



# MONCLER

EXTRAORDINARY SHAREHOLDERS' MEETING

16 March 2020

# KEY SUMMARY OF PROPOSED AMENDMENTS TO THE BY-LAWS

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# PROPOSED AMENDMENTS TO THE BY-LAWS

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## Single proposal of amendments to the By-Laws submitted to the Shareholders' approval:

- Underpin Moncler's growth strategy while continuing to create long-term value for the Shareholders
- Further strengthen and consolidate Moncler's governance, by aligning its structure to best-in class companies globally

In this context, the Board of Directors of Moncler (the "Board") is proposing:

- The adoption of increased voting rights (*maggiorazione del voto*) with a limited duration ("sunset") until 30 June 2028 (article 5)
- The election of the Chairman among the Independent Directors (article 14)
- An increase in the number of Independent Directors to represent the majority of board members (article 13)
- The introduction of right of the outgoing board of Directors to present its own list of candidates for the board (article 13)
- The deletion of the special quorums to convene the extraordinary Shareholders' meeting and pass resolutions on certain matters (articles 8 and 12)
- The replacement of the fixed number of Directors (11 or 13) with the indication of a minimum number of 9 Directors and a maximum number of 13 Directors (article 13)
- The introduction of the right of the Company to appoint the "*designated representative*" / "*rappresentante designato*" for the Shareholders' meetings (article 10)
- The appointment of the Chairman and Vice-Chairman by the board of Directors, if not already appointed by the Shareholders' Meeting (article 14)



- 1** Increased voting rights (*maggiorazione del voto*) and similar enhanced voting mechanisms, (dual class or loyalty shares) are already adopted by several key players in the Luxury space, where Moncler operates
- 2** Increased voting rights are aimed at providing the Company's management team and creative direction, both led by Remo Ruffini, with stability and continuity to enable it to pursue its growth path with the support of stable investments and the long-term commitment of Shareholders who share such approach and strategy
- 3** Increased voting rights will introduce further flexibility in the share capital structure of Moncler by reducing shareholder dilution in the event of acquisitions
- 4** By encouraging stable investments and the long-term commitment of Shareholders, the increase in voting rights will contribute to balance potential short-term oriented investment strategies
- 5** The increased voting rights have a limited duration ("sunset") until 30 June 2028, in line with international best practices for similar enhancements of voting rights

# HOW INCREASED VOTING RIGHTS WORK



## WHO IS ENTITLED TO APPLY FOR THE INCREASED VOTING RIGHTS

Any person holding Moncler voting shares by virtue of either one of the following rights *in rem*:

- full ownership of the voting shares
- bare ownership of the voting shares
- usufruct of the voting shares

## APPLICATION AND REGISTRATION IN THE LIST

Following the approval of the EGM and completion of the procedures to set up the Company's special increased voting rights list (the "List"), any entitled person may apply for registration in the List, through its custodian

## AUTOMATIC ACCRUAL OF THE INCREASED VOTING RIGHTS ON THE EXPIRY OF AT LEAST 24 MONTHS

Increased voting right (2 votes) will automatically accrue at the expiry of the proposed period of at least 24 months of uninterrupted ownership of the registered shares

## FORFEITURE, REMOVAL/WAIVER, MAINTENANCE AND EXTENSION

### Forfeiture

- Transfer of the registered qualifying right *in rem* (free of charge or for consideration)
- Change of control of the registered shareholders with voting rights above 3%

### Removal and Waiver

- Removal from the List (in whole or in part) during the 24 months holding period
- Irrevocable waiver the accrued voting rights (in whole or in part)

### Maintenance and Extension

- Succession
- Merger or de-merger of the shareholder, if there is not a change of control
- Extension to newly issued shares in the event of a capital increase

## LIMITED DURATION OF THE INCREASED VOTING RIGHTS (SUNSET PROVISION)

The increased voting rights will be subject to a so-called "sunset provision" being effective for a limited period of time i.e. it will automatically expire on **30 June 2028**

## RATIONALE OF THE ADDITIONAL AMENDMENTS TO THE CURRENT BY-LAWS



- 1** The **election of the Chairman among the Independent Directors** will result in the separation of CEO/Executive Director and Chairman roles
- 2** The **increase in the number of Independent Directors to constitute the majority of board members** sets a quota that is **higher than the minimum required by applicable law** (2 independent directors for boards of directors composed of more than 7 members) **and higher than what recommended by the new Corporate Governance Code** for listed companies published on January 31, 2020 (at least half of the management board of large-size companies that do not have a concentrated ownership as Moncler)
- 3** The **right of the outgoing board of Directors to present its own list of candidates** for the board will align Moncler to the governance adopted by companies with an entirely public float
- 4** The **deletion of the special quorums** will align the By-Laws of the Company with those of other Italian listed companies which apply standard legal quorums
- 5** The **replacement of the fixed number of Directors with the indication of a minimum and a maximum number** of Directors will allow higher flexibility in respect to the size and composition of the management board
- 6** The introduction of the right for the Company to appoint the “**designated representative**” (*rappresentante designato*) for the Shareholders’ meetings is aimed at encouraging and facilitating the participation of Shareholders at Shareholders’ meetings, and reduces costs incurred by Shareholders
- 7** The **appointment of the Chairman and Vice-Chairman by the Board of Directors, if not already appointed by the Shareholders’ Meeting** is in line with the standard rules adopted by Italian listed companies

