi) purchasing or selling companies or businesses that in aggregate represent in terms of enterprise

value, directly or indirectly, 20% or more of the Company's market capitalisation at the date on which the final contractual documentation relating to the transaction is submitted to the Board of Directors;

- (xvii) assuming debt that in aggregate, directly or indirectly, exceeds Euro 250 million for an amount of more than Euro 150 million;
- (xviii) carrying out business reorganisations that have a significant effect on the Group of which the Company forms part, understood globally;
- (xix) approving stock option plans and incentive plans in general, pursuant to laws and regulations in force from time to time and respecting the Remuneration Policy adopted by the Company;
- (xx) preparing, reviewing and approving the budgets and the strategic, business and financial plans of the Company and the Group;
- (xxi) taking the following strategic decisions regarding the business:
  - (i) the opening and closing of stores having (a) an annual rent exceeding Euro 2,000,000 (two million) and/or (b) key money exceeding Euro 5,000,000 (five million);
  - (ii) the granting of licenses with estimated royalties exceeding Euro 1,000,000 (one million) a year each;
  - (iii) entering distribution agreements with estimated billing exceeding Euro 10,000,000 (ten million) a year each;
- (xxii) making investments or divestments not forecast in the budget for amounts exceeding Euro 2,000,000.00 (two million);
- (xxiii) performing any act of disposition or purchase of patents, trademarks, distinctive signs, copyright or any other title to industrial property;
- (xxiv) entering consultancy agreements for amounts exceeding Euro 500,000.00 (five hundred thousand/00) a year each, as well as any consultancy agreements having a term exceeding 36 (thirty six) months whatever the amount;
- (xxv) issuing guarantees exceeding in total exceeding Euro 2,000,000.00 (two million/00) for each financial year.

\* \* \*

As regards the transactions of the Company or its subsidiaries which are of significant strategic or financial importance to the Company or have significant importance as far as its results or assets are concerned, as stated above such transactions are reserved for the exclusive competence of the Board of Directors, which applies the above-mentioned general criteria and limits

In compliance with the recommendations contained in application criterion 1.C.1 letter e) of the Corporate Governance Code and the provisions in art. 19.3 of the Bylaws, the Managing Director reported to the Board of Directors and the Board of Statutory Auditors on the general performance of operations, during each of the meetings of the Board of Directors, held during the Financial Year and, namely, on February 26, May 4, July 25, October 24 and December 18 2018. Therefore, the Board of Directors has constantly evaluated and monitored the general performance of operations, taking into account the information provided by the Managing Director and periodically comparing the results

achieved with those planned on the basis of the strategic, industrial and financial plans of the Company.

During the Financial Year, on February 28, 2019, the Board of Directors evaluated the adequacy of the organizational, administrative and accounting structure and, in particular, the Internal Control and Risk Management System and of the subsidiaries, with particular focus on Industries, which is a company with relevance in consideration of the activities that it performs within the Group, and as described in detail under paragraph 10 below.

In this regard, in line with the recommendations of the Corporate Governance Code (Criterion 1.C.1., B), the Board of Directors, during the year, as part of the risk monitoring activity related to the various operating areas the Company, has defined the nature and level of risk that is compatible with the strategic objectives of the Company, by including in its assessments the risks that may be significant in view of sustainability in the medium to long term of the Company's activity.

In compliance with the recommendation contained in the application criterion 1.C.1. letter g) of the Corporate Governance Code, the Board of Directors, at its meeting held on December 18, 2018 and with the support of a external advisor, carried out also an evaluation on the functioning of the Board of Directors itself, the Nominations and Remuneration Committee and the Control, Risks and Sustainability Committee, as well as on their size and composition, taking into account the professional competences, the experiences, even managerial, the gender of the members and their seniority (so called board evaluation).

More specifically, the Board evaluation has carried out with the support of Morrow Sodali, a leading global consultancy specializing in shareholder communication and proxy voting in relation to listed companies. Morrow Sodali also provides the Company with further services concerning the shareholder communication.

The evaluation activity was carried out by sharing a questionnaire prepared by Morrow Sodali aimed at facilitating the collection of information deemed necessary for an overall assessment from individual Board members on the functioning, size and composition of the Board and other clearly identified governance issues in order to assess the current ranking of the Company, its strengths and areas for possible improvement.

The questionnaire contained a series of questions to be answered anonymously as "yes", "rather yes", "rather no", "no" and also included parts dedicated to all Directors and parts reserved only to some of them (Independent ones, members of Committees). Within the questionnaire it was possible for each question to make comments or express reservations, which were taken into account in the preparation of the document which summarized aggregating, the results of the interviews. The questionnaire has covered the size, composition and operation of the Board; the Independent Directors; the Control, Risks and Sustainability Committee and the Nomination and Remuneration Committee; the expiration of the mandate 2016-2019; the renewal of the Board of Directors.

The answers and the comments given by the Directors in response to the questionnaire were collectively analysed by the Board of Directors, as a result of which the Board of Directors, unanimously, positively evaluated its functioning, the functioning of the Nomination and Remuneration Committee and of the Control, Risks and Sustainability Committee, as well as their respective size and composition.

Taking into account the results of the review, the Board, during the meeting of December 18, 2018, in view of the renewal of the Board of Directors to be submitted to the Shareholders' Meeting convened on April 16, 2019, after receiving the favourable opinion of the Nomination and Remuneration Committee, in line with the application criterion 1.C.1, lett. h) of the Corporate Governance Code, developed a position on the future size and composition of the Board to be presented to the Shareholders'

Meeting, taking into account, *inter alia*, the diversity criteria referred to in art. 2 of the Corporate Governance Code.

The Board of Statutory Auditors concurred with the assessment of the Board.

The Guidelines to shareholders on the size and the composition of the renewal of the Board of Directors for the three-year period 2019-2021 are published on the Company's website [www.monclergroup.com](http://www.monclergroup.com) under sections “*Governance/Governance and ethics*”, “*Governance/Shareholders' Meeting*” and “*Governance/Documents and procedures*”.

In conclusion, it is noted that the Shareholders' Meeting has not authorised in a general and preventive sense any exemptions to the prohibition on carrying out competing business activities prescribed by art. 2390 of the Italian Civil Code.

#### 4.4 DELEGATED BODIES

##### Managing Directors

Pursuant to art. 20 of the Bylaws, the Board may delegate within the limits of art. 2381 of the Italian Civil Code and with the exception of the matters referred to in art. 17.3 of the Bylaws, its powers to one or more of its members, determining the content and limits and any manner of exercise of the delegation. The Board, upon a proposal by the Chairman and in consultation with such bodies, may confer powers for single acts or categories of acts also to other members of the Board of Directors.

The powers of the delegated bodies include the conferral, within the sphere of the attributions assigned, of powers for single activities or categories of activities to employees of the Company and to third parties, with the right to sub-delegate.

##### *Chairman and Managing Director (Chief Executive Officer)*

The Chairman of the Board of Directors is vested with the powers prescribed by law and the Bylaws with regard to the functioning of the corporate bodies and the legal representation of the Company towards third parties. The Chairman of the Board of Directors, appointed by the resolution of April 20, 2016, is Remo Ruffini, who also holds the position as Managing Director with the powers described in the following paragraph.

The following offices are placed directly under the same Chairman and Managing Director and report functionally thereto: the Secretariat to the Chairman, the Secretariat to the Board of Directors, Investor Relations and Strategic Planning, Corporate Strategy & Communication, Creative and Corporate Relations, Creative Direction and the Internal Audit Function.

To the Chairman and Managing Director, pursuant to and within the limits of art. 2381 of the Italian Civil Code and art. 20 of the Bylaws, with the express exclusion of the matters reserved to the Board of Directors pursuant to the law and the Bylaws (including matters referred to in art. 17.3 of the Bylaws), have been granted all powers of ordinary administration of the Company to be exercised singly and with the power to sub-delegate, up to an amount of Euro 2,000,000.00 (two millions/00) per each transaction.

More specifically, the following powers have been granted to Remo Ruffini within the limits set forth on a case-by-case basis, as last amended by virtue of the Board of Directors' resolution adopted on October 24, 2018:

*Purchase of Instrumental Goods and Services:*

1. acquire availability of goods and services instrumental to the management of the corporate structures and business activities of the company and of the group to which it belongs, also by entering into, amending and terminating agreements and contracts, including (without limitation) sale and purchase, lease and commercial lease, rent, loan for use, leasing, barter, works, procurement of works and services, shipping, transportation, deposit, supply, sub-contracting, consultancy, mediation agreements as well as any other contract regarding the provision of works, services, supplies and consumer-related supplies, with public and private third-party entities, within the value limit of EUR 2,000,000.00 (two million point zero zero) per transaction, it being understood that consultancy agreements having a duration of more than 36 (thirty-six) months shall remain the competence of the board of directors.

*Sales, Retail and Wholesale:*

1. sell and export the products of the company and of the group to which it belongs, thereby ensuring the proper management of the receivables due from all the company's and the group's clients;
2. sell and export the company's stock products;
3. set the sale price lists of the products offered to clients, grant discounts and usage allowances to clients, accept product returns and settle claims and disputes with clients;
4. sell movable property registered with public registries, enter into deeds of sale of that same movable property and establish the terms and conditions thereof;
5. supervise any and all activities pertaining to the company's and the group's retail, including by entering into, amending and terminating agreements and contracts, including (without limitation) real estate rent and lease, lease of going concerns and commercial collaboration agreements for the opening or closure of stores, possibly also in geographic areas different from those where the company is currently rooted, each having (i) a rent per annum that does not exceed EUR 2,000,000.00 (two million point zero zero) and (ii) a key-money that does not exceed EUR 5,000,000.00 (five million point zero zero), as well as works, sale and purchase, procurement of works or services, consultancy agreements and any other type of contract anyhow useful or instrumental to set up, refurbish, maintain, operate and implement the production capabilities of the stores and their warehouses;
6. supervise any and all activities pertaining to the company's and the group's wholesale, including by entering into, amending and terminating agreements and contracts, including (without limitation) sale, distribution, franchising, agency, representation agreements, without prejudice to the competence of the board of directors with respect to the entry into of multiannual and/or renewable agreements if the expected turnover is higher than EUR 10,000,000.00 (ten million point zero zero) per annum each.

*Design and Style:*

1. supervise and coordinate the style and design structures of the company and of the group to which it belongs, as well as any other activity relating to technical and stylistic study, planning, design and development of the products of the company and of the group to which it belongs, also by entering into, amending and terminating agreements and contracts, including (without limitation) works, procurement, consultancy (including consultancy agreements with stylists and designers), merchandising, co-branding agreements, contracts for the purchase and transfer of rights of use and exploitation of pictures and art works, entailing the payment of considerations that as an aggregate do not exceed EUR 2,000,000.00 (two million point zero zero) per

transaction and, with regard to consultancy agreements, whose duration does not exceed 36 (thirty-six) months, irrespective of their amount.

*Human Resources:*

1. enter into, amend and terminate individual employment agreements of top management, middle management, employees, workers, thereby carrying out any and all actions relating to the management in terms of hiring, promotion, firing, disciplinary measures, determination of their assignments and remunerations, transfer and relocation in other companies of the group, including by appointing special attorneys to represent the company in disputes under Italian law no. 533 of 11 August 1973, to release informal examinations as provided for by art. 420 of the Italian code of civil procedure, with the authority to settle any such disputes;
2. enter into, amend and terminate individual employment agreements of key managers and executives, provided that they do not report directly to the chair of the board of directors, in implementation of the remuneration policy approved by the board of directors of the company;
3. enter into, amend and terminate agreements with trade-union representations and workers' unions.

*Promotional and Marketing Activities, Events and Communication:*

1. supervise the marketing, promotional, advertising and communication activities in general carried out by the company and the group to which it belongs, also by entering into agreements and contracts, including (without limitations) works, procurement, consultancy, sponsorship, sale and purchase, merchandising and co-branding agreements, contracts for the purchase and transfer of rights of use and exploitation of pictures, art works and photographs, rent, lease and other agreements aimed at producing or realizing events, entailing the payment of considerations that as an aggregate do not exceed EUR 2,000,000.00 (two million point zero zero) per transaction and, with regard to consultancy agreements, whose duration does not exceed 36 (thirty-six) months, irrespective of their amount.
2. supervise the communication activities and public relations of the company and of the group, such as the relations with media, including printers and digital media, also by entering into works, procurement, consultancy agreements and contracts, including (without limitations) contracts for the purchase of pages and advertising spaces in newspapers and magazines, contracts for the purchase of web and social media services and pages and other online services, collaboration contracts with testimonials, VIPs and celebrities, entailing the payment of considerations that as an aggregate do not exceed EUR 2,000,000.00 (two million point zero zero) per transaction and, with regard to consultancy agreements, whose duration does not exceed 36 (thirty-six) months, irrespective of their amount; as well as deeds and agreements regarding the donation of money and/or products of the group to charities for amounts that do not exceed 2 percent of the declared business income.

*Intellectual Property, Authorizations and Licenses:*

1. file petitions and carry out, before any public or private office in Italy or abroad, any action that may be necessary, preparatory, functional or anyhow connected to the registration, modification, keeping, cancellation of brands, designs and domain names; appoint, for any such purpose, consultants, attorneys, professionals and agents, in Italy and abroad, thereby assigning them the relevant mandates;
2. file petitions and carry out, before any public or private office in Italy or abroad, any action that may be necessary, preparatory, functional or anyhow connected to the registration, modification, cancellation and keeping of patents; appoint, for any such purpose, consultants, attorneys, professionals and agents, in Italy and abroad, thereby assigning them the relevant mandates;

3. perform any action and release any statement, in Italy and abroad, as well as grant and revoke consultancy mandates to consultants, attorneys, professionals and agents with respect to industrial and intellectual property matters, in Italy and abroad, thereby assigning them the relevant mandates, for the purpose of the filing, registration, renewal, cancellation and protection of all the industrial and intellectual property rights of the company, including (without limitation) brands, patents, designs and domain names;
4. grant and revoke consultancy mandates, thereby granting the relevant mandates, to consultants, attorneys, professionals and agents with respect to industrial and intellectual property matters, in Italy and abroad, for the purpose of protecting, before any administrative or judiciary authority as well as out of court, in Italy and abroad, any and all intellectual and industrial property titles and rights of the company;
5. carry out, before any public and private administration, entity and office (including customs), in Italy and abroad, any and all actions and transactions required for the obtainment of concessions, licenses, authorizations in general;
6. grant licenses for the use of brands and other rights falling within the industrial and intellectual property of the company and of the group to which it belongs, against the payment of estimated royalties not higher than EUR 1,000,000.00 (one million point zero zero) per annum per transaction.

*Relations with Banks:*

1. carry out the following ordinary management transactions with credit institutions, in Italy and abroad, thereby negotiating the relevant conditions, including by entering into, amending and terminating agreements and contracts:
  - a) open and close bank accounts;
  - b) request and agree upon credit lines;
  - c) make payments, both cash and checks;
  - d) endorse, negotiate, return, release receipts and collect checks and money orders in the name of the company or endorsed to the company, use the corresponding amount, protest any such checks and money orders;
  - e) request and collect check books drawn from the company's bank accounts;
  - f) collect titles, documents and securities in general;
  - g) issue drafts and bank receipts;
  - h) request advance payments against receivables;
    - i) arrange payments of direct and indirect levies, taxes and fees, including any interests or ancillary costs related thereto (if any), of contributions and withholding taxes computed based on the employees' remunerations and on the self-employed workers' fees;
    - j) within the limits of the relevant credit lines, request:
      1. advance payments against contracts entered into by the company and/or against the opening of letters of credits issued in favor of the company;
      2. loans for the import and/or opening of letters of credit;
      3. short-term loans;

- k) make payments (including against simple receipt, by issuing checks or requesting banks drafts) via payment orders, within the limits of the relevant credit lines and in any event within the limit of EUR 5,000,000.00 (five million point zero zero) per transaction in which the counterparty is a third-party entity and of EUR 100,000,000 (one hundred million point zero zero) per transaction in which the counterparty is a subsidiary, a parent company or subject to common control;
- l) sign “reporting forms” in accordance with the regulations in force in matters of reporting;
- m) enter into agreements pertaining to night safes and safe deposit boxes;
- n) execute factoring agreements and perform any and all transactions related thereto within the limit of EUR 3,000,000 (three million) per transaction.

*Tax and Customs:*

1. draw up and sign requests, statements, certifications and communications in accordance with the applicable regulations regarding tax, social contributions, social security and employment;
2. authorize and pay taxes, levies and contributions, as well as sign the corresponding declarations, statements and certifications provided for by law;
3. perform any action or formality necessary or useful to obtain the reimbursement of VAT and/or levies in general by the company (and/or any subsidiary), directly or indirectly, including the request of guarantees or other sureties in favor of the financial administrations, within the scope of the powers granted for the purpose thereof;
4. draw up and sign requests, statements, certifications and communications in accordance with the applicable regulations regarding EU customs and transactions, including those necessary for the fulfillment of formalities for the import and export of commodities, end products and intermediate goods.

*Insurance:*

1. enter into, amend and terminate insurance agreements, directly with insurance companies and/or by the intermediary or insurance brokers;
2. collect indemnifications and compensations by insurance companies on behalf of the company, thereby releasing the relevant receipts.

*Credit Management:*

1. supervise the proper management of the company’s credit, including (without limitation) by sending formal notices, settling pending and/or potential disputes through settlement agreements, mediation and conciliation procedures;
2. file protests against third-party debtors, enforce out-of-court actions, including ordinary debt and executive actions;
3. lodge claims in bankruptcy proceedings and claim requests, represent the company in bankruptcy proceedings (including administrative receiverships and arrangements with creditors).

*Guarantees:*

1. release guarantees up to the maximum overall amount, for each financial year, of EUR 2,000,000.00 (two million point zero zero).

*Representation:*

1. supervise and coordinate the external relations activities of the company and of the group to which it belongs with entities, institutions, authorities and third parties, in Italy and abroad,

either public or private, including (without limitation) press, news media, trade associations, fashion and design community and scientific community;

2. represent the company and the group to which it belongs before any entity (public or private), institution, authority, in Italy and abroad, including judicial, administrative and tax authorities, in any phase or degree of the proceedings, as well as before mediation and conciliation bodies, with the power to take legal actions by proposing any civil, criminal or administrative proceedings, including any action seeking relief, action brought to enforce a judgment and non-contentious proceedings, debt actions, application to join proceedings as a civil party, thereby representing the company in such procedures and in the context of any kind of bankruptcy proceedings (including insolvency proceedings, arrangements with creditors, determining compositions and extraordinary administrations), with the authority to give address for service of process, to submit to arbitration (including amiable compositions) any and all disputes to which the company is part or has an interest in proposing, validly enter into settlements (in and out of court), minutes of conciliation (including those set out by art. 48 of Italian legislative decree no. 546/1992), reach settlements, discontinue actions, file declarations and join proceedings as a civil party, participate in hearings in which the parties are required to appear personally and answer to examinations, including where formal in nature, in representation of the company, request or endorse stays of proceedings, thereby signing all deeds and correspondence and carrying out any formality that may be useful, functional or necessary for the purpose thereof, including by releasing proxies and mandates in favor of attorneys and representatives *ad litem*;
3. sign the ordinary correspondence of the company for the transactions, deeds, contracts and arrangements pertaining to the power he is entrusted with;
4. allow for the regular conduct of the company's and the group's business, having regard to the applicable provisions of law and of the bylaws, represent the company before any public or private office, including any ministry, state, provincial, regional and municipal administration, custom, chamber of commerce and company's register for the fulfillment of all formalities required to obtain certificates and/or documents of any kind whatsoever.

*Miscellanea:*

1. supervise the implementation and proper functioning of the corporate governance rules defined by the board of directors;
2. approve transactions regarding the purchase and/or transfer of controlling interests in companies or other legal entities, enterprises/going concerns and/or real estate property, whose value, per transaction, is lower than EUR 5,000,000.00 (five million point zero zero) and with less than 50 (fifty) employees;
3. carry out corporate reorganization transactions that do not have a relevant impact on the group to which Moncler S.p.A. belongs.

The Chairman and Managing Director, Remo Ruffini also qualifies as Chief Executive Officer and does not hold the position as Director in any other listed company of which a Director of the Company is Chief Executive Officer.

As Remo Ruffini holds both the positions of Chairman of the Board of Directors and Managing Director, on April 21, 2016 the Board of Directors appointed the Independent Director Marco De Benedetti as Lead Independent Director in compliance with the recommendations contained in application criterion 2.C.4 and 2.C.5 of the Corporate Governance Code (see paragraph 4.7).

### ***Executive Director (Chief Corporate & Supply Director)***

The Director Luciano Santel, as manager charged with preparing the company's financial reports, is entrusted with the powers required for the preparation of the appropriate administrative and accounting procedures for the formation of the annual financial statements and consolidated financial statements and of any other financial report, as well as for the release of written statements certifying the correspondence of the company's deeds and communications disclosed to the market regarding the accounting information, including interim reports, with the documentary evidences, the accounting books and entries.

The Director Luciano Santel, as manager charged with preparing the company's financial reports, is responsible for the provision, jointly with the Chief Executive Officer Remo Ruffini, of the reports and notes attached to the annual financial statements, of the interim abridged financial statements and of the consolidated financial statements as required by the regulations in force, with the purpose of certifying:

- 1 the suitability and actual application of the administrative and accounting procedures for the formation of the annual financial statements and of the consolidated financial statements, as well as any other financial communication, made during the period to which the documents refer;
- 2 that the documents were prepared in compliance with the applicable international accounting standards recognized by the European Community pursuant to the European Parliament and Council Regulation no. 1606/2002 of 19 July 2002;
- 3 the correspondence between the documents and related accounting books and entries;
- 4 the suitability of the documents to truthfully and correctly represent the financial position of the company and of the group of companies included in the scope of the consolidation;
- 5 for the annual and consolidated financial statements, that the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the company and of the group of companies included in the scope of the consolidation, and a description of the main risks and uncertain situations to which they are exposed;
- 6 for the interim abridged financial statements, that the interim directors' report contains a reliable analysis of the information pursuant to article 154-ter(4) of the Consolidated Law on Finance.

In addition to the foregoing, the Director Luciano Santel is entrusted with (i) the representation powers before third parties in connection with his position and the exercise of his duties; (ii) the functions and duties provided for by the procedure for the regulation of the transaction with related parties adopted by the Company; (iii) any organizational and management power required for the exercise of his duties; and (iv) full independent spending (within the limits of the general annual budget allocated to the finance and administration department, without prejudice to any supplementation and modification that may be considered necessary, which may be approved by the Board of Directors on a case-by-case basis).

Lastly, as manager charged with preparing the Company's financial reports, the Director Luciano Santel is required to:

1. attend the meetings of the board of directors of the company whose agenda contains the examination of the company's financial and economic data;
2. promptly report to the Chief Executive Officer, to the board of directors, including by the intermediary of the control, risk and sustainability committee, any relevant aspects that he considers, should they be inaccurate, must be stated in the certifications provided for by article 154-bis of Italian legislative decree no. 58/1998;

3. report all activities carried out on a six-month basis to the board of directors, either directly or by the intermediary of the control and risk committee, and to the board of statutory auditors.

Moreover, the Director Luciano Santel, as Chief Corporate Officer of the company, was granted with the powers listed hereinafter, pursuant to and within the limits set out in article 2381 of the Italian civil code and article 20 of the company's bylaws, with the express exclusion of those matters reserved by law and by the bylaws to the competence of the board of directors, to be exercised by single or joint signature, in accordance with the conditions set out hereinafter, and with the authority to sub-delegate, within the limits established on a case-by-case basis.

*Relations with Banks:*

1. carry out, on an ongoing basis, the following ordinary management transactions with credit institutions, in Italy and abroad, thereby negotiating the relevant conditions, including by entering into, amending and terminating agreements and contracts:
  - a. open and close current accounts of any kind whatsoever, at any bank or postal administration, as well as perform cash management transactions;
  - b. request and agree upon credit lines;
  - c. make payments, both cash and checks;
  - d. endorse, negotiate, return, release receipt and collect checks and money orders in the name of the company or endorsed to the company, use the corresponding amount, protest any such checks and money orders;
  - e. request and collect check books drawn from the company's bank accounts;
  - f. collect titles, documents and securities in general;
  - g. issue drafts and bank receipts;
  - h. request advance payments against receivables within the limits, in any events, of the credit lines granted, thereby negotiating the relevant conditions;
  - i. arrange payments of direct and indirect levies, taxes and fees, including any interests or ancillary costs related thereto, if any, contributions and withholding taxes computed based on the employees' remunerations and on the self-employed workers' fees;
  - j. within the limits of the relevant credit lines, request, thereby negotiating the relevant conditions:
    - advance payments against contracts entered into by the company and/or against the opening of letters of credits issued in favor of the company;
    - loans for the import and/or opening of letters of credit;
    - short-term loans;
  - k. make payments in favor of third parties (including against simple receipt, by issuing checks or requesting banks drafts) via payment orders, within the limits of the relevant credit lines and in any event within the following limits:
    - EUR 1,000,000.00 (one million point zero zero) with single signature;
    - EUR 2,000,000.00 (two million point zero zero) with joint signature to that of the Director Sergio Buongiovanni;
    - EUR 5,000,000.00 (five million point zero zero) with joint signature to that of the Chair of the board of directors, Luciano Santel may sub-delegate the power to make payments under

this point (k) within the limit EUR 300,000.00 (three hundred thousand point zero zero) per payment.

1. make payments in favour of subsidiaries, parent companies or companies subject to common control (including against simple receipt, by issuing checks or requesting banks drafts) via payment orders, within the limits of the relevant credit lines and in any event within the limits of EUR 100,000,000.00 (one hundred million point zero zero) with single signature. The Director Luciano Santel to may sub-delegate the power to make payments under this point (l) within the limit of EUR 10,000,000.00 (ten million point zero zero) per payment.
- m. sign “reporting forms” in accordance with the regulations in force in matters of reporting;
- n. enter into agreements pertaining to night safes and safe deposit boxes;
- o. execute factoring agreements and perform any and all transactions related thereto within the limit of EUR 3,000,000.00 (three million point zero zero) per transaction;
2. notwithstanding the limits in value set out under point (k) above, fulfill any payment obligation that must be borne by the company under the existing facilities agreements, at the due dates provided for in such agreements.

*Guarantees:*

1. release guarantees up to the maximum overall amount, for each guarantee, not higher than EUR 500,000.00 (five hundred thousand point zero zero).

*Credit Management:*

1. supervise the proper management of the company’s credit, including (without limitation) by sending formal notices, assigning or purchasing liabilities, settling pending and/or potential disputes through settlement agreements, mediation and conciliation procedures, including by appointing attorneys and lawyers, in Italy and abroad;
2. demand, collect and cash-in all sums of money owed to the company, at any title and for any amount, by any person, thereby performing all the activities that may be necessary for such purpose and paying the relevant amounts on the active bank accounts of the company, releasing receipts, including by appointing attorneys and lawyers, in Italy and abroad;
3. file protests against third-party debtors, enforce actions before courts, including ordinary debt and executive actions and waring procedures, including by appointing attorneys and lawyers, in Italy and abroad;
4. lodge claims in bankruptcy proceedings and claim requests, represent the company in bankruptcy proceedings (including administrative receiverships and arrangements with creditors) and in other insolvency proceedings, thereby carrying out the appropriate actions, including by appointing attorneys and lawyers, in Italy and abroad;
5. purchase goods and services instrumental to the corporate structure of the company;
6. acquire availability of goods and services instrumental to the management of the corporate structures of the company and of the group to which it belongs, also by entering into, amending and terminating agreements and contracts, including (without limitation) sale and purchase, commercial lease, rent, loan for use, leasing, barter, works, procurement of works and services, shipping, transportation, deposit, supply, sub-contracting, consultancy, mediation agreements as well as any other contract regarding the provision of works, services, supplies and consumer-related supplies, with public and private third parties, within the value limit of EUR 1,000,000 (one million point zero zero) per transaction, it being understood that consultancy agreements having a duration of more than 36 (thirty-six) months shall remain the competence of the board of directors.

7. enter into, amend and terminate residential lease agreements shorter than nine years entailing commitments of expenditure up to EUR 50,000 per annum, to be assessed based on the amount of the rent.

*Human Resources:*

1. enter into, amend and terminate individual employment agreements of top management, middle management, employees, workers whose annual cost for the company is not higher than EUR 300,000.00 (three hundred thousand point zero zero) thereby carrying out the actions relating to the management in terms of hiring, promotion, firing, disciplinary measures, determination of their assignments and remunerations, transfer and relocation in other companies of the group;
2. appoint special attorneys to represent the company in the disputes governed by Italian law no. 533 of 11 August 1973 to release informal examinations as provided for by art. 420 of the Italian code of civil procedure, with the authority to settle any such disputes;
3. within the above-specified limit in value, enter into, amend and terminate individual employment agreements of key managers and executives, provided that they do not report directly to the chair of the board of directors, in accordance with the remuneration policy approved by the board of directors of the company;
4. within the above-specified limit in value, enter into, amend and terminate agreements with trade-union representations and workers' unions.

*Tax and Customs; Logistics:*

1. draw up and sign requests, statements, certifications and communications in accordance with the applicable regulations regarding tax, social contributions, social security and employment;
2. authorize and pay taxes, levies and contributions, as well as sign the corresponding declarations, statements and certifications provided for by law;
3. perform any action or formality necessary or useful to obtain the reimbursement of VAT and/or levies in general by the company (and/or any subsidiary), directly or indirectly, including the request of guarantees or other sureties in favor of the financial administrations, within the scope of the powers granted for the purpose thereof;
4. draw up and sign requests, statements, certifications and communications in accordance with the applicable regulations regarding EU customs and transactions, including those necessary for the fulfillment of formalities for the import and export of commodities, end products and intermediate goods, including the statistical reporting forms and the so-called "Intrastat" statements.
5. carry out activities entailing the shipping, release and pick up of goods, instruments, ordinary post and telegraph money orders, parcels, packages, bills, letters, including registered and insured letters, submit complaints and proposing appeals, before customs, administrations and post offices, railways, navigation companies and airlines as well as before any other public or private shipping and/or transportation company;
6. supervise the logistics of the company and of the group to which it belongs, thereby representing the company before custom offices and the entities and authorities competent on a case-by-case basis based on the location and subject-matter, also by entering into, amending and terminating agreements and contracts, including (without limitations) works and procurement of works and services agreements and contracts regarding the transportation, shipping, import and export, storage and handling in general of goods and products, within the value limit of EUR 1,000,000.00 (one million point zero zero) per transaction, it being understood that consultancy agreements having a duration of more than 36 (thirty-six) months shall remain the competence of the board of directors.

*Insurance:*

1. enter into, amend and terminate insurance agreements and agreements with insurance brokers, directly with insurance companies and/or by the intermediary or insurance brokers;
2. collect indemnifications and compensations by insurance companies on behalf of the company, thereby releasing the relevant receipts.

*Intellectual Property, Authorizations and Licenses:*

1. file petitions and carry out, before any public or private office in Italy or abroad, any action that may be necessary, preparatory, functional or anyhow connected to the registration, grant, modification, keeping, cancellation of brands, designs, models and domain names; appoint, for any such purpose, consultants, lawyers, professionals and agents, in Italy and abroad, thereby assigning them the relevant mandates;
2. file petitions and carry out, before any public or private office in Italy or abroad, any action that may be necessary, preparatory, functional or anyhow connected to the registration, modification, cancellation and keeping of patents; appoint, for any such purpose, consultants, lawyers, professionals and agents, in Italy and abroad, thereby assigning them the relevant mandates;
3. perform any action and release any statement, in Italy and abroad, as well as grant and revoke consultancy mandates to consultants, lawyers, professionals and agents with respect to industrial and intellectual property matters, in Italy and abroad, thereby assigning them the relevant mandates, for the purpose of the filing, registration, renewal, cancellation and protection of all the industrial and intellectual property rights of the company, including (without limitation) brands, patents, designs, models and domain names, within the value limit of EUR 1,000,000.00 (one million point zero zero) per transaction, it being understood that consultancy agreements having a duration of more than 36 (thirty-six) months shall remain the competence of the board of directors;
4. grant and revoke consultancy mandates, thereby granting the relevant mandates, to consultants, lawyers, professionals and agents with respect to industrial and intellectual property matters, in Italy and abroad, for the purpose of protecting, before any administrative or judiciary authority as well as out of court, in Italy and abroad, any and all intellectual and industrial property titles and rights of the company, within the value limit of EUR 1,000,000.00 (one million point zero zero) per transaction, it being understood that consultancy agreements having a duration of more than 36 (thirty-six) months shall remain the competence of the board of directors;
5. appoint and revoke consultants and attorneys in matters of intellectual property for the protection, before administrative and judicial entities and in all active and passive opposition proceedings, in Italy and abroad, of all the Company's intellectual property rights within the value limit of EUR 1,000,000.00 (one million point zero zero) per transaction, it being understood that consultancy agreements having a duration of more than 36 (thirty-six) months shall remain the competence of the board of directors;
6. carry out, before any public and private administration, entity and office (including customs), in Italy and abroad, any and all actions and transactions required for the obtainment of concessions, licenses, authorizations in general; negotiate and enter into any other deed that may be necessary or functional to obtain such authorizations; fulfill all the relevant formalities, including those related to regulations in matters of tax, exercise duties, state duties and monopoly.

*Representation:*

1. represent the Company before any institution, authority or entity, public or private, in Italy and abroad, including judicial, administrative tax authorities, in any phase or degree of the proceedings, as well as before mediation and conciliation bodies, with the power to take legal

actions by proposing any civil, criminal or administrative proceedings, including any action seeking relief, action brought to enforce a judgment and non-contentious proceedings, debt actions and bankruptcy proceedings (including insolvency proceedings, arrangements with creditors, attemermining compositions and extraordinary administrations) and other insolvency proceedings, thereby fulfilling all relevant formalities, including the release of proxies and special mandates to attorneys and representatives *ad litem*, with the authority to give address for service of process, to submit to arbitration (including amiable compositions) any and all disputes to which the company is part or has an interest in proposing, validly enter into settlements (in and out of court), minutes of conciliation (including those set out by art. 48 of Italian legislative decree no. 546/1992), reach settlements, discontinue actions, sign petitions, recourses, application for compliance pursuant to Italian legislative decree no. 218/1997, applications for exemptions and reimbursements;

2. file declarations and join proceedings as a civil party; participate in hearings in which the parties are required to appear personally and answer to examinations, including where formal in nature, in representation of the Company; request or endorse stays of proceedings;
3. propose petitions, recourses, complaints before the administrative, state, provincial and regional authority, as well as before any judiciary authority in non-contentious proceedings, each settlements, discontinue actions;
4. sign the ordinary correspondence of the company for the transactions, deeds, contracts and arrangements pertaining to the power he is entrusted with;
5. represent the company before any public or private office, including any ministry, state, provincial, regional and municipal administration, custom, chamber of commerce and company's register for the fulfillment of all formalities required to obtain certificates and/or documents of any kind whatsoever.

#### ***Executive Director (Director in charge of the Internal Control and Risk)***

By virtue of resolution adopted by the Board of Directors on April 16, 2016, the Board granted to the Director Sergio Buongiovanni, in his capacity of Director in charge of the Internal Control and Risk, pursuant to art. 2381 of the Italian Civil Code and application criterion 7.C.4 of the Corporate Governance Code, the following powers related to the above role and the relevant representation powers before third parties, within the limits established within the limits set forth on a case-by-case basis:

1. to identify the main business risks, taking into account the characteristics of the activities carried out by the Company and the Group and periodically submitting to the Board of Directors' examination;
2. to implement the guidelines established by the Board of Directors, dealing with the planning, implementation and management of the Internal Control and Risk Management System, monitoring its adequacy and effectiveness;
3. to adjust the Internal Control and Risk Management System to the dynamics of the operating conditions and the legislative and regulatory framework;
4. to request to internal audit function to carry out reviews of specific operational areas and on the compliance of business operation with rules and internal procedures, giving simultaneous notice to the Chairman of the Board of Directors, the Chairman of Control, Risk and Sustainability Committee and the Chairman of the Board of Statutory Auditors;
5. promptly report to the Control, Risk and Sustainability Committee (or to the Board of Directors) issues and problems that resulted from his activity or of which he became aware in order for the Committee (or the Board) to take the appropriate actions.

### **Executive Committee (pursuant to art. 123-bis, paragraph 2(d) of the Consolidated Law on Finance)**

At the date of this Report no Executive Committee had been created.

### **Information to the Board of Directors**

Pursuant to art. 19.3 of the Bylaws and art. 150 of the Consolidated Law on Finance and in accordance with best practice, the Managing Director reports on a timely basis to the Board of Directors and to the Board of Statutory Auditors, and in any case at board meetings, at least quarterly on its activities, the overall performance of the business and its outlook as well as on the most important economic and financial transactions and those concerning the assets of the Company or Group, or at least the most important due to their size or nature, carried out by the Company and its subsidiaries; in particular he reports on transactions in which they have an interest, on their own behalf or on the behalf of third parties.

For further details on the information provided by the Managing Director to the Board during the Financial Year, see paragraph 4.3 above.

### **4.5 OTHER EXECUTIVE ADVISERS**

There are no Executive Directors other than the Chairman and Managing Director, Remo Ruffini, the Executive Director Luciano Santel and the Executive Director Sergio Buongiovanni.

### **4.6 INDEPENDENT DIRECTORS**

In compliance with the recommendations contained in art. 3 of the Corporate Governance Code and in accordance with the requirements of art. 13.3 of the Bylaws, as described in paragraph 4.1, six Independent Directors are members of the Board of Directors at the date of the present Report: Diva Moriani, Gabriele Galateri di Genola, Nerio Alessandri, Marco De Benedetti, Stephanie Phair and Guido Pianaroli, who are also in possession of the independence requirements prescribed by the combined provisions of art. 147-ter, paragraph 4 and art. 148, paragraph 3 of the Consolidated Law on Finance and art. 3 of the Corporate Governance Code. The Company believes that an adequate number of independent directors has been identified for the composition of both of the committees described in paragraphs 7 and 9.

The Board of Directors, at its meeting held on April 21, 2016, immediately after the appointment by the ordinary Shareholders' Meeting of April 20, 2016, pursuant to Art. 2386, paragraph 1, of the Italian Civil Code and Art. 13.4 of the By-laws, verified that the Directors Diva Moriani, Gabriele Galateri di Genola, Nerio Alessandri, Marco De Benedetti, Stephanie Phair and Guido Pianaroli hold the independence requirements provided for by the combined provisions of artt. 147-ter, paragraph 4 and art. 148, paragraph 3, of the Consolidated Law on Finance, as well as the independence requirements recommended by art. 3 of the Corporate Governance Code.

The annual assessment on the existence of the independence requirements for each of the non-executive directors in compliance with the recommendations contained in application criterion 3.C.4 of the Corporate Governance Code has been performed by the Board of Directors on December 18, 2018. On the same date, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board to assess the independence of its members.

Finally, it is noted that the Directors Diva Moriani, Gabriele Galateri di Genola, Nerio Alessandri, Marco De Benedetti, Stephanie Phair and Guido Pianaroli, in the declaration of acceptance of office as Directors of the Company and certification requirements for the assumption of office, have shown their

ability to qualify as independent and, simultaneously, are committed to promptly notifying the Board of Directors and the Board of Statutory Auditors of any changes regarding the requirements, including independence, as well as any supervening grounds for revocation.

During the Financial Year a meeting with only those Directors in possession of the independence requirements was held. On this occasion, the Independent Directors discussed the functioning of the Board of Directors and the management of the Company.

#### 4.7 LEAD INDEPENDENT DIRECTOR

As stated in paragraph 4.4, because of the concentration in Remo Ruffini of the positions of Chairman of the Board of Directors and Chief Executive Officer, while emphasising the centrality of the role and powers of the Board of Directors in the governance of the Company that constitute adequate counterweight to the number of appointments made in favour of Mr. Ruffini, on November 4, 2013 the Board of Directors of the Company resolved on availing itself of the Lead Independent Director, in compliance with the recommendations contained in application criterion 2.C.3 of the Corporate Governance Code. On April 21, 2016, the Board of Directors has appointed Mr. Marco De Benedetti with such office, entrusting him with the following tasks recommended by application criterion 2.C.4 of the Corporate Governance Code:

- a) to be a point of reference and coordination for the needs and contributions of non-executive directors and, in particular, of the independent directors;
- b) to cooperate with the Chairman of the Board of Directors in order to ensure that the Directors receive complete and timely information.

The Lead Independent Director carried out his functions in the course of the Financial Year in line with Corporate Governance Code' recommendations.

### 5 TREATMENT OF CORPORATE INFORMATION

The Board of Directors adopted the “*Internal procedure for the management of inside information*” (the “**Inside Information Procedure**”) approved by the same Board on September 26, 2013 and last amended on December 18, 2018, in compliance with applicable European Union and national regulations for the prevention and repression of market abuses and public disclosures, and in accordance with the recommendations set out in application criterion 1.C.1 (j) of the Corporate Governance Code in order to discipline the management and treatment of confidential information and the procedures to be observed for the external disclosure of documents and information regarding Moncler, especially in relation to inside information. For the purposes of the implementation of the Inside Information Procedure, the Company takes into account the interpretive and applicable instructions contained in Consob guidelines for the management of inside information no. 1/2017 (October 2017).

The Company also adopted the procedure on the internal dealing regulations referred to in art. 19 of the MAR, last amended on July 25, 2018 to regulate the disclosure requirements in respect of the Consob and the public related to the fulfilment by the “*relevant persons*” and “*persons closely associated to them*”, identified in the Market Abuse Regulation, of transactions involving financial instruments issued by the Company.

The procedures described are available on the Company’s website [www.monclergroup.com](http://www.monclergroup.com) in the section “*Governance/Documents and procedures*” to which reference should be made for full details.

## 6 BOARD COMMITTEES

The Company, adhering to the best practices in the field of corporate governance adopted by listed companies and provided for by the Corporate Governance Code, established the Nomination and Remuneration Committee and the Control and Risks Committee by implementing the recommendations contained in artt. 4, 5, 6 and 7 of the Corporate Governance Code.

On November 9, 2015, the Board of Directors of the Company, with the prior approval of the Control and Risk Committee issued on November 5, 2015, resolved, in line with the recommendations set out in the Corporate Governance Code in July 2015, to delegate the supervision of the sustainability issues related to the activities of the Moncler Group to the Control and Risks Committee, by extending its functions, which starting as of that date is called the “Control, Risk and Sustainability Committee”.

Pursuant to the recommendations of the Code, internal regulation of the Nomination and Remuneration Committee and of the Control, Risks and Sustainability Committee prescribe that both committees be composed of three non-executive Directors, the majority of whom are independent, from whom the Chairman is chosen. At least one member of the Nomination and Remuneration Committee must have adequate knowledge and experience in financial and remuneration matters, while at least one member of the Control, Risks and Sustainability Committee must have adequate experience in accounting and finance or risk management.

The Chairman of each Committee provides information on the Committee meetings during the subsequent Board of Directors, in line with application criterion 4.C.1, let. d) of the Corporate Governance Code.

At the date of this Report, no Committees have been constituted other than those recommended by the Corporate Governance Code, with the exception of the Strategic Committee described in detail in paragraph 16 below.

## 7 NOMINATION AND REMUNERATION COMMITTEE

### Composition of the Committee

In consideration of the Company's organisational requirements, methods of operation and the size of its Board of Directors, the Company has established a single nomination and remuneration committee in accordance with the provisions of artt. 4, 5 and 6 of the Corporate Governance Code.

The Nomination and Remuneration Committee is composed by the following three non-Executive Directors, with training and professional experience suitable to fulfil the duties of the Committee, of which 2 members are chosen among the Directors with independence requirements pursuant to the Corporate Governance Code: Diva Moriani (Independent Director and Chairman of the Nomination and Remuneration Committee), Virginie Morgan and Marco De Benedetti (Independent Director). The Board also verified that the Chairman Diva Moriani and the Director Director De Benedetti have adequate knowledge and experience in financial remuneration matters. The proceedings of the Nomination and the Remuneration Committee are coordinated by the Chairman Diva Moriani.

The works of the Nomination and Remuneration Committee are coordinated by the Chairman Diva Moriani. During the Financial Year, the Nomination and Remuneration Committee met three times; each meeting lasted an average of about one hour and thirty minutes. All the members of the Committee attended to all the meetings.

At least three meetings of the Nomination and Remuneration Committee have been scheduled for the financial year 2019, two of which were already held on, respectively, January 22, 2019 and February 26,

2019.

### **Functions of the Committee**

The Nomination and Remuneration Committee has the task of assisting the Board of Directors, through enquiry, of a propositional and consultative nature, in evaluations and decisions related to the composition of the Board of Directors and to the remuneration of Directors and Executives having strategic responsibility.

The following functions are entrusted to the Nomination and Remuneration Committee: (a) support the Board of Directors in identifying in advance its quantitative and qualitative composition, deemed optimal to the purpose of the appointment or co-optation of the directors and subsequent verification of the correspondence between the qualitative and quantitative composition considered optimal and the actual outcome of the appointment process (b) provide opinions to the Board of Directors in relation to the size and composition of the Board and/or make recommendations regarding the professional figures whose presence on the Board is deemed to be appropriate, as well as on issues relating to the maximum number of positions as director or auditor in companies listed on Italian or foreign regulated markets in financial, banking, insurance or large companies that can be considered compatible with an effective performance of a director of the Company, considering the participation to different Committees and the different criteria with respect to the necessary duty for each office held, as well as in connection with the shareholders' authorisations granted to the directors to act in derogation to the general prohibition of competition; (c) propose to the Board candidates for the office of director in the cases of co-optation, if necessary replace the independent directors indicating their names and/or their necessary requirements; (d) advise the Board of Directors on the resolutions concerning the potential replacement of the members of the Committees within the Board of Directors, which become necessary during the tenure of the Committee; (e) examine the proposals made by the Chief Executive Officer, in relation to the appointment and to the plans for replacing key executives; (f) treat the investigation and support the Board of Directors on the possible preparation of the succession plan for executive directors; (g) formulate to the Board of Directors proposals for the establishment of policy for the remuneration of Key-executives, also with the formulation of suggestions concerning the remuneration report that the directors must present to the annual Shareholders' Meeting; (h) periodically assess the adequacy, overall consistency and the practical application of the policy for the remuneration of directors and managers with strategic responsibilities, making use in this latter regard the information provided by the managing directors; formulate proposals to the Board on the matter; (i) submit proposals or express opinions to the Board of Directors on the remuneration of executive directors and other directors assigned special tasks and on the setting of performance targets related to the variable component of the remuneration, monitoring the implementation of the decisions taken by the board itself and the actual achievement of performance targets; (j) support the Board of Directors during the self-assessment process; in particular it provides to the investigations concerning the periodic verifications of the independence and integrity requirements of directors, and the absence of causes of incompatibility or ineligibility of those; (k) support Control, Risks and Sustainability Committee in identifying the heads of the business functions to be appointed; (l) advise the Board of Directors on the remuneration of the Head of the Internal Audit Department; and (m) express an assessment on specific and particular issues in relation to the compensation for which the Board of Directors requested the examination.

The Nomination and Remuneration Committee has the right to access information and corporate functions and structures, ensuring appropriate operational and functional connections with these for the performance of their duties. It can make use of external consultants at the Company's expense, and in any case within the limits of the budget set out by the Board of Directors, subject to verification that such consultants are not placed in situations that compromise their independent judgment in practice and, in particular, shall not provide to the Department of Human Resources, the directors or managers with strategic responsibilities services of such significance as to affect de fact the independence of

judgment.

The Chairman of the Board of Statutory Auditors (or another statutory auditor appointed by him) takes part in the meetings of the Nomination and Remuneration Committee. Other statutory auditors may also take part. The Chairman of the Nomination and Remuneration Committee has the authority to call the Head of the Human Resources Department of the Company, the manager responsible for preparing the corporate accounting documents of the Company, other members of the Board of Directors and the Board of Auditors as well as the heads of the corporate activities of the Company and its subsidiaries, as well as other subjects with reference to the points on the agenda, to provide information and express proficiency evaluations to Nomination and Remuneration Committee meetings whose presence may help to carry out the functions of the committee.

In line with the recommendations of application criterion 6.C.6 of the Corporate Governance Code, no Director shall participate in the meetings of the Nomination and Remuneration Committee in which proposals to the Board of Directors are drawn up relating to that person's remuneration, except in case of proposals that affect the generality of the members of the Board committees.

The meetings of the Nomination and Remuneration Committee are recorded in minute which are kept by the secretary in chronological order and sent in copy to the members of the Committee, as well as, to the Chairman of the Board of Auditors.

The Board of Directors annually approves, through the proposal of the Nomination and Remuneration Committee, the necessary budget to equip the Nomination and Remuneration Committee of adequate financial resources for the fulfilment of its duties. This budget has been set at Euro 20,000 by the Board of Directors on April 21, 2016.

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.

During the Financial Year, in the exercise of the powers to it assigned, the Nomination and Remuneration Committee:

- (i) assessed the remuneration policy adopted by the Company, verifying the adequacy, the overall consistency and the actual application;
- (ii) examined in advance the incentive plans to be submitted to the approval of the Board of Directors and the Shareholders' Meeting;
- (iii) examined the profiles and the compensation of the managers directly reporting to the Chairman and Managing Director (in accordance with its powers granted by the Board of Directors); and
- (iv) assessed the size and the composition of the Committee and the Board of Directors for the annual board evaluation referred to in application criterion 1.C.1 let. g) of the Corporate Governance Code;
- (v) expressed a prior opinion with respect to the Policy to be submitted to the Board' approval.

Moreover, during the financial year 2019, the Nomination and Remuneration Committee provided support for the Board with respect to the guidelines to shareholders on the size and the composition of the renewal of the Board of Directors, in line with the application criterion 1.C.1, let. h) of the Corporate Governance Code.

The Nomination and Remuneration Committee reported to the Board of Directors on the activities performed during the Financial year on February 28, 2019 and reported to the next following Board meeting on each meeting previously held, in line with the application criterion 4.C.1, let. d) of the Corporate Governance Code.

## 8 REMUNERATION OF DIRECTORS

For all information on the general policy for the remuneration of Directors, reference should be made to the Report on Remuneration prepared pursuant to art. 123-ter of the Consolidated Law on Finance, which is available at the Company's registered office and on its website [www.monclergroup.com](http://www.monclergroup.com) under sections "Governance/Remuneration" and "Governance/Shareholders' Meeting".

## 9 CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

### Composition and functioning of the Control, Risks and Sustainability Committee

The Control, Risks and Sustainability Committee is composed by the following three non-Executive Directors, with training and professional experience suitable to fulfil the duties required by the office held, all of them are Independent: Gabriele Galateri di Genola (Independent Director and Chairman of the Control, Risks and Sustainability Committee), Guido Pianaroli (Independent Director) and Marco De Benedetti (Non-Executive Director).

During the Financial Year, the Control, Risks and Sustainability Committee held six meetings; each meeting had an average duration of two hours and a half. All the members of the Committee attended to all the meetings.

At least four meetings of the Control, Risks and Sustainability Committee have been scheduled for the financial year 2019, one of which was already held on February 25, 2019.

### Duties assigned to the Control, Risks and Sustainability Committee

The Control, Risks and Sustainability Committee has the task of assisting the Board of Directors, through enquiry, of a propositional and consultative nature, in evaluations and decisions relating to the Internal Control and Risk Management System, including in such evaluations all risks that could become relevant in view of sustainability in the medium – long period, those relating to the approval of periodic financial reports and, more generally, in the commitment of the Company in favour of a sustainable growth.

In particular, the Control, Risks and Sustainability Committee assists the Board of Directors in the performance of duties relating to:

- (i) the definition of guidelines for the Internal Control and Risk Management System, so that the principal risks facing the issuer and its subsidiaries are correctly identified, and adequately measured, managed and monitored, establishing criteria to ensure the compatibility of such risks with a healthy and proper business management;
- (ii) periodic checks, carried out at least annually, as to the adequacy and effectiveness of the Internal Control and Risk Management System with respect to the characteristics of the Company and its risk profile, as well as its effectiveness;

- (iii) the approval at least annually of the work plan prepared by the Head of the Internal Audit department;
- (iv) a description in the report on corporate governance, of the main features of the Internal Control and Risk Management System to assess their suitability;
- (v) the evaluation, upon consultation with the Board, of the results illustrated in the reports of the external auditors and any management letter and in the report on key matters arising from the statutory audit;
- (vi) the appointment and removal of the Head of the Internal Audit department, the allocation, for the latter, of adequate resources and the definition of its remuneration, in accordance with the company policy;
- (vii) supervision of the sustainability issues related to the Company's activity and its dynamics of interaction with stakeholders;
- (viii) the definition of the strategic sustainability lines and of its action plan ("Sustainability Plan"); and
- (ix) the examination of the Declaration of non-financial nature pursuant to Legislative Decree no. 254/2016 (the "Non-Financial Declaration").

In assisting the Board of Directors, the Control, Risks and Sustainability Committee:

- a) assesses, together with the Manager assigned to drawing up the corporate accounting documents and after consulting with the auditing firm and the Board of Statutory Auditors, the correct use of the accounting principles and whether these have been applied consistently in preparing the consolidated financial statements;
- b) expresses opinions on specific aspects of the identification of the main business risks;
- c) examines the periodic reports relating to the evaluation of the Internal Control and Risk Management System and those of particular relevance prepared by the Internal Audit department;
- d) monitors the independence, adequacy, effectiveness, and efficiency of the Internal Audit department;
- e) may request the Internal Audit department to perform checks on specific operational areas, after notifying the Chairman of the Board of Statutory Auditors;
- f) reports to the Board of Directors at least every six months, on the approval of the half-year and annual financial report, on its activity and the adequacy of the Internal Control and Risk Management System;
- g) defines the control mechanisms in order to verify and to periodically monitor the compliance with the delegated powers, promptly reporting the evidence of any anomaly to the Board of Directors;
- h) examines and evaluates the strategic sustainability guidelines aimed at creating long-term value for all stakeholders;
- i) monitors the degree of the Company's compliance to the regulations adopted by the Company and subsidiaries, making proposals and suggestions to the Board of Directors;

- j) supports, with adequate investigations, the evaluations and decisions of the Board of Directors, in relation to the management of risks arising out of detrimental acts which the Board of Directors has been aware of;
- k) examines the Sustainability Plan;
- l) reports to the Board of Directors every six months about the state of progress of projects that make up the Sustainability Plan;
- m) examines the Non-Financial Declaration;
- n) performs any additional duties that may be assigned by the Board of Directors.

The Control, Risks and Sustainability Committee has the right to access the information and corporate functions necessary for the performance of its duties, and may use, at the expense of the Company, within the limits of the budget approved by the Board of Directors, external consultants, after a specific verification where it is clarified that such consultants may not affect the independence of judgment and, in particular, they do not provide to the Head of the Internal Audit function, Directors or Key-Executives, any significant service in order to avoid to compromise their independence of judgment.

On the proposal of the Control, Risks and Sustainability Committee, the Board of Directors approves every year the necessary budget to provide the Committee with sufficient financial resources to perform its duties. This budget has been set at Euro 20,000 by the Board of Directors, on April 21, 2016.

The Chairman of the Board of Statutory Auditors (or another Statutory Auditor appointed by him) takes part in the meetings of the Control, Risks and Sustainability Committee. Other auditors may also take part. The Chairman may from time to time invite other members of the Board of Directors and Board of Statutory Auditors to meetings of the Control, Risks and Sustainability Committee as well as the Executive Director in charge of supervising the functionality of the Internal Control System and Risk Management, the Head of Internal Control Department and Risk Management, the Head of Sustainability activity, the Chairman or other designated member of the Supervisory Body constituted pursuant to the Legislative Decree no. 231/2001 (the “**231 Decree**”) and finally the responsible for preparing corporate accounting documents, managers of corporate functions of the Company and its subsidiaries, as well as other subjects, with reference to individual points on the agenda, in order to provide information and express assessments of competence, or whose presence may help to carry out the functions of the Committee.

The meetings of the Control, Risks and Sustainability Committee are recorded in minutes which are kept by the secretary in chronological order and sent in copy to the members of the Committee, as well as, to the Chairman of the Board of Auditors.

During the Financial Year, in the exercise of the powers assigned to it, the Control, Risks and Sustainability Committee:

- (i) examined in advance the impairment procedure of the Moncler Group as well as the draft of the financial statements and consolidated financial statements as of December 31, 2018 and, in addition, examined the Non-Financial Declaration and the Sustainability Plan for the financial year 2018;
- (ii) examined the Internal Audit report for the second half of 2017 and for the first semester 2018, evaluating the adequacy of the organizational, administrative and general accounting structure of the Company and its strategic subsidiaries; in addition, expressed an opinion of the Audit Plan for the financial year 2019;

- (iii) approved the report of the Control, Risks and Sustainability Committee upon the Board of Directors for the second half of 2017 and for the first semester 2018, in line with application criterion 7.C.2, let. f) of the Corporate Governance Code;
- (iv) assisted the Board of Directors with investigative, propositional and advisory functions on the evaluations and decisions about the Internal Risk Management and Control System, including on these evaluations all the risks which may take on significance for the sustainability on the medium-long period, on the approval of the regular financial reports and, in general, in the Company's commitment to the sustainable development;
- (v) examined and assessed the sustainability strategies related to the creation of value for the stakeholders on the long-period;
- (vi) examined the regular reports, referring to the evaluation of the internal risk management and control system and to the significant evaluations prepared by the internal audit;
- (vii) verified the delegated and proxy powers granted within the Group, monitoring its functioning;
- (viii) examined the Compliance Plan for the financial year 2019;
- (ix) examined the status of the activities carried out by the Group with respect to cyber security;
- (x) performed the required evaluations with respect to the adoption by the Company of the selective distribution system;
- (xi) monitored the degree of compliance of the Company to the applicable laws and regulations adopted by the Company and its subsidiaries, including the compliance of the Group with Regulation (UE) 2016/679 (GDPR) and, more generally, the privacy regulation.

The Control, Risks and Sustainability Committee reported to the Board of Directors on the activities performed in the Financial Year on July 25, 2018 and February 28, 2019 and reported to the next following Board meeting on each meeting previously held, in line with the application criterion 4.C.1, let. d) of the Corporate Governance Code

Please note that the Non-Financial Declaration relating to the financial year 2017 has been submitted to the Shareholders' Meeting on April 16, 2018. Such document represents essential tools to share, with the stakeholders, the Group's performance and the way to seek a complete integration of the environmental and social aspects in the way of working of the Group.

## 10 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In accordance with the recommendations of art. 7 of the Corporate Governance Code and best practice in the sector the Internal Control and Risk Management System adopted by Moncler is the set of rules, procedures and organisational structures designed to ensure, through a proper process of identification, measurement, management and monitoring of the main risks facing the Company and the company's subsidiaries, a healthy and proper management consistent with the strategic objectives of the Company.

The Internal Control and Risk Management System involves, each for its own part:

- a) the Board of Directors, which defines the guidelines and evaluates the adequacy of the Internal Control and Risk Management System;
- b) the Control, Risks and Sustainability Committee with the duties described in paragraph 9 above,

the duty of supporting, with adequate preparatory work and proposals, the evaluations and decisions of the Board of Directors relating to the system, as well as those relating to the approval of the periodic financial reports;

- c) the Director in charge of the Internal Control and Risk Management System, Mr. Sergio Buongiovanni, with tasks, set out in detail in paragraph 10.1, to identify the key business risks and implement the guidelines established by the Board of Directors;
- d) the Head of the Internal Audit department, Mr. Riccardo Greghi, who is responsible for verifying that the Internal Control and Risk Management System is working properly, according to the duties set out in detail in paragraph 10.2;
- e) the Board of Statutory Auditors which, also as an audit and internal control committee pursuant to art. 19 of Legislative Decree no. 39/2010, monitors the effectiveness of the Internal Control System and Risk Management.

Given the complexity of operations and taking into account that the assumption of risk is an inherent component of the business activity, the Board of Directors has assessed the importance of identifying and mapping the main risks and activating suitable instruments to regulate these and reduce their impact and/or the occurrence probability. In correspondence with the listing process, the Company therefore initiated a process to define the model of integrated risk management based on the principles set out by the *Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management Integrated Framework*.

Consistent with these aims the integrated model of risk governance (Risk Management) adopted by the Company has the following purposes:

- a) to spread within the company a culture of prevention and mitigation of risks in particular in the processes of strategic and operational planning and the most important business decisions;
- b) to ensure transparency on the risk profile and management strategies implemented through a structured and regular reporting to the Board of Directors and to senior management and shareholders.

The Risk Management model of Moncler is also:

- c) extended to all types of risks potentially significant;
- d) focused on the most significant risks in terms of their ability to affect the achievement of the strategic objectives or to undermine the strategic corporate assets and Group' reputation;
- e) based on an approach, where possible, of an accurate measurement of the risk impacts on the financial results expected considered in terms of their probability of occurrence;
- f) based on quantitative risk appetite being defined for each risk area;
- g) integrated in decision-making and business process.

The Risk Management model of the Company was approved by the Board of Directors on March 28, 2014, upon the proposal of the Director in charge of the Internal Control and Risk Management System and after receiving the favourable opinion of the Control, Risks and Sustainability Committee and the Board of Statutory Auditors. This model sets out the Moncler guidelines to identify, oversee, and govern the areas of risk by ensuring the achievement of the strategic and operational objectives, the reliability of information not only financial) reported to the corporate bodies and the market, compliance with

laws and regulations and the protection of company assets, including the intangible assets and Moncler's reputation.

The Risk Management model of Moncler takes into account three main categories of risk that allow management to identify the objectives, the control model, and the governance bodies:

- a) strategic risks, *i.e.*, those related to corporate strategies and which allow a competitive advantage to be gained, which are reflected in the objectives stated in the business plan;
- b) business risks, *i.e.*, those that are related to their industry and to the business model with which the Company operates to achieve the objectives of the business plan;
- c) financial risks, *i.e.*, those that are related to the macroeconomic financial and market situation;
- d) compliance risks, *i.e.*, those that are related to the infringement of binding rules or regulations defined internally.

The risks identified can be both internal and external to the company, therefore linked to the context of the sector and/or market where the probability of occurrence is outside the sphere of business influence. In the case of external risks the objective of the Risk Management model is the monitoring of the risk itself and mitigation of impact in the event of occurrence. In the case of risks of an internal nature, the objective of the Risk Management model is the management of risk through specific systems of prevention, control and monitoring integrated in the business processes at an operative and managerial level, aimed at reducing the probability and/or minimising the impact in case of occurrence.

The Group's exposure to strategic, business and operational risks and the related mitigation actions are included in the Risk Assessment and Risk Management instruments, which are subject to the approval of the management and control bodies.

The Board of Directors is responsible for coordinating and supervising the Risk Management process so that the risks assumed in the business are consistent with strategies and with the threshold of acceptable risk as defined in the risk appetite.

The Control, Risks and Sustainability Committee is responsible for assisting the Board to (i) identify and evaluate, at least annually, the main risks affecting the Company and its subsidiaries so that they are appropriately monitored and (ii) to define and update, at least annually, the mitigation plans and overall management of risks in order to maintain the level of overall risk exposure within the threshold of acceptable risk.

The Director in charge of the Internal Control and Risk Management System is responsible for (i) identifying the main business risks, taking into account the characteristics of the business and operations conducted by the Company and the Group and (ii) dealing with the design, implementation and management of the Internal Control and Risk Management System constantly monitoring its adequacy and effectiveness.

With reference to the outcome of the activities conducted, the Director responsible for the internal control system and the Control, Risks and Sustainability Committee, to the best of their ability, have shown that the current internal control and risk management system is adequate in relation to size and the organisational and operational structure of the Group. In this regard, it should be noted that as from September 2018 a Risk & Audit Manager is in charge and his activity is mainly focused on methodological development and continuous monitoring of the Company' risks register.

The Board of Directors held on December 18, 2018, acquired the opinion of the Statutory Auditors and

of the Director in charge for the Internal Control and Risk Management System, approved the work plan relating to the financial year 2019 prepared by the Head of the Internal Audit department.

As part of the integrated model of Risk Management, the Board of Directors on February 28, 2019, acknowledging the view expressed by the Control, Risks and Sustainability Committee and the Director in charge of the Internal Control and Risk Management System, assessed the internal control system as substantially adequate, noting the ability to identify and require to adopt actions to mitigate each of the risks described above.

### **Main features of risk management system and internal control in relation to the financial reporting process pursuant to art. 123-bis, paragraph 2(b) of the Consolidated Law on Finance**

The internal control system for the financial reporting process is an integral part of, and fits into the broader context of the system of, internal control and risk management. In general, the internal control system set up by the Company is intended to ensure the safeguarding of assets, in compliance with laws and regulations, the efficiency and effectiveness of business operations as well as the reliability, accuracy and timeliness of financial disclosure itself.

The internal control system for financial disclosure aims to identify and assess the events that may on occurrence threaten the credibility, accuracy, reliability and timeliness of financial information and the ability of the process for preparing the financial statements as a whole to produce financial information in accordance with the relevant accounting standards.

The design approach in the construction of the control model of the process of financial reporting was inspired by international standards and best practices in the sector as well as to the guidelines issued by the *Committee of Sponsoring Organizations of the Treadway Commission*.

The administrative and accounting procedures for the preparation of financial statements and any other financial reports are prepared under the responsibility of the Manager assigned to drawing up the corporate accounting documents, who together with the Chairman of the Board of Directors, certifies their adequacy and effective application on the issue of the Company's annual and consolidated financial statements and half-year financial statements.

#### **a) *Phases of the internal control and risk management system in relation to the financial reporting process***

During the Financial Year, the Group worked in accordance with the recommendations of Law no. 262/2005, ensuring the documented and verified financial reporting process model through relevant checks, with regard to operational procedures concerning the administrative accounting system and the main activities of accounts closing in order to support the certification process by the Manager assigned to drawing up the corporate accounting documents.

As part of this project, a preliminary scoping activity has been carried out, which has enabled the Company to update the perimeter of the relevant companies of the Group (based on the significance of the revenues and assets of each company on the consolidated amounts equal to 5%), in the context of which have been identified, in addition to the parent company Moncler, the subsidiaries with a strategic relevance, identified in Industries, Moncler USA Retail Llc, Moncler USA Inc., Moncler Shanghai, Moncler Asia Pacific Ltd, Moncler France S.à.r.l., Moncler Japan Corporation and Moncler Shinsegae.

In addition, in the context of the above activity during the Financial Year other 3 companies have been identified on the basis of a qualitative perimeter and taking into account specific risks (such as, by way of example, the presence of a local partner, the performance of specific activities); such companies are

Moncler UK Ltd, Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti., Industries Yield Srl (Romania).

Within the relevant companies, identified as per above, financial statement items were selected together with the business processes feeding these items, arriving at a matrix of business processes/legal entities for which the financial reporting risks related with the failure to achieve the control objectives were identified, with the aim of ensuring a true and fair view of the financial information. This phase is called risk assessment.

In general, the objectives of control for the process of financial reporting are related to the typical financial statement assertions such as the existence, completeness and accuracy of accounting records, the rights and obligations and the assessment of operations and the presentation of disclosures. The control objectives were subsequently clarified and formalized, as identified within the Group's administrative and accounting processes, within a risk / control matrix (risk / control matrix). The controls are also linked to other elements that characterise the internal control environment and business organisation such as, for example, the segregation of duties, compliance with the rules of conduct and authorisation limits, the physical security of assets, the documentation and traceability of operations.

The analyses of the corporate perimeter (scoping), of the risks related to financial reporting (risk assessment) are updated annually in order to identify major changes in the structure of the administrative and accounting processes as a result of the natural evolution of the business, the single legal entities and the organisation of the Group.

Subsequently the Company sets out the approach to be taken in the testing stage to ensure the adequacy and operation of key controls, in order to contain and/or reduce the residual risk to an acceptable level. The approach takes into account the way in which controls are carried out (manual checks, checks at an application system level and frequency of the checks themselves).

#### *b) Role and functions involved*

The Internal Control and Risk Management System relating to the financial reporting process is coordinated and managed by the Manager in charge, Mr. Luciano Santel, appointed by the Board of Directors in accordance with the laws and statutory provisions in force.

The Manager in charge avails himself of the Internal Audit department to test the working of the control system, and is supported by the heads of function (for headquarter functions) and by the legal representatives of the foreign subsidiaries who, each for their area of competence, formally ensure the completeness and reliability of information flows for the purpose of preparing the financial documents, through internal certification letters.

The Manager in charge has direct responsibility for verifying the correct and timely execution of management tasks in administrative, accounting and financial operations, being called upon to supervise all phases of a continuous monitoring and evaluation of the risks inherent in the financial reporting process.

The Manager in charge shall periodically inform the Board of Statutory Auditors on the organisation, including its adequacy, and reliability of the accounting system and reports to the Control, Risks and Sustainability Committee and to the Board of Directors on his activities and on the effectiveness of the internal control system with regard to the risks concerning the financial statement disclosures.

As a result of the activities and controls carried out, the Manager in charge issues the certifications required by art. 154-*bis* of the Consolidated Law on Finance.

In particular, pursuant to:

- (i) art. 154-bis, paragraph 2 of the Consolidated Law on Finance, the acts and communications of Moncler, disclosed to the market and relating to the financial reports, including interim financial information, are accompanied by a written statement of the Manager in charge who certifies that these correspond to the accounting books and records;
- (ii) art. 154-bis, paragraph 5 of the Consolidated Law on Finance, the Manager in charge and the Managing Director certify by means of a special report on the annual financial statements, the condensed half-year financial statements and the consolidated financial statements:
  - a) the adequacy and effective application of administrative and accounting procedures during the period covered by the documents;
  - b) that the documents have been prepared in accordance with the international accounting standards adopted by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
  - c) that the documents correspond to the books and records;
  - d) the suitability of the documents to provide a true and fair view of the balance sheet, results and financial position of the issuer and the group of companies included in the consolidation;
  - e) that as far as the annual financial statements and the consolidated financial statements are concerned, the report on operations includes a reliable review of the performance and results of operations, as well as the situation of the issuer and the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed;
  - f) that as far as the condensed half-year financial statements are concerned, the interim report on operations includes a reliable review of the information required by paragraph 4 of art.154-ter of the Consolidated Law on Finance.

## 10.1 DIRECTOR IN CHARGE OF INTERNAL CONTROL AND RISK MANAGEMENT

In order to support the Internal Control and Risk Management System, the Board of Directors of the Company of April 21, 2016 appointed Mr. Sergio Buongiovanni as Executive Director to be in charge of the Internal Control and Risk Management System in the implementation of the recommendations contained in principle 7.P.3, let. a) and application criterion 7.C.4. of the Corporate Governance Code.

In the implementation of the assigned functions, as described in paragraph 10 above, the Director responsible for the Internal Control and Risk Management System, with the support of the competent executives in the various reference areas:

- has been responsible for identifying the business risks, taking account of the strategies and characteristics of the business of the Company and of the Group;
- has implemented the guidelines defined by the Board, providing for the design, implementation and management of the internal control system and constantly monitoring its overall adequacy and effectiveness;
- has been entrusted with adjusting the system of internal control to the business dynamics and the changing operating conditions within the legal and regulatory reference framework.

Sergio Buongiovanni has the power to ask the Internal Audit department to perform checks on specific areas of operation and compliance with the internal rules and procedures in the execution of business operations, also notifying the Chairman of the Control, Risks and Sustainability Committee and the Chairman of the Board of Statutory Auditors.

In carrying out his functions, the Director in charge of the Internal Control and Risk Management System has so far found no critical issues, nor has he received news of any critical issues to be promptly brought to the attention of the Control, Risks and Sustainability Committee and the Board of Directors.

## 10.2 HEAD OF INTERNAL AUDIT DEPARTMENT

The Board of Directors of the Company of November 9, 2015, appointed Mr. Riccardo Greghi, as Head of the Internal Audit department in line with the recommendations of the principle 7.P.3, let. b) and application criterion 7.C.5. of the Corporate Governance Code. On nomination, the Board of Directors determined the remuneration of the Head of the Internal Audit department in accordance with the corporate policies responsible for giving the full economic autonomy for the discharge of the duties, within the limits of the overall annual budget allocated to the Internal Audit department and subject to any additions and changes deemed necessary that may be inspected and approved by the Board of Directors at any time, upon proposal of the Director in charge of the Internal Control and Risk Management System, with the prior approval of the Control, Risks and Sustainability Committee and after consulting with the Board of Statutory Auditors.

The Head of the Internal Audit department, who does not head any operational area and reports to the Board of Directors, in the exercise of his functions provides the required information to the Director in charge of the Internal Control and Risk Management System, the Board of Statutory Auditors and the Control, Risks and Sustainability Committee and to the Global Compliance Function.

In particular, the Head of the Internal Audit department:

- a) verifies that the Internal Control and Risk Management System is working properly;
- b) verifies, both on an on-going basis and in relation to specific needs and in compliance with international standards, the operation and the suitability of the Internal Control and Risk Management System through the audit plan prepared by the same approved by the Board of Directors and subject to the prior opinion of the Control, Risks and Sustainability Committee, based on a structured analysis and prioritisation of key risks;
- c) prepares periodic reports containing adequate information about their work, the way in which risk management is conducted, with respect to the defined plans for their control, as well as an evaluation of the suitability of the Internal Control and Risk Management System;
- d) prepares timely reports on events of major importance;
- e) transmits these reports to the Chairmen of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the Board of Directors and the Director in Charge of Internal Control System and Risk Management; and
- f) verifies, as part of the audit plan, the reliability of information systems including accounting systems.

The Head of the Internal Audit department has direct access to all relevant information for performing his duties and where necessary has also access to the documents produced by third parties entrusted with positions of control in the Company or other subsidiaries. The Internal Audit department carries out its

activities also conducting sample checks on the processes that regulate corporate activity, extending the verification activities to all companies of the Moncler Group.

During the Financial Year, the Internal Audit department performed and has been involved in the following activities:

- a) activities of verification carried in accordance with the Audit Plan presented and approved by the Board of Directors on February 26, 2018, and previously examined by the Control, Risk and Sustainability Committee on December on the same date, and more precisely:
  - audit of operational assurance on corporate processes;
  - general audit on the subsidiaries which are qualified as strategic companies, considering the financial situation or specific risks;
  - audit on stores, on the basis of a standard audit program applicable to all types of stores operated by the Group in the world;
  - reputation audit and independent audits on strategic suppliers.
- b) activities performed on behalf of the Manager responsible for preparing the corporate accounting documents, referred to in paragraph 10;
- c) activities on behalf of the Supervisory Board, in accordance with the provisions of the Organizational Model adopted pursuant to Decree 231 of Moncler (the “**231 Model**”) and Industries, in particular:
  - drafting of the minutes of the meetings of the Supervisory Board;
  - assistance, as member of the Supervisory Board, to the training and follow-up sessions for the heads of the sensitive processes of both companies, concerning the Decree 231 and 231 Model, carried out also through individual meetings with the Group’s Directors;
  - support in the receipt, management and analysis of the above- mentioned flows to the Supervisory Board;
  - support in the drafting of certain procedures also with the aim to mitigate the risks referred to in 231 Decree (as mentioned in paragraph 10.3);
  - support in the drafting of the Supervisory Board’s audits plan;
  - performance, upon request of the Supervisory Board, of an audit on a set of sensitive areas/activities with respect to the offenses abstractly associated to the activity itself, by verifying the compliance with the protocols and the control requirements;
- d) Group Enterprise Risk Management coordination activities, carried out on behalf of the Supervisory Director of the Internal Control and Risk Management System, referred to in paragraph 10;
- e) management of the reporting in relation to alleged wrongdoings, received by the whistleblowing process;
- f) control activities with respect to implementation and compliance with the Group Anti-Corruption Program.

The responsible for the Internal Audit activities has informed about the activities carried out during the financial year to the Control, Risk and Sustainability Committee with report issued on February 26, May 4, July 25, October 24 and December 13 2018 and during the financial year 2019 on February 25, 2019; to the Board of Directors and to the Director in charge of the internal control and the management of the risks on February 26, July 25 and December 18, 2018 and during the financial year 2019 on February 28, 2019.

### **10.3 ORGANIZATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001**

The Company's Board of Directors adopted the 2231 Model under the 231 Decree, since March 28, 2014.

The 231 Model consists of two parts. The first one, of a general nature, explains the purpose, recipients and components of the preventive control system of the 231 Model itself and, always in line with the explanations found in 231 Decree, the structure, functioning and tasks of the Supervisory Body, which, pursuant to art. 6 of 231 Decree, has the task of supervising the functioning of the 231 Model and compliance with its requirements.

The first part of the 231 Model also requires the Company's personnel to be involved in training and be provided with information on the contents of the 231 Model and the disciplinary system in the event of infringements of the provisions of the 231 Model.

On the other hand the second part of the 231 Model, of a special character, contains a description of the type of offences contemplated by 231 Decree and the relative penalties with respect to the risk of committing the above-mentioned infringements identified in the 231 Model.

The type of offences that the 231 Model intends to prevent, on the basis of the existing mapping of risks carried out with the objective of adoption and of the subsequent updates, are as follows:

- offences against the Public Administration;
- offences related to corporate law and market abuse;
- offences of receiving, laundering and use of money, goods or assets of illicit origin;
- offences in the field of health and safety at work;
- offences of incitement not to make statements or make mendacious statements to judicial authorities;
- forgery offences relating to trademarks, patents and brands;
- offences relating to infringement of copyright;
- offences regarding the employment of non-Italian nationals without a permit to stay;
- computer crimes and illegal data processing;
- environmental crimes;
- laundering crimes;

- offenses against the person;
- organized crime offenses.

The 231 Model has been integrated and updated on May 4, 2018 in connection with the introduction of new criminal offences relevant for the purposes of 231 Decree in relation to the offence of illegal brokerage and exploitation of labour, and on the recent amendments on corruption and the introduction of the criminal offences on racism and xenophobia, and the whistleblowing regulation. Moreover, the Company has updated the risk assessment activities carried out with respect to such crimes.

The requirements contained in the 231 Model are complementary to those of the Code of Ethics, approved by the Board of Directors of January 24, 2014 and last amended by virtue of the Board of Directors' resolution adopted on February 26, 2018, which describes the commitments and ethical responsibilities in conducting business and corporate activities in which every employee and all those with whom the Company enters into contact during its activities, must comply in the conduct of their business, in the belief that ethics in the conduct of business are critical to the success of the business.

The Code of Ethics is available on the Company's web site [www.monclergroup.com](http://www.monclergroup.com) under section "Governance/Governance and ethics", "Governance/Shareholders' Meeting" and "Governance/Documents and procedures".

As of the date of this Report, the Supervisory Body, renewed on May 10, 2016, is composed by Mr. Lorenzo Mauro Banfi as Chairman, Mr. Carlo Alberto Marchi and Mr. Riccardo Greghi, Head of Internal Audit.

For full compliance with 231 Decree, the Supervisory Body is an entity that reports directly to the senior management of the Company and is not bound to business operations by any hierarchical structure in order to guarantee its full autonomy and independence in the discharge of its functions.

The Supervisory Board reported on July 25, 2018 and February 28, 2019 to the Board of Directors on the activities performed in the Financial Year.

#### **10.4 AUDITING FIRM**

Pursuant to art. 13 of Italian Legislative Decree no. 39 of January 27, 2010, on October 1, 2013 the ordinary Shareholders' Meeting of the Company, on the proposal of the Board of Statutory Auditors, resolved to appoint the auditing firm KPMG to perform an audit of the annual and consolidated financial statements of the Group for the years 2013-2021, to perform a review of the consolidated half-year financial statements for that nine-year period and to ensure that the Company has kept proper accounting books and records and that its operations have been properly recognized in those books and records during that period.

#### **10.5 MANAGER ASSIGNED TO DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER ROLES AND FUNCTIONS OF THE COMPANY**

Mr. Luciano Santel acts as the Manager assigned to drawing up the corporate accounting documents as of December 16, 2013.

Art. 19.4 of the Bylaws provides for this officer to be appointed, subject to the mandatory opinion of the Board of Statutory Auditors, from those holding significant professional experience in accounting, finance and economics for at least 5 years.

Recalling what has already been described in paragraph 10, in accordance with current law this manager is responsible in particular for:

- i. setting up adequate administrative and accounting procedures for the preparation of the annual accounts and consolidated financial statements of the Company as well as any other financial documents;
- ii. releasing written declarations which attest to the correspondence to the accounting books and records of documents and communications of the Company issued to the market including interim accounting information;
- iii. making together with the Managing Director the declarations provided for in art. 154-bis, paragraph 5 of the Consolidated Law on Finance in a report drawn up in accordance with the model established by Consob regulations, annexed to the annual financial statements, to the half-year condensed financial statements and to the consolidated financial statements;
- iv. participating in meetings of the Company's Board of Directors having as their agenda an examination of the Company's economic and financial data;
- v. reporting forthwith to the Managing Director, to the Board of Directors, also through the Control, Risks and Sustainability Committee, any significant relevant aspects which it is believed, if not corrected, should be stated in the declarations pursuant to art. 154-bis of the Consolidated Law on Finance;
- vi. reporting every six months to the Board of Directors, the Control, Risks and Sustainability Committee and the Board of Statutory Auditors on the activity performed.

On his appointment, the Board granted this manager all the powers and means to perform the tasks assigned to him by current legislation and the Bylaws, including direct access to all functions, offices and information necessary for the production and testing of the accounting, financial and economic data, without any authorisation.

The Company has also set up within the Secretariat of Corporate Affairs of Moncler, the figure of Head of Global Compliance with direct hierarchical reporting to the Chief Corporate Officer and functionally to the Board of Directors of Moncler.

In 2016, the Group has adopted a procedure and official whistleblowing channels, in accordance with the existing best practices at a national and international level, which will permit to internal subjects and third parties to make reports on alleged irregularities that took place in corporate management, through a confidential and reserved channel. As from the first quarter 2018, the whistleblowing system has been moved to a IT platform managed by a specialized external company (NAVEX) which enables to receive and manage reports through a web platform or by telephone with local operators. Such system ensures the privacy and protection of the employee reporting alleged irregularities or breach of the 231 Model.

Moreover, Moncler developed and adopted an anti-corruption model that provides, among other things, for the regulatory review of corruption offences in the countries in which the Company operates, identifying the areas and business processes most at risk of corruption. More specifically, an anti-corruption policy was therefore implemented by each company of the Moncler Group, regulating the responsibilities for monitoring regulatory changes, risk controls, training, audit activities, management, and the reporting of any cases of non-compliance.

At the date of this Report, the Board of Directors of the Company has not appointed any officers in charge of the internal control and risk management other than those described so far.

## 10.6 COORDINATION BETWEEN THE PARTIES INVOLVED IN THE SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

The Company has scheduled meetings, as methods of coordination between the subjects involved in the Internal Control and Risk Management System, at least once every six months, with the participation of all parties with control functions or in any way connected with the Internal Control and Risk Management System.

The meetings involve the Board of Directors, the Control, Risks and Sustainability Committee, the Director in charge of the Internal Control and Risk Management System, the Head of the Internal Audit department, the Manager assigned to drawing up the corporate accounting documents, the Board of Statutory Auditors and the Global Compliance Function, representatives of the auditing firm and eventually the external consultants who assist the Company with Enterprise Risk Management.

Respectively on February 26, October 24 and December 13, 2018 and on February 25, 2019, the Control, Risks and Sustainability Committee met to examine, *inter alia*, the progress of the works on the Enterprise Risk Management Model. The meeting, to which the Board of Statutory Auditors participated, was attended by the Manager assigned to drawing up the corporate accounting documents, Mr. Luciano Santel, the Director in charge of the Internal Control and Risk Management System, Mr. Sergio Buongiovanni and Mr. Riccardo Greghi, Head of Internal Audit department, as well as Mr. Francesco Masetto of KPMG as responsible for the audit of the half-year financial statements.

The Chairman of the Committee, Mr. Galateri di Genola, upon conclusion of the meeting indicated above, reported to the Board of Directors on the activities performed during the first semester of the Financial Year and the second semester of the Financial Year by the Committee he chairs and, in particular, on the audits carried out with reference to the specific business risks to which the Company is exposed. Also the Supervisory Board attended to such meeting in order to report on the activities performed in the Financial Year.

Moncler has also adopted a Group-wide compliance procedure to: (i) disseminate the meaning of compliance at Moncler; (ii) define the areas of application; (iii) establish the general compliance principles adopted by Moncler; (iv) define employee roles and responsibilities; and (v) provide guidelines based on the pillars of the Group Compliance Program, which is regularly updated.

During the Financial Year the Board, with the previous opinion of the Control, Risk and Sustainability Committee, approved the “*Information Flows to the Global Compliance Function*” procedure with the aim to regulate the information flows between the Global Compliance Function and the other Group’ Functions.

Since its establishment in 2016, the Group’s Compliance function has been engaged in activities aimed at strengthening the monitoring and management of risks of non-compliance, starting from the areas considered to be most sensitive, such as those related to antitrust, health and safety, privacy, anti-corruption and consumer protection laws and regulations issues.

## 11 INTERESTS OF DIRECTORS AND RELATED PARTY TRANSACTIONS

Under art. 25 of the Bylaws, the Company approves the operations with related parties in accordance with applicable laws and regulations in force, the provisions of the Bylaws and the procedure adopted on January 24, 2014, having obtained the positive opinion of the Independent Directors in accordance with art. 2391-bis of the Italian Civil Code and the RPT Regulation, last amended on July 25, 2018 (the “**RPT Procedure**”).

In accordance with the RPT Regulation, the RPT Procedure regulates the procedures for examining and approving transactions with related parties defined of greater importance on the basis of the criteria set out in the RPT Regulation and transactions with related parties defined of minor importance, by which are meant those other than transactions of greater importance and minor transactions in accordance with the RPT Regulation.

Given that, pursuant to the RPT Regulation, the most important transactions with related parties are those in which the equivalent-value or assets or liabilities relevance ratio is greater than the threshold of 5%, in order to facilitate timely detection and constant monitoring, the RPT Procedure requires the Manager assigned to drawing up the corporate accounting documents (i) to periodically identify the values of the capitalisation on the basis of the data published by Borsa Italiana S.p.A. and consolidated shareholders' equity of the Group, based on the latest periodic financial accounts published, by which to calculate the indices of relevance; and (ii) to record and update the value of transactions with related parties that have a similar nature or form part of an overall plan that are carried out with the same related party of the Company or with parties related to the latter, and the Company, subject to the application of reason for exemption specified in art. 13 of the RPT Procedure.

Without prejudice to the information obligations provided for by law and by the RPT Procedure, related party transactions shall be approved by the competent authority on the adoption of its decision in accordance with law and the By-laws, after acquisition of the reasoned and non-binding opinion of the Related Party Committee consisting of at least three independent directors of Moncler on the convenience and substantial correctness of the conditions relating to the operation expressed by related parties.

The Related Parties Committee performs the functions envisaged in the Procedure, the RPT Regulation and the laws and regulations in force from time to time, and in particular:

- expresses its prior opinion on the approval of and on the amendments of the RPT Procedure, and on the proposals to be submitted to the shareholders' meeting of the Company regarding any amendments to the By-Laws identified as necessary by the Board of Directors in relation to the definition of the RPT Procedure;
- expresses its justified and binding opinion on the transactions of greater importance and expresses its justified and non-binding opinion on the transactions of lesser importance;
- participates in the negotiations and investigation of transactions of greater importance, by receiving a complete and prompt flow of information and with the right to request information and make observations to the delegated bodies and persons engaged to conduct the negotiations or investigation; and
- supports the corporate bodies and departments responsible for the preliminary investigations to determine the related parties and related-party transactions parties pursuant to the RPT Procedure and the laws and regulations in force from time to time.

The Board of Directors appointed the independent non-executive directors: Diva Moriani, Guido Pianaroli and Marco De Benedetti (Chairman) as members of the RPT Committee.

The RPT Procedure is available on the Company's website [www.monclergroup.com](http://www.monclergroup.com) under section "*Governance/Documents and procedures*", to which reference should be made for full details.

At the date of this Report, the Board of Directors did not deem it necessary to adopt, in addition to the RPT Procedure and the reporting requirements set out in art. 2391 Italian Civil Code, a specific procedure for the identification and management of situations where a director is the holder of an

interest on his own behalf or that of a third party.

## 12 APPOINTMENT OF STATUTORY AUDITORS

Under article 24 of the Bylaws, the regular and deputy statutory auditors are appointed by the Shareholders' Meeting in compliance with the *pro tempore* regulations currently in force concerning gender balance, on the basis of lists presented by shareholders in accordance with the laws and regulations in force from time to time present in art. 148 of the Consolidated Law on Finance and art. 144-*quinquies* and following of the Issuers' Regulation, in which candidates must be listed with a sequential number and must be in a number not exceeding the members of the body to be elected. Each list must be composed of two sections: one for the appointment of regular statutory auditors and one for the appointment of deputy statutory auditors. The first candidate in each section must be selected from among the auditors enlisted in the appropriate register referred to in art. 2397 of the Italian Civil Code.

The lists that have a total number of candidates equal to or greater than three shall be made from candidates belonging to both genders, so at least one-third (rounded upwards) of the candidates for the office of regular statutory auditor and at least one-third (rounded upwards) of the candidates for deputy auditor belongs to the less well represented gender in the list.

Pursuant to art. 24 of the Bylaws, the right to present the lists is entitled only to shareholders who, alone or together with other shareholders, hold shares representing at least 2.5% of the share capital or of other shareholding capital established by the laws and regulations in force. The participation threshold finally determined by Consob for Moncler pursuant to art. 144-*quater* of the Issuers' Regulation by way of Resolution no. 13 of January 24, 2019 is 1%.

Each shareholder has the right to submit or participate in the presentation of only one list and each candidate may appear on only one list on penalty of ineligibility.

Along with each list, within the deadlines for submission prescribed by law, declarations in which the individual candidates accept their candidacy and attest, under their own responsibility, that there are no causes of ineligibility and incompatibility, as well as the existence of the regulatory and statutory requirements for the position, must be filed. The list that does not comply with the provisions referred to above is considered as not presented. Along with the statements, a *curriculum vitae* on the personal and professional characteristics and including the list of administration and control duties of each candidate held in other companies must be filed for each candidate.

The provisions of law and regulations in force from time to time apply for the presentation, filing and publication of the lists. Each person entitled may vote for only one list.

Statutory auditors are appointed as follows:

- (a) two regular statutory auditors and one deputy statutory auditor are elected from the list that obtained the highest number of votes, based on the sequential order in which they appear in the list;
- (b) the remaining regular statutory auditor - who will take the office of Chairman - and one deputy statutory auditor are taken from the second list that has obtained the highest number of votes and found not to be connected in any way, directly or indirectly, with those who presented or voted for the first list with the highest number of votes on the basis of the sequential order in which they appear in the list. In the event that minority lists obtain the same number of votes, the candidate of the list, regular statutory auditor and deputy statutory auditor, being the eldest shall result as

elected;

- (c) in the event one list alone is submitted, the Board of Statutory Auditors is drawn entirely from this subject to having obtained the approval of a simple majority of the votes.

If the methods above do not assure the composition of the Board of Statutory Auditors, in its full number of members, in compliance with the pro tempore legislation regarding gender balance, in the context of the candidates for the office of regular statutory auditor from the list that obtained the highest number of votes, the necessary replacements shall be performed according to the sequential order in which candidates are listed.

If the legal and statutory requirements are not met, the statutory auditor forfeits the office. In the event of the replacement of a statutory auditor, the deputy an auditor belonging to the same list as the outgoing one takes his place or, failing that, in the event of termination of the minority member, the next candidate on the same list as the outgoing auditor or, alternatively, the first candidate from the minority list that has obtained the second highest number of votes.

It is understood that the Chair of the Board of Statutory Auditors shall remain with the minority auditor and that the composition of the Board shall comply with the regulations currently in force concerning gender balance.

When the Shareholders' meeting is due to appoint the regular and/or deputy statutory auditors to set up the Board of Statutory Auditors, the procedures shall be as follows: if it is necessary to replace elected auditors in the majority list, the appointment shall be made by a majority vote on any list; if there is the need to replace elected auditors in the minority list, the Shareholders' Meeting replaces them on a simple majority vote, choosing where possible between the candidates on the list of which the auditor to be replaced was part, or on the minority list that has the second highest number of votes.

If the application of these procedures does not allow, for any reason, the replacement of the statutory auditors appointed by the minority, the meeting will take measures for a relative majority vote, subject to submission of nominations by shareholders who, alone or together with others, are in total holders of a number of shares with voting rights representing at least the percentage indicated above in relation to the procedure for the submission of lists; however, the results of this last vote will not take into account the votes of shareholders who, according to communications made under the current legislation, hold, directly or indirectly or jointly with other shareholders that are party to a relevant shareholders' agreement pursuant to art. 122 of the Consolidated Law on Finance, a relative majority of the voting power which can be exercised in the meeting, as well as shareholders that control, are controlled by or are under the common control of the same.

Replacement procedures mentioned above must in any case ensure compliance with the laws and regulations in force on gender balance. The outgoing auditors can be re-elected.

The Bylaws do not contemplate the election of more than one minority auditor.

### **13 COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS**

Under art. 24 of the Bylaws, the Shareholders' Meeting appoints the Board of Statutory Auditors, consisting of three regular statutory auditors and determines their remuneration. The Shareholders' Meeting also elects two deputy statutory auditors. The powers, duties and term of office of the statutory auditors shall be those established by law.

The Board of Statutory Auditors, in charge at the date of this Report, was appointed by the Shareholders' Meeting on April 20, 2017 on the basis of two lists presented on March 22, 2017 by the *Studio Trerisan e Associati* on behalf of the shareholders holding at the time of the shareholders' meeting a percentage equal to 1.039% of the share capital and on March 24, 2017 by the majority shareholder Ruffini Partecipazioni S.r.l.. The board remains in office until approval of the financial statements for the year ended December 31, 2019.

The members of the Board of Statutory Auditors in office as of the date of this Report are:

First Name(s) and Last Name(s)	Office
Riccardo Losi	Chairman of the Board of Statutory Auditor
Mario Valenti	Standing Auditor
Antonella Suffriti	Standing Auditor
Lorenzo Mauro Banfi	Deputy Auditor
Federica Albizzati	Deputy Auditor

Reference should be made to **Table 3** in the appendix for full details of the composition of the Board of Statutory Auditors.

The following are brief resumes of the members of the Board of Statutory Auditors, which indicate the expertise and experience they have gained in the field of business management.

**Riccardo Losi** – Born in Rome on November 19, 1967, graduated in Economy at the University *La Sapienza* of Rome on 1992. He is enrolled with the Association of Accountants and Auditors of Rome since 1994 and since 1999 at with the Association of Auditors. He is co-founder of “*Studio Losi, Cantore, Calabrese – Dottori Commercialisti*” that is part of “*Polo Consulting S.r.l. tra Professionisti*”. He has held various offices in the Professional Associations mentioned above and academic offices at the University *La Sapienza* of Rome. Currently, he's a professor of the department of Companies and Management of the University LUISS Guido Carli in Rome teaching auditing, ethics and professional technicalities, and he's been part of the board of directors and board of statutory auditors of various companies of Novelli Group, Sacci Cementi Group and Ericsson Group .He is also part of the Technical Committee on the Review of the Guidelines for the Board of Statutory Auditors at Listed Companies, and he is enrolled at the registry of consultants at the Court of Rome and to the registry of the conciliators and arbitrators at Consob.

**Mario Valenti** – Born in Tortona (AL) on June 4, 1942, graduated in Economics and Business at Università Commerciale Luigi Bocconi in Milan in 1967. He has been enrolled in the Association of Certified Accountants of Milan with seniority since January 1, 1963; furthermore, he became a chartered accountant in 1969 and an auditor in 1995. Currently he is Chairman of the Board of Statutory Auditors of various companies, including Ambros Saro S.p.A., Achille Pinto S.p.A., Dafe 4000 S.p.A., Giovanni Bosca Tosti IVI S.p.A., Immobiliare BA 68 S.p.A., Industries S.p.A., Jakil S.p.A., Lampugnani Farmaceutici S.p.A., Porto di Lavagna S.p.A., Ruffini Partecipazioni Holding S.r.l., Ruffini Partecipazioni S.r.l., Tekim S.p.A. and member of the Board of Statutory Auditors of Caprotti S.p.A., Intesa Aretina S.c.arl., Intercos Europe S.p.A., and Zephyro S.p.A.. In addition, he holds the position of Sole Director of Tecla S.r.l..

**Antonella Suffriti** – Born in Modena on January 27, 1960, Antonella Suffriti graduated in Business and Economics at the University of Modena in 1984 and is enrolled in the Association of Certified Accountants and Auditors. She started her career at Reconta Ernst Young S.a.s. as assistant accountant.

In 1987 she worked as Certified Accountant. In 1991 she started to work for the network Deloitte Touche Tohmatsu in the area of auditing and became a Partner in 2001. On 2006 she has been appointed Partner of Deloitte Financial Advisory for acquisition and vendor due diligence activities. She currently holds the office of Head of Procurement and Corporate Affairs for Deloitte Italy' network and is Managing Director of Dianthus S.p.A. She has gained significant experience in providing direct services to medium and large client companies, including several listed companies. She has carried out several due diligence processes on Italian and foreign companies, listing procedures and issue of bonds, also on international markets. Among her main clients: Sportswear Company, Champion, Gucci, Armani, Bruno Magli, Ralph Lauren, Sergio Rossi, Golden Lady, Fiat, General Motors, VM Motori, Mahindra, Panini, Tiscali, Grand Hotel Baglioni, Cisa, Deutsche Bahn, Snai, Gemeaz, Elica. She has been a member of the Board of Statutory Auditors of Ge.Co., Investimenti Commerciali Savignano and Motoman.

**Lorenzo Mauro Banfi** – Born in Milan on January 12, 1959, graduated in Business and Economics at Università Cattolica del Sacro Cuore in Milan in 1983. He has been enrolled in the Association of Certified Accountants of Milan since 1984 and in 1993 obtained the qualification of chartered accountant (auditor pursuant to the applicable legal changes coming into force in 1995). He is a partner of the Studio di Revisori Associati and of Studio Pirola Pennuto Zei & Associati. Previously, he performed auditing activities for around two years at a primary auditing firm. Deals with extraordinary corporate operations, tax consulting in the area of business income and regulatory and tax issues relating to banking and financial activities. He has held the office of Statutory Auditor, also as Chairman of the Board of Statutory Auditors, of Halfen S.r.l., Hugo Boss S.p.A., Kion Rental Services S.p.A., Natixis Global Associates Italia S.p.A. in liquidation, Società di Gestione delle Partecipazioni di Banca Sintesi S.r.l., The Swatch Group (Italia), Les Boutiques S.p.A. in liquidation, Geco SIM S.p.A., Goldman Sachs SGR S.p.A., Italsec S.r.l. in liquidation, Petunia S.p.A. in liquidation, UBS Securities Italia Finanziaria S.p.A., and Valora S.p.A.. He is the Chairman of the Board of Statutory Auditors of various companies, including Hugo Boss Shoes & Accessories Italia S.p.A., Lascor S.p.A., Linde Gas Italia S.r.l., Morgan Stanley SGR S.p.A., Puma Italia S.r.l., Still Italia S.p.A., The Swatch Group Italia S.p.A., Granato S.p.A., Carrier Distribution Italy S.p.A., Chiron Italia S.p.A., Cimprogetti S.p.A., Commerciale Carrelli S.r.l., H7 S.p.A. DFI S.p.A. in liquidation, Linde Medicale S.r.l., and Linde Hydraulics Italia S.p.A. In addition, he is Chairman of the Board of Directors of SPV Venezia S.r.l.

**Federica Albizzati** – Born at Varese on October 22, 1970, graduated in Economy at the Bocconi University of Milan in 1994. She is enrolled at the Association of Certified Accountants and Auditors in Busto Arsizio (VA) since 2001 and since 2002 she is enrolled with the Association of Auditors. She is an expert in tax and corporate consultancy and she is an Auditor (and Chairman of the Board of Statutory Auditors) in several Italian companies, Such as Pharma Finance 2 S.r.l., Mepa Finanziaria S.p.A. and TNT S.r.l..

### Criteria and diversity Policies

As of the renewal of Moncler's management bodies, the composition of the Board of Statutory Auditors of the Company ensures an adequate level of diversity, not only in terms of gender composition of the Board, but also in terms of age, education and professional experience.

As for gender diversity, it is worth noting that Law 120/2011 introduced the obligation for listed companies to reserve at least one third of the positions of Directors for the less represented gender for three consecutive mandates, from the first renewal of the bodies after one year from the date of the above law's entry into force, reserving a quota of at least one-fifth of the Statutory Auditors elected to the less represented gender for the first mandate in which the law is applied. Moreover, in July 2018 the Corporate Governance Code was updated and supplemented to introduce recommendations on diversity, and also gender, as to how management and control bodies are composed (principle 8.P.4 and related criteria for application of the Corporate Governance Code) with the aim of preserving the effects of Law 120/2011 on the composition of the corporate bodies of listed companies, inviting the

companies to apply the new recommendations starting from the first renewal of company offices after the discontinuance of Law 120/2011's effectiveness.

Under the Bylaws, the Board of Statutory Auditors is appointed through the presentation of slates made in such a way as to ensure equal access to and the presence of the less represented gender among its members. Specifically, under art. 24.2 of the Bylaws, and in line with the provisions of the application criterion 8.C.3 of the Corporate Governance Code, the slates containing a number of candidates that are equal to or more than three must consist of candidates belonging to both genders, so that at least one third (rounded up) of the candidates for the office of Standing Auditor and at least one third (also rounded up) of the candidates for the office of Alternate Auditor belong to the less represented gender.

Upon the most recent renewal of the Board of Statutory Auditors in 2017, the Shareholders' Meeting appointed one woman as Standing Auditor, Ms. Antonella Suffriti, corresponding to one third of the total members of the Board of Statutory Auditors, in accordance with the provisions of Law 120/2011.

Moreover, the members of the Board of Statutory Auditors have skill sets ensuring an adequate level of diversity, not only in terms of gender composition of the Board, but also in terms of age and educational and professional experience. In particular, all the members of the Board of Statutory Auditors have extensive experience in the field of tax and corporate consultancy, in particular in the industry and fashion sectors.

### **The Policy**

As indicated under paragraph 4.2 of this Report, the Company adopted a policy on diversity for the composition of the Board of Directors and the Board of Statutory Auditors.

The Policy was previously submitted to the review of the Nomination and Remuneration Committee, together with the Board of Statutory Auditors, at its meeting on October 4, 2018 and was subsequently approved by the Board of Directors at its meeting on December 18, 2018, in implementation of art. 123-*bis*, paragraph 2, letter d-*bis* of the Italian Consolidated Law on Finance and in acceptance of the new recommendations of the Corporate Governance Code on diversity.

This Policy pursues the Company's objective, which is in line with the stakeholders' expectations and in compliance with the cornerstones on which the corporate governance system and the values of the Code of Ethics are based, of creating the necessary conditions for its management and supervisory bodies to exercise their duties in the most effective and lawful manner, through decision-making processes that express a majority of qualified and diverse contributions.

The Policy will apply upon renewal of the Board of Statutory Auditors which will be submitted to the Shareholders' Meeting convened for the approval of the financial year statements 2019.

As for the implementation, the Policy primarily intends to guide the submission of candidacies by the Shareholders upon renewal of the entire Board of Statutory Auditors, then ensuring an adequate consideration of the benefits deriving from a balanced composition of the Board, in line with the abovementioned diversity aspects.

A description of the results will be provided, starting from the first year after the adoption of this Policy, in the annual Report on corporate governance and on the ownership structures in accordance with art. 123-*bis* of the Italian Consolidated Law on Finance.

For further details on the Policy please refer to the document published on the Company's website [www.monclergroup.com](http://www.monclergroup.com), under sections "*Governance/Governance and ethics*", "*Governance/Documents and procedures*" and "*Governance/Shareholders' Meeting*".

All the members of the Board of Statutory Auditors meet the independence requirements provided for in art. 148, paragraph 3, of the Consolidated Law on Finance and, as stated in the respective resume and additional information provided in this paragraph, the requirements of integrity and professional qualifications required by art. 148 of the Consolidated Law on Finance and art. 3 of the Corporate Governance Code and the implementing regulations adopted by the Decree of the Ministry of Justice no. 162/2000.

In the declaration of candidacy and acceptance of the office of auditor of the Company, all the auditors have also certified (i) that there are no grounds for their ineligibility, revocation, or incompatibility, (ii) that they meet all integrity, independence, and professionalism requirements, in compliance with law and with the bylaws, for the office of auditor of Moncler which is a listed company; (iii) that they do not hold management or control positions equal to or exceeding the limits established by law; and (iv) that they will communicate promptly to the Company and, on its behalf, the Board of Directors and the other members of the Board of Statutory Auditors, any changes to the declaration and any supervening grounds for revocation.

The Board of Statutory Auditors assessed the independence of its members as soon as possible after their appointment, and subsequently, annually, at its meetings and, most recently, during the Financial Year according to criteria referred to in art. 3 of the Corporate Governance Code. At the meeting held in the Financial Year during which the Board of Statutory Auditors verified that the same Statutory Auditors continue to satisfy the independence requirements, the Board of Statutory Auditors carried out a self-evaluation activity in the context of which it was examined and ascertained the suitability of the members of the Board of Statutory Auditors and the appropriate composition of the same. The results of these activity were recorded and they were promptly communicated to the Board of Directors.

The Board of Statutory Auditors met on eleven occasions during the Financial Year and each meeting lasted an average of about two hours.

All the members of the Board of Statutory Auditors attended to all the meetings.

For the current Financial Year, the Board of Statutory Auditors has scheduled eleven meetings, one of which has already been held on January 23, 2019.

As regards the initiatives promoted by the Chairman of the Board of Directors aimed at providing statutory auditors with adequate knowledge of the area of activity in which the Company operates, reference should be made to the matters described in paragraph 4.2.

The remuneration of the Statutory Auditors is proportionate to the commitment required from each of them, to the importance of his/her role as well as to the size and business sector of the Company. More specifically, on April 20, 2017 the Shareholders Meeting granted 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.

As discussed in paragraph 10, in the performance of its duties the Board of Statutory Auditors has co-ordinated and regularly liaises with the Internal Audit department, with the Control, Risks and Sustainability Committee, with the Director in charge of the Internal Control and Risk Management System, with the Manager assigned to drawing up the corporate accounting documents and with the auditing firm.

The Company has not found it necessary to formalise and adopt procedures for the obligation of the statutory auditor, who on his or her own behalf or that of third parties has an interest in a specific

corporate transaction, to inform promptly and thoroughly the other auditors and the Chairman of the Board of Directors about the nature, terms, origin and scope of the interest, deeming as effective and adequate, on one side, the obligations and the protections applicable to the statutory auditors in accordance with the applicable regulatory and legislative discipline of the Corporate Governance Code; on the other side, having the widest cooperation and dialogue in this regard with the statutory auditor who acts transparently and the full information of the Board.

## 14 RELATIONS WITH SHAREHOLDERS

The Company believes it is essential and of a strategic interest and duty to establish and maintain a constant and open dialogue with shareholders, investors, including institutional investors, and more generally with all the involved stakeholders of Moncler and the Group.

To this end, the Board of Directors, adhering to the recommendations set out in art. 11 of the Corporate Governance Code, appointed the official responsible for relations with the shareholders and investors (Investor Relator) in the person of Ms. Paola Durante.

A special section of the Company's website [www.monclergroup.com](http://www.monclergroup.com) is dedicated to providing financial and corporate information for investors and called "Investor Relations" within which an e-mail address is provided for collecting and responding to requests for information made by shareholders and investors.

The coordinates of the Head of Investor Relations are:

**Paola Durante**  
**Investor Relations and Strategic Planning Director**  
**Tel: +39 02 42203500**  
**[investor.relations@moncler.com](mailto:investor.relations@moncler.com)**

## 15 SHAREHOLDERS' MEETINGS

The Shareholders' Meeting shall decide on all matters within its jurisdiction by law.

The resolutions, both at ordinary or extraordinary Shareholders' Meetings shall be taken by the majority required by law, subject to the provisions of art. 12.3 of the Bylaws, under which the Shareholders' Meeting is duly constituted with the presence of shareholders representing at least half of the share capital, and shall be effective with the favourable vote of at least 70% of the share capital represented at the Shareholders' Meeting, for resolutions relating to: (i) capital increases or the issue of convertible bonds or other convertible financial instruments or giving the right to receive, for any reason, the Company's shares, with the exclusion of option rights, or even if there is no exclusion of this right, if issued at a unit issue price that has not been calculated based on the fair market value of the Company taking into account the average stock exchange price of the six (6) months prior to the date of the meeting of the Board of Directors resolving the proposed increase in capital or issue of bonds or other securities referred to in this paragraph (i); (ii) mergers or demergers involving companies not wholly owned by the Company; (iii) changes to the Company's Bylaws relating to (a) the business purpose; (b) the appointment of the governing bodies; or (c) the rights of shareholders, including but not limited to any qualified majority; and (iv) the request for voluntary exclusion from trading.

Under art. 8 of the Bylaws, ordinary and extraordinary Shareholders' Meetings are normally held in the municipality where the Company's registered office is located, unless otherwise resolved by the Board of Directors, and provided that it is in Italy or in a country in which the Company operates, directly or

through its affiliates or subsidiaries.

The ordinary Shareholders' Meeting must be convened at least once a year to approve the Financial Statements, within one hundred twenty days after the close of the financial year or within one hundred and eighty days, since the Company is required to prepare consolidated annual accounts or, in any case, when it is required by the extraordinary demands on the structure and purpose of the Company.

The relevant notice of summon is made within the time prescribed by the applicable laws and regulations in force from time to time by notice published on the Company's website, as well as the manner prescribed by applicable laws and regulations in force from time to time with a notice period of not less than the minimum required by law prior to the date fixed for the Shareholders' Meeting.

Ordinary and extraordinary Shareholders' Meetings are held in a single call.

Those who may participate and intervene in the Shareholders' Meeting are those who have the right to vote and their representatives in accordance with legal rules and regulations from time to time in force.

Under art. 10 of the Bylaws, those who are entitled to vote may be represented at the Shareholders' Meeting, in accordance with law, by proxy issued in the manner provided by law. The proxy may be notified to the Company by mail or by e-mail transmission in the manner specified in the convening notice.

The Company does not exercise the option provided for by law to appoint a representative to whom shareholders may assign a proxy with voting instructions on all or some of the proposals on the agenda of the Shareholders' Meeting.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his absence or impediment, by the Deputy Chairman or the Managing Director, if present; in their absence the Shareholders' Meeting elects the Chairman.

Shareholders' Meetings are governed by specific Shareholders' Meeting Regulations which were approved by the resolution of October 1, 2013 and are effective from December 16, 2013.

The Shareholders' Meeting Regulations have been adopted in order to regulate the orderly and efficient conduct of Shareholders' Meetings and to benefit the rights of shareholders in compliance with the regulations enacted in the European Community Directive 2007/36/EC (known as the Shareholders' Rights Directive) and the recommendations found in art. 9 of the Corporate Governance Code.

For regulating and facilitating any action undertaken by right holders, art. 6 of the Shareholders' Meeting Regulations provides that those who have the right to vote may ask to speak on the topics under discussion only once, making comments and asking for information. In exercising their right to vote right-holders may also make proposals. In order to ensure orderly conduct of the Shareholders' Meeting, the Chairman has the right to determine, at the beginning or during the discussion of individual topics, a term for the submission of requests for intervention. The Chairman shall lay down the methods of inquiry and conduct of operations and the order of execution of the same. The Chairman, taking note of the object and relevance of individual topics under discussion as well as the number of requests to speak and any questions made by members before the Shareholders' Meeting which have not already been answered by the Company, predetermines the duration of interventions and replies – normally not more than ten minutes for interventions and five minutes for replies – in order to ensure that the Shareholders' Meeting can conclude its work in a single session.

The Shareholders' Meeting Regulations are available on the Company's website [www.monclergroup.com](http://www.monclergroup.com) in the section "*Governance/Documents and procedures*" to which reference should be made for any further

details.

In the course of the Financial Year, on April 16, 2018 a general Shareholders' Meeting was held (i) in the ordinary session for the approval of the financial statements as of December 31, 2017 and of the destinations of the profits for the financial year, of the remuneration policy mentioned in the first section of the Remuneration Report pursuant to art. 123-ter of the Consolidated Law on Finance, Incentive plan on ordinary shares of Moncler named "*2018-2020 Performance Shares Plan*", reserved to executive directors, employees, collaborators and consultants of Moncler S.p.A. and of its subsidiaries, Authorization to the purchase and disposal of treasury shares pursuant to the artt. 2357, 2357-ter of the Italian Civil Code and art. 132 of the Consolidated Financial Law and (ii) in the extraordinary session for the proposal of delegation of powers to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to perform a capital increase, in favor of the beneficiaries of the "*2018-2020 Performance Shares Plan*" and subsequent amendment of art. 5 of the Bylaws.

In addition to the Chairman of the Board, Remo Ruffini, who chaired the Shareholders' Meeting on April 16, 2018, attended, for the Board of Directors, the Directors Nerio Alessandri, Sergio Buongiovanni, Gabriele Galateri di Genola, Marco De Benedetti, Diva Moriani, Guido Pianaroli, Stephanie Phair and Luciano Santel; for the Board of Statutory Auditors, the Chairman Mario Valenti and the Standing Auditors Raoul Francesco Vitulo and Antonella Suffriti.

The Company is part of the FTSE-MIB of Borsa Italiana as of March 24, 2014, having reached, after the listing on the MTA, a market capitalization that at the date of the present Report is equal to Euro 8,751,606,442.

During the Financial Year no further significant changes in the market capitalization of the Company occurred. With regard to changes in the company structure of Moncler, please refer to the previous paragraph 2(g).

## 16 ADDITIONAL CORPORATE GOVERNANCE PRACTICES

The Chairman and Managing Director Remo Ruffini is assisted by a Strategic Committee composed by the Chairman and Managing Director (Chairman of the Committee), the Executive Director Sergio Buongiovanni, the Chief Corporate & Supply Officer, the Chief Marketing & Operating Office, the Operation and Supply Chain Director and the Senior Director Retail and Business Development.

The Strategic Committee assists the Chairman and Managing Director in an advisory capacity, supporting him on a continuous basis in the definition and implementation of strategies and carrying out the task of linking the main strategic areas of the Company and the Group and obtaining their agreement, ensuring consistency and agreement with Moncler's founding values, namely uniqueness, exclusivity, transversality, quality and innovation. In particular, the Strategy Committee meets on a regular basis to help define business and operational planning, product development and collections, management of the retail network and local structures (the Regions), the organization of events, the opening of new stores and entering new markets, including through the creation of joint ventures.

## 17 CHANGES SINCE THE END OF THE FINANCIAL YEAR

Save as set out under paragraph 4.2, there have been no changes in the Company's corporate governance structure since the end of the Financial Year.

## 18 CONSIDERATIONS ON THE LETTER SENT BY THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE ON DECEMBER 21, 2018

The Chairman of the Board of Directors drew the attention of the Board and, insofar as it falls within the competence, of the Board of Statutory Auditors, in a meeting held on February 28, 2019, on the advices contained in the letter sent on December 21, 2018 by the Chair of the Corporate Governance Committee (the “**Letter**”), thereby lingering over the criticalities identified therein. The above recommendations have also been submitted to the Nomination and Remuneration Committee and the Control, Risks and Sustainability Committee for their relevant evaluations on the matters falling within the respective competence.

With regard to the first criticality, pertaining to the pre-meeting information and, more specifically, to the need for the Board to express an explicit assessment of the adequacy of pre-meeting information during the Financial Year, the Board acknowledged that the delivery of the documentation to the Directors and Statutory Auditors is competence of the Secretary of Corporate Affairs who coordinates with the Chairman of the Board of Directors well in advance of the meetings. The foregoing is made by taking into due consideration the urgency, if applicable, related to certain matters. Three days before the Board’s meetings are usually considered to be an appropriate advance notice to send the documentation. Such advance notice has generally been complied with.

On the other hand, with regard to the second criticality identified in the Letter concerning the concrete and full application of the independence criteria recommended by the Corporate Governance Code, the Board acknowledged that the same Board verifies each year the fulfilment of the independence requirement by the Directors representing the majority of the Board. The independence of Directors has always been of utmost importance for Moncler: the Company has always ensured full transparency and the results of the analyses carried out with respect to the independence (in relation to which the criteria recommended by the Corporate Governance Code have been properly applied) have always been disclosed. Indeed, six of the eleven members of the current Board of Directors meet the independence requirements set forth by the combined provisions of artt. 147-*ter*, paragraph 4, and art. 148, paragraph 3, of the Consolidated Law on Finance, and pursuant to art. 3 of the Corporate Governance Code.

The third criticality identified in the Letter pertains to transparency in the methodology of the Board evaluation and, more specifically, to the need, above all for large issuers, that a Board component will supervise the Board review process and that issuers adopt the evaluation procedure that will enhance the contribution of each individual Director. In this regard, the Board positively acknowledged that in the Financial Year the Board evaluation has been conducted with the support of an external consultant, namely MorrowSodali. A description of the manner in which it has been conducted is set forth in this Report; in the context of such activity has been enabled to point out noteworthy issues that could deserve an in-depth analysis.

The last criticality concerns the evaluation by the Board and the Nomination and Compensation Committee with respect to the adequacy of the remuneration policy with the pursuit of the goal of the company’s sustainability in the medium to long term. In this regard the Committee acknowledged the opportunity to evaluate the adoption of additional measures (other than those currently contemplated by the remuneration policy) in order to enforce the sustainability with respect to the performance.

\* \* \*

Milan, February 28, 2019

**Moncler S.p.A.**

On behalf of the Board of Directors

The Chairman

Remo Ruffini

**TABLES****Table 1: Information on Corporate Structures**

<b>Capital structure</b>				
	No. of shares	% of share capital	Listed (indicate markets)/unlisted	Rights and obligations
Ordinary shares	255,820,124	100%	<i>Mercato Telematico Azionario</i>	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-

<b>Other financial instruments</b>				
	Listed (indicate markets) / unlisted	No. of instruments in circulation	Class of shares for conversion / exercise	No. of shares for conversion / exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

<b>Significant shareholdings (*)</b>			
Declarant	Direct shareholder	No. of shares	% of ordinary share capital
RUFFINI REMO	RUFFINI PARTECIPAZIONI SRL	66.921.551	26,2%
EURAZEO SA	ECIP M SA	12.199.626	4,8%

Table 2: Structure of the Board of Directors and of the Committees

Board of Directors													Control, Risks and Sustainability Committee	Nomination and Remuneration Committee	Committee for related-party transactions			
Office	Members	Birth year	First appointed on*	In charge as of	In charge until	List**	Exec.	Non-exec.	Indep. (under Law)	Indep. (under Consolidated Law on Finance )	No. of other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
1. Chair ♀	Ruffini, Remo	1961	Oct. 01, 2013	Apr. 20, 2016	SH mtg appr. FS 2018	M	X				-	5/5						
2. Director •	Buongiovanni, Sergio	1962	Oct. 01, 2013	Apr. 20, 2016	SH mtg appr. FS 2018	M	X				-	5/5						
3. Director	Morgon, Virginie	1969	Oct. 01, 2013	Apr. 20, 2016	SH mtg appr. FS 2018	M		X			2	5/5			3/3	M		
4. Director	Phair, Stephanie	1978	Apr. 20, 2016	Apr. 20, 2016	SH mtg appr. FS 2018	M		X	X	X	-	5/5						
5. Director	Torres Carretero, Juan Carlos	1949	Nov. 08, 2016	Nov. 08, 2016	SH mtg appr. FS 2018	M		X			1	5/5						
6. Director	Santel, Luciano	1956	Apr. 20, 2016	Apr. 20, 2016	SH mtg appr. FS 2018	M	X				1	5/5						
7. Director ○	De Benedetti, Marco	1962	Oct. 01, 2013	Apr. 20, 2016	SH mtg appr. FS 2018	M		X	X		3	4/5	5/5	M	3/3	M	-	C
8. Director	Moriani, Diva	1968	Dec. 15, 2014	Apr. 20, 2016	SH mtg appr. FS 2018	M		X	X	X	3	5/5			3/3	P	-	M

Board of Directors												Control, Risks and Sustainability Committee		Nomination and Remuneration Committee		Committee for related-party transactions		
Office	Members	Birth year	First appointed on*	In charge as of	In charge until	List**	Exec.	Non-exec.	Indep. (under Law)	Indep. (under Consolidated Law on Finance )	No. of other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
9. Director	Pianaroli, Guido	1952	Apr. 20, 2016	Apr. 20, 2016	SH mtg appr. FS 2018	m		X	X	X	-	5/5	5/5	M			-	M
10. Director	Alessandri, Nerio	1961	Nov. 04, 2013	Apr. 20, 2016	SH mtg appr. FS 2018	M		X	X	X	1	3/5						
11. Director	Galateri di Genola, Gabriele	1947	July 07, 2014	Apr. 20, 2016	SH mtg appr. FS 2018	M		X	X	X	2	5/5	5/5	C				
-----DIRECTORS CEASED DURING THE FINANCIAL YEAR-----																		
Director																		
No. of meetings held during the referred financial year: 5						Control, Risks and Sustainability Committee: 5				Nomination and Remuneration Committee: 3				Committee for related-party transactions: -				
Indicate the quorum required for the presentation of lists by minorities for the election of one or more members (pursuant to art. 147-ter Consolidated Law on Finance): 1.0% of share capital																		

## NOTES

The symbols indicated below should be entered in the column "Office":

- This symbol indicates the Director in charge of the internal control and risk management system
- ◊ This symbol indicates the main responsible officer for the management of the issuer (Chief Executive Officer or CEO)
- This symbol indicates the Lead Independent Director (LID)

\*The date of first appointment of each director shall mean the date when the Director was appointed for the first time (in absolute) in the Board of Directors of the issuer

\*\* This column contains the indication of the list from which each Director was elected ("M": Majority list; "m": minority list; "BoD": list presented by the BoD)

\*\*\* This column contains the number of offices as Director or Statutory Auditor held by the relevant Director in other listed companies on regulated markets, both in Italy and abroad, financial corporations, banks, insurance companies or companies significant in size. The Report on Corporate Governance contains the full indication of their offices

(\*) This column contains the attendance of each Director to the meetings of the BoD and of the committees respectively (*i.e.*, no. of presences / no. of meetings held during the actual term of office of the relevant Director; e.g., 6/8; 8/8, etc.).

(\*\*) This column contains the indication of the role held by each Director in the committee: "C": chair; "M": member.

**Table 3: Structure of the Board of Statutory Auditors**

Board of Statutory Auditors									
Office	Members	Birth year	Date of first appointment *	In charge as of	In charge until	List **	Indep. Code	Attendance to Board of Statutory Auditors' meetings ***	No. of other officers ****
<b>Chair</b>	Losi, Riccardo	1967	20.04.2017	20.04.2017	Ass. appr. Bil. 2019	m	X	11/11	11
<b>Standing Auditor</b>	Valenti, Mario	1942	12.10.2011	20.04.2017	Ass. appr. Bil. 2019	M	X	11/11	17
<b>Standing Auditor</b>	Suffriti, Antonella	1960	29.04.2014	20.04.2017	Ass. appr. Bil. 2019	M	X	11/11	-
<b>Deputy Auditor</b>	Banfi, Lorenzo Mauro	1959	12.10.2011	20.04.2017	Ass. appr. Bil. 2019	M	X	-	35
<b>Deputy Auditor</b>	Albizzati, Federica	1969	20.04.2017	20.04.2017	Ass. appr. Bil. 2019	m	X	-	33
-----AUDITORS CEASED DURING THE REFERRED FINANCIAL YEAR-----									
-	-	-	-	-	-	-	-	-	-
No. of meetings held during the referred financial year: 11									
Indicate the quorum required for the presentation of lists by minorities for the election of one or more members (pursuant to art. 148 Consolidated Law on Finance): 1.0% of share capital									

**NOTES**

\* The date of first appointment of each director means the date when the Auditor was appointed for the first time ever in the Board of Statutory Auditors of the issuer

\*\* This column contains the indication of the list from which each Auditor was elected (“M”: majority list; “m”: minority list)

\*\*\* This column contains the percentage of attendance of each Statutory Auditor to the meetings of the Board of Statutory Auditors (*i.e.*, no. of presences / no. of meetings held during the actual term of office of the relevant Auditor; e.g., 6/8; 8/8, etc.).

\*\*\*\* This column contains the number of offices as Director or Statutory Auditor held by the relevant Auditor pursuant to art. 148-*bis* of the Consolidated Law on Finance and the relevant implementation provisions included in Consob’s Issuers’ Regulations. A complete list of offices is published by Consob on its website pursuant to art. 144-*quinquiesdecies* of the Issuers’ Regulations