

YOOX NET-A-PORTER GROUP

Ordinary Shareholders' Meeting
16 December 2015 – single call
Directors' Report on the sole item on the
agenda

(PURSUANT TO ART. 125-TER OF LEGISLATIVE DECREE 58/1998, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED)

REVISION OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS AND APPOINTMENT OF TWO NEW DIRECTORS. ANY CONSEQUENT RESOLUTION.

Dear Shareholders,

you have been called to this Meeting to resolve, in ordinary part, upon the revision of the number of members of the Board of Directors of YOOX NET-A-PORTER GROUP S.p.A. ("**YNAP**" or the "**Company**") from 10 to 11 and, at the same time, to appoint two new Directors that will integrate the Board of Directors of the Company.

In this respect please note that the Shareholders' Meeting of the Company held on 21 July 2015, in the context of the merger by incorporation transaction (the "**Merger**") of Largentia Italia S.p.A. into YOOX S.p.A. and in accordance with the agreements governing such transaction (the "**Merger Agreement**"), resolved, *inter alia*, to determine in 10 the number of the members of the Board of Directors and to appoint Richard Lepeu, Gary Saage and Natalie Massenet as directors of the Company, all the above subject to the effectiveness of the Merger and with effect as of the date of entry into force thereof.

As at the date of this report, the Board of Directors of the Company is comprised of No. 9 members, having Mrs. Natalie Massenet not accepted the appointment as Director of YNAP.

It is noted that the Merger Agreement provides, among other things, for the appointment of additional Directors of the Company, from a minimum of 2 to a maximum of 4, holding the independence requirements provided for by Art. 148, paragraph 3, of Legislative Decree 58/1998.

Having considered that the meeting resolution of 21 July 2015 (which, shall be noted, determined in 10 the number of members of the administrative body) and the aforementioned provision of the Merger Agreement with respect to the number of members of Directors, are aimed at equipping the Company with an administrative body able to create added value for the Shareholders in consideration of the higher complexity deriving from the combination of the businesses and corporate realities as a result of the Merger, it is now necessary to appoint additional Directors to for the purpose of integrating the composition of the Board of Directors of YNAP in line with the aforementioned needs.

The Board of Directors, upon proposal of the Directors Appointment Committee, accordingly resolved to submit to the ordinary Shareholders' Meeting the proposal to increase the number of members of the Board of Directors from 10 to 11 and therefore to appoint as new Directors of the Company, until the date of approval of the financial statements for the year ending 31 December 2015, the following candidates:

- Ms Eva Chen, born in New Jersey (USA), on 24 September 1979; joined Instagram in July 2015, after working for magazines such as Elle, Teen Vogue and The Wall Street Journal and two years as Editor in Chief for Lucky of the Condé Nast Group. Eva Chen holds over a decade of experience in the publishing industry and in fashion and is one of the few editors who effectively bridges the gap between print and digital;
- Mr. Vittorio Radice, born in Como on 2 April 1957; Mr. Radice joined La Rinascente S.r.l. in 2005, where he started a major turnaround and served as chief executive officer for many years, after having gained a significant experience in the context of important international department stores such as Selfridges and Marks and Spencer;

The comprehensive résumé of the proposed candidates, with the indication of the eligibility thereof as independent, together with the documentation requested by the applicable laws and regulations, will be made available to the public at the registered office of the Company, as well as on the Company's website www.ynap.com (Section Governance / Shareholders' Meeting).

Please note in this respect that, pursuant to Art. 14 of the corporate By-Laws, the appointment of additional members of the Board of Directors does not require, in any case, the application of the voting procedure based on slates; the ordinary Shareholders' Meeting will therefore adopt the related resolutions with the majorities provided for by law. Furthermore, the Board of Directors currently in force will cease office on the date of approval of the financial statement as at 31 December 2017; the new directors will remain in office until the natural expiration date of the current administrative body, i.e. until the date of approval of the financial statement as at 31 December 2017.

In addition, it is noted that Art. 14 of the Company's bylaws provides that the Board of Directors of the Company is formed of a minimum of 5 and a maximum of 15 Directors; the proposal with respect to the number of Board members is therefore in line with the maximum limit set by the Company's bylaws.

We believe that the current composition, as integrated by the proposed appointments, is suitable and adequate compared to the Company's needs and profile. Please further note that the Board of Directors, subsequent to the proposed appointment, will continue to be formed of a majority of independent Directors, in compliance, also, with the regime in force in the matter of gender balance.

Finally, despite the increased number of members of the administrative body, the Board of Directors of YNAP determined to maintain unchanged its aggregate remuneration that the ordinary Shareholders' Meeting of 30 April 2015 determined in aggregate Euro 680,000.00 per annum to be paid to the Board of Directors for the term of the office, to be internally distributed

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by the same Board, in addition to the reimbursement of the expenses borne in carrying out the office, without prejudice, in any case, to the remuneration of directors entrusted with specific roles, pursuant to art. 2389, No. 3, of the Italian Civil Code, and the remunerations for special mandates, if any.

Should You agree with the above proposal, We hereby propose to pass the following resolution:

- as an amendment to the resolution of the ordinary Shareholders Meeting of 21 July 2015, to determine in 11 the number of members of the Board of Directors that will remain in office until the Shareholders' Meeting called to approve the financial statement closing as at 31 December 2017, without amending the connected resolutions passed by the Shareholders Meeting with respect to the compensation of the Board;
- to appoint as Directors of the Company the following candidates:
 1. Eva Chen, born in New Jersey (USA), on 24 September 1979;
 2. Vittorio Radice, born in Como, on 2 April 1957.

Milan, 11 November 2015

For the Board of Directors
Raffaello Napoleone, Chairman