MONCLER S.p.A.

Registered office at Via Stendhal 47, Milan - fully-paid share capital Euro 51,661,324.80
Milan Companies Register, tax code and VAT no. 04642290961 - REA no. 1763158

Directors' explanatory report on the fourth item on the agenda of the Ordinary Shareholders' meeting called for June 11, 2020 in single call.

Item no. 4 on the agenda – **Incentive plan based on shares concerning the allocation of ordinary shares of Moncler S.p.A. named "2020 Performance Shares Plan", reserved to executive directors, executives with strategic responsibility, employees and/or collaborators and/or consultants of Moncler S.p.A. and its subsidiaries. Subsequent and related resolutions.**

Dear Sirs,

The Board of Directors convened the ordinary shareholders' meeting in order to submit to your approval, pursuant to article 114-*bis* of Italian Legislative Decree No. 58 of February 24, 1998, and subsequent amendments and integrations (the "**Consolidated Financial Act**"), an incentive and loyalty plan named "2020 Performance Shares Plan" (the "**Plan**") addressed to Executive Directors, Executives with Strategic Responsibility, employees and collaborators of Moncler S.p.A. ("**Moncler**" or the "**Company**") and its subsidiaries pursuant to article 93 of the Consolidated Financial Act (the "**Subsidiaries**"), to be executed through the gratuitous allocation of Moncler's ordinary shares (the "**Shares**"), upon achievement of certain performance targets, and for the execution of which the Company will avail itself of: (i) its own shares reacquired by the Company upon authorization granted by the Shareholders' Meeting from time to time, pursuant to article 2357 of the Italian Civil Code; and (ii) shares resulting from a capital increase pursuant to article 2349 of the Italian Civil Code for a maximum nominal value amount of Euro 400,000.00 and maximum No. 2,000,000 shares; in order to resolve upon such share capital increase, it will be also submitted to the Ordinary Shareholders' Meeting the proposed proxy to the Board of Directors, pursuant to article 2443 of the Italian Civil Code.

The proposed capital increase pursuant to art. 2349 of the Italian Civil Code which serves the Plan, together with the description of the terms and conditions thereof, are clarified by a specific directors' report drafted in accordance with article 72 and Annex 3A, of the Regulation adopted by CONSOB with Resolution No. 11971 of May 14, 1999 and subsequent amendments and integrations (the "**Issuers' Regulation**"), which will be publicly available on the Company's website www.monclergroup.com, in the section "*Governance /Shareholders' Meeting*" as well as on the storage mechanism www.1info.it within the terms set forth by the sector regulations. For further information regarding the capital increase please refer to such documents and to the following point 2. The above proposal will be submitted to the Extraordinary Shareholders' meeting of the Company to be held on June 11, 2020 (the "**Extraordinary Meeting**").

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

1) Reasons behind the adoption of the Plan

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

2) Object and implementation of the Plan

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

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

As for the effect of such Capital Increase on Moncler's subscribed and paid-up share capital, the full subscription of the share capital increase pursuant art. 2349 of the Italian Civil Code serving the Plan, assuming no other capital increases are resolved upon, would entail, for the Company's shareholders, a dilution of 0.8% of the current share capital.

For the purposes of the execution of the Plan as above illustrated, it will be submitted to the Extraordinary Shareholders' Meeting, as the only item of the agenda of the same, the proposed proxy to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for a five-year period from the date of the resolution, the faculty to resolve upon a gratuitous and divisible capital increase pursuant to article 2349 of the Italian Civil Code.

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

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

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

3) Beneficiaries of the Plan

The Plan is intended for Executive Directors and/or Executives with Strategic Responsibilities, and/or employees and/or collaborators, including external consultants, of Moncler or of the Subsidiaries holding key positions in the pursuit of Moncler's strategic objectives, identified by the Board of Directors pursuant to the Regulation of the Plan and subject to the opinion of the Remuneration Committee.

In this regard it is highlighted that, during the meeting of the Board of Directors of Moncler held on April 22, 2020, the Chairman and CEO, Remo Ruffini, communicated to waive being eventually designated as beneficiary, during the 2020 financial year, of the first Attribution Cycle of the Plan, in case of approval of the same Plan by the Shareholders' Meeting to be held on June 11, 2020.

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

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

The Plan provides one or more Attribution Cycles, up to a maximum of three and each one composed of a 3-year vesting period for the assessment of the Performance Targets (the "**Vesting Period**") to which the allocation of the Shares is subject.

The Performance Targets of any Attribution Cycle are defined by the Board of Directors, subject to prior proposal of the Remuneration Committee and the Control, Risks and Sustainability Committee, each for the parts for which it is responsible before the granting of the Moncler Rights to the Beneficiaries.

In particular, the Performance Targets are determined on the basis of the following indicators: (i) Net Income, (ii) Free Cash Flow and (iii) ESG (collectively, the "**KPIs**" or "**Indicators**") and are expressed by the ratio of the KPIs achieved to the KPIs indicated as targets in the Vesting Period (the "**KPI Target**").

In particular, for each Attribution Cycle, the Board of Directors of Moncler:

- shall have previously approved the business plan for the three-year period in relation to which the (i) Net Income and (ii) Free Cash Flow Indicators of the reference Vesting Period shall be identified, and (ii) previously defined the ESG Indicators related to the Sustainability Plan (which include commitments related to to Moncler's adherence to the Fashion Pact[1] for the reference three-year Vesting Period);

- shall assess the achievement of the Performance Targets, (i) with reference to the (i) Net Income and (ii) Free Cash Flow Indicators, after evaluation by the Remuneration Committee and following approval of the consolidated financial statements relating to the last financial year of the three-year period of reference of any Attribution Cycle, while (ii) with reference to the ESG Indicators, after evaluation by the Control, Risks and Sustainability Committee and following approval of the consolidated non-financial statement relating to the last financial year of the three-year period of reference of any Attribution Cycle.

Furthermore, the achievement of the ESG Indicators shall be verified and confirmed by the issue, by an independent third party appointed by the Board of Directors on the proposal of the Control, Risks and Sustainability Committee, who shall act as external auditor (the "**Advisor**"), of an assurance letter at the end of each Attribution Cycle.

Should the Group achieve, at the end of the Vesting Period, KPIs lower or higher than the KPI Target, the number of Shares to be allocated to any Beneficiary will be reduced or increased proportionally to the Moncler Rights granted to such Beneficiary as indicated in the following table.

KPI	**Weight (%)**		**Performance / Payout (% of achievement/ % of allotment of Shares compared to Moncler Rights granted)**		
			Minimum	**KPI Target**	**Maximum**
Net Income (*)	70	Performance	-10%	Plan cumulative Target	+5%
-		Payout	80	100	120
Free Cash Flow (**)	15	Performance	-10%	Plan cumulative Target	+5%
-		Payout	80	100	120
ESG	15	Performance	Achievement of at least two ESG Indicators within the reference period	Achievement of all three ESG Indicators within the reference period	Achievement of all three ESG Indicators within the reference period and inclusion of Moncler, for each year of the reference period, in the Dow Jones Sustainability Index
		Payout	80	100	120

(*) Pre IFRS16
(**) Pre IFRS16 and net of changes in other receivables, current and non-current payables.

[1] Which is the agreement to which the world's leading companies in the fashion and textile sectors, including Moncler, have adhered. The Fashion Pact is aimed at defining globally shared targets for the safeguard of the planet, and is focused on three main aspects, such as climate change, safeguard of ocean life and biodiversity.

For each objective, the level of achievement is determined with linear interpolation between the minimum, target and maximum target levels.

The potential payout determined at the time of the allotment of Shares as a percentage of the base salary is equal to about 110% (minimum), 137% (target), 164% (maximum).

In case of failure to achieve the minimum Performance Targets during the Vesting Period, the Moncler Rights shall be considered as expired to all purposes.

In order to benefit the Plan, without prejudice to specific exceptions, the Regulation requires the existence of a directorship and/or employment relationship and/or self-employment/ collaboration/ consultancy relationship between the Beneficiary and the Company or a Subsidiary. (the "**Relationship**"). The termination of the Relationship affects the allocation of the Shares, and triggers the expiration of the Moncler Rights, in the cases set forth by the Plan.

The Plan also provides that, should an extraordinary event occur (change of control, launch of a tender offer for the purchase or exchange of the Moncler Shares, delisting of the Moncler Shares from the MTA, the Beneficiaries of the Plan will have the right to request the early allocation of a number of Shares to be determined *pro rata temporis*, after verification of the achievement of the Performance Targets pursuant to the Regulation of the Plan.

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

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

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

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

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

In particular, the Beneficiaries that are Executive Directors or Executives with Strategic Responsibility, in accordance with the recommendations of the Self-Regulatory Code, shall not transfer, respectively: (i) a number of Shares equal to 30% of those allocated until the end of their office, and (ii) a number of Shares equal to 30% of those allocated, for at least 24 months from the Allocation Date, net of the Shares assignable for the payment of taxes, and social security contributions, where due, connected with the allocation of the Shares.

The Beneficiaries who are Executive Directors or Executives with Strategic Responsibility to whom Substitutive Amounts have been allocated pursuant to article 13 of the Regulation shall be required to reinvest the Substitutive Amounts in Shares of the Company to be held continuously on the terms and conditions set out in that article, commencing on the date of purchase of the Shares.

* * *

Dear Sirs,

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

- *having examined the directors' report drafted by the Board of Directors in accordance with article 114*-bis *and 125*-ter *of Italian Legislative Decree No. 58 of February 24, 1998, and subsequent amendments and integrations;*
- *having examined the information memorandum drawn up in accordance with article 84*-bis *of the Regulation adopted by*

CONSOB with Resolution No. 11971 of May 14, 1999, as subsequently amended, which is publicly available in accordance with the applicable regulations

resolves

(i) *to approve, pursuant to and for the purposes of article 114-*bis *of Italian Legislative Decree No. 58 of February 24, 1998, the adoption of the incentive plan based on shares named "2020 Performance Share Plan" with the features (including conditions and implementation requirements) indicated in the Directors' report and in the information memorandum of the Plan;*

(ii) *to grant the Board of Directors, all necessary and specific powers, including the power to sub-delegate, to execute the "2020 Performance Shares Plan", namely including, but not limited to, all powers in order to prepare, adopt the regulation of the Plan and to modify it and/or integrate it, to identify the beneficiaries and to determine the amount of Moncler rights to be granted to each beneficiary, to provide for the allocation of the shares, as well as to carry out all acts, duties, formalities, notices necessary or appropriate in order to manage and/or execute the Plan, as well as in order to comply with legal and regulatory requirements ensuing from these resolutions"*

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Milan, April 22, 2020

On behalf of the Board of Directors

The Chairman, Remo Ruffini