

# **MOLESKINE**

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

#### **4. Appointment of Board of Statutory Auditors and its Chairman; determination of remuneration; resolutions related thereto.**

Dear Shareholders,

The term of office of the Board of Statutory Auditors 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, 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 Statutory Auditors and its Chairman must be appointed, in compliance with applicable legal and statutory provisions.

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

##### Composition of the Board of Statutory Auditors

Pursuant to Article 24 of the Articles of Association, the Shareholders' meeting elects the Board of Statutory Auditors, composed of three standing auditors and two alternate auditors, in compliance with the gender balance requirements set out in Article 148, paragraph 1-bis, of Legislative Decree 58/1998 ("TUF), as introduced by Law no. 120 of July 12, 2011.

Auditors remain in office for a period of three years, until the date of the Shareholders' meeting called to approve the financial statements for the third year of their term of office and may be re-elected.

Auditors must meet the requirements concerning the maximum number of offices that can be held, as prescribed by current regulations.

Auditors may not be elected and, if elected, they will be removed from office, should they be subject to impediments or ineligibility or if they do not meet the requirements of professionalism, integrity and independence pursuant to current regulations-

In particular, for the purposes of Article 1, paragraph 2, letter b) and c) of the Decree of the Ministry of Justice no. 162 of March 30, 2000, which defines the professional and integrity requirements, topics pertaining to commercial and tax law, firm economics and corporate finance, as well as topics and sectors pertaining to the sector of activity of the Company, are considered closely related to the activities of the Company (Article 24.1 of the Articles of Association).

##### Mechanism for appointment of the Board of Statutory Auditors on the basis of list voting

Pursuant to Article 24.2 of the Articles of Association, Statutory Auditors and Alternate Auditors are appointed by the Shareholders' Meeting in compliance with regulations pro tempore in effect regarding gender balance in lists submitted by shareholders, and in which candidates must be listed using progressive numbering and must result in a number not greater than the number of components of the body to be elected.

The lists are divided into two sections: one is for candidates for the office of Statutory Auditor and the other is for candidates for the office of Alternate Auditor.

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 148, paragraph 1-bis 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 for the office of standing auditor and at least one fifth (rounded up) of the candidates for the office of alternate auditor belong to the least represented gender.

Only 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. It should be noted 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 Company's governance body.

Each shareholder has the right to submit or participate in the submission of only one list and each candidate may appear on only one list, or otherwise be disqualified. In this respect, pursuant to Article 144-sexies, paragraph 6, of CONSOB regulation no. 11971/1999 (the "Issuers' Regulation), a shareholder may not submit or vote for more than one list, even if through a third party or trust company and that shareholders belonging to the same group and shareholders who are party to a shareholders' agreement involving the Company's shares may not submit or vote on more than one list, not even through a third party or trust company.

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 Statutory Auditors 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.

Together with each list, and within the deadlines prescribed by current regulations, declarations must be filed by each candidate, stating to accept their candidacy and certifying, under their own responsibility, that there are no causes for ineligibility and incompatibility, and that they meet the requirements prescribed by current regulations and by the Articles of Association for the respective office. Any list that does not comply with the above provisions will be deemed to not have been filed. With said declarations, a curriculum vitae will be submitted for each candidate detailing his/her personal and professional attributes and complete with a list of the management and control positions held by each candidate in other companies.

Pursuant to Article 144-sexies, paragraph 4, of the Issuers' Regulation, the lists must also be accompanied by: (i) information on the identity of the shareholders submitting the lists, indicating the total percentage of shares held; the total percentage of shares held is attested, even after the list has been filed, within the time limit and in the manner established by applicable law and regulations, as specified below; (ii) a declaration by shareholders other than those who hold, including jointly, a controlling interest or relative majority,

attesting to the absence of any forms of association with such shareholders, pursuant to Article 148 (2) of the TUF and by regulatory or other provisions in force at the time.

Pursuant to the provisions of Article 144-sexies, paragraph 5, of the Issuers' Regulation, if on the deadline for the submission of lists, as indicated above (Monday, March 21, 2016, 12:00 pm) only one list has been submitted, or the only lists submitted were by shareholders who have significant relations contemplated under the applicable statutory laws and regulations, lists may be presented up to the third (3) day after this date, i.e. by (and no later than) Thursday, March 24, 2016 at 12:00 pm ("Extension of Deadline"); in the case of an Extension of Deadline, the minimum threshold for presenting lists is reduced to one half, i.e. 2.25% of the share capital.

The lists will also be subject to the forms of publicity prescribed by the 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).

However, in the event of an Extension of Deadline in accordance with Article 144-sexies, paragraph 5, of the Issuers' Regulation, in order to strike a balance between the primary need to ensure the right of minority shareholders to submit lists and the market need to have timely knowledge of the presenters and members of the proposed candidates, the lists submitted for the appointment of Statutory Auditors will be made available to the public at the registered office, on the Company's website and the other ways specified by CONSOB regulation after 12:00 pm on Thursday March 24, 2016 and no later than 6:00 pm of the same day.

The total number of shares held by the Shareholders submitting the list is attested by a notice prepared by an intermediary and sent to the Company, in accordance with Article 23 of the Regulation concerning "Rules governing central depositories, settlement services, guarantee systems and related management companies" adopted by the Banca d'Italia and by CONSOB on February 22, 2008, as amended, (the "Joint Regulation"), 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 (Article 144-sexies, paragraph 4-quater, of the Issuers' Regulation). In case of an Extension of Deadline, eligible persons are requested to send to the Company the notice provided for in Article 23 of the Joint Regulation together with the lists and, however, by and no later than 6:00 pm on Thursday, March 24, 2016 so that these lists can be published. 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.

#### Procedures for the appointment of the Board of Statutory Auditors

Pursuant to Article 24.2 of the Articles of Association, each shareholder entitled to vote may vote for only one list.

The election of Statutory Auditors proceeds as follows:

- a) from the list that obtained the greatest number of votes in the Shareholders' Meeting, based on the progressive order in which they are listed in the appropriate section of the list, 2 Statutory Auditors and 1 Alternate Auditor are selected;

- b) from the list that contained the second greatest number of votes in the Shareholders' Meeting, and from candidates who are not connected in any way, even indirectly, with those who submitted or voted for the list that obtained the greatest number of votes, based on the progressive order in which they are listed in the appropriate section of the list, the remaining Statutory Auditor, who assumes the role of Chairman, and the remaining Alternate Auditor are selected. In the event in which more than one list obtained the same number of votes, the oldest candidates for Statutory Auditor and Alternate Auditor are elected;
- c) if only one list is submitted, the Board of Statutory Auditors is composed entirely from said list, which must be approved by a simple majority vote, without prejudice to any regulations pro tempore in effect regarding gender balance.

If the candidates elected in the manner described above result in a Board of Statutory Auditors whose standing members do not meet the gender balance requirements pro tempore in effect, the necessary replacements to the office of Statutory Auditor are made from the list that contained the greatest number of votes, according to the progressive numbering in which the candidate are listed.

#### Determination of remuneration of the Board of Auditors

Lastly, pursuant to Article 24.1 of the Articles of Association, the ordinary Shareholders' meeting will be called on to establish the remuneration payable to the members of the board.

Milan, March 1, 2016

On behalf of the Board of Directors

The Chairman of the Board of Directors