

MOLESKINE

**BOARD OF DIRECTORS' REPORT, PURSUANT TO ARTICLE 114-BIS OF THE
TUF, ON THE FIFTH ITEM ON THE AGENDA OF MOLESKINE S.P.A.
ORDINARY SHAREHOLDERS' MEETING, CALLED FOR APRIL 14, 2016, IN
SINGLE CALL**

5. Stock Option Plan involving ordinary shares of Moleskine S.p.A. reserved for Executive Directors and employees of Moleskine S.p.A. and of its subsidiaries; resolutions related thereto.

Dear Shareholders,

We hereby submit for your approval, pursuant to Article 114-bis of Legislative Decree no. 58/1998 as amended (the **TUF**), an incentive and retention plan called the "*2016-2020 Stock Option Plan*" (the "**2016-2020 Stock Option Plan**") reserved for directors with executive duties and for the employees of Moleskine S.p.A. ("**Moleskine**" or the "**Company**") and its direct and indirect subsidiaries (the "**Subsidiaries**") in accordance with Article 93 of the TUF (including entities that can be qualified as a subsidiary in accordance with the applicable accounting standards, or included in the scope of consolidation), to be carried out through the free allocation of options valid for the purchase of treasury shares, held in the Company's portfolio.

The disclosure document on the Stock Option Plan, prepared in accordance with 84-bis of CONSOB Regulation no. 11971/1999 as amended (the "**Issuers' Regulation**") and in accordance with Annex 3A of this regulation, is available to the public within the time limit and in the manner provided for by law.

1. Reasons for adopting the 2016-2020 Stock Option Plan

The Company, consistently with common international practice, as well as in line with the practices applied by the Company in prior years, deems that the 2016-2020 Stock Option Plan is an instrument capable of focusing beneficiaries on factors having strategic interest, promoting their loyalty and providing incentives for their retention by the Company. In addition, for those persons who serve in strategic roles which are decisive for the success of the Company and of the Group to which it belongs (the "**Group**"), the 2016-2020 Stock Option Plan provides a continuous incentive to maintain adequate managerial standards and to improve the performance of the Group, boosting its competitiveness and creating shareholder value.

With regard to the remuneration of executive directors and of key executives, it should be pointed out, inter alia, that the adoption of share-based remuneration plans is in line with the recommendations of Article 6 of the Corporate Governance Code of Borsa Italiana S.p.A. and of Article 2.2.3 of the Rules of the markets organized and managed by Borsa Italiana S.p.A. and of the related Instructions for issuers with STAR qualification, as well as the principles contained in the Remuneration Policy adopted by the Company (details of which are available in the "Remuneration Report" which, pursuant to Article 123-ter of the TUF, will be submitted for review and approval to the Shareholders' Meeting called for April 14, 2016, in single call, as the second item on the agenda of the meeting).

The proposal pertaining to the adoption of the 2016-2020 Stock Option Plan was formulated by the Board of Directors, with the abstention of the CEO, taking into account the opinion of the Remuneration Committee.

2. Object and implementation procedures of the 2016- 2020 Stock Option Plan

The 2016-2020 Stock Option Plan calls for the free allocation, to each of the beneficiaries identified within the category of recipients indicated in Paragraph 3 below (the “**Beneficiaries**”), of options (the “**Options**”) that give the Beneficiary the right to purchase the ordinary shares to which he/she is entitled as a result of exercising the Options, in the ratio of 1 (one) ordinary share for each 1 (one) Option exercised, at an issue price corresponding to the average weighted official closing price of Moleskine ordinary shares on the screen-based market (“**MTA**”) organized and managed by the Borsa Italiana S.p.A. in the 30 (thirty) trading days prior to the option assignment.

The maximum number of ordinary Moleskine shares supporting the 2016-2020 Stock Option Plan is proposed to be set to 5,160,000 ordinary shares.

For the execution of the 2016-2020 Stock Option Plan, as indicated above, the proposal to authorize the purchase and sale of treasury shares, pursuant to Article 2357 and 2357-ter of the Italian Civil Code, and article 132 of the TUF and the related implementing provisions, to allocate, inter alia, to the 2016-2020 Stock Option Plan shall be submitted to the Ordinary Shareholders' meeting called for April 14, 2016, in single call, as the sixth item on the agenda. For more information on this proposal to authorized the purchase and sale of treasury shares, please see the related explanatory report prepared in accordance with Articles 125-ter of the TUF and 73 of the Issuers’ Regulations, which are available to the public in compliance with the law and may be consulted at the Company's website, www.moleskine.com (Investor Relations Section – Corporate Governance/Shareholders’ Meetings).

The Company shall make available to the Beneficiary the ordinary shares to which he/she is entitled as a result of exercising the Options, within the time limit and in the manner set out in the 2016-2020 Stock Option Plan. The ordinary shares of the Company allocated to the Beneficiary (upon exercising the Options) shall have the same dividend rights as those of the ordinary shares of the Company in circulation and shall therefore be provided with the coupons outstanding at that date.

The 2016-2020 Stock Option Plan shall receive no support from the special Fund to Provide Incentives for Workers’ Participation in Enterprises, pursuant to Article 4, Paragraph 112, of Italian Law no. 350 of 24 December 2003.

3. Beneficiaries of the 2016-2020 Stock Option Plan

The 2016-2020 Stock Option Plan is intended for persons who, at the date of assignment of the Options (the “**Date of Assignment**”), serve as directors with executive duties in the Company or in one of the Subsidiaries, or have an open-ended employment contract with the Company or one of its Subsidiaries (with this being understood to include any comparable relationship under applicable regulatory provisions at the time applied by the Company or with relevant Subsidiary).

At the Date of Assignment, the Board of Directors of the Company shall identify the individual Beneficiaries within the aforesaid categories, the number of Options to be allotted to each Beneficiary, and the terms and conditions for exercising the Options, taking into account the role, the professional competencies and the responsibility each of them has within the organization of the Company and/or of the Group.

The Board of Directors shall have all powers necessary or appropriate for the execution of the 2016-2020 Stock Option Plan, and in particular all powers to identify the Beneficiaries and determine the quantity of Options to be assigned to each of them, to proceed with the assignments to the Beneficiaries, and to complete all deeds, obligations, formalities, notices which are necessary or appropriate for the purposes of the management and/or implementation of the plan, including the regulations related thereto. The Board also has the authority to delegate its own powers, duties and responsibilities pertaining to the execution and enforcement of the plan to the Chairman, to the Deputy Chairman (when appointed) and/or to one or more *pro tempore* directors of the Company, also separately from each other, provided that the Board of Directors shall retain exclusive competence over every decision relating and/or pertaining to the assignment of the Options to Beneficiaries who are also Chairman, Deputy Chairman (when appointed) and/or director of Moleskine (as well as every other decision relating and/or pertaining to the management and/or implementation of the plan with regard to them).

The Remuneration Committee shall provide advice and proposals in relation to the implementation of the 2016-2020 Stock Option Plan, in accordance with the Corporate Governance Code of Borsa Italiana S.p.A. and the Remuneration Policy adopted by the Company.

4. Period of Validity of the 2016-2020 Stock Option Plan and Exercise of the Options

The period of validity of the Stock Option Plan shall be until 31 December 2023 and vesting period shall be provided for the Options assigned to the Beneficiary.

The exercise of the Options may require the achievement, which may be of a combined nature, of one or more predetermined, measurable performance targets, such as the parameters of EBITDA and/or of the net financial position (the “**Target**”) as indicated by the Board of Directors, with the input of the Remuneration Committee, for the reference period within the scope of the Company’s business plan and/or budget. To determine the amount of exercisable Options, the calculation system adopted takes into account the negative deviation from the Target. In particular, the calculation system prescribes a minimum limit set to 85% of the Target, below which the assigned Options shall be voided, and a maximum level set to 100% of the Target, which will entitle to exercise 100% of the assigned options. The calculation system also contemplates intermediate thresholds between the minimum limit of 85% and the maximum limit of 100% of the Target, corresponding to the different amounts of exercisable Options.

The 2016-2020 Stock Option Plan provides that the Board of Directors may suspend, at given times of the year, the exercise of the Options by the Beneficiaries, if such a suspension is in the best interest of the Company and/or if it seems appropriate in relation to market protection

requirements. In this case, each Beneficiary shall be served written notice by the Board of Directors.

The 2016-2020 Stock Option Plan also provides that the exercise of the Options by the Beneficiaries shall be suspended annually in the period between (a) the day the Board of Directors met to call the Shareholders' Meeting to approve (i) the financial statements for the year or (ii) the proposal to distribute special dividends and (b) the day when the Shareholders' Meeting was actually held (including both days). If the Shareholders' Meeting resolves the payment of a dividend, including special dividends, the suspension period shall expire the day after the ex-dividend date. The Board of Directors reserves the right to suspend, in certain periods of the year, the exercise of Options by the Beneficiaries. In this case, appropriate notice will be given to each Beneficiary by the Board of Directors.

Without prejudice to the exercise procedures indicated above, Beneficiaries would be entitled to exercise the Options early in case of occurrence of certain events, such as:

1. change of control pursuant to Article 93 of the TUF, even if it does not result in the requirement to launch a take-over bid ("**Change of Control**");
2. launch of a take-over bid on the Company's shares pursuant to Articles 102 et seq. of the TUF; or
3. resolution of transactions that may result in the delisting of Moleskine ordinary shares.

The 2016-2020 Stock Option Plan also prescribes, as a condition for participation in the plan, the continuation of the open-ended employment contract or of the employment as director with executive duties with Moleskine or with a Subsidiary, depending on the qualification of the Beneficiary (the "**Employment**").

In particular, the 2016-2020 Stock Option Plan prescribes that, in case of termination of the Employment due to a bad leaver situation, all Options assigned to the Beneficiary, including Options which have become valid but have not been exercised, shall automatically be voided and shall lose any and all effect and validity.

The following events are included among bad leaver situations, depending on the case: (i) dismissal by the beneficiary, the beneficiary's removal from the office of Director and/or removal of its powers, or the failure to be re-appointed to the office of Director and/or to have powers re-confirmed, all for just cause; (ii) voluntary resignation by the beneficiary not justified by one of the criteria identifying the case of "good leaver".

In case of termination of the Employment due to a good leaver situation, the Beneficiary or his/her heirs, subject to compliance with the obligations, procedures and terms prescribed by the 2016-2020 Stock Option Plan, shall retain the right partially to exercise the assigned Options, taking into account the time of occurrence of the termination of the Employment in accordance with the procedures set out in the plan.

The following events are included among good leaver situations, depending on the case: (i) dismissal of the beneficiary without just cause; (ii) removal from the office of Director or failure to be reappointed, without just cause; (iii) dismissal from the role of Director if the beneficiary's powers are revoked or fail to be confirmed, without just cause, so that the Relationship with the Company or its subsidiary is substantially changed; (iv) resignation from the office or termination of the employment relationship if even only one of the following applies: (a) permanent physical or mental disability of the beneficiary, due to illness or accident; (b) death of the beneficiary.

5. Limits to the transfer of the Options

The Options are assigned personally and may be exercised solely by the Beneficiary, unless otherwise resolved by the Board of Directors or in case of the Beneficiary's death. The assigned Options may not be transferred, for any reason, except in the case of death, or traded, pledged as collateral and/or assigned as security by the Beneficiary, both as a result of a deed inter vivos and to enforce provisions of law.

There are no restrictions on the transfer of the ordinary Moleskine shares acquired as a result of exercising the Options.

* * *

Dear Shareholders,

In consideration of the above, we hereby invite you to pass the following resolutions:

"The Shareholders' Meeting of Moleskine S.p.A., having reviewed and approved the Report by the Board of Directors,

resolves

- (i) to approve, in accordance with Article 114-bis of Italian Legislative Decree no. 58/1998, the implementation of a new stock option plan called the "2016 – 2020 Stock Option Plan" having the characteristics (including implementation conditions and requirements) indicated in the Report by the Board of Directors (Annex "[●]" attached herewith), tasking the Board to adopt the related regulations;*
- (ii) to vest the Board of Directors with all powers necessary or appropriate for the execution of the "2016 – 2020 Stock Option Plan", including, but not limited to all powers to identify the Beneficiaries and determine the quantity of options to be assigned to each of them, to proceed with the assignments to the Beneficiaries, and to complete all deeds, obligations, formalities, notices which are necessary or appropriate for the purposes of the management and/or implementation of the plan, included in the related regulation, with the authority to delegate its own powers, duties and responsibilities pertaining to the execution and enforcement of the plan to the Chairman, to the Deputy Chairman (when appointed) and/or to one or more pro tempore directors of Moleskine S.p.A., also separately from each other, provided that the Board of Directors shall retain exclusive competence over every decision relating and/or pertaining to the assignment of the options to beneficiaries who are also Chairman, Deputy*

Chairman (when appointed) and/or director of Moleskine S.p.A.. (as well as every other decision relating and/or pertaining to the management and/or implementation of the plan with regard to them).”

Milan, March 1, 2016

On behalf of the Board of Directors

The Chairman of the Board of Directors