



**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 first item on the agenda of the Extraordinary Shareholders' meeting called for June 11, 2020 in single call.**

## EXTRAORDINARY SHAREHOLDERS' MEETING

*Item No. 1 of the agenda* – **Proposal to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, for a term of five years from the date of the relevant resolution, with the power to increase the share capital free of charge in tranches, pursuant to article 2349 of the Italian Civil Code, by issuing not more than 2,000,000 ordinary shares, for an amount not exceeding Euro 400,000, at a value equal to the par value of the Moncler's shares on the date of execution of the capital increase, to be entirely charged to the share capital, to be assigned to the employees of Moncler S.p.A. and of its subsidiaries, which are beneficiaries of the incentive plan concerning the ordinary shares of Moncler S.p.A., named "2020 Performance Shares Plan"; subsequent amendment of art. 5 of the By-laws currently in force.**

Dear Sirs,

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

The Board of Directors has called this extraordinary shareholders meeting in order to resolve upon the granting, pursuant to art. 2443 of the Italian Civil Code, to the Board of Directors of a proxy, for a term of five years from the date of the relevant resolution, empowering the same to resolve upon a gratuitous and divisible capital increase, pursuant to art. 2349 of the Italian Civil Code, of maximum Euro 400,000 with the issuance of a maximum number of 2,000,000 ordinary shares, at a value equal to the par value of the Moncler shares on the date of the execution of the capital increase, to be entirely charged to capital account, to be awarded to the subordinate employees of Moncler S.p.A. ("**Moncler**" or the "**Company**") and its subsidiaries which may be appointed as beneficiaries of the 2020 incentive plan concerning the ordinary shares of Moncler named "2020 Performance Shares Plan", with the subsequent amendment of art. 5 of the By-laws currently in force.

### 1. Reasons for the capital increase

The meeting of the Board of Directors held on February 10, 2020 has resolved upon, among others, the submission to the Ordinary Shareholders' Meeting, as second item of the agenda an incentive and loyalty plan named "2020 Performance Shares Plan" (the "**Plan**"), addressed to the executive directors, executive with strategic responsibilities, employees, collaborators and consultants of Moncler and its subsidiaries pursuant to art. 93 of the Consolidated Financial Act, to be executed through the gratuitous allocation of Moncler ordinary shares (the "**Shares**"), upon achievement of certain performance targets (the "**Performance Targets**").

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

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

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

Therefore, for the purposes of securing a sufficient amount of Shares to be allocated to the subordinate employees of Moncler and its subsidiaries which may be appointed as beneficiaries of the Plan upon achievement of the Performance Targets, the Board of Directors hereby suggests granting, pursuant to art. 2443 of the Italian Civil Code, the same Board of Directors a proxy, for a term of five years from the date of the relevant resolution, empowering the same to resolve upon a gratuitous and divisible capital increase,

pursuant to art. 2349 of the Italian Civil Code, of maximum Euro 400,000 with the issuance of a maximum number of 2,000,000 ordinary shares, at a value equal to the par value of the Moncler shares on the date of the execution of the capital increase, to be entirely charged to capital account, to be awarded to the subordinate employees of Moncler and its subsidiaries which may be appointed as beneficiaries of the Plan.

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

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

For the execution of the capital increase serving the Plan, it is hereby proposed to empower the Board of Directors, pursuant to article 2443 of the Italian Civil Code, to resolve upon a gratuitous and divisible capital increase through profits and reserves to be identified by the Board of Directors, pursuant to article 2349 of the Italian Civil Code, of maximum Euro 400,000 with the issuance of a maximum number of 2,000,000 ordinary shares, with par value equal to the Moncler shares on the date of the execution of the capital increase, to be entirely charged to capital account.

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

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

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

## **3. Features of the newly issued shares**

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

## **4. Amendments to article 5 of the by-laws**

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

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

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

Wording currently in force	Proposed wording
<p>5.1 The Company's share capital shall consist of EUR 51.661.324,80, represented by 258.306.624 shares with no stated nominal value. The Company's share capital may be increased by a Shareholders' Meeting resolution, even by means of issuing shares having different rights from ordinary shares and with contributions other than in cash, to the extent permitted by law. In resolutions for a paid-up capital increase, preemptive rights may be excluded up to a maximum of 10% of the Company's pre-existing share capital, provided that the issue price corresponds to the market price of the shares and this is confirmed by an appropriate report of a statutory auditor (<i>revisore legale</i>) or statutory audit firm (<i>società di revisione legale</i>).</p>	<p>Unchanged</p>
<p>5.2 The Shareholders' Meeting of October 1, 2013 resolved to authorize the Board of Directors, pursuant to Italian Civil Code Article 2443, to increase the Company's share capital, on one or more occasions no later than five years from the effective date of the resolution, by a maximum nominal amount of EUR 1,500,000.00 (One Million Five Hundred Thousand), with preemptive rights excluded pursuant Article 2441, paragraphs 5 and 8 of the Civil Code, in order to service one or more incentive plans in favor of directors, employees and associates (<i>collaboratori</i>) of the Company and/or its subsidiaries, to be approved by the Shareholders' Meeting, with the additional right to establish, from time to time, the dividend rights and issue price of the shares (and thus the number of shares to be issued), as well as the portion of said price to be allocated to capital, without prejudice to the requirement that the issue price be determined in compliance with legal provisions and, in particular, for increases decided upon pursuant to Article 2441 (5) of the Civil Code, taking into account the performance of the price quotations for the shares over the last six months. On April 23, 2015, the Shareholders' Meeting resolved to revoke the proxy granted by the extraordinary Shareholders' Meeting on October 1, 2013 to the Board of Directors pursuant to art. 2443 of the Civil Code for the latter to increase the share capital, to the extent said proxy has not been exercised by the Board of Directors by means of the share capital increase resolutions adopted on February 28, 2014.</p>	<p>Unchanged</p>
<p>5.3 In partial execution of the authorisation granted pursuant to art. 2443 of the Italian Civil</p>	<p>Unchanged</p>

Wording currently in force	Proposed wording
<p>Code, to the Board of Directors by the Extraordinary Shareholders' Assembly of October 1, 2013, the Board of Directors, in the meeting of February 28, 2014, resolved to make a paid divisible increase in the Company's share capital, before the final deadline of 15 October 2018, of a maximum sum of Euro 1,006,000, through the issuing, including in more than one occasion, of a maximum of 5,030,000 ordinary shares, with no par value, with the same characteristics as the ordinary shares in circulation at the issue date, with regular dividend rights, with the exclusion of options pursuant to art. 2441, paragraphs 5, 6 and 8, of the Italian Civil Code, to be reserved for the subscription of the beneficiaries of the stock option plan named "Stock Option Plan 2014-2018 Top Management and Key People" approved by the ordinary shareholders' assembly on February 28, 2014, at an issue price of Euro 10.20 per share, of which Euro 0.20 is to be credited as capital and Euro 10 as share premium. Pursuant to art. 2439, paragraph 2, of the Italian Civil Code, we are not entirely subscribed before the final deadline of October 15, 2018, the capital shall be considered to have been increased by an amount equal to the subscriptions collected. On April 23, 2015, the Shareholders' Meeting resolved to revoke the said share capital increase resolution, to the extent of nominal EUR 95,000.00. Consequently, the maximum amount of the share capital increase serving the "Stock Option Plan 2014-2018 Top Management and Key People" is limited to EUR 911,000,00, to be done by the issue of up to no. 4,555,000 ordinary shares without indication of the par value.</p>	
<p>5.4 In partial execution of the authorisation granted pursuant to art. 2443 of the Italian Civil Code, to the Board of Directors by the Extraordinary Shareholders' Assembly of October 1, 2013, the Board of Directors, in the meeting of February 28, 2014, resolved to make a paid divisible increase in the Company's share capital, before the final deadline of October 15, 2018, of a maximum sum of Euro 105,000, through the issuing, including in more than one occasion, of a maximum of 525,000 ordinary shares, with no par value, with the same characteristics as the ordinary shares in circulation at the issue date, with regular dividend rights, with the exclusion of options pursuant to art. 2441, paragraphs 5, 6 and 8, of the Italian Civil Code, to be reserved for the</p>	<p>Unchanged</p>

Wording currently in force	Proposed wording
<p>subscription of the beneficiaries of the stock option plan named “Stock Option Plan 2014-2018 Italian Corporate Structures” approved by the ordinary shareholders’ assembly on February 28 2014, at an issue price of Euro 10.20 per share, of which Euro 0.20 is to be credited as capital and Euro 10 as share premium. Pursuant to art. 2439, paragraph 2, of the Italian Civil Code, we are not entirely subscribed before the final deadline of October 15, 2018, the capital shall be considered to have been increased by an amount equal to the subscriptions collected. On April 23, 2015, the Shareholders’ Meeting resolved to revoke the said share capital increase resolution, to the extent of nominal EUR 25,645.00. Consequently, the maximum amount of the share capital increase serving the "Stock Option Plan 2014-2018 Corporate Structures Italy" is limited to EUR 79,354.20, to be done by the issue of up to no. 396,771 ordinary shares without indication of the par value.</p>	
<p>5.5 On April 23, 2015, the Shareholders’ Meeting resolved upon a paid divisible increase of the Company’s share capital to be done by and no later than June 30, 2022, up to a maximum amount of nominal EUR 509,645, by means of the issue, even in more than one <i>tranches</i>, of up to no. 2,548,225 ordinary shares without indication of the par value, having the same characteristics of the ordinary shares circulating as of the date of issue, with regular entitlement and exclusion of the right of option according to art. 2441, paragraph 4, second line, of the Civil Code, to be reserved to the subscription of the beneficiaries of the stock options plan named “2015 Performance Stock Option Plan” approved by the Shareholders’ Meeting on April 23, 2015, at an issuing price equal to the average of the official Company shares’ price on the MTA during the thirty days preceding the meeting of the Board of Directors called to assign the options to the said stock option plan’s beneficiaries and determine the number of options to be assigned to each of them; of such issuing price, an amount equal to (or no higher than) EUR 0.20 will be computed as capital and the remaining part as markup. Pursuant to art. 2439, paragraph 2, of the Civil Code, if it is not subscribed in full by June 30, 2022, the share capital will be increased by an amount equal to the collected subscriptions.</p>	<p>Unchanged</p>

Wording currently in force	Proposed wording
<p>5.6 On April 20, 2016, the Shareholders' Meeting resolved to revoke the capital increase resolution adopted on April 23, 2015 inasmuch as the same is no longer necessary to satisfy the exercise by the beneficiaries of the "2015 Performance Stock Option Plan", approved by the Ordinary Shareholders' Meeting of April 23, 2015, of the options assigned to the same by April 20, 2016. All the other conditions remaining unchanged, the above share capital increase will be realized through the issuance, also in tranches, of maximum 1,375,000 ordinary shares.</p> <p>The Directors are granted for five years starting with April 20, 2016, with the faculty to increase the share capital at the service of the implementation of the incentive and loyalty plan named "2016 – 2018 Performance Shares Plan", for EUR 760,000.00 maximum (remaining amount of EUR 336,520.00), through the issuance of maximum 3,800,000 new ordinary shares without par value, having the same characteristics of the ones into circulation, regular dividend rights, at a issuance price equal to the accounting par value of the Moncler shares at the execution date of the subject matter delegation, 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.</p> <p>In partial execution of the authorization granted to the Board of Directors by the Shareholders' Meeting of 20 April 2016, the Board of Directors resolved to carry out a free capital increase, pursuant to artt. 2443 and 2349 of the Italian Civil Code, by a nominal amount of EUR 423,480.00 (Four Hundred Twenty-Three Thousand, Four Hundred Eighty) through the allocation to capital of an equivalent amount transferred from the available reserves, through the issuance of maximum no. 2,117,400 (Two Million, One Hundred Seventeen Thousand, Four Hundred) ordinary shares, with regular dividend rights.</p> <p>In partial execution of the authorization granted to the Board of Directors by the Shareholders' Meeting of 20 April 2016, the Board of Directors resolved to carry out a free capital increase, pursuant to artt. 2443 and 2349 of the Italian Civil Code, by a nominal amount of EUR 60.960 (through the allocation to capital of an equivalent</p>	<p>On April 20, 2016, the Shareholders' Meeting resolved to revoke the capital increase resolution adopted on April 23, 2015 inasmuch as the same is no longer necessary to satisfy the exercise by the beneficiaries of the "2015 Performance Stock Option Plan", approved by the Ordinary Shareholders' Meeting of April 23, 2015, of the options assigned to the same by April 20, 2016. All the other conditions remaining unchanged, the above share capital increase will be realized through the issuance, also in tranches, of maximum 1,375,000 ordinary shares.</p> <p>The Directors are granted for five years starting with April 20, 2016, with the faculty to increase the share capital at the service of the implementation of the incentive and loyalty plan named "2016 – 2018 Performance Shares Plan", for EUR 760,000.00 maximum (remaining amount of EUR 336,520.00), through the issuance of maximum 3,800,000 new ordinary shares without par value, having the same characteristics of the ones into circulation, regular dividend rights, at a issuance price equal to the accounting par value of the Moncler shares at the execution date of the subject matter delegation, 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.</p> <p>In partial execution of the authorization granted to the Board of Directors by the Shareholders' Meeting of 20 April 2016, the Board of Directors resolved to carry out a free capital increase, pursuant to artt. 2443 and 2349 of the Italian Civil Code, by a nominal amount of EUR 423,480.00 (Four Hundred Twenty-Three Thousand, Four Hundred Eighty) through the allocation to capital of an equivalent amount transferred from the available reserves, through the issuance of maximum no. 2,117,400 (Two Million, One Hundred Seventeen Thousand, Four Hundred) ordinary shares, with regular dividend rights.</p> <p>In partial execution of the authorization granted to the Board of Directors by the Shareholders' Meeting of 20 April 2016, the Board of Directors resolved to carry out a free capital increase, pursuant to artt. 2443 and 2349 of the Italian Civil Code, by a nominal amount of EUR 60.960 (through the allocation to capital of an equivalent</p>

Wording currently in force	Proposed wording
amount transferred from the available reserves, through the issuance of maximum no. 304.800 ordinary shares, with regular dividend rights.	amount transferred from the available reserves, through the issuance of maximum no. 304.800 ordinary shares, with regular dividend rights.  <b>The Directors are granted for five years starting with June 11, 2020, with the faculty to increase the share capital at the service of the implementation of the incentive and loyalty plan named “2020 Performance Shares Plan”, for EUR 400,000.00 maximum through the issuance of maximum 2,000,000 new ordinary shares without par value, having the same characteristics of the ones into circulation, regular dividend rights, at a issuance price equal to the accounting par value of the Moncler shares at the execution date of the subject matter delegation, 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.</b>
5.7 It is permitted, in the manner and according to the law, the allocation of profits and / or reserves of profits to employees of the Company or its subsidiaries, through the issuance of shares pursuant to the first paragraph of art. 2349 of the Italian Civil Code.	Unchanged
5.8 Shares shall be in registered form and freely transferable. Each share gives the right to one vote. Shares shall be issued and transferred in compliance with the laws and regulations in effect.	Unchanged
5.9 Status as a shareholder constitutes <i>per se</i> acceptance of these bylaws.	

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

*“The Extraordinary Shareholders’ Meeting of Moncler S.p.A., having examined the Report of the Board of Directors and the proposals comprised therein, having acknowledged the proposed adoption of the plan named “2020 Performance Shares Plan” as set forth under the fourth item of the Ordinary Shareholders’ Meeting agenda, as well as having considered the decision of the Board of Directors not to allot further options under the 2018-2020 Performance Shares Plan approved by the Ordinary Shareholders’ meeting on 16 April 2018*

***resolves***

- to grant the Board of Directors a proxy, pursuant to article 2443 of the Italian Civil Code, for a term of five years from the date hereof, empowering the same to resolve upon a gratuitous and divisible capital increase for the implementation of an incentive and loyalty plan named “2020 Performance Shares Plan” of maximum Euro 400,000 with the issuance of a maximum number of 2,000,000 ordinary shares, with no par value, with the same features of those currently on the market, regular dividend rights, with an issuance value equal to the par value of the Moncler*



*shares on the date of the execution of such proxy, through the allocation of a corresponding amount of profits and/or reserves as resulting from the last financial statement approved from time to time pursuant to article 2349 of the Italian Civil Code, at the terms and conditions set forth by the 2020 Performance Shares Plan;*

2. *to amend the Company's By-laws by adding a new last paragraph of article 5.6 as follows: "The Directors are granted for five years starting with June 11, 2020, with the faculty to increase the share capital at the service of the implementation of the incentive and loyalty plan named "2020 Performance Shares Plan", for EUR 400,000.00 maximum through the issuance of maximum 2,000,000 new ordinary shares without par value, having the same characteristics of the ones into circulation, regular dividend rights, at a issuance price equal to the accounting par value of the Moncler shares at the execution date of the subject matter delegation, 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";*
3. *To grant as of the date hereof to the Board of Directors, and, severally, to the pro tempore legal representatives of the Company, the broadest powers in order to amend article 5 of the By-laws as required from time to time as a result of any resolutions, execution and implementation of the capital increase provided for under the proxy, to such purposes seeing to all duties related thereto and fulfill any formality required for the adopted resolution to be filed at Register of Enterprises and in order to include in these resolutions any amendments, changes or additions which may be necessary or requested by the competent authorities as well as any powers needed for the execution of any fulfilment required by the applicable laws and regulations as a result of the resolutions passed".*

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Milan, April 22, 2020

On behalf of the Board of Directors

The Chairman, Remo Ruffini