



# MONCLER



## REPORT ON THE POLICY REGARDING REMUNERATION AND FEES PAID

APPROVED BY THE BOARD OF DIRECTORS  
ON 16 MARCH 2022

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## LETTER FROM THE CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

As Chairman of Moncler's Nomination and Remuneration Committee, I am pleased to present to you, on behalf of the Board of Directors, the Remuneration Policy Report for the three-year period 2022-2024 and the compensation paid in 2021.

2021 was also affected by the health emergency and uncertainty relating to the evolution of the pandemic. However, against a background that remains highly changeable, the Moncler Group has demonstrated its ability to seize opportunities for growth and transformation. In fact, 2021 was the year in which Moncler began on its new path together with Stone Island: the integration, announced in December 2020 and completed during the first quarter of 2021, represents a great opportunity for the development path of both companies.

The commitment of management, together with the dedication of all the employees, has enabled the Group to achieve the objectives it had set for the previous year, including the increasingly challenging objective of confirming, for the third consecutive year, its positioning in the *Dow Jones Sustainability (DJSI) World* and *Europe* Indices, achieving the highest score of the "Textiles, Apparel & Luxury Goods" sector.

In order to support these development prospects, the Group's ability to continue to attract, retain and motivate the best resources therefore becomes increasingly important. In this regard, the remuneration policy is a key tool for implementing the business strategy and for ensuring that sustainability continues to be one of the challenging objectives of the Moncler Group, in line with stakeholders' expectations.

The aim of the Report is to help increase awareness among stakeholders of the correlation between the Company's remuneration policies and business strategies, against an increasingly complex background and in the face of the new challenges that Moncler faces with the commitment of an excellent management team.

In line with previous years, the 2022-2024 Policy (which will be implemented by the new Board appointed by the Shareholders' Meeting) also provides for the integration of sustainability objectives into the remuneration system (both short and medium-long-term) and the consequent alignment of top management remuneration with the Company's sustainability strategy. The 2022 Plan, which will be submitted for your approval, provides for an ESG indicator connected to three different challenges present in the 2020-2025 Strategic Sustainability Plan: *carbon neutrality*, the widespread use of sustainable nylon and the promotion of the principles of diversity, equity and inclusion by obtaining the *Equal Pay* certification. We also have an over-performance target linked to achieving a high rating for the overall sustainability performance of the Group over all three years of the term of the Plan from one of the leading ESG rating agencies including S&P Global, CDP, MSCI or Sustainalytics.

I would also like to point out that, for the purposes of drafting this Report, the Committee has taken account of best market practices and the results obtained following productive engagement with shareholders and stakeholders.

I would like to take this opportunity to thank Directors Marco De Benedetti and Alessandra Gritti for their valuable contribution to the work of the Committee and to wish the members of the new Committee the very best.

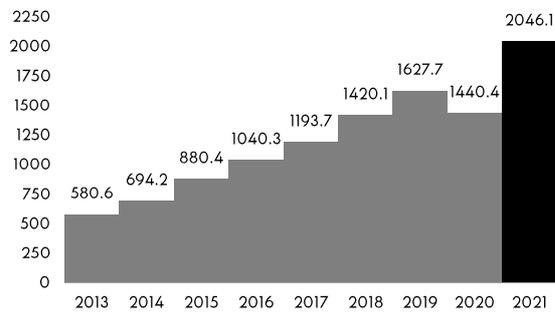
Well done everybody,

Diva Moriani

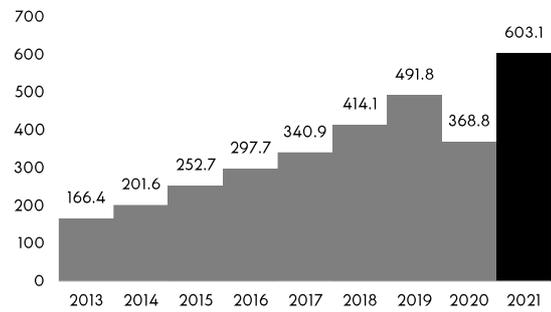
Chairman of the Nomination and Remuneration Committee

# GROUP FINANCIAL HIGHLIGHTS

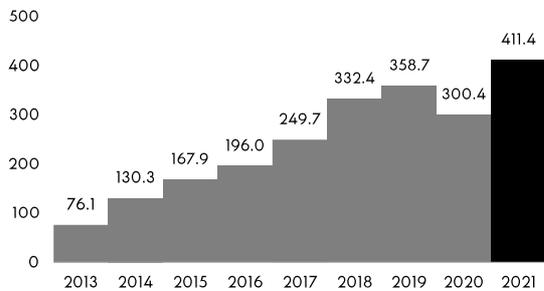
REVENUES (EUR M)



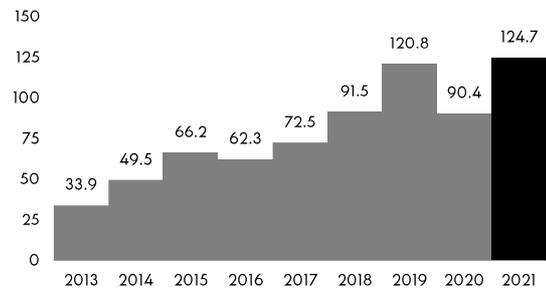
EBIT (EUR M)



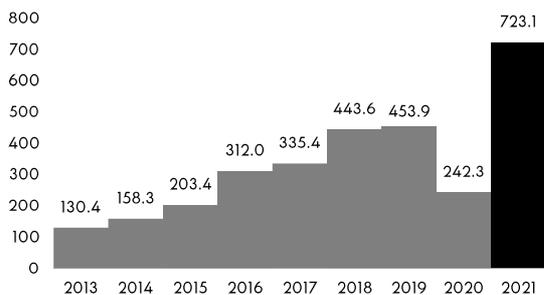
NET INCOME (EUR M)



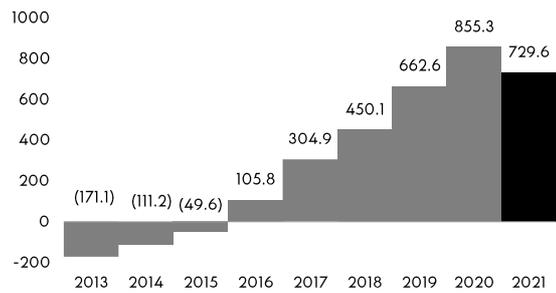
NET CAPITAL EXPENDITURE (EUR M)



OPERATING CASH FLOW (EUR M)



NET FINANCIAL POSITION (EUR M)



## INFORMATION ON THE REMUNERATION AND COMPENSATION POLICY REPORT

This Report, approved on 16 March 2022 by the Moncler Board of Directors, on the proposal of the Nomination and Remuneration Committee which met on 1 March 2022, has been prepared pursuant to Art. 123-*ter* of the Consolidated Law on Finance and in accordance with the provisions of Art. 84-*quater* of the Issuers' Regulation and Schedule 7-*bis* of Annex 3A to the IR.

The aim of the Report is to provide transparent and complete information on the criteria used to remunerate and evaluate the contribution made by the persons concerned by the Policy to achieving the Company's objectives, in line with best market practice and in accordance with the recommendations of the Corporate Governance Code to which Moncler adheres.

The Report consists of two sections:

- a) **SECTION I**, subject to a binding vote by Shareholders, defines and illustrates the company's Remuneration Policy with reference to the three-year period 2022-2024 with respect to the remuneration of Directors, Statutory Auditors and Managers with Strategic Responsibilities, and in particular specifies the general objectives pursued, the bodies involved and the procedures followed to adopt and implement the Policy;
- b) **SECTION II**, subject to an advisory vote by Shareholders is divided into two parts: the first part describes each of the items relating to remuneration paid (or accruing) to members of the Board of Directors, the Board of Statutory Auditors and Managers with Strategic Responsibilities during 2021; the second part sets out and analyses the remuneration paid during the financial year, on any basis and in any form, by the Company and the Subsidiaries, using the tables appended to the Report.

The Report is made available to the public at Moncler's registered office and on the Company website [www.monclergroup.com](http://www.monclergroup.com) in the "Governance/Shareholders' Meeting" Section and in the eMarket storage system by the twenty-first day prior to the Shareholders' Meeting called to approve the financial statements for the financial year in question. Information documents on existing share-based compensation plans can be found in the "Governance/Remuneration/Incentive Plans" Section of the Company website at [www.monclergroup.com](http://www.monclergroup.com).

## SUSTAINABLE VALUE CREATION

Moncler's way of doing business is oriented towards creating sustainable value for all stakeholders. Various rating agencies gave a positive assessment of the company's sustainability performance.

In 2021, for the third consecutive year, Moncler confirmed its position in the *Dow Jones Sustainability World* and *Europe* Indices, obtaining, in the *S&P Global Corporate Sustainability Assessment*<sup>1</sup>, the highest score (89/100) in the *Textiles, Apparel & Luxury Goods* sector, together with the *Gold Award*.

During the year, Moncler participated for the first time in the CDP<sup>2</sup> *Climate Change questionnaire*. The Group obtained an A- score for the transparency and mitigation of climate change risks. Moncler has also been recognised as a *Supplier Engagement Leader*.

In 2021, Moncler also obtained an A rating from MSCI ESG Research<sup>3</sup> which provides sustainability ratings for listed international companies and some private companies by evaluating them on the basis of their sector-specific ESG risk exposure and their ability to manage those risks relative to companies in the same sector.

In 2022, Moncler also obtained the *Industry Top-Rated Badge* as well as the *Regional Top Rated badge* from Sustainalytics, the leading research and ESG rating and Corporate Governance company that helps investors to develop and implement responsible investment strategies.

In this context of continuous efforts to improve its sustainability performance, Moncler's remuneration system translates its sustainable development objectives into concrete and measurable indicators through their direct link with the short-term (MBO) and medium-long-term (LTI) incentive plans.

In particular, the annual incentive plan (MBO) provides for strong correlation with ESG (*Environmental, Social and Governance*) issues, through the use of a KPI linked to achievement of the annual objectives of the 2020-2025 Strategic Sustainability Plan; the medium-long term incentive plan (in the form of the share-based incentive plan called the "2022 Performance Shares Plan") also provides for this correlation through an ESG KPI linked to the following objectives:

- a) Climate Change: carbon neutrality of Group offices worldwide achieved through 100% energy from renewable sources, 90% low emission company fleet vehicles and offset of non-avoidable residual emissions;
- b) Circular Economy: 25% of the nylon used in the 2024 collections is sustainable;
- c) Diversity, Equity & Inclusion: obtaining Equal Pay certification for the Moncler headquarters.

In addition, a further objective is planned that reflects the achievement of a high score for the Group's sustainability performance by one of the leading ESG rating agencies including S&P Global, CDP, MSCI or Sustainalytics.

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<sup>1</sup> S&P Global is a major global rating and benchmarking company providing financial, social and environmental responsibility analysis.

<sup>2</sup> CDP is a non-profit organisation that manages the main environmental reporting platform that assesses companies on the basis of completeness of information, risk awareness and management, and best practices implemented, such as setting ambitious and significant targets as part of their climate change management, assessing them on an A to E scale.

<sup>3</sup> MSCI ESG Research provides in-depth research, evaluation and analysis of business practices related to environmental, social and governance aspects in order to provide institutional investors with insights to identify risks and opportunities that traditional methods of investment analysis may not shine a spotlight on. The rating scale ranges from AAA (leader) to CCC (laggard).

# SECTION I - 2022-2024 REMUNERATION POLICY

## 1. EXECUTIVE SUMMARY

The primary objective of the 2022-2024 Policy is to ensure a tangible contribution to the Group's corporate strategy and sustainability, taking into account the medium to long term strategic guidelines, in order to ensure the attraction and retention of all key roles with appropriate characteristics and skills to ensure value creation for all stakeholders.

The following is a summary of the Moncler Policy for the three-year period 2022-2024.

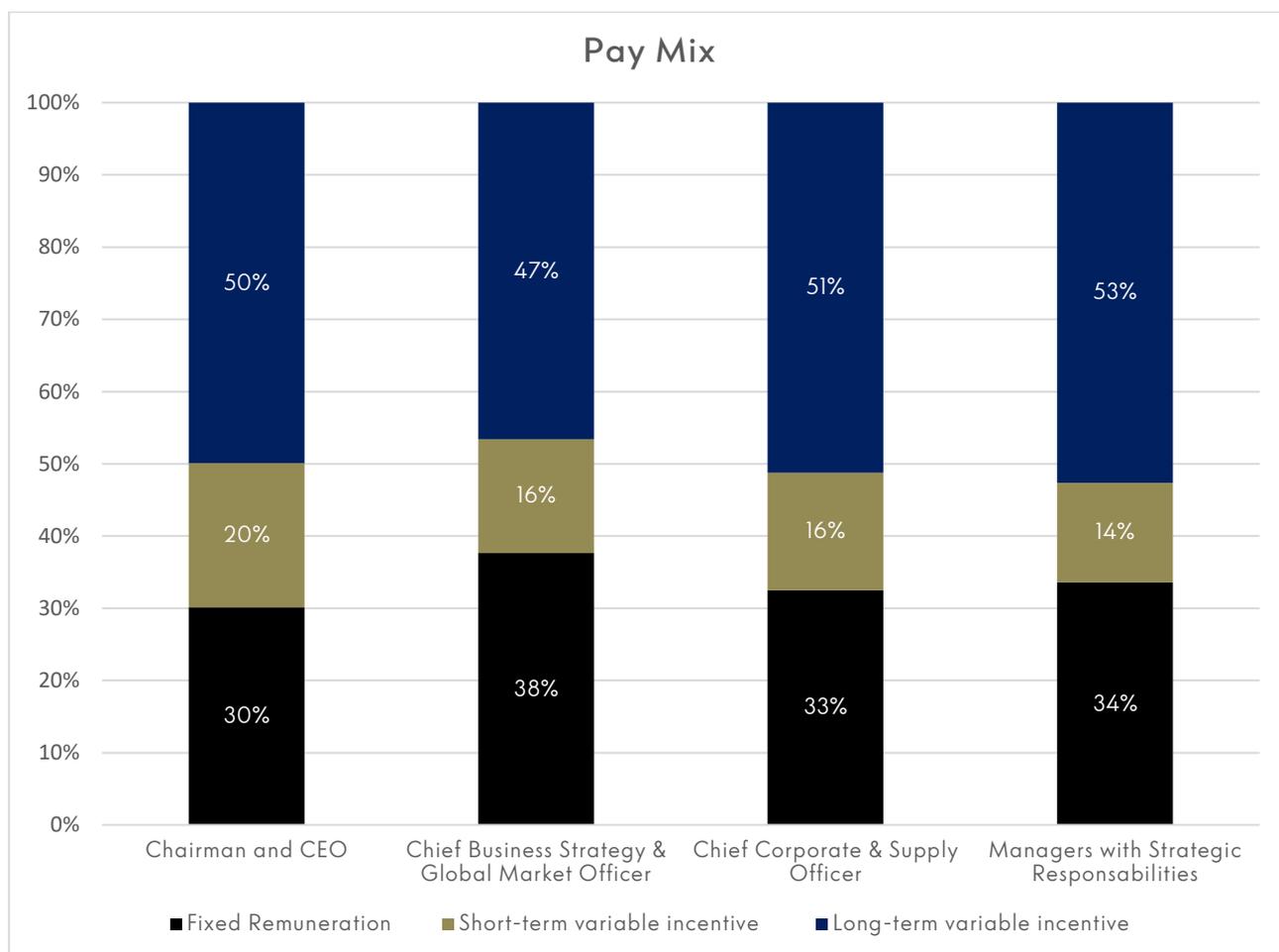
REMUNERATION COMPONENT	PURPOSE AND CONDITIONS	CRITERIA AND PARAMETERS
<b>Fixed remuneration</b>	Defined on the basis of inspiring principles and adjusted to attract, motivate and retain talented professionals  It may be subject to annual review, as part of the remuneration review process	It is determined according to the role and delegated powers of that role, taking into account the pay levels adopted for equivalent positions internally and in the market
<b>Short-term variable incentive (MBO)</b>	A system aimed at encouraging the achievement of specific results, through mechanisms that reward this achievement and, even more so when exceeding key objectives  Eligibility is linked to the organisational group to which the roles belong  It is disbursed annually in monetary form following verification by the Moncler Board of Directors on the achievement of the targets set.	<p><b>1) PERFORMANCE TARGETS</b></p> <p><b><u>Chairman/CEO and Executive Directors:</u></b> 55% Group EBIT 30% Group <i>Free Cash Flow</i> 10% Group <i>Sustainability</i> 5% Group <i>People Engagement</i></p> <p><b><u>Managers with Strategic Responsibilities (MSR):</u></b> 30% - 55% EBIT Group/Moncler<sup>4</sup> 20% - 30% <i>Free Cash Flow</i> Group/Moncler 30% - 45% Individual financial targets 10% <i>Sustainability</i> 5% <i>People Engagement</i> 20% - 40% <i>Strategic process/project</i></p> <p>The type of indicator and weights vary according to the role in question</p> <p><b>2) PERFORMANCE PERIOD:</b> Annual in line with budget objectives</p> <p><b>3) METHOD OF PAYMENT:</b> cash</p> <p>Clawback clauses apply.</p>
<b>Long-term variable incentive (LTI)</b>	Links incentives for managers and key resources of the Group to the actual results of the Company; guides people towards the pursuit of sustainable and medium-long term results; aligns the interests of beneficiaries with those of shareholders and investors in order to attract and retain talented professionals	<p>2022 Performance Shares plan based on Moncler shares</p> <p><b>1) PERFORMANCE TARGETS:</b> 70% <i>Net Income</i> - Moncler Group 15% <i>Free Cash Flow</i> - Moncler Group 15% ESG performance</p> <p><b>2) VESTING PERIOD:</b> three years</p> <p><b>3) INCENTIVE VESTING:</b> Verification of performance targets on a cumulative basis during the vesting period</p> <p>Clawback clauses apply.</p>
<b>Benefits</b>	Included in the remuneration package and designed to improve people' current and future well-being	Include life insurance, pension schemes and prevention programmes
<b>Severance</b>	Regulates the indemnity to be paid in the event of early termination of the management relationship or termination of the employment relationship, in the absence of just cause for dismissal	There are specific circumstances which determine the right and criteria for defining the amount. The total amount, including any non-competition agreements, does not exceed two years of fixed and variable remuneration (the latter calculated as the average of the last three MBOs paid)

<sup>4</sup> The scope of reference relating to Moncler or the Group including Stone Island varies according to the individual Manager with Strategic Responsibilities

## 2. PAY MIX

The remuneration package of the Chairman and CEO, Executive Directors and MSRs is characterised as follows:

- a significant proportion is linked to the achievement of results defined *ex-ante*;
- the disbursement of a significant portion of the variable component is deferred in the medium and long term, as shown in the chart below;
- the variable remuneration is largely paid in Shares, partially subject to lock-up constraints.



(\*) Managers with Strategic Responsibilities are shown in the aggregate

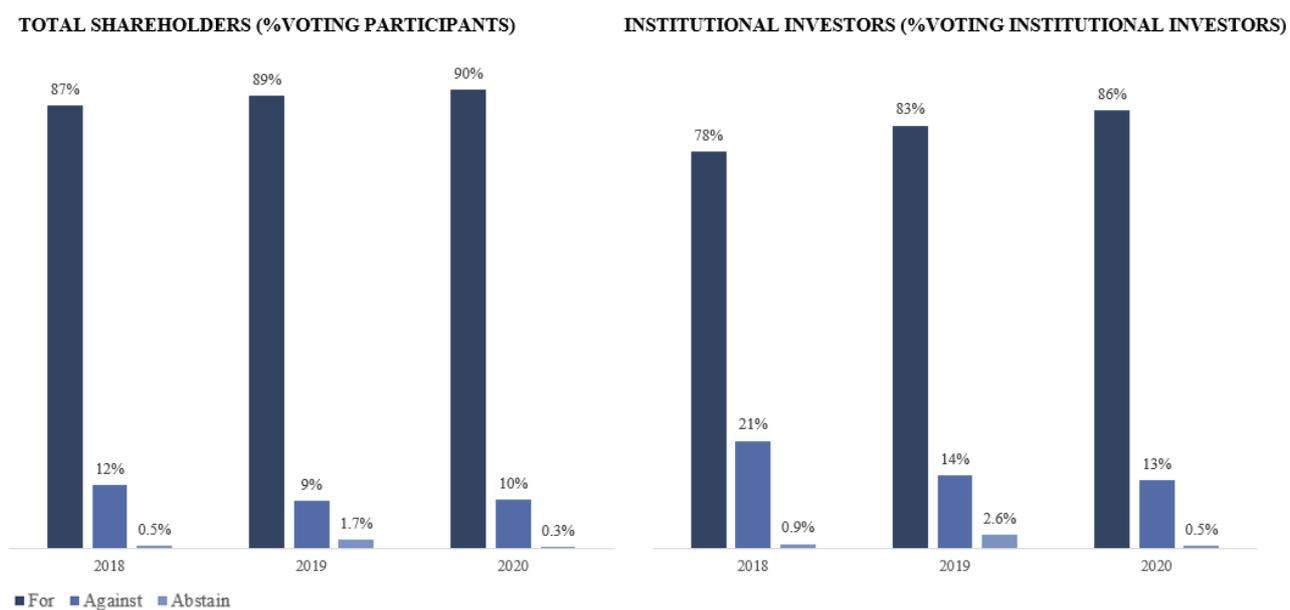
QUANTITATIVE REFERENCES	
<b>Fixed remuneration</b> (which does not include the fixed annual remuneration for directors set by the Shareholders' Meeting)	<p><b>Chairman and CEO:</b> 1,500,000</p> <p><b>Executive Director and Chief Business Strategy &amp; Global Market Officer:</b> 1,198,000</p> <p><b>Executive Director and Chief Corporate &amp; Supply Officer:</b> 940,000</p> <p><b>MSR:</b> commensurate with their mandates and role, for an aggregate amount of 1,726,000</p>
<b>Short-term variable incentive (MBO)</b>	<p>It is calculated according to a performance curve. The first pay-out threshold is 50% of the target which, exclusively for financial KPIs, can reach a maximum value of 150%. There is also a multiplier that acts on all the MBO depending on the level of achievement of the Group's EBIT, up to a maximum value of 150%.</p> <p><b>Chairman/CEO:</b></p>

QUANTITATIVE REFERENCES	
	<ul style="list-style-type: none"> <li>• 0% of the fixed remuneration for results equal to 0% of pay-out</li> <li>• 33% of the fixed remuneration for results equal to the first level of payment (50% pay-out)</li> <li>• 67% of the fixed remuneration for results which reach the target</li> <li>• 143% of the fixed remuneration for results equal to the maximum (performance curve 150% and multiplier 150%)</li> </ul> <p>Maximum cap: 150% of the fixed component</p> <p><b><u>Executive Directors</u></b></p> <ul style="list-style-type: none"> <li>• 0% of the fixed remuneration for results equal to 0% of pay-out</li> <li>• 21%-25% of the fixed remuneration for results equal to the first level of payment (50% pay-out)</li> <li>• 42%-50% of the fixed remuneration for results equal to the target</li> <li>• 89%- 107% of the fixed remuneration for results equal to the maximum (performance curve 150% and multiplier 150%)</li> </ul> <p>Maximum cap: 150% of the fixed component</p> <p><b><u>Managers with Strategic Responsibilities:</u></b></p> <ul style="list-style-type: none"> <li>• 0% of the fixed remuneration for results equal to 0% of pay-out</li> <li>• 21% of the fixed remuneration for results equal to the first level of payment (50% pay-out)</li> <li>• 41% of the fixed remuneration for results which reach the target</li> <li>• 86% of the fixed remuneration for results equal to the maximum (performance curve 150% and multiplier 150%)</li> </ul> <p>Maximum cap: 150% of the fixed component</p>
<b>Long-term variable incentive (LTI)</b>	<p><b><u>Chairman and CEO:</u></b></p> <ul style="list-style-type: none"> <li>• 0% of the fixed remuneration for results equal to 0% of pay-out</li> <li>• 133% of the fixed remuneration for results equal to the first level of payment (80% pay-out)</li> <li>• 167% of the fixed remuneration for results which reach the target</li> <li>• 200% of the fixed remuneration for results equal to the maximum (120% pay-out),</li> </ul> <p><b><u>Executive Directors</u></b></p> <ul style="list-style-type: none"> <li>• 0% of the fixed remuneration for results equal to 0% of pay-out</li> <li>• 99%-126% of the fixed remuneration for results equal to the first level of payment (80% pay-out),</li> <li>• 124%-158% of the fixed remuneration for results equal to the target</li> <li>• 148%-189% of the fixed remuneration for results equal to the maximum (120% pay-out)</li> </ul> <p><b><u>Managers with Strategic Responsibilities:</u></b></p> <ul style="list-style-type: none"> <li>• 0% of the fixed remuneration for results equal to 0% of pay-out</li> <li>• 125% of the fixed remuneration for results equal to the first level of payment (80% pay-out)</li> <li>• 157% of the fixed remuneration for results which reach the target</li> <li>• 188% of the fixed remuneration for results equal to the maximum (120% pay-out)</li> </ul>

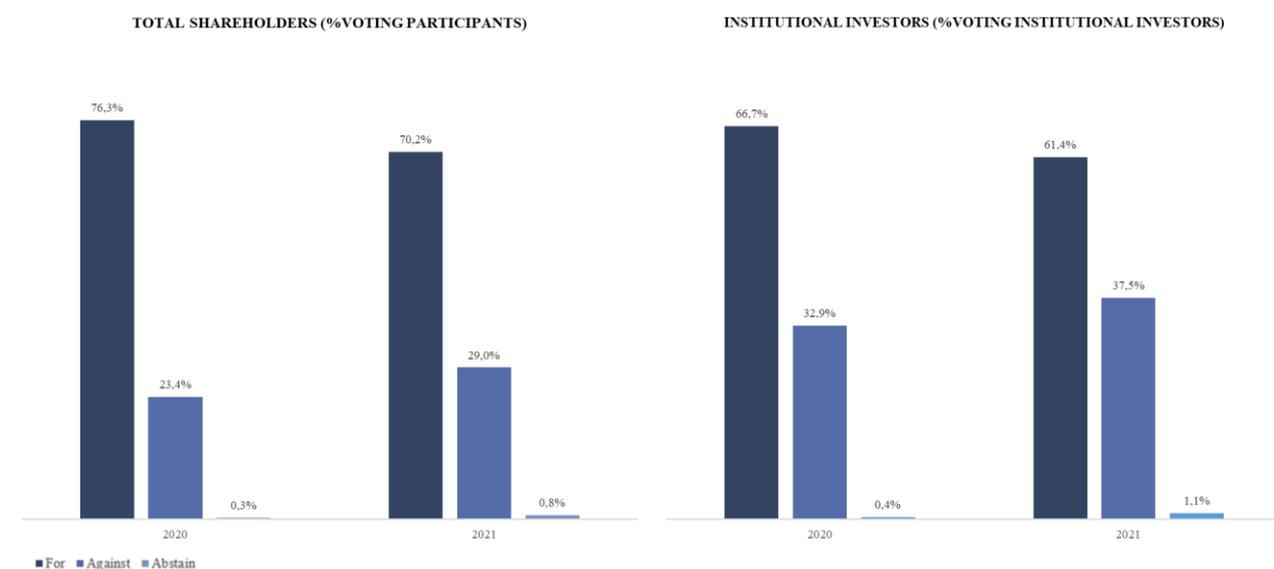
### 3. RESULTS OF THE SHAREHOLDERS' MEETING VOTE AND DESCRIPTION OF THE CHANGES TO THE 2021 REPORT

The result of the vote on the Remuneration Policy Reports published between 2019 and 2021 is presented below (taking into account the fact that in 2021 the Policy was not submitted to a vote at the Shareholders' Meeting as no changes were made to the Policy already approved by the Shareholders' Meeting held on 11 June 2020).

## REMUNERATION POLICY



## REMUNERATION REPORT



Over the last three years, in view of the definition of the 2022-2024 Policy, the Company, through the Nomination and Remuneration Committee and the Board of Directors, has engaged in continuous dialogue with stakeholders; Moncler attaches great importance to this dialogue and to the continuous integration of national and international market best practice into its remuneration system.

While drafting the Report, particular attention was paid to the information provided by an analysis and examination of the results of the shareholders' meeting vote and the observations made during the ongoing dialogue with Institutional Investors and Proxy Advisors.

## 4. DURATION, PURPOSE AND GENERAL PRINCIPLES OF THE POLICY

### 4.1 DURATION

The duration of the Policy is consistent with that of the term of office of the Board of Directors, which will be appointed by the Shareholders' Meeting called for 21 April 2022; it will therefore apply until the approval of the financial statements for the year ended 31 December 2024, and will remain in force until the approval of a new Policy for the subsequent period.

### 4.2 PURPOSE AND GENERAL PRINCIPLES

The 2022-2024 Policy, in line with the past, in accordance with Company values and the relevant regulation, is defined in such a way as to design a remuneration system that is based on the principles of ethics, quality, proactivity, belonging and promotion, and that is effective not only in attracting, but also in retaining, the resources that, thanks to their high professional talents and qualities, can successfully manage and operate within the Company.

The Board, while defining the 2022-2024 Policy, took into account the following principles and criteria of the Corporate Governance Code:

- a) **balance between the fixed and variable components** appropriate and consistent with the Company's strategic objectives and risk management policy, anticipating, however, that the variable component represents a significant part of the overall remuneration. In particular:
  - I. the **fixed component** is sufficient to remunerate the services of Executive Directors and Managers with Strategic Responsibilities if the variable component is not disbursed due to failure to achieve the performance targets set by the Board;
  - II. the **variable component** is designed to significantly remunerate results that exceed targets, and its value is reduced when these are not achieved. It is paid up to a maximum limit;
- b) **performance targets** to which the disbursement of the variable components is linked, predetermined, measurable and also significantly linked to a long-term horizon. They are consistent with the Company's strategic objectives and are aimed at promoting its sustainable success, including non-financial parameters and promoting the alignment of the interests of management with the expectations of shareholders;
- c) **adequate deferral period** – from the time of accrual – for the payment of a significant part of the medium and long-term component;
- d) contractual arrangements which enable the Company to seek **the return**, in whole or in part, of variable components of remuneration that were awarded (or to hold deferred payments), defined on the basis of data which was subsequently manifestly erroneous and any other circumstances that might be identified by the Company;
- e) clear and pre-established rules for the disbursement of any management **severance indemnity**, which define the maximum limit of the total amount payable, linking it to a certain amount or a certain number of years of remuneration. This indemnity will not be paid if the termination is due to objectively inadequate results.

The elements of the Policy support the achievement of the Group's strategic guidelines through an appropriate balance of short and medium-long-term performance parameters. Variable remuneration is mainly paid via shares, according to medium to long term timescales (3 years), in accordance with a concept of sustainability of the performance achieved.

## 5. GOVERNANCE OF THE REMUNERATION PROCESS

### 5.1 POLICY DEFINITION AND APPROVAL PROCESS

The process from preparation to approval of the Moncler Policy involves a number of parties in accordance with the legislative and statutory provisions and with the governance model adopted by the Company. The following bodies and individuals are involved in this procedure.

The main actors involved are:

1. **Nomination and Remuneration Committee**
2. **Board of Directors**
3. **Board of Statutory Auditors**
4. **Shareholders' Meeting**
5. **Internal Company Departments (*People & Organisation, Corporate Affairs & Compliance, Finance & Taxation, Planning & Control*)**
6. **Any independent experts**

Proposals regarding the adoption of the Policy are submitted to the Board of Directors for approval by the Nomination and Remuneration Committee. While it is drafted, the Nomination and Remuneration Committee involves the Corporate Affairs Department (together with which, *inter alia*, the regulatory framework and recommendations of the Corporate Governance Code currently in force in relation to remuneration are monitored and analysed) and the *People & Organisation* Department (in order, *inter alia*, to collect market data in terms of best practice, policies and benchmarking) to better develop the Policy and, where necessary, independent experts on the subject. The Board of Directors, having examined and approved the Remuneration Policy, proposed it to the Shareholders' Meeting, making it available at least 21 days prior to the date of the Meeting, by publishing the Report.

It should be noted that during the year, the Company adapted its procedure governing related party transactions (the **RPT Procedure**) to the amendments introduced by CONSOB with Resolution 21624 of 10 December 2020. The RPT Procedure excludes from application (a) resolutions on the remuneration of Directors with special duties included in the total amount that may be determined by the Shareholders' Meeting pursuant to the third paragraph of Art. 2389 of the Italian Civil Code and the Company's Art.s of Association; and (b) shareholders' resolutions pursuant to Art. 2402 of the Italian Civil Code, Civ. relating to fees payable to members of the Board of Statutory Auditors of Moncler. Furthermore, without prejudice to the periodic accounting reporting obligations established in paragraph 8 of Art. 5 of the RPT Regulation, the provisions of the RPT Procedure also do not apply: (c) to the share-based compensation plans approved by the Shareholders' Meeting of Moncler pursuant to Art. 114-*bis* of the TUF; and (d) to resolutions, other than those indicated at points (a) and (b), on the remuneration of Moncler Directors vested with specific duties and of Manager with Strategic Responsibilities, provided that: (i) Moncler has adopted a remuneration policy approved by the Shareholders' Meeting; (ii) a committee, consisting exclusively of non-executive Directors, the majority of whom are independent, has been involved in defining the remuneration policy; (iii) the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments. The text of the Moncler RPT Procedure is available on the Company's website [www.monclergroup.com](http://www.monclergroup.com) in the "Governance/Documents and Procedures" Section.

The bodies and individuals involved in defining, approving and implementing the Policy appear below.

## 5.2 NOMINATION AND REMUNERATION COMMITTEE

### Composition

In accordance with the provisions contained in the Corporate Governance Code, to which Moncler adheres, the Board has established an internal Nomination and Remuneration Committee consisting of Non-Executive Directors and defines their duties and powers.

The composition, meetings, objectives, duties and activities of the Committee, described below, fully satisfy the recommendations of the Code.

The Committee in office at the date of the Report shall remain in office until approval of the financial statements for the Financial Year (and, therefore, will cease to hold office during 2022) and is composed of the following Directors:

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<b>Diva Moriani</b>	Non-Executive and Independent Director – Chairman
<b>Marco De Benedetti</b>	Non-executive and Independent Director
<b>Alessandra Gritti</b>	Non-executive and Independent Director

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### Powers

The Committee provides recommendations and advice to the Board of Directors; the Committee in particular:

- a) it makes proposals to the Board of Directors regarding the economic treatment of Directors and members of the Board Committees;
- b) it provides advice, makes proposals and undertakes investigations with regard to the remuneration of Executive Directors and other Directors vested with specific duties and Managers with Strategic Responsibilities, as well as to the setting of performance targets related to the variable component of such remuneration, and verifies the actual achievement of these targets;
- c) it monitors the implementation of decisions taken by the Board;
- d) it previously reviews the Report to be presented to the Shareholders' Meeting and formulates proposals to the Board in this regard;
- e) it periodically evaluates the adequacy, overall consistency and practical application of the policy adopted, making proposals to the Board on the matter;
- f) with regard to appointments, it issues opinions and makes recommendations to the Board of Directors on the size and composition of same, with regard to the presence of specific professionals, exemptions from the prohibition on competition, co-opting and any succession plans.

### Functioning

The Nomination and Remuneration Committee meets when called by its Chairman, whenever the Chairman deems it appropriate or when the Chairman of the Board of Directors, the other Executive Directors or the Chairman of the Board of Statutory Auditors request or, in any case, at least every six months. The notice of meeting is sent to the Board of Statutory Auditors in order to allow them to attend the meetings (it being understood that, according to the Committee's Operating Rules, at least the Chairman of the Board of Statutory Auditors or another Auditor appointed by him) always attends the meetings.

The Chairman of the Nomination and Remuneration Committee has the right to invite the Head of the Group's *People & Organisation* Department, the Financial Reporting Officer, other members of the Board of Directors and the heads of the Group's corporate departments to meetings of the Committee, as well as other persons with reference to individual agenda

items, in order to provide information and express an opinion, or other persons whose presence may be helpful to better perform its functions.

To avoid situations of conflict of interest, no Director participates in meetings of the Nomination and Remuneration Committee in which situations of conflict of interest can be identified.

Minutes are kept of Committee meetings and the relevant minutes are kept in chronological order by the Secretary. Since its establishment, Andrea Bonante, *WW Corporate Affairs & Compliance Director*, acts as Committee Secretary.

## Activities carried out in 2021

During the Financial Year, 3 Committee meetings were held with a total attendance of 100% and an average duration of approximately 2 hours and 30 minutes. Meetings were duly attended by a majority of members of the Board of Statutory Auditors.

It should also be noted that during the first half of the year, the Committee Chairman actively participated in 3 meetings with investors in order to illustrate the 2020-2021 Policy, its development and rationale (in advance, ahead of the Shareholders' Meeting then held on 22 April 2021) and 7 meetings with investors in order to discuss matters relating to the results of the vote at the Shareholders' Meeting.

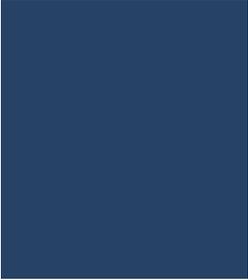
Details of the Committee's activities during 2021 are provided below.

### JANUARY - MAY 2021

- a) in-depth analysis of the process to evaluate the operation, size and composition of the Board of Directors and internal Board Committees (**Board Review**) for 2020
- b) illustration of the new legislative and regulatory provisions on remuneration for the purposes of drafting the Report for the Financial Year and examination of the relevant Report
- c) verifying the achievement of performance targets for the first cycle of allocation of the 2018-2020 Performance Shares Plan
- d) verification of the achievement of targets relating to the 2020 MBO
- e) preliminary examination of the proposed amendments to the targets for the variable remuneration component (2021 MBO) as a result of the acquisition of Stone Island by Moncler (the **Stone Island Transaction**)
- f) assessing the adequacy, overall consistency and practical application of the Policy
- g) reporting to the Board on the activities carried out during the second half of 2020
- h) reporting on the formation of the Diversity and Inclusion Committee and on related activities undertaken and planned

### JUNE – DECEMBER 2021

- a) analysis of the results of the Shareholders' Meeting vote on the 2021 Report
- b) reporting to the Board on the activities carried out during the first half of 2021
- c) identification of beneficiaries of the second allocation cycle (2021-2023) of the 2020 Performance Shares Plan

- 
- d) examining the proposed amendments to the targets for the variable short-term (2021 MBO) and medium-/long-term (LTI) remuneration components resulting from the Stone Island Transaction
  - e) reviewing the proposal to review the remuneration package of an Executive Director and a Manager with Strategic Responsibilities
  - f) the award of a mandate to Spencer Stuart for the purposes of the Board Review process for the Financial Year;

## Activities undertaken and planned for 2022

At the date of approval of the Report, 3 Committee meetings had already been held, focusing mainly on the following issues: (a) analysis of the results of the Board Review; (b) analysis of the results of the benchmarking carried out with the support of an independent expert; (c) verification of the performance targets for the short-term (MBO) and medium-long-term (LTI) variable components; (d) formulating opinions and proposals regarding the structure and content of the 2022-2024 Policy for the purposes of preparing this Report and therefore, *inter alia*, defining performance targets for MBOs and the new 2022 Performance Shares Plan 2022; (e) review of this Report for subsequent Board approval; (f) discussions on processes for the succession of Top Management.

## 5.3 BOARD OF DIRECTORS

With regard to remuneration, the Board of Directors:

- a) determines, upon the opinion of the Nomination and Remuneration Committee and the Board of Statutory Auditors, the remuneration of Directors vested with specific duties and the remuneration for being members of Board Committees and, if the Shareholders' Meeting has not already done so, the breakdown of the total remuneration due to members of the Board;
- b) resolves, upon the opinion of the Nomination and Remuneration Committee, on the setting of performance targets, including ESG objectives (for which it receives the opinion of the Control, Risk and Sustainability Committee), related to the variable component of the remuneration of the Chairman and CEO, Executive Directors and Managers with Strategic Responsibilities;
- c) defines, upon the proposal of the Nomination and Remuneration Committee, the Remuneration Policy for the Directors, Statutory Auditors, Managers with Strategic Responsibilities of the Company and its subsidiaries;
- d) defines the remuneration of the Head of the Internal Audit Department in accordance with the Company's remuneration policies, subject to the favourable opinion of the Control and Risk Committee;
- e) defines and implements the compensation plans based on shares or financial instruments approved by the Shareholders' Meeting;
- f) approves the Policy to be submitted to the Shareholders' Meeting;
- g) assesses the contents of the vote on the Remuneration Report expressed by the Shareholders' Meeting and the proposals of the Nomination and Remuneration Committee regarding the adequacy, overall consistency and implementation of the Policy adopted.

## 5.4 BOARD OF STATUTORY AUDITORS

With regard to remuneration, the Board of Statutory Auditors, which regularly attends Committee meetings (at least through the Chairman), expresses the opinions required by current rules and regulations with reference, in particular, to the remuneration of Directors

vested with specific duties pursuant to Art. 2389 of the Italian Civil Code, also verifying that it is consistent with the general policy adopted by Moncler.

## 5.5 CONTROL, RISK AND SUSTAINABILITY COMMITTEE

The Control, Risk and Sustainability Committee expresses an opinion on the remuneration of the Head of the Internal Audit Department, to be submitted to the Board of Directors.

## 5.6 INTERNAL DEPARTMENTS

The internal departments involved which collaborate in various ways in defining and subsequently verifying the correct implementation of the Policy are:

- a) The **PEOPLE & ORGANISATION DEPARTMENT** that provides preliminary technical support for defining the Policy. In particular, the People & Organisation Department provides support for the implementation of remuneration systems, analysis of remuneration levels and monitoring of remuneration dynamics, performance management and succession planning.
- b) The **CORPORATE AFFAIRS & COMPLIANCE DEPARTMENT** which helps, *inter alia*, to verify the consistency of the Policy with respect to applicable rules and regulations on remuneration, including the Corporate Governance Code, and taking into account national and international best practice;
- c) the **FINANCE & TAXATION DEPARTMENT** and the **PLANNING & CONTROL DEPARTMENT** that provide the support necessary for determining the amounts of remuneration and assessing the achievement of performance targets related to the short and medium-long term variable component.

## 5.7 INDEPENDENT EXPERTS AND MARKET ANALYSIS

Moncler's Policy provides for continuous monitoring of the regulatory environment, best practice in terms of remuneration and general market trends, in terms of pay mix, remuneration levels and systems, in order to ensure the competitiveness of the remuneration offer and ensure the Group's ability to attract, retain and motivate key personnel. For this reason, Moncler defines its policies and verifies its remuneration structure on the basis of analysis carried out with the support of market benchmark consultants for companies in the sector which are considered comparable in terms of size and business affinity (peer group), and on the basis of best Italian and international market practice.

The Committee carried out remuneration benchmarking, with the help of PwC and Korn Ferry, to ascertain the competitiveness of the remuneration package of the Group Chairman/CEO and Top Management on the basis of reference panels. In this regard, please refer to Paragraph 9.2 of this Report.

## 6. EXCEPTIONS

Moncler generally disapproves of making exceptions to the elements that make up the Remuneration Policy.

However, the Company believes that it is appropriate to derogate from the Policy when exceptional circumstances arise, *i.e.*, situations in which a deviation from the Policy is necessary for the pursuit of the long-term interests and sustainability of the Company as a whole, or to ensure its ability to compete on the market, which could include but are not limited to the following:

- a) the need to encourage the entry and retention of resources with specific high-level skills and professionalism deemed necessary for the achievement of the Group's objectives;

- b) the need to motivate these professionals with regard to specific KPIs that may be of significant importance due to contingent circumstances or the occurrence of extraordinary events or operations that significantly affect the Company's results;
- c) substantial changes in the organisation of business activities, whether of an objective nature (such as extraordinary transactions, mergers, disposals, including of a business/business units) or of a subjective nature (such as changes in the top management structure); significant changes in socio-economic scenarios or in any event the occurrence of extraordinary and unforeseeable events concerning the Group or the sectors and/or markets in which it operates, which significantly affect the Group's results.

The Nomination and Remuneration Committee, supported by the People & Organisation and Corporate Affairs & Compliance Departments, is the body responsible for verifying the presence of such exceptional situations and formulating proposals for temporary exceptions to the Policy to the Board of Directors, which has been identified as the body responsible for approving exceptions. The process also requires the intervention of the Committee for Related Party Transactions, in response to changes concerning the remuneration of Directors, Statutory Auditors and Managers with Strategic Responsibilities, in accordance with the RPT Procedure. All interested parties refrain from participating in board discussions and resolutions relating to their own remuneration.

The elements of the Moncler 2022-2024 Remuneration Policy which, in exceptional circumstances, are subject to an exception, subject to the provisions of the RPT Regulation, may concern, *inter alia*:

- a) the award of an annual bonus (in lieu of, or in addition to, the one already provided for in the Policy) related to performance targets and quantitative parameters other than those set out in the Policy and
- b) the adoption of an incentive scheme other than that based on the allocation of shares.

Any exceptions, which may concern one or more elements of the Remuneration Policy described in this Report, must be made known in the subsequent Report on the Remuneration Policy and relevant compensation, and the reasons that led the Company to allow this exception must be explained.

## 7. REMUNERATION OF NON-EXECUTIVE DIRECTORS

In accordance with the provisions of law and the Art.s of Association, the remuneration of Directors for their respective roles is determined by the Shareholders' Meeting. Directors are also entitled to be reimbursed for any expenses incurred in the performance of their duties.

The remuneration of Non-Executive Directors (including Independent Directors) is fixed and is appropriate for the competence, professionalism and commitment required by the duties assigned to them on the Board and internal Board Committees. For Non-Executive Directors, there are no short or medium-long term variable incentive components or benefits. A Directors & Officers Liability insurance policy (D&O) is provided to cover instances of civil liability. There is no distinction between remuneration for Independent Directors.

The remuneration of Non-Executive Directors was determined by the Shareholders' Meeting of 16 April 2019, which granted each Non-Executive Director a fixed annual amount of Euro 40,000 as well as a further fixed amount of Euro 15,000 for participation in individual internal Board Committees<sup>5</sup>. This decision will remain in force until the approval of the financial statements for the Financial Year by the Shareholders' Meeting to be held on 21 April 2022.

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<sup>5</sup> The Shareholders' Meeting of 22 April 2021, following the integration (in the context of the Stone Island Transaction) of the administrative body with the appointment of the new Director Carlo Rivetti, re-determined the total amount due to the members of the Board of Directors, for the remaining duration of the office, in line with the remuneration resolved by the Shareholders' Meeting of 16 April 2019. In particular, this amount has been redetermined at a maximum of Euro 555,000 gross per year (of which Euro 20,000 for each executive Director, Euro 40,000 for each non-executive Director and a further maximum of Euro 15,000 for participation in the individual committees of the Board of Directors).

On that occasion, the Shareholders' Meeting will appoint the new Board and will be called upon to express an opinion on the remuneration to be paid to it. Therefore, the guidelines referred to in the 2022-2024 Policy will be applied by the new Board which will be responsible, on the basis of what the Shareholders' Meeting decides, for specifically determining the remuneration of Non-Executive Directors and their remuneration for participation in internal Board committees, in implementation of the applicable legislative and statutory provisions and in accordance, specifically, with what will be decided by the Shareholders' Meeting on 21 April 2021.

## **8. REMUNERATION OF MEMBERS OF THE BOARD OF STATUTORY AUDITORS**

The remuneration of the Board of Statutory Auditors is commensurate with the competence, professionalism and commitment required by the importance of their role and the size and sectoral characteristics of the Company and its situation.

For all members of the Board of Statutory Auditors, remuneration consists exclusively of a fixed part and is in no way linked to the operating results achieved by the Company. As for Directors, a Directors & Officers Liability insurance policy (D&O) is provided.

In view of the ordinary Shareholders' Meeting of 11 June 2020, called to resolve on the reappointment of the control body and, pursuant to Art. 2402 of the Italian Civil Code, the remuneration payable for the entire term of the mandate, the Board of Statutory Auditors sent the Company a document summarising the activities carried out during the mandate in order to assess the adequacy of the remuneration of members of the Board of Statutory Auditors. This assessment showed that, in view of the size and structure of the organisational structure and the overall remuneration paid to the Company's Non-Executive Directors for the activities carried out, both within the administrative body and within the internal Board committees, the remuneration of the members of the Board of Statutory Auditors was substantially adequate and proportionate also to their constant efforts to attend meetings of the Board of Directors and internal Board committees. However, given the growth in size of the Company and the increased complexity of its organisational structure, and in view of the Board of Statutory Auditors' related responsibilities and the number, duration and agenda of meetings that the Board of Statutory Auditors is required to attend, the Board of Statutory Auditors invited the Company to consider whether to adjust the compensation paid to the Board of Statutory Auditors.

The Company shareholders who met on 11 June 2020 approved the proposal submitted by Ruffini Partecipazioni S.r.l. (now Double R S.r.l.) to set the remuneration to be awarded to the Chairman of the Board of Statutory Auditors at Euro 60,000 gross per annum and the remuneration to be awarded to each Standing Auditor at Euro 41,000 gross per annum.

## **9. REMUNERATION OF THE CHAIRMAN/CEO, EXECUTIVE DIRECTORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES**

### **9.1 REMUNERATION PACKAGE**

Moncler has a clear and simple overall remuneration system, which uses transparent performance criteria directly linked to short-term and long-term objectives, able to align beneficiaries' interests with stakeholders' interests.

#### **FIXED COMPONENT**

Emolument for the position/role in question.

It is defined in a manner consistent with the specific mandates and positions and the role and strategic responsibilities assigned.

VARIABLE COMPONENT	SHORT-TERM (MBO)	MEDIUM-/LONG-TERM (LTI)
	<p>When targets are met, the incentive generally amounts to 30%-70% of the fixed component.</p> <p>The maximum incentive that can be achieved, if the targets are exceeded, may not in any case exceed 150% of the fixed component.</p>	<p>When targets are met, the incentive amounts to an annualised 120%-180% of the fixed component.</p> <p>The maximum incentive may not exceed 1.2 times the incentive payable in the event of achieving the target objectives.</p>
BENEFITS	<p>The scheme provides for the allocation of non-monetary benefits defined in line with market practice and in a manner consistent with the position and role in question. Non-monetary benefits include life and accident policies, supplementary health cover and the use of a car.</p>	

Please note that, with respect to Carlo Rivetti, Chairman and Chief Executive Officer of Stone Island as well as, with effect from 22 April 2021, Group Strategic Director and Non-Executive Director of Moncler, the remuneration attributable to him consists solely of the fixed part, the amount of which, defined in the context of the Stone Island Transaction, is in line with the purposes and criteria set forth in the Policy.

## 9.2 REMUNERATION BENCHMARKING

The remuneration policy of the Moncler Group is also defined in view of the continuous monitoring of market practices adopted by the relevant peer groups in terms of levels, remuneration systems and pay mix, with the aim of ensuring the competitiveness of the remuneration offer and enabling the Group to attract, retain and motivate key personnel.

The relevant panel for benchmarking the Chairman and CEO was defined with the support of PwC according to a methodology that considers quantitative and business criteria to ensure its relevance. Market analysis was carried out on the basis of market data provided by Korn Ferry.

This method envisages the application of the following criteria:

- a) **size:** companies comparable to Moncler in terms of revenues, capitalisation and number of employees were included;
- b) **sector and country:** the panel includes European listed companies, with the presence of Italian companies, including different sectors, to ensure the correct geographical balance of the sample;
- c) **international and business model:** included companies with a global presence.

The panel used consists of the following companies: Burberry Group, Davide Campari, Ferrari, Hermes, Hugo Boss, Pandora, Prada, Puma, Salvatore Ferragamo, The Swatch Group and Tod's.

The proposed panel guarantees:

- a) the comparability - in terms of size - of the peer group with respect to Moncler: in terms of size, Moncler is positioned in the 46th percentile of the reference panel;
- b) the representativeness of the *Fashion & Luxury* sector through the inclusion of companies comparable to Moncler in terms of size;
- c) a balanced geographical sample, with the inclusion of comparable Italian companies.

The overall remuneration of Moncler's Chairman and CEO is aligned with the top quartile values of their reference peer group, consistent with the principles of the business remuneration policy.

The remuneration competitiveness for the Chairman and CEO as well as for Top Management was also assessed with reference to a panel composed exclusively of companies in the luxury sector; in this case, in order to take into account the differences in size with some of the companies considered, the comparison was made on the basis of the organisational weight of the positions, calculated by applying the methodology for assessing the positions in use in the Moncler Group.

The companies included in the panel are as follows: Balenciaga, Bottega Veneta, Burberry Group, Celine, Chanel, Christian Dior, Ermenegildo Zegna, Fendi, Gucci, Hermes, Kering, Loro Piana, Louis Vuitton, LVMH, Prada, Richemont, Saint Laurent, Salvatore Ferragamo, Tod's, and Versace.

The remuneration positioning of the Chairman and CEO is in line with the top quartile even with reference to the peer group consisting exclusively of companies in the luxury sector.

### **9.3 FIXED REMUNERATION**

Fixed remuneration is determined according to the role and responsibilities assigned, taking into account the average remuneration levels found in the market for roles with a similar level of responsibility and managerial complexity, and may be adjusted periodically, as part of the annual salary review process that applies to all managerial staff.

### **9.4 VARIABLE REMUNERATION**

Variable remuneration consists of a short-term component (*cash*) and a long-term component (shares) with a view to sustainability of results and creating value for shareholders in the medium to long term. The performance targets allocated for the short-term component are assessed in order to evaluate an individual's actual contribution to achieving these targets.

Performance targets are predetermined, measurable and linked to the creation of value for Shareholders over the medium-long term. The achievement of these targets is verified at least once a year by the Board of Directors (following the approval of the draft financial statements), after assessment by the Nomination and Remuneration Committee.

#### **9.4.1 SHORT-TERM VARIABLE COMPONENT**

##### **Function and structure of the MBO**

The short-term variable component (*i.e.*, the MBO) constitutes a short-term incentive that aims to focus the Chairman and CEO, the Executive Directors and the Managers with Strategic Responsibilities on the key objectives for the development of the business, whether economic or financial, or linked to projects, activities and processes useful for long-term value creation for the benefit of shareholders. The system related to the MBO is intended to significantly remunerate results that exceed predefined targets, decreasing the amount when the targets are not reached.

This system has two components:

- a) a collective component, to incentivise performance that leads to an increase in value for the company;
- b) an individual component, to recognise the contribution of each person within his/her direct scope of responsibility and influence;

The annual incentive per target may vary from approximately 30% to a maximum of 70% of the fixed remuneration.

The MBO must also be structured to ensure that the portion of variable remuneration resulting from the achievement of the objectives established from time to time, in any case, does not exceed, even in the case of significant over-performance, 150% of the fixed component.

Exclusively during the first year of employment, in order to increase the potential for attraction and, therefore, to encourage the employment of resources in possession of specific high-level skills and professionalism considered necessary to achieve the Group's objectives, or to offset any loss of benefits that such professionals may have acquired during their previous professional employment, a bonus may be awarded that is wholly or partly guaranteed, or wholly or partly linked to qualitative objectives of significant strategic and operational importance (the amount of which does not exceed 50% of the fixed component).

## Performance objectives

The MBO scheme was approved by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, at the meeting of 16 March 2022.

In line with previous policies, the objectives are focused on the Group's economic and financial performance as well as on sustainability and the engagement of the corporate population. A description of the content of the KPIs that constitute the MBO scorecard for the Chairman and CEO, the Executive Directors and the Managers with Strategic Responsibilities is provided below.

TARGET & WEIGHT	DESCRIPTION
<b>EBIT (*)</b> <b>30% - 55%</b>	<i>Earnings Before Interest and Taxes (Operating Result)</i> . This profitability indicator is obtained by subtracting amortisation, depreciation and provisions from the gross operating margin, without considering the impact of application of IFRS 16.
<b>FREE CASH FLOW (**)</b> <b>20% - 30%</b>	Cash flow as indicated in the reclassified consolidated statement of cash flows indicated in the "Operating Performance" section of the Report on Operations, included in the consolidated financial statements of the Moncler Group.
<b>SUSTAINABILITY</b> <b>10%</b>	This KPI refers to the achievement of the annual objectives of the 2020-2025 Strategic Sustainability Plan, classified according to five drivers: combating climate change, the circular economy, responsible supply chain, enhancing diversity and supporting communities.  Average annual targets have been set for each objective in the Plan and their progress is constantly monitored using a project management IT tool.
<b>PEOPLE ENGAGEMENT</b> <b>5%</b>	This objective is linked to the results of the survey conducted on Group employees (" <i>MONVoice</i> ") to ascertain the degree of satisfaction of the company's staff. The purpose of this survey, which was introduced in 2017 and is conducted on an annual basis, is to gather the opinions, feedback and proposals of all the Group's employees with regard to certain areas considered particularly relevant to the Company (such as engagement, i.e., the involvement of the corporate population and enablement, i.e. the company's ability to provide the necessary tools for employees to carry out the activities requested). The use of this tool is intended to empower leaders, in particular in the definition and implementation of improvement plans in the areas highlighted by the analysis as the most sensitive. The survey results are collected in aggregate form through the use of a platform external to the Company, and are then compared with specific international benchmarks. This activity is carried out with the

support of a specialised company that intervenes in all phases - not only the analysis of the results - before they are made public and commented on with all internal stakeholders.

**STRATEGIC AND FINANCIAL**  
30% - 55%

These are individual goals focused on economic/financial and operational performance, internal efficiency and issues relating to the model of managerial skills assigned in relation to the scope of responsibility for the role in question.

(\*) EBIT reported (inc. IFRS16)

(\*\*) Pre IFRS 16 net of Change in Other Curr/Non-Curr Assets/(Liabilities)

Financial /economic goals have a weight range of 85% - 65%, and quality/design objectives of 15% - 35%.

**Performance conditions**

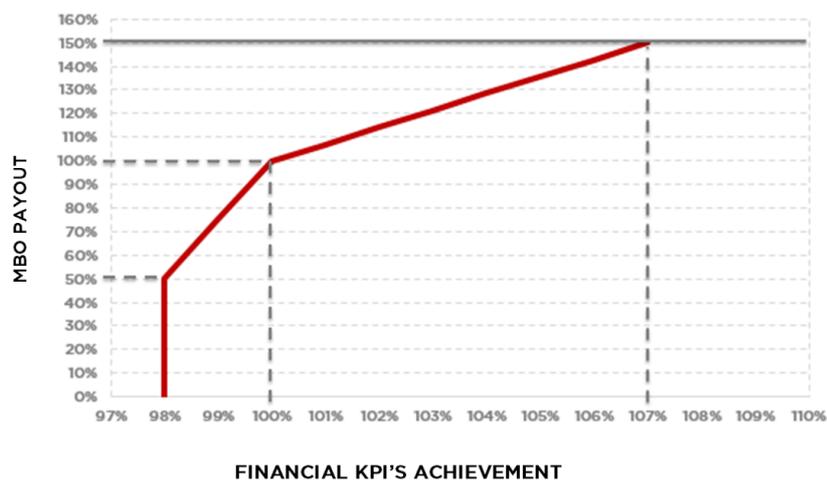
In order to encourage the achievement of distinctive goals and further incentivise contributions to company results, the MBO system anticipates the application of the following two mechanisms:

- a) **Performance curve:** this applies exclusively to economic-financial indicators (i.e. EBIT and *Free Cash Flow*) and kicks in once the 98% threshold level has been reached. When the threshold level is reached, the incentive for the part relating to the individual indicator (and therefore according to the weight assigned) is reduced to 50%; when the target level is reached, the incentive is not penalised while when the incentive level is exceeded with respect to each indicator it is subject to an increase, which may range from 107% to 150%;
- b) **Multiplier:** this is linked to Group EBIT performance in the year in question: EBIT operates as a multiplier mechanism on the value of the MBO (determined by taking into account the effects of the performance curve referred to above, where applicable) with effect from a target level of 101%. The effect of the multiplier mechanism is subject to a cap as the MBO disbursed may not exceed 150% of fixed remuneration.

The two mechanisms described above apply as follows:

FROM	TO	PAYOUT %
	< 98%	0%
98%	98.99%	50%
99%	99.99%	75%
100%	100.99%	100%
101% (*)	101.99%	107%
102%	102.99%	114%
103%	103.99%	121%
104%	104.99%	129%
105%	105.99%	136%
106%	106.99%	143%
≥107%		150% (**)

(\*) MULTIPLIER ACTIVATION LEVEL; (\*\*) MAXIMUM LEVEL/CAP



POSITION	KPI	PAYOUT LEVEL			
		MINIMUM (*)	TARGET	MAXIMUM	MAX. MULTIPLIER
Chairman/CEO and Executive Directors:	55% GROUP EBIT	50%	100%	150%	150%
	30% <i>FREE CASH FLOW</i>	50%	100%	150%	150%
	10% SUSTAINABILITY	50%	100%	100%	150%
	5% <i>PEOPLE ENGAGEMENT</i>	50%	100%	100%	150%
Managers with Strategic Responsibilities (**)	30% - 55% MONCLER/GROUP EBIT	50%	100%	150%	150%
	20% - 30% FREE CASH FLOW	50%	100%	150%	150%
	30% - 45% INDIVIDUAL FINANCIAL TARGETS	50%	100%	150%	150%
	10% SUSTAINABILITY	50%	100%	100%	150%
	5% PEOPLE ENGAGEMENT	50%	100%	100%	150%
	20% - 40% INDIVIDUAL STRATEGIC TARGETS	50%	100%	100%	150%

(\*) the minimum pay-out value is 0; 50% corresponds to the first payment threshold

(\*\*) Managers with Strategic Responsibilities are shown in the aggregate The KPIs shown are not assigned at the same time to all MSRs. The type of indicator and weights vary according to the role in question

## 9.4.2 MEDIUM-/LONG-TERM VARIABLE COMPONENT (2022 PERFORMANCE SHARES PLAN)

In accordance with the Policy, long-term variable incentive schemes are also linked to the achievement of specific goals. In general, these goals are based on the specific activity carried out by the Company and are indicators of the Company's ability to generate sustainable value and manage the risk associated with its business in the medium to long term.

The medium/long-term incentive system provided for in the 2022-2024 Policy consists of the share incentive plan known as the "2022 Performance Shares Plan" (approved by the Board on 24 February 2022 with the favourable opinion of the Nomination and Remuneration Committee) which will be submitted to the Shareholders' Meeting called on 21 April 2022.

The 2022 Plan relates to the grant of "Moncler Rights", which entitle the Fund, if performance targets are met, to the award of a Share free of charge for each "Moncler Right".

The essential characteristics of the 2022 Plan are detailed in the relevant Information Document prepared pursuant to Art. 84-*bis* of the Issuers' Regulation to which reference is made, available on the Company website [www.monclergroup.com](http://www.monclergroup.com), in the Governance/Shareholders' Meeting section.

### Beneficiaries and purpose

The 2022 Plan is reserved to the Chairman and CEO, Executive Directors, Managers with Strategic Responsibilities, employees and contractors, including external consultants, of Moncler and its Subsidiaries who hold strategically important roles or are in any way able to make a significant contribution, identified by the Board of Directors following consultation with the Nomination and Remuneration Committee.

The 2022 Plan pursues the following objectives:

- a) to link the incentive system for managers and key personnel of the Group to the actual performance of the Company and the creation of new value;
- b) to further develop retention policies aimed at retaining key company resources and encouraging them to remain with the Moncler Group;
- c) to further develop attraction policies for talented managerial and professional people, in order to develop and strengthen Moncler's key and distinctive skills.

### Characteristics

The 2022 Plan is based on the free allocation of Shares; specifically, the 2022 Plan includes the granting of "Moncler Rights", which entitle holders, if the performance targets are met, to the award of a Share free of charge for each "Moncler Right".

In line with the past, the 2022 Plan provides for a maximum of 3 annual Share allocation cycles, each of which corresponds to a three-year performance period (vesting period), as detailed below.

- a) first allocation cycle: 2022-2024 performance period with the allocation of shares in 2025
- b) second allocation cycle: 2023-2025 performance period with the allocation of shares in 2026
- c) third allocation cycle: 2024-2026 performance period with the allocation of shares in 2027

### KPI

The actual allocation of the Shares is subject to the performance level achieved in relation to the following KPIs:

KPI	DESCRIPTION
<b>NET INCOME</b>	The net profit as recorded in the consolidated income statement indicated in the "Operating performance" section of the Report on Operations, included in the consolidated financial statements of the Moncler Group.
<b>FREE CASH FLOW</b>	Cash flow as indicated in the reclassified consolidated statement of cash flows indicated in the "Operating Performance" section of the Report on Operations, included in the consolidated financial statements of the Moncler Group.
<b>ESG</b>	<p>a) <i>Climate Change: carbon neutrality</i> of Group offices worldwide achieved through 100% energy from renewable sources, 90% low emission company fleet vehicles and offset of non-avoidable residual emissions</p> <p>b) <i>Circular Economy: 25%</i> of the nylon used in the 2024 collections is sustainable</p> <p>c) <i>Diversity, Equity &amp; Inclusion: obtaining Equal Pay</i> certification for the Moncler headquarters perimeter</p> <p>In addition, for over-performance purposes, an additional target is expected to be achieved that reflects a high rating for the Group's sustainability performance by one of the leading ESG rating agencies including S&amp;P Global, CDP, MSCI or Sustainalytics.</p>

## ESG objectives of the 2022 Performance Shares Plan

To demonstrate Moncler's continued commitment to creating sustainable value in the medium to long term for the benefit of all stakeholders and also taking into account market information as part of engagement, the new 2022 Performance Shares Plan features an ESG KPI that relates to 3 major challenges valued in the 2020-2025 Strategic Sustainability Plan (which can be found in the Non-Financial Statement available on the Moncler website) [www.monclergroup.com](http://www.monclergroup.com) in the "Sustainability" section): carbon neutrality, the extensive use of sustainable nylon (nylon with lower environmental impact than conventional nylon, such as recycled nylon or bio-based nylon) and the promotion of diversity, equity and inclusion.

- a) *Carbon neutrality*: is the result of a process to monitor, reduce and offset the residual and unavoidable CO<sub>2</sub> emissions generated by the Group in its direct operational management worldwide. In particular, the Group is committed to using only 100% renewable energy in its corporate offices and to having 90% of a company car fleet in the world consisting of vehicles with a low environmental impact, as well as neutralising non-avoidable residual emissions through certified projects on the voluntary market. The decision by the Moncler Group to become *carbon neutral* is part of the broader scope of reducing its environmental impacts and thus contributing to the fight against *climate change* in line with its participation in the *Science Based Target* initiative, which requires companies in various sectors to help contain the increase in global temperature;
- b) *Sustainable nylon*: with a view to an increasingly circular economy, the Group is committed to ensuring that 25% of nylon used in the 2024 collections is sustainable;
- c) *Equal Pay Certification*: the Group seeks the best talent and invests in their professional growth and promotion of their well-being; it provides a safe, meritocratic and stimulating workplace, where diversity is valued and where each person is empowered to better express their capabilities, potential and uniqueness. With this in mind, the Company has undertaken to obtain, by 2024, *Equal Pay* certification relating to equal pay for women and men for the *Moncler* headquarters.

In addition, the 2022 Performance Shares Plan enriches the ESG KPI with the introduction of an additional objective (which operates for over-performance purposes) that reflects the achievement of a high rating for the Group's sustainability performance by one of the leading ESG rating agencies including S&P Global, CDP, MSCI or Sustainalytics. In particular, this objective relates to the inclusion of Moncler in the *Dow Jones Sustainability World* or *Europe Index* or, alternatively, achieving an A- or A score from CDP *Climate Change*, or obtaining an A or AA or AAA rating from MSCI Research rather than recognition by Sustainalytics of the *Industry Top-Rated Badge* or *Regional Top Rated badge*.

### **Performance conditions**

A minimum, target and maximum level is set for each of these objectives, based on which the achievement of results will be measured. For all objectives, the achievement of results between the minimum and the target level and between the target and the maximum level determines the allocation of a number of Shares calculated on a proportional basis. Achieving results below the minimum level relative to the individual objective means the no Shares are allocated for the individual performance condition to which this result relates. Performance conditions operate independently of each other. If the target level is exceeded, the incentive awarded (in proportion to the weight allocated to the relevant target) will increase and the pay-out level may reach 120%.

Access threshold (leading to a pay-out of 80%):

- a) for the financial and economic performance indicators, this corresponds to the achievement of 90% of the target in question;
- b) for the ESG KPI, it corresponds to the achievement of at least two ESG objectives (*Carbon neutrality*, *sustainable nylon* and *Equal Pay* certification) over the reporting period.

Maximum pay-out (120% cap):

- a) for economic and financial performance indicators it applies when achieving 105% of the relevant target,
- b) for the KPI it applies when meeting all three ESG targets (*Carbon neutrality*, *sustainable nylon* and *Equal Pay* certification) over the reporting period and after achieving at least a high rating for the Group's sustainability performance from one of the leading ESG rating agencies, including S&P Global, CDP, MSCI or Sustainalytics, over all three consecutive years

The structure and related performance scale of the 2022 Plan that will be submitted for the approval of the Shareholders' Meeting is shown below.

KPI	WEIGHT (%)	PERFORMANCE/PAYOUT (% ACHIEVEMENT/% OF ALLOCATION OF SHARES WITH REGARD TO THE MONCLER RIGHTS GRANTED)			
			MINIMUM (*)	TARGET KPI	MAXIMUM
NET INCOME	70	Performance	-10%	Cumulative Plan Target	+5%
		Pay-out	80	100	120
FREE CASH FLOW	15	Performance	-10%	Cumulative Plan Target	+5%
		Pay-out	80	100	120
ESG	15	Performance	Achieving at least two ESG goals (Carbon neutrality, sustainable nylon and Equal Pay certification) over the reporting period	Achieving all three ESG goals (Carbon neutrality, sustainable nylon and Equal Pay certification) over the reporting period	Achieving all three ESG goals (Carbon neutrality, sustainable nylon and Equal Pay certification) over the reporting period and achieving a high rating for the Group's sustainability performance from one of the leading ESG rating agencies
		Pay-out	80	100	120

(\*) the minimum pay-out value is 0; 80% corresponds to the first payment threshold

The potential pay-out calculated at the time the Shares are allocated in terms of a percentage of base salary is as follows:

Role	0% Pay-out	80% Pay-out	100% Pay-out	120% Pay-out
Chairman and CEO	0%	133%	167%	200%
Executive Directors	0%	99% - 126%	124% - 158%	148% - 189%

MSRs	0%	125%	157%	188%
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### ***Lock-up***

With respect to the Shares referred to in 2022 Performance Shares Plan the Chairman and CEO, the Executive Directors and MSRs are subject to a lock-up period. Specifically, these beneficiaries are obliged to hold on a continuous basis:

- a) a number of Shares equal to 30% of those awarded until the end of their term of office (for the Chairman and CEO and the Executive Directors); and
- b) a number of Shares equal to 30% of those awarded for at least 24 months from the date of allocation (for MSRs)

net of shares transferable for the payment of tax, social security and healthcare charges, where due, related to the grant of the Shares.

The Shares are, therefore, subject to an inalienable restriction until the above deadline has expired, subject to written authorisation from the Board of Directors, following the favourable opinion of the Nomination and Remuneration Committee.

If the beneficiaries (whether Executive Directors or Strategic Managers) are awarded, at the end of the vesting period, sums in cash instead of - in whole or in part - the Shares, they are required to reinvest these sums in shares of the Company to be held in accordance with the terms set out above.

### **Change of control**

If, before the date of allocation of the Shares, certain extraordinary events occur (change of control, takeover or tender offer for Moncler Shares, withdrawal from the listing of Moncler Shares by the MTA (delisting), the beneficiaries of the 2022 Performance Shares Plan will be entitled to request the early allocation of a number of Shares to be determined *pro rata temporis*, subject to verification by the Board of Directors that they have achieved their performance targets under the detailed terms and conditions set out in the 2022 Performance Shares Plan.

### **Termination of employment**

The allocation to beneficiaries of Moncler Rights (and, where applicable, the allocation of Shares) is subject, *inter alia*, to the beneficiary having a managerial, employment, collaboration or consultancy relationship with Moncler or one of the Subsidiaries. The 2022 Performance Shares Plan regulations establish, with reference to the various types of relationship, the various effects caused by any cessation of the relationship, taking into account the cause and the time when the termination occurs. The regulations therefore provide for so-called *good leavers* (such as, by way of example but not limited to, satisfying the conditions for early pension benefits, expiry of the mandate or death of the beneficiary) and so-called *bad leavers* (such as, by way of example but not limited to, termination of the relationship in the event of unilateral withdrawal by Moncler, removal of the beneficiary from office for just cause or withdrawal by the beneficiary from the mandate). In particular, in the event of these latter scenarios (*bad leaver*), and in the manner specifically provided for each of them in the regulations, the beneficiary will have no entitlement to the allocated Moncler Rights which shall be considered extinguished and no compensation and/or indemnity shall be due from Moncler for any damage and/or adverse effect suffered by the beneficiaries. If the relationship is terminated on a *good leaver* basis, the beneficiary (or his/her heirs) will retain ownership of the rights to the Moncler Rights on a *pro rata temporis* basis.

### 9.4.3 OUTSTANDING INCENTIVE PLANS

The share-based incentive plans approved by the Moncler Shareholders' Meeting that apply at the date of the Report are:

- a) the 2018-2020 Performance Shares Plan (the 2018-2020 Plan) for the free allocation of Moncler rights giving rights, if certain performance targets are met, to the award of a Share free of charge for each Moncler Right granted. The 2018-2020 Plan makes the award of Moncler shares subject to a 3-year vesting period and the achievement of specific performance targets related to the consolidated EPS (Earnings per Share) of the Moncler Group for the relevant reporting period. The shares for the first cycle of the 2018-2020 Plan (relating to the 2018-2020 performance period) were awarded in February 2021, while those for the second cycle (relating to the 2019-2021 performance period) will be awarded, subject to meeting the relevant performance targets, in February 2022
- b) the 2020 Performance Shares Plan (the 2020 Plan) concerning the free allocation of Moncler rights which entitle the holder to a free share for each Moncler Right granted if certain performance targets are met. The 2020 Plan makes the allocation of shares subject to a 3-year vesting period and the achievement of specific performance targets determined on the basis of indicators (i) *Net Income*, (ii) *Free Cash Flow* and (iii) ESG (collectively, the KPIs) which are expressed as a ratio between the KPIs achieved and the KPIs indicated as a target during the relevant reporting period. With reference to the ESG indicator and in particular Moncler's performance target for the *Dow Jones Sustainability Index* (relevant for the purposes of over-performance), it should be noted that during the year, the Board of Directors, having consulted the Nomination and Remuneration Committee, determined that 20% over-performance should be applied at the rate of one third for each year of inclusion of Moncler in the *Dow Jones Sustainability Index*. Shares relating to in the first cycle (relating to the 2020-2022 performance period) and to the second cycle (relating to the 2021-2023 performance period) will be awarded, subject to meeting the relevant performance targets in 2023 and 2024 respectively.

Documentation relating to the 2018-2020 Plan and the 2020 Plan is available on the Company's website, [www.monclergroup.com](http://www.monclergroup.com), in the Governance/Remuneration Section, which also includes the relevant Information Documents drawn up pursuant to Art. 84-*bis* of the Issuers' Regulation, and which provide the relevant key information.

## 10 INDEMNITY FOR EARLY TERMINATION OR NON-RENEWAL OF THE RELATIONSHIP (PARACHUTE AGREEMENTS) AND NON-COMPETE AGREEMENTS

### Indemnification

The Remuneration Policy provides for the possibility for Moncler to enter into agreements with Executive Directors and/or Managers with Strategic Responsibilities governing economic aspects *ex ante* in the event of termination, including early termination, of the relationship at the initiative of the Company or the person concerned or in the event of non-renewal (indemnification/so-called parachute agreements). Such agreements are subject to the prior assessment and approval of the Board of Directors, after obtaining the favourable opinion of the Nomination and Remuneration Committee.

These agreements must be defined according to the reasons underlying the early termination of the relationship. In particular, compensation may be paid in the following cases:

- a) removal of the Director from office in the absence of just cause (including cases in which the termination of office is as a result of the Board of Directors stepping down following the implementation of the *simul stabunt simul cadent* clause referred to in the Art.s of Association or corporate transactions such as, *inter alia*, mergers, spin-offs and demergers);

- b) failure to reappoint a Director after the end of his/her term of office;
- c) termination of employment by the Company for reasons of an objective nature;
- d) consensual termination of the relationship.

Compensation is paid on condition that the Executive Director and/or the Manager with Strategic Responsibilities resigns from any position held within the Group and a consensual termination and a general novative settlement agreement is concluded pursuant to Art.s 2113, 1975 and 1976 of the Italian Civil Code and Art. 411 of the Italian Code of Civil Procedure.

In line with the provisions of recommendation 31(c) of the Corporate Governance Code, the Company in any event, reserves the right to ask the Executive Director and/or the Manager with Strategic Responsibilities to return, in whole or in part, any amounts paid if the said amounts were determined on the basis of data that subsequently proved to be manifestly erroneous or if the removal from office or the termination of the contract is due to results that are objectively inadequate or achieved as a result of conduct resulting in a significant loss to the Company or, in any case, as a result of fraudulent conduct or gross negligence to the detriment of the Company.

Secondly, the Policy provides for the possibility of payment of a severance indemnity in the event of termination by the relevant beneficiary.

### **Non-compete agreements**

The Remuneration Policy provides for the possibility of executing non-competition agreements in respect of Managers, Executives, Executive Directors and Managers with Strategic Responsibilities which provide for (i) a maximum duration of one year; and (ii) a consideration that varies up to 100% of the fixed gross annual remuneration as well as additional provisions in line with best market practice.

At the date of this Report, the total amount referring to the parachute and the non-competition agreement in place with Roberto Eggs does not exceed two years of fixed and variable remuneration (the latter calculated as the average of the last three MBOs paid). This cap is in line with the provisions of this Remuneration Policy, which provides that this limit may only be exceeded as a result of applicable legal provisions and/or in execution of the relevant national collective labour agreement.

## **10.1 EXECUTIVE DIRECTOR/CHIEF BUSINESS STRATEGY & GLOBAL MARKET OFFICER**

The contract between the Company and Roberto Eggs, Executive Director and *Chief Business Strategy & Global Market Officer* according to which his management relationship with the Company is governed until 31 December 2024 provides for:

- a) the disbursement of an amount of Euro 1,498,000 in the event of (i) removal in the absence of just cause; or (ii) failure to reappoint him following the expiry of his current mandate and the subsequent mandate until 31 December 2024 (parachute);
- b) on expiry and/or in the event of early termination due to removal in the absence of just cause, application of the regulations implementing the share-based incentive plans of which Roberto Eggs is a beneficiary on the date of termination and whose essential characteristics are detailed in the information documents drawn up pursuant to Art. 84-*bis* of the Issuers' Regulation ;
- c) an amount of Euro 500,000 in the event that the obligations under the non-competition undertakings established in the contract are executed (the "non-competition clause").

Amounts a) and c) do not total more than 2 years' fixed remuneration.

## 10.2 MANAGER WITH STRATEGIC RESPONSIBILITIES

The management relationship between the Company and a Strategic Manager, according to which his or her management relationship with the subsidiary, Industries, is governed until the date of approval of Industries' financial statements for the year ending 31 December 2023, provides for:

- a) an amount equal to Euro 1,035,000 in the event of (i) removal in the absence of just cause; or (ii) failure to reappoint him or her following expiry of the current mandate (expiring on the date of approval of the financial statements of Industries for the year ending 31 December 2023) (parachute) unless the contract is replaced during the term of office or on its expiry with another contract under the same terms and conditions (e.g., by an employment contract). This amount does not exceed 2 years' fixed remuneration.
- b) in the event of termination of the contract due to non-renewal and/or in the event of early termination due to removal in the absence of just cause, application of the regulations implementing the share-based incentive plans of which he or she is a beneficiary at the termination date and whose essential characteristics are detailed in the information documents prepared pursuant to Art. 84-*bis* of the Issuers' Regulations.

## 10.3 MANAGER WITH STRATEGIC RESPONSIBILITIES /CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF SPW

The contract between the subsidiary Stone Island and Carlo Rivetti, Strategic Manager and Non-Executive Director of Moncler as well as Chairman and Chief Executive Officer of SPW, under which his management relationship with the subsidiary Stone Island is governed until the date of approval of the 2023 financial statements, provides for:

- a) in the event of removal from office of the Chairman and Chief Executive Officer of SPW, before the expiry of the contract, in the absence of just cause or waiver of office also prior to the expiry of the contract, for just cause, the payment of a gross amount by way of penalty for early termination pursuant to Art. 1382 of the Italian Civil Code equal to the annual compensation to which he would have been entitled, calculated from the date of actual termination and until expiry;
- b) in the event of removal from office prior to expiry for just cause, the payment of the annual compensation accrued up to the date of actual termination and not yet paid, without prejudice to the right of SPW to take action to obtain any further damages;
- c) a non-competition clause of 2 years from the date of termination of office in the case of a good leaver or 4 years in the case of a bad leaver. The 2-year term (as compared to the one year stipulated by the Policy) is justified in view of the fact that, as stated in Section 9.1, the contract with Carlo Rivetti, it was defined as part of the Stone Island Transaction.

## 11. CLAWBACK/MALUS MECHANISMS

The short-term (MBO) and long-term (LTI) incentive system provides for clawback/malus mechanisms, as provided for in recommendation 31(c), Art. 5 of the Corporate Governance Code.

In particular, the Company may demand the return of all or part of variable remuneration components (or withhold components subject to deferral), the allocation of which has been determined on the basis of data or information that subsequently prove to be manifestly erroneous or determined in the event of fraudulent conduct or gross negligence on the part of the beneficiaries.

## 12. THE POLICY AND OUR EMPLOYEES

The Policy consists of tools and an approach applicable to the entire corporate population, aimed at attracting, motivating and retaining people with the professional qualities necessary

to help define the Group's growth strategy and to strengthen its interests and long-term objectives including sustainability. It is based on principles of equity, equal opportunities, meritocracy and market competitiveness.

Determining the remuneration of the company's staff takes into account specific criteria, including comparison with the external market and the internal equity of the company, the characteristics of the role and responsibilities involved, as well as the distinctive skills of people, always with a view to maximum objectivity, in order to avoid any form of discrimination. Moncler is committed to offering a fair level of remuneration that reflects each individual's skills, ability and professional experience, ensuring application of the principle of equal opportunity and avoiding the risk of discrimination. For further information, please refer to the 2021 Non-Financial Statement, available at [www.monclergroup.com](http://www.monclergroup.com), in the "Sustainability" section.

The compensation package offered to employees in general includes a wide offer of benefits, which include life insurance, pension plans and prevention programmes aimed at improving people's welfare. Benefits are linked to the professional category to which they belong, regardless of the type of contract (fixed-term, permanent, full-time, part-time). They follow international guidelines, with possible changes according to the local policy of the country in question.

83% of the eligible population, consisting of professionals, managers, executives and senior executives, is paid remuneration that consists of a fixed component, valued according to the criteria mentioned above, and a variable component, aimed at rewarding the attainment of specific economic-financial as well as environmental and social objectives, assessed on the basis of a *balance score card* system and closely related to the Company's strategic projects.

Moncler also guarantees:

- a) a safe, fair, inclusive, functional and pleasant working environment: in the Group's offices and stores, the architecture lends itself to the activities carried out, enhancing exchange and collaboration and in compliance with fundamental health and safety criteria;
- b) working methods that facilitate effective and efficient collaboration, leveraging space and smart technologies, allowing greater global proximity and ensuring continuous value creation for the Company and individuals;
- c) the concrete possibility of orienting its individual and professional development, thanks to a periodic and structured performance assessment towards a continuous learning system, accessible via an on-line platform, which facilitates the development of knowledge and skills, and a global dimension, which allows the Company to tackle continual, complex and innovative challenges, opening up opportunities for growth.

In addition, as outlined in the Strategic Sustainability Plan, Moncler is focused, *inter alia*, on promoting the principles of diversity, equity and inclusion with respect to which the Company has set specific objectives related to valuing people, redesigning inclusive ways of working and encouraging multiplicity.

### ***Diversity, Equity & Inclusion***

Moncler has committed to strengthening the culture of inclusion and valuing diversity both inside and outside the Company, launching on a path of *Diversity, Equity & Inclusion* (D, E&I). To this end, a Diversity, Equity and Inclusion Committee was established in January 2021, chaired by the *Chief Corporate and Communications Officer*, and composed of the heads of *People & Organisation*, *Legal Affairs*, *Sustainability*, *Marketing & Communication* and the Chairman of *Regions* and the *Art Director* of Stone Island. At least every six months, the Diversity and Inclusion Committee reports to the Nomination and Remuneration Committee on the initiatives taken and developed during the year in question and will be supported in its activities by external experts. The purpose of the Diversity, Equity and Inclusion Committee is to assess current internal policies and initiatives, defining a clear vision that, in line and in

synergy with that of the business, will allow Moncler to achieve distinguished levels in the area *Diversity, Equity & Inclusion*, defining appropriate policies and guidelines, proposing adequate training plans, developing areas for improvement, launching new initiatives and projects on diversity, constantly monitoring and measuring the progress made, with a particular focus on the peculiarities of the communities in which the Group operates. It is a process of cultural strengthening that starts with deep roots and is reflected in company values such as "*Bring other voices in*", which represents the Company's ability to live diversity and find harmony in diversity, and "*Keep warm*", which emphasises the importance of a working environment where people can express themselves freely, feel accepted and part of a cohesive and united group and where everyone is encouraged to reach their full potential.

In terms of gender difference, women predominate in all geographical areas. Women comprise 70% of the global workforce and 52% of management. Women also represent 71% of permanent staff and 63% with fixed-term contracts. 70% of all contracts converted into permanent employment contracts during 2021 were female (126). In 2021, the percentage of women with permanent and full-time contracts as a percentage of the total permanent staff was 66%.

It should also be noted that the ESG KPI of the 2022 Performance Shares Plan includes the obtention of Equal Pay certification for equal pay between women and men for the Moncler headquarters as one of its objectives

The inclusion of disabled persons is also a matter to which the Group is committed. Moncler manages diversity in accordance with applicable rules and practices and encourages the various company departments to include disabled resources. Each placement is assessed respecting and reconciling the needs and abilities of each individual person, with provision made for the correct workstations and, where necessary, by adjusting working hours. In this way, resources are protected and empowered to be the best. At 31 December 2021, there were 74 disabled employees in Italy, Romania, France, Japan and South Korea. In the coming years, the Group will continue to plan to integrate additional individuals with varying degrees of disability, including through collaboration with institutional bodies whose purpose is occupational integration.

## SECTION II: REMUNERATION PAID IN THE 2021 FINANCIAL YEAR

### 1. INTRODUCTION

Here follows a description of the items that make up the compensation paid to beneficiaries of the Policy during the Financial Year. The 2021 results are also compared with the objectives set by the Moncler Board of Directors which will determine the incentives to be paid out in 2022.

Remuneration is also consistent with the Policy for the financial year in question (2021) and particularly in terms of consistency between the variable remuneration accrued and the degree to which the pre-established objectives are attained.

Implementation of the Policy, as verified by the Nomination and Remuneration Committee, in accordance with the recommendations of paragraph 25 of Art. 5 of the Corporate Governance Code, remained in line with the general principles laid down in the resolutions adopted by the Board of Directors. Based on the assessment made by the Committee, the 2021 Remuneration Policy was therefore substantially consistent with the market benchmarks used, both in terms of overall positioning and pay mix.

While implementing the 2020-2021 Policy, the Nomination and Remuneration Committee took into account the vote and the assessments made by the Shareholders' Meeting of 22 April 2021 on Section II of the Report, during which the votes in favour amounted to 70.161% of the capital present, as per Paragraph 3 of Section I of the Report.

In accordance with the provisions of paragraph 8-*bis* of Art. 123-*ter* of the TUF, the auditing firm appointed to carry out the statutory audit of the financial statements (KPMG S.p.A.) correctly verified that Section II of this Report had been prepared, by means of a formal audit of the publication of the information contained therein.

For the purposes of this Section, it should be noted that:

- (i) the **BOARD OF DIRECTORS** in office at the date of the Report was appointed by the Shareholders' Meeting of 16 April 2019 and will remain in office until approval of the financial statements for the Financial Year. The following Executive Directors were in office at the date of the Report:
  - a. Remo Ruffini, Chairman and CEO of Moncler;
  - b. Roberto Eggs, Executive Director of Moncler and Group *Chief Business Strategy & Global Market Officer* (this role was taken on in June 2021 and replaces the previous role of *Chief Marketing & Operating Officer*);
  - c. Luciano Santel, Executive Director of Moncler and *Group Chief Corporate & Supply Officer* and Financial Reporting Officer *pursuant* to Art. 154-*bis* of the TUF;
- (ii) the **BOARD OF STATUTORY AUDITORS** in office at the date of the Report was appointed by the Shareholders' Meeting of 11 June 2020 and will remain in office until the approval of the financial statements for the year ending 31 December 2022;
- (iii) the **MANAGERS WITH STRATEGIC RESPONSIBILITIES** in office at the date of the Report are:
  - a. Francesca Bacci, *Operations & Supply Chain Director*;
  - b. Gino Fisanotti, *Chief Brand Officer* as of 7 June 2021;
  - c. Carlo Rivetti, Chairman and Chief Executive Officer of SPW and, since 22 April 2021, Non-Executive Director of Moncler;
  - d. Andrea Tieghi, *Senior Director of WW Retail Business and Development*.

Executive Directors and Managers with Strategic Responsibilities make up the Strategic Committee.

## 2 PAY MIX

### 2.1 Chairman and CEO and Executive Directors

The percentage of fixed and variable remuneration of the Chairman/CEO and the Executive Directors during the year is as follows.

	Percentage of fixed and variable remuneration <sup>(*)</sup>		
	Fixed remuneration	Short-term variable compensation	Long-term variable compensation
<b>Chairman and Chief Executive Officer</b>	27%	30%	43%
<b>Executive Director/ Chief Business Strategy &amp; Global Market Officer</b>	27%	23%	49%
<b>Executive Director/ Chief Corporate &amp; Supply Officer</b>	23%	23%	54%

<sup>(\*)</sup> This percentage is calculated according to the remuneration items shown in Table 1. Section II. Fixed components are defined as: remuneration for the role, remuneration for participation in committees, non-monetary benefits, other remuneration; short-term variable components as: profit sharing, bonuses and incentives, and long-term variable components as: fair value equity compensation.

### 2.2 Strategic Managers

The percentage of fixed and variable remuneration for Managers with Strategic Responsibilities for the year is shown below:

	Percentage of fixed and variable remuneration <sup>(*)</sup>		
	Fixed remuneration	Short-term variable compensation	Medium to long-term variable compensation
<b>3 Managers with Strategic Responsibilities</b>	29%	22%	49%

<sup>(\*)</sup> This percentage is calculated according to the remuneration items shown in Table 1. Section II. Fixed components are defined as: remuneration for the role, remuneration for participation in committees, non-monetary benefits, other remuneration; short-term variable components as: profit sharing, bonuses and incentives, and long-term variable components as: fair value equity compensation.

## 3. NON-EXECUTIVE DIRECTORS

In accordance with the resolution passed by the Shareholders' Meeting of 16 April 2019:

- a) each Non-Executive Director has been paid gross annual remuneration of Euro 40,000;
- b) additional remuneration of Euro 5,000 gross per annum for participation in each Committee was paid to members of Moncler's internal Board Committees.

A breakdown of emoluments for the year is shown in Table 1.

Table 4 shows the number of shares held by the individuals in question.

## 4 CHAIRMAN AND CEO AND EXECUTIVE DIRECTORS

### 4.1 CHAIRMAN AND CEO

In 2021, the Chairman and CEO, Remo Ruffini, received a total of Euro 2,876,443 as described in greater detail below. It should be noted that for the Financial Year Remo Ruffini waived the payment of part of his fixed and target variable remuneration with a value of 11% and 23% respectively. In this regard, it should be recalled that in 2020, as part of the activities undertaken by the Group to tackle the Covid-19 emergency, Remo Ruffini (and the Executive Directors and Strategic Managers), during the first phase of the emergency, waived their short-term variable remuneration (MBO) for the 2020 Financial Year, also as a sign of solidarity with the Company and its employees. Remo Ruffini also fully committed his fixed compensation for 2020 to charitable initiatives for the Covid-19 emergency and waived his right in 2020 to be beneficiary of the 2020 Performance Shares Plan (first cycle), in relation to which was designated as a beneficiary in the Financial Year (for the second cycle).

#### Fixed remuneration

The fixed remuneration for the Chairman and CEO amounts to Euro 1,363,846 of which 1,349,973 was received from Moncler, 10,000 from Industries and 3,874 from Stone Island.

#### Annual variable remuneration: 2021 MBO

This remuneration amounts to Euro 1,500,000 and is accrued on the basis of the final level of achievement of the 2021 MBO objectives, as reported in Paragraph 7, and the application of the performance curve and the relevant multiplier.

#### Medium-long term variable remuneration (LTI)

In 2021, the Chairman and CEO 223,707 were awarded shares under the 2018-2020 Plan. This award was made following verification by the Board on 18 February 2021, following examination and the favourable opinion of the Nomination and Remuneration Committee, that the objectives of the said Plan had been achieved.

Secondly, the Chairman and CEO are beneficiaries of the second cycle of the 2020 Plan whereby they were granted 140,845 Moncler Rights in accordance with the resolution adopted by the Board on 14 June 2021, following the approval of the Nomination and Remuneration Committee.

#### Benefits

Benefits include a company car for a value of Euro 12,596, of which 3,499 was received from Moncler and 9,097 from Industries.

### 4.2 EXECUTIVE DIRECTOR AND *CHIEF CORPORATE & SUPPLY OFFICER*

In 2021, the Executive Director and *Chief Corporate & Supply Officer*, Luciano Santel, received a total of Euro 1,715,195, as described in greater detail below.

It should be pointed out that, as part of the salary review conducted with respect to Top Management's remuneration package, following a proposal put forward by the Nomination and Remuneration Committee and subsequently approved by the Board on 14 June 2021, adjustments were made to the short-term fixed and variable component (MBO) in favour of Luciano Santel, in view of the need to bring his remuneration in line with applicable market rates.

#### Fixed remuneration

Fixed compensation amounts to Euro 834,942 of which 641,068 was received from Moncler 190,000 from Industries and 3,874 from Stone Island.

#### **Annual variable remuneration: 2021 MBO**

This remuneration amounts to Euro 858,313 (of which Euro 710,158 was received from Moncler and Euro 148,155 from Industries) and is accrued on the basis of the final level of achievement of the 2021 MBO objectives, as reported in Paragraph 7, and the application of the *performance* curve and the relevant multiplier.

#### **Medium-long term variable remuneration (LTI)**

In 2021, 142,036 shares were awarded under the 2018-2020 Plan. This award was made following verification by the Board on 18 February 2021, and subsequent examination by the Nomination and Remuneration Committee of the achievement of the objectives of the said Plan.

Secondly, Luciano Santel is a first-cycle beneficiary of the 2020 Plan whereby he was granted 120,265 Moncler Rights, in accordance with the resolution adopted by the Board on 11 June 2020 following the favourable opinion of the Nomination and Remuneration Committee.

#### **Benefits**

Benefits include a company car, life insurance, accident insurance and supplementary health insurance for a value of Euro 21,940, of which 6,693 was received from Moncler and 15,247 from Industries.

### **4.3 EXECUTIVE DIRECTOR AND *CHIEF BUSINESS STRATEGY & GLOBAL MARKET OFFICER***

In 2021, the Executive Director and the *Chief Business Strategy & Global Market*, Roberto Eggs, received a total of Euro 2,295,665, as described in greater detail below.

#### **Fixed remuneration**

Fixed remuneration amounts to Euro 1,221,874, of which 1,218,000 was received from Moncler and 3,874 from Stone Island.

#### **Annual variable remuneration: 2021 MBO**

This remuneration amounts to Euro 1,058,250 and is accrued on the basis of the final level of achievement of the 2021 MBO objectives, as set out in Paragraph 7 below, and the application of the performance curve and the relevant multiplier.

#### **Medium-long term variable remuneration (LTI)**

In 2021, 142,036 shares were awarded under the 2018-2020 Plan. This award was made following verification by the Board on 18 February 2021, and subsequent examination by the Nomination and Remuneration Committee of the achievement of the objectives of the said Plan.

Secondly, Roberto Eggs was the beneficiary of the first and second cycles of the 2020 Plan whereby he was granted 120,265 and 17,794 Moncler Rights, respectively, in accordance with resolutions adopted by the Board on 11 June 2020 and 14 June 2021, following the favourable opinion of the Nomination and Remuneration Committee.

#### **Benefits**

Benefits include a company car, accident insurance, and supplementary health insurance for a value of Euro 15,541.

## 5. REMUNERATION OF THE BOARD OF STATUTORY AUDITORS

The Ordinary Shareholders' Meeting of 11 June 2020 appointed the Board of Statutory Auditors, awarding fixed remuneration of Euro 60,000 gross per annum to the Chairman and Euro 40,000 gross per annum to the other Statutory Auditors.

A breakdown of emoluments for the year is shown in Table 1.

No monetary and non-monetary benefits are envisaged for the Statutory Auditors, with the exception of the insurance policy.

## 6 REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES

Managers with Strategic Responsibilities received a total of Euro 2,584,397, including:

- a) Fixed remuneration: Euro 1,424,000;
- b) Annual variable compensation (2021 MBO): 1,126,862;
- c) Medium- and long-term variable compensation (LTI): In 2021, 142,036 shares were awarded under the 2018-2020 Plan. This award was made following verification by the Board on 18 February 2021, and subsequent examination by the Nomination and Remuneration Committee of the achievement of the objectives of the said Plan. Secondly, MSRs are beneficiaries of the first and second cycles of the 2020 Plan whereby respectively 120,265 and 46,263 Moncler Rights were granted, in accordance with resolutions adopted by the Board on 11 June 2020 and 14 June 2021, following the favourable opinion of the Nomination and Remuneration Committee;
- d) Benefits include a company car, life and accident insurance policies and supplementary healthcare cover for a value of Euro 33,535.

It should be noted that during the Financial Year, an adjustment in remuneration was planned for a Strategic Manager in terms of the short-term fixed and variable component (MBO), taking into account market benchmarks.

## 7 2021 MBO

With respect to the 2021 MBO scheme pursuant to the 2020-2021 Policy, please note that, in view of the inclusion of SPW within the Group's scope of consolidation as of 31 March 2021, the Board, following the favourable opinion of the Nomination and Remuneration Committee, took the decision to reflect the EBIT performance of Moncler and Stone Island respectively in two different indicators, with a weight of 45% and 10% respectively (compared to the 55% initially allocated just to the EBIT of Moncler). The multiplier linked to the Moncler's EBIT performance was then applied to the incentive value.

### 7.1 MBO 2021 for the Chairman/CEO and Executive Directors

With regard to the achievement of MBO objectives, it should be noted that, in evaluating the Business Plan and the financial objectives contained therein, the Board also analyses the forecasts that the financial market expresses regarding the Company's future results, the so-called consensus. The Board verifies that the Business Plan does not deviate significantly from the consensus and, if this is the case, it assesses any deviations with Management.

That said, the following table shows the level of achievement of KPIs, the pay-out percentage (determined by application of the performance curve) and that of the multiplier (linked to Moncler's EBIT performance).

POSITION	WEIGHT	KPI	PAYOUT LEVEL					
			% Ach..	% Pay-out	% Multipl	CEO	Chief Corporate & Supply Officer	Chief Business Strategy & Global Officer
Chairman /CEO and Executive Directors	45%	MONCLER EBIT	125%	150%	150%	775.048	410.603	506.250
	10%	STONE ISLAND EBIT	105%	136%	150%	156.158	82.729	102.000
	30%	FREE CASH FLOW	162%	150%	150%	516.699	273.736	337.500
	10%	SUSTAINABILITY	100%	100%	150%	114.822	60.830	75.000
	5%	PEOPLE ENGAGEMENT	100%	100%	150%	57.411	30.415	37.500
						1.620.137	858.313	1.058.250
						100% cap on fixed remuneration		1.500.000

## 7.2 2021 MBO of Managers with Strategic Responsibilities

The following table sets out the level of achievement of KPIs, the pay-out percentage (determined by application of the performance curve) and that of the multiplier (linked to Moncler's EBIT performance).

POSITION	WEIGHT	KPI	PAYOUT LEVEL			
			% Achiev.	% Pay-out	% Multipl.	Pay-out
Managers with Strategic Responsibility	55% - 25%	MONCLER EBIT	125%	150%	150%	465.832
	5%	STONE ISLAND EBIT	105%	136%	150%	17.850
	30% - 20%	FREE CASH FLOW	162%	150%	150%	215.285
	35%	FINANCIAL (FUNCTION)	100% - 180%	100% - 150%	150%	251.947
	10%	SUSTAINABILITY	100%	100%	150%	82.609
	5%	PEOPLE ENGAGEMENT	100%	100%	150%	41.304
	20%	STRATEGIC FUNCTION	100%	100%	150%	52.035
						1,126,862

## **8. INDEMNITIES AND/OR OTHER BENEFITS FOR TERMINATION OF OFFICE OR FOR TERMINATION OF EMPLOYMENT DURING THE YEAR**

During the Year no indemnities or other benefits were paid for the termination of office or termination of the employment relationship.

## **9. MALUS AND CLAWBACK**

During the year, no *ex post* correction mechanisms were applied to the variable component (*malus* or return or clawback of variable remuneration).

## **10. EXEMPTIONS TO THE REMUNERATION POLICY**

During the year, the Company made an exemption to the Remuneration Policy by extending its application of the end-of-service indemnity (the TFM) to a Strategic Manager linked to the Group under a management contract.

The gross value of said TFM is equivalent to the amount the Strategic Manager would have received had he been an employee of the Group. The TFM may be paid upon termination of the mandate and the relevant amount amounts to Euro 72,000 for each year of the mandate.

The proposal to introduce the TFM was submitted by the *People & Organisation* Department for prior examination by the Nomination and Remuneration Committee and the Related Party Transactions Committee which, following the appropriate assessments, each for their own area of competence, gave a favourable opinion, considering, among other things, the strategic importance of the role of the Strategic Manager.

## **11. CHANGE IN THE REMUNERATION OF THE MANAGEMENT AND CONTROL BODY, THE GROUP'S RESULTS AND THE AVERAGE REMUNERATION OF GROUP EMPLOYEES**

The table below shows the change in the total remuneration paid to the Directors and Statutory Auditors of Moncler in office at the date of the Report, the economic performance of Moncler in terms of EBIT and the gross annual remuneration of full-time employees in 2019-2021.

To this end, the total gross annual remuneration, which includes the fixed component, the short-term variable component and the fair market value of the long-term variable component, has been taken into account.

	ROLE	CHANGE 2019-2020	CHANGE 2020-2021
Remo Ruffini	Chairman/CEO	-36,5% <sup>6</sup>	20,1% <sup>7</sup>
Roberto Eggs	Executive Director	-19,0% <sup>8</sup>	19,0% <sup>9</sup>
Luciano Santel	Executive Director	-0,8% <sup>10</sup>	22,6% <sup>11</sup>
Virginie Morgon	Independent Director	0,00%	0,0%
Nerio Alessandri	Independent Director	-5,9% <sup>12</sup>	0,0%
Alessandra Gritti	Independent Director	0,00%	0,0%
Marco De Benedetti	Independent Director	40,9% <sup>13</sup>	0,0%
Gabriele Galateri di Genola	Independent Director	11,8% <sup>14</sup>	0,0%
Diva Moriani	Independent Director	0,00%	0,0%
Stephanie Phair	Independent Director	0,00%	0,0%
Guido Pianaroli	Independent Director	0,00%	0,0%
Carlo Rivetti	Non-executive director	- <sup>15</sup>	NA
Riccardo Losi	Chairman of the Board of Statutory Auditors	0,00%	0,0%
Carolyn Dittmeier	Standing auditor	NA	80,3% <sup>16</sup>
Nadia Fontana	Standing auditor	NA	80,3% <sup>17</sup>
Employees' average total gross annual remuneration <sup>18</sup>		-8,2%	16,6% <sup>19</sup>
Adjusted <sup>20</sup> EBIT		-24,9%	44,0%

\* \* \*

6 This change results from the waiver for the 2020 financial year of the short-term variable component of remuneration and the designation as beneficiary of the first allocation cycle of the 2020 Performance Shares Plan.

7 This change results from the payment of the 2021 MBO that was waived in 2020.

8 This change results from the waiver for the 2020 financial year of the short-term variable component of remuneration, as well as the calculation of the fair value of the second cycle (2017-2019) of the 2016-2018 Performance Share Plan, considered *pro rata temporis* in 2020.

9 This change results from the payment of the 2021 MBO that was waived in 2020.

10 This change follows the changes made on 1 November 2020 to the remuneration received by Industries and Moncler following the termination of the management contract between Luciano Santel and Industries. It should be noted that against these changes in remuneration, the company cost remained unchanged due to the decrease in contribution costs associated with the termination of employment as an employee. In addition, the change follows the waiver for the 2020 financial year of the short-term variable component of remuneration.

11 This change follows the payment of the 2021 MBO that he had waived in 2020 and the remuneration review approved by the Board on 14 June 2021.

12 This change follows the termination of the position of member of the Related Party Transactions Committee during the 2019 financial year (i.e., on 16 April 2019).

13 According to the *pro rata temporis* calculation criterion, this change results from the actual number of months of office during the 2019 financial year (Alessandra Gritti is in office as of 16 April 2019).

14 This change results from the increase in the fixed remuneration approved by the Shareholders' Meeting of 16 April 2019 (amounting to Euro 40,000) compared to that approved by the Shareholders' Meeting of 20 April 2016 (Euro 20,000), calculated on a *pro rata temporis* basis.

15 Carlo Rivetti was appointed member of the Moncler Board on 22 April 2021.

16 This change results from the appointment as Standing Auditor as of 11 June 2020.

17 This change results from the appointment as Standing Auditor as of 11 June 2020.

18 Average gross annual total remuneration of the total number of employees, which includes the fixed component, the short-term variable component and the fair market value of the long-term variable component, calculated on a full-time equivalent basis.

19 This change results from the payment of the 2021 MBO including over-performance (which did not apply in 2020).

20 Pre-IFRS 16, *adjusted*.

**Table 1: Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities**

Name and surname	Position held	Period when the position was held	Expiry of term of office	Fixed remuneration for the position	Compensation for participation in Committees	Variable non-equity compensation		Non-monetary benefits <sup>1</sup>	Other compensation	Total	Fair value of equity compensation <sup>2</sup>	Indemnities for end of office or termination of employment
						Profit sharing	Bonuses and other incentives <sup>3</sup>					
<b>Remo Ruffini</b>	Chairman and Chief Executive Officer	2021	Approval of financial statements for y/e 31/12/2021									
	Remuneration of the company preparing the financial statements			1.349.973 <sup>4</sup>	-		1.500.000	3.499		2.853.472	2.110.850	
	Remuneration from subsidiaries and associates			13.874 <sup>5</sup>				9.097		22.971		
	Total			<b>1.363.846</b>	-	-	<b>1.500.000</b>	<b>12.596</b>		<b>2.876.443</b>	<b>2.110.850</b>	
<b>Marco De Benedetti</b>	Independent Director											
	Remuneration of the company preparing the financial statements			40.000	30.000 <sup>6</sup>					70.000		
	Remuneration from subsidiaries and associates									-		
	Total			<b>40.000</b>	<b>30.000</b>					<b>70.000</b>		
<b>Nerio Alessandri</b>	Independent Director											
	Remuneration of the company preparing the financial statements			40.000						40.000		
	Remuneration from subsidiaries and associates											
	Total			<b>40.000</b>						<b>40.000</b>		

<sup>1</sup> Non-monetary benefits may include a car, supplementary life insurance, accident insurance, supplementary healthcare insurance.

<sup>2</sup> The portion of share-based compensation accrued in the financial year is shown, and is calculated by distributing the fair value of the instruments on the award date, calculated using actuarial techniques, over the vesting period.

<sup>3</sup> The annual incentive (MBO) is paid in 2022, following the approval of the financial statements for the year ending 31 December 2021, and subject to verification of the achievement of objectives.

<sup>4</sup> Of which Euro 20,000 as remuneration for the position of Executive Director of Moncler and Euro 1,329,973 calculated *pro rata temporis* from 1 June 2021 following the waiver of part of the remuneration received by Moncler.

<sup>5</sup> Of which 10,000 Euros as remuneration for the office of Executive Director of Industries and 3,874 Euros as remuneration for the office of Director of Sportswear, calculated *pro rata temporis* from the date of appointment as Director of Stone Island.

<sup>6</sup> Of which 15,000 Euros as remuneration for the office of member of the Nomination and Remuneration Committee and 15,000 Euros for the office of member of the Moncler Control, Risk and Sustainability Committee.

Name and surname	Position held	Period when the position was held	Expiry of term of office	Fixed remuneration for the position	Compensation for participation in Committees	Variable non-equity compensation		Non-monetary benefits <sup>1</sup>	Other compensation	Total	Fair value of equity compensation <sup>2</sup>	Indemnities for end of office or termination of employment	
						Profit sharing	Bonuses and other incentives <sup>3</sup>						
Roberto Eggs	Executive Director	2021	Approval of financial statements for y/e 31/12/2021										
				Remuneration of the company preparing the financial statements	1.218.000 <sup>7</sup>	-		1.058.250	15.541		2.291.791	185.573	
				Remuneration from subsidiaries and associates	3.874 <sup>8</sup>			-			3.874	2.045.555	
				Total	1.221.874	-	-	1.058.250	15.541	-	2.295.665	2.231.129	
Gabriele Galateri di Genola	Independent Director												
				Remuneration of the company preparing the financial statements	40.000	15.000 <sup>9</sup>					55.000		
				Remuneration from subsidiaries and associates							-		
				Total	40.000	15.000					55.000		
Alessandra Gritti	Independent Director												
				Remuneration of the company preparing the financial statements	40.000	15.000 <sup>10</sup>					55.000		
				Remuneration from subsidiaries and associates							-		
				Total	40.000	15.000					55.000		
Virginie Morgon	Independent Director												
				Remuneration of the company preparing the financial statements	40.000	15.000 <sup>11</sup>					55.000		
				Remuneration from subsidiaries and associates							-		
				Total	40.000	15.000					55.000		

7 Of which Euro 20,000 as remuneration for the position of Executive Director of Moncler.

8 Remuneration for the office of Sportswear Director, calculated *pro rata temporis* from the date of appointment as Director of Stone Island.

9 Remuneration for the position of member of the Moncler Control, Risk and Sustainability Committee.

10 Remuneration for the position of member of the Moncler Nomination and Remuneration Committee.

11 Remuneration for the office of member of the Moncler Related Parties Committee.

Name and surname	Position held	Period when the position was held	Expiry of term of office	Fixed remuneration for the position	Compensation for participation in Committees	Variable non-equity compensation		Non-monetary benefits <sup>1</sup>	Other compensation	Total	Fair value of equity compensation <sup>2</sup>	Indemnities for end of office or termination of employment	
						Profit sharing	Bonuses and other incentives <sup>3</sup>						
Diva Moriani	Independent Director	2021	Approval of financial statements for y/e 31/12/2021										
				Remuneration of the company preparing the financial statements	40.000	30.000 <sup>12</sup>					70.000		
				Remuneration from subsidiaries and associates							-		
				Total	40.000	30.000					70.000		
Stephanie Phair	Independent Director												
				Remuneration of the company preparing the financial statements	40.000						40.000		
				Remuneration from subsidiaries and associates									
				Total	40.000						40.000		
Guido Pianaroli	Independent Director												
				Remuneration of the company preparing the financial statements	40.000	30.000 <sup>13</sup>					70.000		
				Remuneration from subsidiaries and associates							-		
				Total	40.000	30.000					70.000		
Carlo Rivetti	Non-executive Director												
				Remuneration of the company preparing the financial statements	27.726 <sup>14</sup>						27.726		
				Remuneration from subsidiaries and associates	261.649 <sup>15</sup>						261.649		
				Total	289.375						289.375		

12 Of which Euro 15,000 as remuneration for the office of member of the Nomination and Remuneration Committee and Euro 15,000 for the office of member of the Moncler Related Parties Committee.

13 Of which Euro 15,000 as remuneration for the office of member of the Control, Risk and Sustainability Committee and Euro 15,000 for the office of member of the Moncler Related Parties Committee.

14 Remuneration for the position of Non-Executive Director of Moncler, calculated *pro rata temporis* from the date of appointment as Director of Moncler.

15 Of which Euro 3,874 as compensation for the office of Director of Sportswear and Euro 257,775 for the role of Chairman and Chief Executive Officer of Stone Island calculated *pro rata temporis* from the date of appointment as Director of Stone Island and the assignment of the above office.

Name and surname	Position held	Period when the position was held	Expiry of term of office	Fixed remuneration for the position	Compensation for participation in Committees	Variable non-equity compensation		Non-monetary benefits <sup>1</sup>	Other compensation	Total	Fair value of equity compensation <sup>2</sup>	Indemnities for end of office or termination of employment	
						Profit sharing	Bonuses and other incentives <sup>3</sup>						
Luciano Santel	Executive Director	2021	Approval of financial statements for y/e 31/12/2021										
				Remuneration of the company preparing the financial statements	641.068 <sup>16</sup>	-		710.158	6.693		1.357.919		
				Remuneration from subsidiaries and associates	193.874 <sup>17</sup>			148.155	15.247		357.276	2.045.559	
				Total	834.942	-	-	858.313	21.940		1.715.195	2.045.559	
Riccardo Losi	Chairman												
				Remuneration of the company preparing the financial statements	60.000						60.000		
				Remuneration from subsidiaries and associates									
				Total	60.000						60.000		
Carolyn Dittmeier	Standing auditor												
				Remuneration of the company preparing the financial statements	41.000						41.000		
				Remuneration from subsidiaries and associates									
				Total	41.000						41.000		
Nadia Fontana	Standing auditor												
				Remuneration of the company preparing the financial statements	41.000						41.000		
				Remuneration from subsidiaries and associates									
				Total	41.000						41.000		
Managers with Strategic Responsibilities (3)		2020											
	Remuneration of the company preparing the financial statements								-				

16 Of which Euro 20,000 as remuneration for the role of Executive Director of Moncler and Euro 621,069 calculated *pro rata temporis* from 1 June 2021 following the increase made to the remuneration received by Moncler.

17 Of which Euro 3,874 as compensation for the office of Sportswear Director, calculated *pro rata temporis* from the date of appointment as Director of Stone Island.

Name and surname	Position held	Period when the position was held	Expiry of term of office	Fixed remuneration for the position	Compensation for participation in Committees	Variable non-equity compensation		Non-monetary benefits <sup>1</sup>	Other compensation	Total	Fair value of equity compensation <sup>2</sup>	Indemnities for end of office or termination of employment
						Profit sharing	Bonuses and other incentives <sup>3</sup>					
	Remuneration from subsidiaries and associates			1.424.000			1.126.862	33.535		2.584.397	2.528.022	
	Total			1.424.000	-	-	1.126.862	33.535		2.584.397	2.528.022	

**Table 3 A: Incentive plans based on financial instruments other than stock options, for members of the Board of Directors, general managers and other managers with strategic responsibilities.**

Name and surname	Position	Plan	Financial instruments allocated in previous years not vested during the year		Financial instruments allocated during the year					Financial instruments vested during the year which cannot be allocated	Financial instruments vested during the year which can be allocated		Financial instruments accrued during the year
			Number and type of financial instruments	Vesting period <sup>18</sup>	Number and type of financial instruments	Fair value on award date	Vesting period <sup>19</sup>	Date of Allocation	Market price on allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair value <sup>20</sup>
<b>Remo Ruffini</b>	Chairman and Chief Executive Officer	2020-2022 Performance Shares Plan, cycle II											
		Remuneration of the company preparing the financial statements			140.845	7.498.588		14/06/2021	57,12				2.110.850
		Remuneration from subsidiaries or associates											
		Total			140.845	7.498.588							2.110.850
<b>Roberto Eggs</b>	Executive Director	2020-2022 Performance Shares Plan											
		Remuneration of the company preparing the financial statements											
		Remuneration from subsidiaries or associates	120.265										2.045.555
		Total	120.265										2.045.555
<b>Roberto Eggs</b>	Executive Director	2020-2022 Performance											

18 The rights granted under the "2020 Performance Shares Plan" are subject to a three-year vesting period; their exercise is conditional, as specified in Paragraph 9.4.4 of the Section before this Report, on the performance during the three-year reference period, as indicated in the relevant consolidated financial statements and the Non-Financial Statement, of the following indicators: *Net Income* (pre-IFRS 16), *Free Cash Flow* (pre-IFRS 16 and net of changes in other current and non-current receivables and payables) ESG KPIs, and the other conditions of the Plan Regulations.

19 The rights granted under the "2020 Performance Shares Plan" are subject to a three-year vesting period; their exercise is conditional, as specified in Paragraph 9.4.4 of the Section before this Report, on the performance during the three-year reference period, as indicated in the relevant consolidated financial statements and the Non-Financial Statement, of the following indicators: *Net Income* (pre-IFRS 16), *Free Cash Flow* (pre-IFRS 16 and net of changes in other current and non-current receivables and payables) ESG KPIs, and the other conditions of the Plan Regulations.

20 The share-based compensation accrued during the financial year is shown, and is calculated by, distributing the fair value of the instruments on the award date, calculated using actuarial techniques, over the vesting period.

Name and surname	Position	Plan	Financial instruments allocated in previous years not vested during the year		Financial instruments allocated during the year					Financial instruments vested during the year which cannot be allocated	Financial instruments vested during the year which can be allocated		Financial instruments accrued during the year
			Number and type of financial instruments	Vesting period <sup>18</sup>	Number and type of financial instruments	Fair value on award date	Vesting period <sup>19</sup>	Date of Allocation	Market price on allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair value <sup>20</sup>
		Shares Plan, cycle II											
Remuneration of the company preparing the financial statements					17.794	947.353		14/06/2021	57,12				185.573
Remuneration from subsidiaries or associates													
Total					17.794	947.353							185.573
Luciano Santel	Executive Director	2020 Performance Shares Plan											
Remuneration of the company preparing the financial statements													
Remuneration from subsidiaries or associates			120.265										2.045.555
Total			120.265										2.045.555
Managers with Strategic Responsibilities (3)		2020 Performance Shares Plan											
Remuneration of the company preparing the financial statements													
Remuneration from subsidiaries or associates			120.265										2.045.545
Total			120.265										2.045.545
Managers with Strategic Responsibilities (3)		2020 Performance Shares Plan, cycle II											
Remuneration of the company preparing the financial statements													
Remuneration from subsidiaries or associates					46.263	2.463.060		14/06/2021	57,12				482.476
Total					46.263	2.463.060							482.476

**Table 3 B: Monetary incentive plans for members of the Board of Directors, general managers and other Managers with Strategic Responsibilities**

Name and surname	Position	Plan	Bonus for the year <sup>21</sup>			Bonuses from previous years			Other Bonuses
			Payable/Disbursed	Deferred	Reporting period	No longer payable	Payable/Disbursed	Deferred	
<b>Remo Ruffini</b>	Chairman and Chief Executive Officer	Annual incentive (2021 MBO)							
Remuneration of the company preparing the financial statements			1.500.000		2021				
Remuneration from subsidiaries and associates			-						
Total			1.500.000		2021				
<b>Roberto Eggs</b>	Executive Director	Annual incentive (2021 MBO)							
Remuneration of the company preparing the financial statements			1.058.250		2021				
Remuneration from subsidiaries and associates			-						
Total			1.058.250		2021				
<b>Luciano Santel</b>	Executive Director	Annual incentive (2021 MBO)							
Remuneration of the company preparing the financial statements			710.158		2021				
Remuneration from subsidiaries and associates			148.155		2021				
Total			858.313		2021				
<b>Managers with Strategic Responsibilities (3)</b>		Annual incentive (2021 MBO)							
Remuneration of the company preparing the financial statements			-						
Remuneration from subsidiaries and associates			1.126.862		2021				
Total			1.126.862		2021				

<sup>21</sup> The annual incentive (MBO) is paid in 2022, following the approval of the financial statements for the year ending 31 December 2021 and subject to verification of the achievements of the objectives.

**SCHEDULE No. 7 - TER** Schedule containing information on the shareholdings of members of the administrative and control bodies, general managers and other managers with strategic responsibilities

Name and surname	Position held	Type of ownership	Shareholding in	Number of shares held as at 31/12/2020	Number of shares purchased	Number of shares sold	Number of shares held as at 31/12/2021
Remo Ruffini	Chairman and Chief Executive Officer	Direct - Ordinary Shares	Moncler S.p.A.	151,648	223,707 <sup>42</sup>	187,466 <sup>43</sup>	187,889
		Indirect - Ordinary shares <sup>44</sup>		58,015,013	4,599,050 <sup>45</sup>	8,200,000 <sup>46</sup>	54,414,063
Marco De Benedetti	Vice-Chairman and Independent Director	Direct - Ordinary Shares	Moncler S.p.A.				
		Indirect - Ordinary shares					
Nerio Alessandri	Independent Director	Direct - Ordinary Shares	Moncler S.p.A.				
		Indirect - Ordinary shares					
Roberto Eggs	Executive Director	Direct - Ordinary Shares	Moncler S.p.A.	87,772	142,036 <sup>47</sup>	41,984 <sup>48</sup>	187,824
		Indirect - Ordinary shares					
Gabriele Galateri di Genola	Independent Director	Direct - Ordinary Shares	Moncler S.p.A.	1,420			1,420
		Indirect - Ordinary shares					

<sup>42</sup> Allocation of shares free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan".

<sup>43</sup> Sale of shares granted free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan".

<sup>44</sup> The indirect shareholding is held through the company Double R S.r.l. (formerly Ruffini Partecipazioni S.r.l. **Double R**), 79.836% owned by Ruffini Partecipazioni Holding S.r.l., a company whose share capital is wholly owned by Remo Ruffini.

<sup>45</sup> These are the shares which, pursuant to the agreements reached as part of the Stone Island Transaction, were contributed by Venezia Investments Pte Ltd (**Venezio**) to Double R on 23 April 2021 (following Venezia's subscription of these shares in the context of Moncler' share capital increase resolved on 25 March 2021 and reserved for members of the Rivetti family and Venezia, who were Stone Island shareholders at the time).

<sup>46</sup> These are the shares that, pursuant to the agreements reached as part of the Stone Island Transaction, Double R S.r.l. sold through an accelerated bookbuilding procedure aimed at certain categories of institutional investors and completed on 10 March 2021.

<sup>47</sup> Allocation of shares free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan".

<sup>48</sup> Sale of shares granted free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan".

Name and surname	Position held	Type of ownership	Shareholding in	Number of shares held as at 31/12/2020	Number of shares purchased	Number of shares sold	Number of shares held as at 31/12/2021
Alessandra Griffl	Independent Director	Direct - Ordinary Shares	Moncler S.p.A.				
		Indirect - Ordinary shares					
Diva Moriani	Independent Director	Direct - Ordinary Shares	Moncler S.p.A.				
		Indirect - Ordinary shares					
Virginie Morgon	Independent Director	Direct - Ordinary Shares	Moncler S.p.A.	9,770			9,770
		Indirect - Ordinary shares			-	-	-
Stephanie Phair	Independent Director	Direct - Ordinary Shares	Moncler S.p.A.	-	-	-	-
		Indirect - Ordinary shares		-	-	-	-
Guido Pianaroli	Independent Director	Direct - Ordinary Shares	Moncler S.p.A.	-	-	-	-
		Indirect - Ordinary shares		-	-	-	-
Carlo Rivetti	Non-executive Director	Direct - Ordinary Shares	Moncler S.p.A.				
		Indirect - Ordinary shares <sup>49</sup>		-	7,680,413		7,680,413
Luciano Santel	Executive Director	Direct - Ordinary Shares	Moncler S.p.A.	34,992	142,036 <sup>50</sup>	100,000 <sup>51</sup>	77,028
		Indirect - Ordinary shares		-	-	-	-

<sup>49</sup> These are the shares held by Rivetex S.r.l. (Rivetex), a company associated with Carlo Rivetti, and deriving from the Moncler share capital increase approved on 25 March 2021 (and reserved for members of the Rivetti family, including Rivetex, and Venezia, who were shareholders of Stone Island at the time), pursuant to the agreements reached in the context of the Stone Island Transaction.

<sup>50</sup> Allocation of shares free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan"

<sup>51</sup> Sale of shares granted free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan".

Name and surname	Position held	Type of ownership	Shareholding in	Number of shares held as at 31/12/2020	Number of shares purchased	Number of shares sold	Number of shares held as at 31/12/2021
Riccardo Losi	Chairman of the Board of Statutory Auditors	Direct - Ordinary Shares	Moncler S.p.A.	-	-	-	-
		Indirect - Ordinary shares		-	-	-	-
Carolyn Dittmeier	Standing auditor	Direct - Ordinary Shares	Moncler S.p.A.	-	-	-	-
		Indirect - Ordinary shares		-	-	-	-
Nadia Fontana	Standing auditor	Direct - Ordinary Shares	Moncler S.p.A.	-	-	-	-
		Indirect - Ordinary shares		-	-	-	-

Table 2. provided in Annex 3A, Schedule 7-ter, of the Issuers' Regulations - Information on the shareholdings of Managers with Strategic Responsibilities

Number of managers with strategic responsibilities	Shareholding in	Type of ownership	Number of shares owned as at 31/12/2020	Number of shares purchased	Number of shares sold	Number of shares owned as at 31/12/2021
3 <sup>52</sup>	Moncler S.p.A.	Direct - Ordinary Shares	24,000	142,036 <sup>53</sup>	111,513 <sup>54</sup>	54,523
		Indirect - Ordinary shares				

<sup>52</sup> The number does not include Carlo Rivetti as the information is provided in Table 1.

<sup>53</sup> Allocation of shares free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan".

<sup>54</sup> Sale of shares granted free of charge under the first allocation cycle of the "2018-2020 Performance Shares Plan".

## GLOSSARY

<b>Art.s of Association</b>	Art.s of association in force at the date of Moncler's Report
<b>Board of Directors or Board</b>	The board of directors of Moncler
<b>Board of Statutory Auditors or Statutory Auditors</b>	The Board of Statutory Auditors of Moncler
<b>CEO</b>	The <i>Chief Executive Officer</i> or the person responsible for management of the company identified as the Chairman and Chief Executive Officer of Moncler
<b>Corporate Governance Code or Code</b>	The Corporate Governance Code for listed companies in force on the date of this Report approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria
<b>Consolidated Law on Finance or TUF</b>	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented
<b>Financial Year</b>	The financial year ended 31 December 2021 to which the Report relates
<b>Issuers' Regulation or IR</b>	The Regulation issued by Consob by resolution No. 11971 of 14 May 1999 on issuers, as subsequently amended and supplemented
<b>LTI</b>	The medium-long term share-based incentive scheme
<b>Managers with Strategic Responsibilities or Strategic Managers or MSR</b>	Persons who have the power and responsibility – directly or indirectly – for planning, managing and controlling the Company's activities, as defined in Annex 1 to RPT Regulation
<b>MBO</b>	The short-term, variable, <i>management by objectives</i> , incentive system
<b>Moncler or Company</b>	Moncler S.p.A., a company having its registered office at via Stendhal no. 47, Milan, fiscal identity, VAT and Milan Companies Register No. 04642290961
<b>Moncler Group or Group</b>	Jointly, the Issuer and its direct or indirect subsidiaries pursuant to Art. 93 of the TUF (Italian Consolidated Law on Finance) at the Report date. Unless otherwise specified, the Group is therefore also understood to include Stone Island and its investee companies
<b>Nomination and Remuneration Committee or the Committee</b>	The nomination and remuneration committee established within the Moncler Board of Directors pursuant to the Corporate Governance Code
<b>Remuneration Policy or Policy</b>	The Company's policy regarding the remuneration of members of the Board of Directors, Managers with Strategic Responsibilities and the Board of Statutory Auditors of the Company
<b>Report</b>	This report on remuneration and compensation policy drawn up pursuant to Art. 123- <i>ter</i> of the TUF and Art. 84- <i>quater</i> of the Issuers' Regulation
<b>RPT Regulation</b>	The Regulation issued by Consob by resolution No. 17221 of 12 March 2010 on related-party transactions, as subsequently amended and supplemented
<b>Shares</b>	Company shares
<b>Shareholders' Meeting</b>	The Shareholders' Meeting of Moncler
<b>SPW or Stone Island</b>	Sportswear Company S.p.A., controlled by Moncler
<b>Stone Island Transaction</b>	Moncler's acquisition of Stone Island's entire share capital, completed on 31 March 2021

<b>Strategic Committee</b>	The advisory committee formed to support the Chairman and CEO in defining and implementing strategic guidelines, to link and share activities between the main strategic areas of the Company and the Group
<b>Subsidiaries</b>	Companies directly or indirectly controlled by Moncler pursuant to Art. 93 of the TUF