

# **MOLESKINE**

**BOARD OF DIRECTORS' EXPLANATORY REPORT, PURSUANT TO  
ARTICLE 125-TER OF THE TUF, CONCERNING THE THIRD ITEM ON THE AGENDA OF  
MOLESKINE S.P.A. ORDINARY SHAREHOLDERS' MEETING TO BE  
CONVENED ON APRIL 14, 2016, IN SINGLE CALL**

### **3. Appointment of the Board of Directors, after having determined the number of members and term of office; determination of remuneration; resolutions related thereto.**

Dear Shareholders,

The term of office of your Company's Board of Directors will expire with the approval of the financial statements as of December 31, 2015. This board was appointed by the Ordinary Shareholders' meeting held on November 28, 2012 and subsequently changed by the Ordinary Shareholders' meeting held on March 7, 2013, effective as of the date the Company's ordinary shares were admitted for trading on the Star segment of the screen-based market ("MTA") organized and managed by Borsa Italiana S.p.A., namely April 3, 2013; therefore, a new Board of Directors must be appointed, after having determined the number of members and the term of office.

In this respect, please bear in mind, in particular, the following.

#### Composition of the Board of Directors

Pursuant to Article 13.1 of the Articles of Association, the Company is managed by a Board of Directors which is composed of a minimum of 5 to a maximum of 11 members, in compliance with the gender balance requirements set out in Article 147-ter, paragraph 1-ter of Legislative Decree 58/1998 ("TUF"), as introduced by Law no. 120 of July 12, 2011.

The number of members of the Board of Directors, within the aforementioned limits, is established by the Shareholders' meeting, which also determines the term of office which, in any case, may not exceed three financial years. The term of office of Directors ends on the date of the Shareholders' meeting called to approve the financial statements for the last year of their term of office and they may be re-elected.

Directors must meet the requirements provided by applicable regulations in force at the time; a minimum number of Directors, corresponding to the minimum number established by the same regulations, must meet the independence requirements pursuant to Article 148.3 of the TUF.

We would like to remind you that your Company, to maintain STAR status, must comply with the principles of corporate governance for companies in the above segment, also in terms of the number of independent directors on the Board of Directors, which must be appropriate to the size of the body. In this respect, according to the provisions of the Rules of the markets organized and managed by Borsa Italiana S.p.A. (Article 2.2.3) and the related instructions (Article IA.2.10.6), we consider the following to be reasonable: (i) Board of Directors composed of up to eight members, must include at least two independent directors; (ii) Board of Directors composed of nine to fourteen members, must include at least three independent directors; (iii) Boards composed of fourteen members, must include at least four independent directors.

#### Mechanism for appointment of the Board of Directors on the basis of list voting

Pursuant to Article 13.3 of the Articles of Association, Directors are appointed by the Shareholders' meeting, in compliance with currently effective legal regulations pertaining to gender equality and on the basis of lists presented by shareholders in compliance with currently effective legal and regulatory norms; the candidates must be specified in these lists by assigning progressive numbers to them.

Each list must indicate which candidates meet the independence requirements established by the provisions of law and regulations in force at the time. Independent candidates in each list must be specified with the first progressive numbers or must be listed in an alternate sequence with the non-independent candidates (and therefore be listed under numbers 1, 3, 5 etc. or 2, 4, 6 of the list).

Only those shareholders who, alone or with other shareholders, own at least 2.5% (two point five percent) of the share capital or the ownership percentage of share capital established by legal and regulatory provisions in effect at that time, have the right to submit lists. Please note that, with resolution no. 19499 of January 28, 2016, CONSOB established that 4.5% of share capital is the minimum qualifying share for presentation of a list for the appointment of the board of directors.

Each shareholder may submit or participate in the submission of only one list and each candidate may appear on only one list or otherwise be disqualified.

We would also like to remind you that shareholders who submit a "minority list" are subject to the recommendations provided by CONSOB communication no. DEM/9017893 of February 26, 2009.

Lists must be filed at the Company's registered office in Viale Stelvio 66, Milan, Italy by 12:00 pm on Monday, March 21, 2016, which is the twenty-fifth day prior to the date of the Shareholders' meeting in single call, as one day is a holiday.

Lists for the appointment of the Board of Directors may be filed electronically by sending them to the certified email address [legale@pec.moleskine.com](mailto:legale@pec.moleskine.com). If lists are submitted by certified e-mail, a copy of a valid identification document of those submitting it must also be sent.

The lists must be accompanied by: (i) declarations from each candidate, stating to accept their candidacy and certifying, under their own responsibility, that there are no grounds for ineligibility and incompatibility, and that they meet the requirements prescribed by current regulations for the respective office; (ii) a CV of the personal and professional profile of each candidate, specifying whether they qualify as independent pursuant to the provisions of law and current regulations, as well as their compliance with the codes of conduct pertaining to corporate governance adopted by the Company.

Together with the documentation referred to in points (i) and (ii) above, the lists must be accompanied by information on the identity of the shareholders submitting the lists, indicating the total percentage of shares held, pursuant to the provisions set out in Article 144-octies, paragraph 1, let. b.3), of CONSOB Regulation no. 11971/1999.

Furthermore, a specific certificate issued by a qualified intermediary must be filed, within the time limit prescribed by rules on the publication of lists by the Company – and therefore, even after the list has been filed, provided it is at least twenty-one days prior to the scheduled date of the Shareholders' meeting, in single call, i.e. not later than March 24, 2016 – proving ownership, on the date the list was filed with the company, of the amount of shares required for the submission of a list, by sending to the Company (by a qualified intermediary), notice pursuant to Article 23 of the Joint Regulation concerning "Rules governing central depositories, settlement services, guarantee systems and related management companies", adopted by the Bank of Italy and CONSOB on February 22, 2008 (as amended). Ownership of the percentage of share capital is determined having regard to the shares registered in favor of the shareholder on the day on which the lists are filed with the Company.

As this is the first renewal of the Board after the Company's ordinary shares were admitted to trading on the MTA – pursuant to the combined provisions of Article 147-ter, paragraph 1-ter, of the TUF and Article 2 of Law no. 120/2011, as well as taking account of CONSOB Communication DIE no. 0061499 of July 18, 2013 – lists containing a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that a percentage of at least one fifth (rounded up) of the candidates belongs to the least represented gender.

Lists that are presented but are not in accordance with the above provisions will be considered as not presented.

The lists will also be subject to other forms of publicity in accordance with laws and regulations in force at the time. The lists shall be made available to the public at the registered office, on the Company's website and by other means established by CONSOB regulations at least twenty-one days prior to the Shareholders' meeting (Thursday, March 24, 2016).

#### Procedures for the appointment of the Board of Directors

Pursuant to the provisions of Article 13.3 of the Articles of Association, each shareholder entitled to vote may vote for only one list.

The appointment mechanism adopted for choosing candidates included in the 2 (two) lists that obtained the most votes is as follows:

- a) the number of Directors to be elected, less 1 (one), are selected from the list that obtained the greatest number of votes, in the progressive order in which the candidates are listed;
- b) the remaining Director is selected from the list that contained the second greatest number of votes (minority list), who is not connected in any way, even indirectly, with those who submitted or voted for the list that obtained the greatest number of votes.

In the event of a tie in the voting, a new vote is taken by the entire Shareholders' Meeting, in which the candidates who obtain a simple majority of votes are elected.

If at the end of voting, an insufficient number of Directors meeting the independence requirements established by governing legal and regulatory provisions has been elected, the candidate who does not meet said requirements and is the last in the progressive ordering of the list that obtained the greatest number of votes is excluded and is replaced by the subsequent candidate who meets the independence requirements from the same list as the excluded candidate. If necessary, this procedure is repeated until all the vacancies of independent directors on the Board, have been filled.

Furthermore, if the candidates elected in the manner described above result in a Board of Directors that does not meet the gender balance requirements pro tempore in effect, the candidate from the more represented gender elected last from the progressive ordering of the list that obtained the greatest number of votes will be replaced by the first, unelected candidate from the less represented gender from the same list, according to the progressive ordering. The replacement procedure will continue until the composition of the Board of Directors meets the requirements pro tempore in effect for gender balance. Finally, if said procedure does

not ensure said result, the Shareholders' Meeting shall resolve on the replacement by a relative majority, upon presentation of candidacy of individuals from the less represented gender.

If only 1 list is submitted, the Directors will be selected from the submitted list, provided the list is approved by a simple majority of votes and if the number of Directors elected in this manner does not correspond to the number of members determined by the Shareholders' Meeting, or if no lists are submitted, or if the submitted list does not allow for the appointment of independent Directors who meet the governing legal and regulatory provisions, the Shareholders' Meeting shall resolve the matter with the legal majorities, without prejudice to compliance with gender balance requirements pro tempore in effect.

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Finally, we would like to remind you that the Company's Board of Directors, at their meeting held on March 1, 2016, defined, in compliance with the provisions of the Corporate Governance Code for listed companies, (see Article 1.C.1. g) and h)) and taking into account the outcome of the self-assessment, the professional and managerial profiles deemed appropriate for the composition of the Board of Directors.

In this respect, the Company's Board of Directors considered that the size, composition and functioning of the Board are suited for the administration and organizational needs of the Company. The Board of Directors hopes, therefore, that the shareholders, in the presentation of the lists, maintain a similar quality level of the Board of Directors, in terms of skills and experiences represented.

#### Term of office and determination of remuneration of the Board of Directors

We would also like to remind you that the Ordinary Shareholders' meeting will be called on to establish the term of office of the new Board of Directors, pursuant to Article 13.2 of the Articles of Association, and determine the remuneration of the members of the Board. In this respect, it is noted that pursuant to Article 22.1 of the Articles of Association, the Shareholders' meeting may determine an aggregate amount for remuneration of all directors, included directors assigned specific mandates. The remuneration of directors assigned specific mandates in compliance with the Articles of Association is determined by the Board of Directors, following a consultation with the Board of Statutory Auditors and in accordance with the aggregate amount, if any, established by the Shareholders' meeting (Article 22.2 of the Articles of Association).

Milan, March 1, 2016

On behalf of the Board of Directors

The Chairman of the Board of Directors