Moleskine S.p.A.

Remuneration Report

drafted in accordance with Article 123-*ter* of Legislative Decree no. 58/1998, as subsequently amended, and with Article 84-*quater* of Consob Regulation 11971/1999, as subsequently amended

GLOSSARY

Corporate Governance Code: the Corporate Governance Code for listed companies approved by the Corporate Governance Committee in July 2014 and endorsed by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime, and Confindustria, which is available at the website www.borsaitaliana.it/comitato-corporate-governance.it..

Civil Code / c.c.: the Italian Civil Code.

The Board of Directors: the Issuer's Board of Directors.

Financial Year: the year of reference of the Report, i.e. the period January 1, 2015, to December 31, 2015.

Group: the Moleskine Group.

Moleskine, Issuer or Company: the issuer of listed shares to which this Report refers.

Issuers' Regulations: Consob Regulation no. 11971 of May 14, 1999, as subsequently amended.

Related Party Regulations: Consob Regulation no. 17221 of March 12, 2010 regarding related party transactions, as subsequently amended.

Remuneration Report: remuneration report which companies are required to draft in accordance with Article 123-*ter* of the Consolidated Law on Finance.

Consolidated Law on Finance: Italian Legislative Decree no. 58 of February 24, 1998 (Consolidated Law on Finance), as subsequently amended.

REMUNERATION REPORT

This remuneration report ("**Remuneration Report**") has been drafted in accordance with Article 123-*ter* of Legislative Decree no. 58 of February 24, 1998, as subsequently amended ("**Consolidated Law on Finance**"), and with Article 84-*quater* of Consob Regulation 11971 of May 14, 1999, as subsequently amended (the "**Issuers' Regulations**") and has also been prepared in compliance with Annex 3A, Schedule 7-*bis* and Schedule 7-*ter* of the Issuers' Regulations.

The Remuneration Report has been structured according to the following sections:

- Section I illustrates the policy of Moleskine S.p.A. (the "**Company**" or "**Moleskine**") in relation to the remuneration of Directors and Executives with strategic responsibilities and with reference to at least the subsequent year, as well as the procedures used for the adoption and implementation of this policy;

- Section II, in relation to remuneration provided to each Director and Auditor of the Company, reported by name, and in relation to the aggregate remuneration provided to the Executives with strategic responsibilities within Moleskine:

  (a) provides an adequate representation of each of the items which constitute the remuneration, including compensation provided in the case that they cease to hold office or if the employment relationship is terminated;

  (b) analytically illustrates the compensation that was paid during the year, for any reason and in any form, by the Company and by its subsidiaries and associates, reporting any potential elements of this compensation which refers to activities implemented in years prior to the year of reference and also highlighting any compensation that must be paid in one or more subsequent years for activity implemented during the Financial Year, while potentially specifying an estimate for elements which cannot be effectively quantified during the Financial Year.

In addition, Section II contains information relative to shareholdings which are held by members of the Board of Directors and control boards, as well as by other Executives with strategic responsibilities and by their non-legally separated spouses and underage children, in Moleskine and its subsidiaries, in compliance with the provisions of Article 84-*quater*, paragraph 4, of the Issuers' Regulations.

SECTION I

This Section of the Remuneration Report illustrates the essential components of the remuneration policy adopted by the Company (the "**Remuneration Policy**") which defines the goals which are pursued as well as the principles and guidelines that the Group follows when determining and monitoring the application of remuneration practices for Directors and Executives with strategic responsibilities.

The Remuneration Policy, approved by the Board of Directors on October 9, 2013, upon proposal of the Remuneration Committee and submitted for an advisory vote of the Ordinary Shareholders' Meeting of April 15, 2015, was last updated by the Board of Directors on March 1, 2016.

The Remuneration Policy was also drafted in light of the recommendations provided in the Corporate Governance Code while also taking into account the provisions of Article 2.2.3 of the Regulations of markets organized and managed by Borsa Italiana S.p.A. and the relative Instructions for Issuers with STAR qualifications, as well as in accordance with and by effect of the Related-Party Regulations and Article 10 of the internal procedure adopted by Moleskine pursuant to these Regulations on November 28, 2012, and effective as of April 3, 2013 with the name "Procedure for Related-Party Transactions".

In compliance with the provisions of the Related Party Regulations - as incorporated in the Procedure for Related Party Transactions of Moleskine, available at the Company's website www.moleskine.com, under the section "*Investor Relations*/*Corporate Governance/Documents*" – the advisory vote of the Shareholders' Meeting for the report which illustrates the Remuneration Policy exempts the Company from applying this procedure in the resolutions of the Board of Directors pertaining to remuneration of Directors and Executives with strategic responsibilities - so long as the latter are in compliance with the Remuneration Policy.

a) Bodies or parties involved in the preparation and approval of the remuneration policy, specifying respective roles as well as the bodies or parties which are responsible for the correct implementation of this policy

The main parties and bodies which are involved in the preparation and approval of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors and the Remuneration Committee.

Board of Directors

The Board of Directors:

– establishes an internal Remuneration Committee;

– defines, upon the proposal of the Remuneration Committee, the Remuneration Policy;

– in compliance with the Remuneration Policy, determines the remuneration of Directors holding specific offices, in accordance with the overall compensation determined by the

Shareholders' Meeting pursuant to Article 2389, paragraph 3, of the Civil Code, following consent from the Board of Statutory Auditors and upon proposal or consultation with the Remuneration Committee;

- approves the Remuneration Report, in accordance with Article 123-*ter* of the Consolidated Law on Finance and Article 84-*quater* of the Issuers' Regulations;

- drafts potential remuneration plans based on shares or other financial instruments that will be allocated to directors, employees and collaborators, including Executives with strategic responsibilities, and presents them for approval to the Shareholders' Meeting on the basis of Article 114-*bis* of the Consolidated Law on Finance in addition to managing their implementation.

<u>Remuneration Committee</u>

With regard to the composition, competencies and operating procedures of the Remuneration Committee, refer to the subsequent paragraph b).

<u>Shareholders' Meeting</u>

With regard to remuneration, the Shareholders' Meeting:

- determines the compensation of the members of the Board of Directors, in accordance with Article 2364, paragraph 1, no. 3, of the Civil Code as well as with Article 2389, paragraph 3, of the Civil Code and Article 22 of the Articles of Association;

- provides an advisory vote on Section I of the Remuneration Report drafted by the Board of Directors.

b) <u>Potential intervention of a remuneration or appointments committee or any other potentially competent committee, describing its composition (with a distinction between non-executive and independent directors), competencies and operating procedures</u>

In compliance with the provisions of the Corporate Governance Code, the Company has created – within the Board of Directors – a Remuneration Committee (the "**Committee**" or also the "**Remuneration Committee**") which is composed, as of the date of the Remuneration Report, by Daniela Della Rosa (Independent Director), in the role of Chairman, Fabio Brunelli (Independent Director) and Marco Ariello (Non-Executive Director).

Given the current composition of the Committee, as verified by the Board of Directors, the Director Daniela Della Rosa possesses adequate knowledge and experience in relation to remuneration policies while the Directors Fabio Brunelli and Marco Ariello have adequate knowledge and experience within the accounting and financial field.

The composition, tasks and functioning of the Remuneration Committee are regulated by special Regulations which were most recently approved by the Board of Directors on November 25, 2013, and as described below in its primary aspects.

The Remuneration Committee is composed of at least three members of the Board of

Directors who must have the independence requirements specified by the Corporate Governance Code. Alternatively, the Committee may be composed of non-executive Directors, a majority of which must have the independence requirements specified by the Corporate Governance Code. In this case, the Chairman of the Committee is selected from amongst the independent Directors.

At least one member of the Committee must have adequate knowledge and experience in finance or in compensation policies which must be carefully evaluated by the Board of Directors at the time of appointment.

The members of the Committee are appointed by means of a resolution of the Board of Directors and the Committee, which is appointed in this manner, will remain in office until the end of the term of the Board of Directors. If one or more members of the Committee cease to hold office, for any reason, during the mandate, the Board of Directors will provide for their replacement by appointing those who, from amongst their members, possess the requirements pursuant to the Corporate Governance Code.

If the Board of Directors does not provide for this, the Committee- in compliance with the requirements referred to above, will elect a Chairman from among its members.

The Committee meets with a frequency that is necessary for the implementation of its functions or when this is deemed opportune by the Chairman, even upon the request of one or more of its members.

The Chairman of the Board of Statutory Auditors, or another appointed Auditor, can participate in the meetings of the Committee. If invited by the Chairman, other parties who are not members, and whose contribution is deemed useful for the meeting's individual items of the meeting agenda, may also participate in the Committee meetings.

The resolutions of the Committee are adopted with the absolute majority of the members participating in the meeting. The presence of a majority of members is necessary for the validity of the meetings.

A participant who retains a conflict of interest for himself, or on behalf of third parties, with the subject of the resolution, must notify the Committee of this fact and will abstain from the meeting, without prejudice to the fact that no Director takes part in meetings of the Remuneration Committee in which the proposals of the Board of Directors relative to their remuneration are formulated.

The opinions and/or proposals and/or resolutions of the Remuneration Committee are adequately reported in the meeting minutes. The minutes which are drafted by the Secretary, and undersigned by the Chairman and the Secretary, are registered in a special registry that is specifically created for this purpose. Unless provided for otherwise by the Committee, the manager of the legal department of the Company will act as secretary.

The resolutions approved by the Committee are reported to the first meeting of the Board of Directors.

The Committee also retains the right to access information and any company departments which are necessary for implementing its tasks; the Committee may also use the services of a consultant in order to obtain information on market practices pertaining to remuneration policies. In this case, the Committee will verify in advance that the consultant is not in a situation which could compromise her/her independent judgment.

The Committee plays an advisory and proposal role whose primary task is to formulate proposals to the Board of Directors for the definition of a remuneration policy for Directors and Executives with strategic responsibilities.

Specifically, the Committee has the following tasks:

(i) periodically evaluate the adequacy, overall consistency and effective application of the remuneration policy for Directors and Executives with strategic responsibilities while using, for this purpose, the information provided by the Chief Executive Officer; formulate relevant proposals to the Board of Directors;

(ii) submit proposals and express opinions to the Board of Directors on the remuneration of Executive Directors as well as other Directors who hold specific offices, as well as setting performance objectives related to the variable component of said remuneration; monitor the application of the decisions taken by the Board of Directors, specifically, verifying that the performance objectives were effectively achieved;

(iii) implement the functions specified in the Remuneration Policy adopted by the Board of Directors.

c) <u>the names of independent experts that were potentially consulted during the formulation of the remuneration policy</u>

When formulating the Remuneration Policy, the Company availed itself of the consulting services of the independent expert Tower Watson. In particular, this expert conducted an analysis of the compensation packages of companies that were, for the most part, listed on stock exchanges and comparable to Moleskine in terms of characteristics.

d) <u>objectives pursued through the remuneration policy, its underlying principles and potential changes in this policy with respect to the previous financial year</u>

The Remuneration Policy of Moleskine pursues the primary objective of aligning the interests of management with those of the Company and of Shareholders in the medium to long term.

Given this objective, the Remuneration Policy is formulated so as to ensure an overall compensation structure which is capable of recognizing the managerial value of the affected parties and their contribution to company growth in relation to their respective competencies and functions, thereby attracting, retaining and motivating individuals with those professional qualities that are required to successfully manage the Company. For this purpose, the remuneration of management must be structured in a manner which allows for an adequate balancing of fixed and variable components in order to create sustainable value in the medium to long term and to guarantee a direct relationship between remuneration and performance objectives, even of non-economic nature and in accordance with the activities implemented by Moleskine.

In particular, the Remuneration Policy is based on the foundational principles that are illustrated above and which are relative to the remuneration provided to executive Directors as well as Executives with strategic responsibilities within Moleskine:

(i) remuneration is based on the criterion of individual and Group performance, thereby ensuring an adequate balancing of individual and Group objectives;

(ii) the incentive system for top management incorporates an adequate balancing of a fixed and variable component in relation to strategic objectives as well as the risk management policy of the Company, and after also taking into account the characteristics of the business and its sector of operation;

(iii) the fixed component of the remuneration is determined by taking into account the job duties and responsibilities of the position/office held by the individual in question, and is generally, on principle, sufficient to compensate the work of this individual in the case that the variable component is not provided due to the failure to attain the assigned objectives;

(iv) the variable component of the remuneration – for which maximum limits were provided – is correlated with the attainment of Group and/or individual performance objectives; the latter are (a) defined by time period, given that they are part of a time frame which allows for the contribution of value creation in accordance with the growth strategies of the Group; (b) linked to parameters, even not of economic/financial nature, but which can be verified at the end of a time period; (c) assigned to the affected party on the basis of his/her position/office held within the Company and therefore adjustable, if opportune, even in relation to specific expected results of qualitative nature (even at an individual level), after taking into account the assigned competencies, tasks and responsibilities;

(v) the remuneration and changes in the latter must be sustainable from an economic perspective and must provide incentives for management to assume business risks that are consistent with the overall strategy of the Group and with the relative risk profile defined by the Board of Directors.

The Company may provide for contractual arrangements in order to permit the company to reclaim, in whole or in part, the variable components of remuneration that were awarded (or to hold deferred payments), as defined on the basis of data which subsequently proved to be manifestly misstated in accordance with criterion 6.C.1., f) of the Corporate Governance Code, last approved in July 2014 (so-called claw-back).

e) <u>a description of policies pertaining to fixed and variable remuneration components, particularly with regard to the application of the relative weight within the overall</u>

compensation scheme and distinguishing between short-term and medium to long term variable components

The Remuneration Policy requires that the fixed and variable components (the latter in turn subdivided into short and long-term variable components) must be structured in accordance with different principles and modalities in relation to the different types of recipients.

The Company therefore deems it opportune to distinguish elements of the compensation structure on the basis of the executive/managerial competencies and responsibilities that are recognized for affected parties, thereby autonomously defining the criteria for determination of remuneration for:

(i) non-executive and independent Directors,

(ii) Directors holding specific offices (excluding the CEO),

(iii) executive Directors (including the CEO)

(iv) Executives with strategic responsibilities.

(i) non-executive and independent directors of Moleskine

Non-executive directors are defined as Directors who are not assigned individual management powers and executive tasks.

Independent Directors refer to Directors with the requirements pursuant to Art. 148, paragraph 3, of the Consolidated Law of Finance and Art. 3 of the Corporate Governance Code.

Non-executive Directors are recognized a fixed compensation that is determined by the Shareholders' Meeting pursuant to Article 2389 of the Civil Code as well as reimbursement of any expenses sustained while in office. The Board of Directors, if not already implemented by the Shareholders' Meeting, will subdivide the overall compensation established by the Shareholders' Meeting itself.

Non-executive Directors do not receive a variable remuneration component and do not receive incentive plans based on financial instruments.

Independent Directors are recognized a fixed compensation that is determined by the Shareholders' Meeting pursuant to Article 2389 of the Civil Code as well as reimbursement of any expenses sustained while in office. The Board of Directors, if not already implemented by the Shareholders' Meeting, will subdivide the overall compensation established by the Shareholders' Meeting itself.

Independent Directors do not receive a variable remuneration component and do not receive incentive plans based on financial instruments.

For more information on non-executive Directors and independent Directors which participate in the Committees created within the Board, refer to the subsequent paragraph n).

(ii) Moleskine Directors holding specific offices

Moleskine Directors holding specific offices – other than the Chief Executive Officer (CEO), i.e. the managing director – will receive additional annual compensation that is determined by the Board of Directors after consulting with the Remuneration Committee and in compliance with the overall amount that is established by the Shareholders' Meeting.

In particular, a fixed compensation – not linked to the attainment of objectives, but instead proportional to the responsibilities and competencies associated with the office- is assigned to Directors who hold the position of Chairman and Vice Chairman (if appointed) in Moleskine.

(iii) Executive Directors

Executive Directors, including the CEO, will receive a fixed compensation as well as a variable form of remuneration for both the short-term and the medium-long term and for each year they hold office, in accordance with the provisions of the Board of Directors and following consultations with the Remuneration Committee of the Company. The aforementioned compensation will be determined by taking into account that applied in the market by companies which are comparable to the Company in terms of size, profitability and growth rates while taking into account the value generated in terms of improvement of financial and economic results and/or the increase in capitalization of the Company.

The variable compensation is subordinate to the attainment of specific objectives, as specified by the Board of Directors and following consultations with the Remuneration Committee.

(A) *Fixed component*

The fixed component is determined by taking into account the job duties and responsibilities of the position/office held by the individual in question. This component is not linked to the attainment of performance objectives but is formulated as an amount that is sufficient to remunerate the Executive Director in the case that the variable components – described below under letters *(B)* and *(C)* – are not disbursed.

(B) *Short-term variable component*

The short-term variable component is determined on the basis of attainment of annual quantitative objectives that are correlated with performance indices and relative to the annual budget.

The Remuneration Policy provides for the application of a calculation system in order to determine a relationship between changes in company results and changes in remuneration. In particular, with respect to the previous financial year, in order to determine the short-term variable component, the current Remuneration Policy has established three types of objectives: (i) the first objective is to achieve a certain corporate objective, (ii) the second is to achieve specific individual quantitative objectives and (iii) the third objective is to a achieve individual qualitative objectives (jointly, the "**MBO Objective for Executive Directors"**). The part of the short-term variable component connected to the corporate objective referred to in point (i) is linked to parameters including, but not limited to, EBITDA as indicated by the Board of Directors, following consultations with the Remuneration Committee.

In the case of attainment of 100% of the MBO Objective for Executive Directors, the short-term variable component will be equal to 25% of the fixed component.

The Company also retains the right to apply the provisions relative to the short-term variable component of the remuneration for executive Directors to executive Directors of subsidiary companies, given their compatibility and in accordance with Article 93 of the Consolidated Law on Finance (TUF).

(C) *Long-term variable component*

For the purposes of value creation for the Company in the medium to long period, the Remuneration Policy includes the possibility of providing executive Directors with a medium to long-term variable component; the latter may be composed of incentive plans based on financial instruments pursuant to Article 114-*bis* of the Consolidated Law on Finance and/or monetary incentive plans.

With reference to incentive plans based on financial instruments and pursuant to Article 114-*bis* of the Consolidated Law on Finance, the Remuneration Policy requires that these plans be in line with the best comparable market prices and may include vesting periods.

In addition, the Remuneration Policy includes a calculation system which takes into account the positive or negative deviation with respect to specific objectives that are measurable at the end of given time periods, as specified by the Board of Directors and following consultations with the Remuneration Committee. In particular, this calculation system provides for a minimum limit set at 85% and a maximum level set at 100% of the objective. This calculation system also provides for intermediate thresholds between the minimum of 85% and a maximum level set at 100% of the objective.

In addition, the Executive Directors, where opportune, can potentially be recipients of monetary incentive plans that are in line with the best practices.

In the case that the Company implements operations that are exceptionally relevant from a strategic perspective and/or because of their effects on the results of the Company itself and/or of the Group, the Board of Directors - following consultations with the Remuneration Committee – retains the right to discretionally assign specific bonuses to Executive Directors and to Directors holding special offices that are closely linked to their specific contribution to these operations.

(iv) Executives with strategic responsibilities

Executives with strategic responsibilities refer to parties which retain powers and responsibilities, direct or indirect, that pertain to the planning, management and control of the Company's operations, in accordance with Article 65, paragraph 1-*quater*, of the Issuers' Regulations, which refers to Annex 1 of the Related Party Regulations.

Executive with strategic responsibilities will receive a fixed compensation as well as a variable form of remuneration for both the short-term and the medium-long term and for each year they hold office, in accordance with the provisions of the Board of Directors and following consultations with the Remuneration Committee of the Company. The aforementioned compensation will be determined by taking into account that applied in the market by companies which are comparable to the Company in terms of size, profitability and growth rates while taking into account the value generated in terms of improvement of financial and economic results and/or the increase in capitalization of the Company.

The variable compensation is subordinate to the attainment of specific objectives, as specified by the Board of Directors and following consultations with the Remuneration Committee.

In accordance with Article 6.C.5 of the Corporate Governance Code and of the Regulations governing the Committee, the Remuneration Committee will periodically evaluate the adequacy, overall consistency and effective application of the Remuneration Policy for Executives with strategic responsibilities while using, for this purpose, the information provided by the managing directors, while formulating relevant proposals to the Board of Directors.

(A) *Fixed component*

The fixed component is determined by taking into account the job duties and responsibilities of the position held by the individual in question. This component is not linked to the attainment of performance objectives but is formulated as an amount that is sufficient to remunerate the Executive with strategic responsibilities in the case that the variable components – described below under letters *(B)* and *(C)* - are not disbursed.

(B) *Short-term variable component*

The short-term variable component is determined on the basis of attainment of pre-defined annual quantitative objectives that are correlated with performance indices and relative to the annual budget.

The Remuneration Policy provides for the application of a calculation system in order to determine a relationship between changes in company results and changes in remuneration. In particular, with respect to the previous financial year, in order to determine the short-term variable component, the current Remuneration Policy has established three types of objectives: (i) the first objective is to achieve a given corporate objective, (ii) the second is to achieve specific individual quantitative objectives and (iii) the third objective is to a achieve specific individual qualitative objectives (jointly, the "MBO Objective for Executive Directors"). The part of the short-term variable component connected to the corporate objective referred to in point (i) is linked to parameters including, but not limited to, EBITDA as indicated by the Board of Directors, following consultations with the Company's Remuneration Committee.

In the case of attainment of 100% of the MBO Objective for Executive Directors, the short-term variable component will approximately be equal to 25% of the fixed component.

The Company also retains the right to apply the provisions relative to the short-term variable component of the remuneration for executives with strategic responsibilities to other executives with strategic responsibilities of subsidiaries, given their compatibility and in accordance with Article 93 of the Consolidated Law on Finance.

(C) Medium to long-term variable component

For the purposes of value creation for the Company in the medium to long period, the Remuneration Policy includes the possibility of providing Executives with strategic responsibilities with a medium to long-term variable component; the latter may be composed of incentive plans based on financial instruments pursuant to Article 114-*bis* of the Consolidated Law on Finance and/or monetary incentive plans.

In addition, the Remuneration Policy includes a calculation system which takes into account the positive or negative deviation with respect to specific objectives that are measurable at the end of given time periods, as specified by the Board of Directors and following consultations with the Remuneration Committee. In particular, this calculation system provides for a minimum limit set at 85% and a maximum level set at 100% of the objective. This calculation system also provides for intermediate thresholds between the minimum of 85% and a maximum level set at 100% of the objective.

In addition, Executives with strategic responsibilities, where opportune, can potentially be recipients of monetary incentive plans that are in line with the best practices.

In the case that the Company implements operations that are exceptionally relevant from a strategic perspective and/or because of their effects on the results of the Company itself and/or of the Group, the Board of Directors - following consultations with the Remuneration Committee – retains the right to discretionally assign specific bonuses to Executives with strategic responsibilities that are closely linked to their specific contribution to these operations.

The Company also retains the right to apply the provisions relative to the medium to long-term variable component of the remuneration for executives with strategic responsibilities to other executives with strategic responsibilities of other companies.

f) policy implemented concerning non-monetary benefits

The Remuneration Policy includes the allocation of non-monetary benefits that are currently recognized by remuneration practices and which are, in any case, consistent with the position/office that is held.

In particular, non-monetary benefits may include, as examples, the assignment of supplementary pension coverage, healthcare assistance policies or insurance for professional or non-professional accidents as well as mobile phones and company cars.

g) <u>with reference to the variable components, a description of the performance objectives that are used to assign them, while distinguishing between short and medium to long-term variable components, as well as information on the relationship between changes in results and changes in remuneration</u>

Refer to that described in the previous paragraph e), point (iii), letter (B) for the short-term variable component and letter (C) for the long-term variable component.

h) <u>the criteria used for the evaluation of performance objectives on the basis of the assignment of shares, options, other financial instruments or other variable remuneration components</u>

Short-term variable component

With regard to the short-term variable component of Executive Directors and Executives with strategic responsibilities, the Remuneration Policy states that the assessment of performance and the communication of the degree of attainment of assigned objectives must be a constant process involving three fundamental events during the course of the twelve-month period:

- the definition and sharing of annual objectives (generally within the month of March for the year of reference) on the part of the Board of Directors of Moleskine and following consultations with the Remuneration Committee;
- the possibility of intermediate assessments of performance (generally half-way through the year of reference) in order to verify the degree of attainment of results in the first half of the year and in order to analyze potential corrective actions;
- a final assessment of performance and communication of the degree of attainment of the assigned objectives (generally within 30 days from the date of approval of the consolidated financial statements on the part of the Board of Directors in the subsequent year). An assessment of the degree of attainment of the objectives pertaining to the previous year falls under the competence of the Remuneration Committee, supported by the Administration, Finance & Control Department, who will present their evaluations to the Board of Directors in order to reach a final decision of the amount of the variable remuneration component that should be assigned to the individual in question.

In the case that, for any reason, the Board of Directors does not formulate the definition of objectives for the year of reference, the same Board will adopt, following consultations with the Remuneration Committee, the necessary resolutions for determining the short-term variable component and after taking into account the performance of the Company and Group, and in any case in compliance with the principles of the Remuneration Policy.

In the case that the Moleskine implements extraordinary operations from a strategic perspective and/or because of their effects on the results of the Company itself and/or of the Group, i.e. on the consolidated group of operations, the Board of Directors – following consultations with the Remuneration Committee – will proceed with revising the objectives in order to render them consistent with the new shareholding and/or business structure and/or with the consequent economic/financial results.

Long-term variable component

The competent bodies will determine the modalities and timing for defining and verifying – even during intermediate periods – the performance objectives pursuant to the incentive plans based on financial instruments, in compliance with Article 114-*bis* of the Consolidated Law on Finance, as well as any corrective actions that must be applied to the objectives themselves.

i) information relative to the consistency of the remuneration policy with the pursuit of the long-term interests of the Company as well as with the risk management policy, if formulated

As described in more detail in the previous paragraph d), the Remuneration Policy aims to pursue the long-term interests of the Company. For this purpose, the composition of the compensation package for executive Directors and for Executives with strategic responsibilities is defined in accordance with the following criteria:

- guarantee an overall balanced remuneration structure with adequate balancing of fixed and variable components in order to prevent actions that are not in accordance with the creation of value over the medium to long-term;

- guarantee a direct connection between remuneration and performance through mechanisms that establish that bonuses are not provided if general objectives, as well as those linked to the overall profitability of the company, are not reached;

- guarantee overall remuneration levels that recognize the professional value of individuals as well as their contribution to the creation of value over the medium to long-term:

j) vesting periods, potential systems for deferred payment, and a specification of the periods of deferral as well as the criteria used for determining these periods as well as subsequent correct mechanisms, if required

The Remuneration Policy requires- for incentive plans based on financial instruments and pursuant to Article 114-*bis* of the Consolidated Law on Finance- that these plans be in line with the best comparable market prices and may include vesting periods.

With regard to monetary components, the Remuneration Policy does not provide for deferred payment systems.

k) Information on the potential clauses for maintaining financial instruments in the portfolio after their acquisition, with a specification of their maintenance periods as well as the criteria that are used to determine these periods

The Remuneration Policy does not provide for the inclusion of clauses – for the maintenance of financial instruments in the portfolio after their acquisition – within the stock-based incentive plans.

l) policy relative to treatments in the case that an affected party ceases to hold office or his/her employment relationship terminates, while specifying which circumstances result in acquisition of the rights and the potential connection between these treatments and the performance of the company

Moleskine's policies do not provide for the stipulation – with non-executive Directors and with independent Directors – of agreements that regulate, in advance, the economic aspects pertaining to the potential advance termination of an employment relationship upon the initiative of the Company or the individual.

With reference to the CEO, the treatments provided in the case that the individual ceases to hold office or termination of the employment relationship will be settled on a case by case basis with the CEO him(her)self.

Moleskine's policies do not provide for the stipulation – with Executives with strategic responsibilities – of agreements that regulate, in advance, the economic aspects pertaining to the potential advance termination of an employment relationship upon the initiative of the Company or the individual, without prejudice, in any case, to legal obligations or those pertaining to collective employment agreements. The Company may instead stipulate non-competition agreements with the Executives themselves.

m) Information on the presence of potential insurance coverage, i.e. social security or retirement policies, beyond the mandatory coverage

Non-monetary benefits may include, as examples, the assignment of supplementary pension coverage, healthcare assistance policies or insurance for professional or non-professional accidents.

n) the remuneration policy that is potentially applied with respect to: *(i)* independent directors, *(ii)* participation in committees, and *(iii)* the execution of specific offices (Chairman, Vice Chairman, etc..)

Non-executive and independent Directors may be recognized an additional annual compensation if they are members of committees established within the Board of Directors, and with an increase in the case that the Director holds the office of Chairman of the Committee.

For more information on this topic, as well as information relative to the remuneration of Directors holding specific offices such as Chairman and Vice Chairman (if appointed), refer to the previous paragraph e), points (i) and (ii).

o) If the remuneration policy has been defined by using the remuneration policies of other companies as a reference; if this is the case, the criteria used to select these companies

The Remuneration Policy has also been prepared on the basis of an analysis of the compensation packages of companies that were, for the most part, listed on stock exchanges and comparable to Moleskine in terms of characteristics. For this purpose, the Company availed itself of the consulting services of the independent expert Tower Watson.

SECTION II

This Section, in relation to remuneration provided to each Director and Auditor, reported by name, and in relation to the aggregate remuneration provided to the Executives with strategic responsibilities:

- in the first part: provides an adequate representation of each of the items which constitute the remuneration, including compensation provided in the case that they cease to hold office or if the employment relationship is terminated;

- in the second part: analytically illustrates the compensation that was paid during the year, for any reason and in any form, by the Company and by its subsidiaries and associates, reporting any potential elements of this compensation which refers to activities implemented in years prior to the year of reference and also highlighting any compensation that must be paid in one or more subsequent years for activity implemented during the Financial Year, while potentially specifying an estimate for elements which cannot be effectively quantified during the Financial Year;

Based on the parameters established under Annex 3A, Schedule 7-*ter*, of the Issuers' Regulations, Section II specifies the interests held in the Issuer and its subsidiaries by members of administrative and control bodies and by other executives with strategic responsibilities and their spouses, unless legally separated, and minor children, either directly or through companies under their control, trust companies or third parties, as reported in the shareholders' register, notices received and other information obtained from these members of administrative and control bodies and other executives with strategic responsibilities.

Moleskine, as a company "of smaller size" (*"di minori dimensioni"*), as defined by Article 3, paragraph 1, letter f) of the Related-Party Regulations, has availed itself of the right pursuant to Annex 3A, Schedule 7-*bis*, of the Issuers' Regulations to: (i) supply potential information on compensation received from Executives with strategic responsibilities in aggregate form, and (ii) supply potential information on agreements which provide indemnities in the case of advance termination of the relationship, but only with reference to the executive Director and the Chairman of the Board of Directors.

SECTION II – PART ONE – ITEMS CONSTITUTING REMUNERATION

The first part of Section II provides an adequate representation of each of the items which constitute the remuneration, including compensation provided in the case that officers or executives cease to hold office or if the employment relationship is terminated.

Remuneration of Directors

Remuneration of Directors other than the CEO

Remuneration for the Board of Directors was determined by the Ordinary Shareholders' Meeting of the Company on November 28, 2012 and March 7, 2013.

In particular, the Ordinary Shareholders' Meeting of November 28, 2012 resolved to provide the Board of Directors (excluding the CEO) with overall annual gross compensation of €90,000.00, assigning a proxy to the Board of Directors for the determination of individual compensation amounts, and without prejudice to the right of the Board of Directors to assign additional compensation to Directors holding specific offices, in accordance with Article 2389, paragraph 3, of the Civil Code, following consultations with the Board of Statutory Auditors.

The Ordinary Shareholders' Meeting of March 7, 2013 – following the increase in the number of Directors – increased the gross compensation for the Board of Directors from €90,000.00 to €102,000.00, assigning a proxy to the Board of Directors for the determination of individual compensation amounts, and without prejudice to the right of the Board of Directors to assign additional compensation to Directors holding specific offices, in accordance with Article 2389, paragraph 3, of the Civil Code, following consultations with the Board of Statutory Auditors.

The Board of Directors' meeting of April 3, 2013, following consultations with the Remuneration Committee, subdivided the overall compensation established by the Shareholders' Meeting as follows:

– the Chairman of the Board of Directors, Marco Ariello: €20,000.00 gross per year, including €2,500.00 as a member of the Control and Risk Committee and €2,500.00 as a member of the Remuneration Committee;

– €17,000.00 gross per year to each of the Directors Fabio Brunelli and Daniela Della Rosa, including €2,500.00 each as member of the Control and Risk Committee and €2,500.00 each as member of the Remuneration Committee;

– €12,000.00 gross per year for each of the Directors Philippe Sevin, Giuseppe Zocco, Daniele Raynaud and Claudia Parzani.

Remuneration of the CEO

The Board of Directors meeting of April 3, 2013, following approval from the Remuneration Committee and the Board of Statutory Auditors, assigned the CEO, Arrigo Berni, with a fixed compensation of €500,000.00 for the Financial Year, gross of taxes, withholdings and social security/welfare contributions, and net of any potential expense reimbursements. The CEO has received, in addition to the fixed component, a short-term variable component for the Financial Year in the amount of €75,000.00.

The CEO has been identified as a beneficiary of the "*2013-2017 Stock Option Plan*" of the Company, as approved by the Ordinary Shareholders' Meeting of November 25, 2013, for 202,000 options (related to the first tranche) that are valid for the underwriting of 202,000 ordinary Moleskine shares (with a ratio of 1 new ordinary share for every single exercised option), using an underwriting price per share of €1.664, which corresponds to the weighted average of the official prices recorded by ordinary Moleskine shares on the MTA during the 30 (thirty) days of open stock exchange prior to the date of assignment of the options. With regard to the second tranche, the CEO was identified as a beneficiary of 207,000 options that are valid for the underwriting of 207,000 ordinary Moleskine shares (with a ratio of new ordinary share for every single exercised option), using an underwriting price per share of €1.632, which corresponds to the weighted average of the official prices recorded by ordinary Moleskine shares on the MTA during the 30 (thirty) days of open stock exchange prior to the date of assignment of the options. With regard to the third tranche, the CEO was identified as a beneficiary of 296,000 options that are valid for the underwriting of 296,000 ordinary Moleskine shares (with a ratio of new ordinary share for every single exercised option), using an underwriting price per share of €1.268, which corresponds to the weighted average of the official prices recorded by ordinary Moleskine shares on the MTA during the 30 (thirty) days of open stock exchange prior to the date of assignment of the options.

For more information on the stock option and incentive plans in force and pursuant to Article 114-bis of the Consolidated Law on Finance, refer to the Disclosure Documents drafted in compliance with Article 84-bis of the Consob Issuers' Regulations published on the website of the Company, www.moleskine.com, under the section "I*nvestor Relations/Corporate Governance/Shareholders Meetings*", in compliance with Article 123-*ter*, paragraph 5, of the Consolidated Law on Finance.

Indemnities in the case of advance termination of the employment relationship and effects of this termination on the rights assigned as part of incentive plans based on financial instruments payable in cash

With the exception of the note below, there were no agreements stipulated between the Issuer and the Chairman or Chief Executive Officer, respectively, which provide compensation in the event of resignation or dismissal without just cause or if the employment relationship terminates following a take-over bid.

As resolved by the Board of Directors on April 3, 2013, a forfeit will be paid to the Chief Executive Officer, all-inclusive and in full settlement of any and all other claims, equivalent to 18 months' salary, before taxes, withholdings and social security contributions, in the event of dismissal from the office of Director, with or without just cause.

For information on the effects of a termination of the employment relationship within the realm of the *"2013-2017 Stock Option Plan"* , refer to the Disclosure Documents drafted in compliance with Article 84-*bis* of the Consob Issuers' Regulations published on the website of the Company, www.moleskine.com, under the section "*Investor Relations/Corporate*

Governance/Shareholders Meetings", in compliance with Article 123-*ter*, paragraph 5, of the Consolidated Law on Finance."

Monetary and non-monetary benefits

Remuneration for the CEO also includes fringe benefits such as the supply of a company car as well as insurance coverage against professional and non-professional accidents and in the case of permanent invalidity. Other non-monetary benefits are not provided.

Remuneration of Statutory Auditors

The Ordinary Shareholders' Meeting of the Company of November 28, 2013, resolved to assign the Chairman of the Board of Statutory Auditors an annual gross compensation of €18,000.00 as well as an annual total gross compensation of €12,000.00 to each Statutory Auditor.

Monetary and non-monetary benefits

Monetary and non-monetary benefits are not provided to Auditors.

Remuneration of Executives with strategic responsibilities

The Company has identified 7 (seven) Executives with strategic responsibilities, whose overall compensation is determined on the basis of a current employee relationship with the Company and totals overall €1,892,063.

During the Financial Year, the Executives with strategic responsibilities were selected as beneficiaries of the "2013–2017 Stock Option Plan".

For more information on the "2013-2017 Stock Option Plan" in force, and pursuant to Article 114-bis of the Consolidated Law on Finance, refer to the Disclosure Documents drafted in compliance with Article 84-bis of the Consob Issuers' Regulations published on the website of the Company, www.moleskine.com, under the section "*Investor Relations/Corporate Governance/Shareholders Meetings*", in compliance with Article 123-*ter*, paragraph 5, of the Consolidated Law on Finance.

Monetary and non-monetary benefits

Executives with strategic responsibilities retain the right to receive insurance coverage for accidents related to professional and non-professional risks as well as the supplementary FASDAC insurance ("Fondo Assistenza Sanitaria Aziende Commerciali", Healthcare Assistance Fund for Commercial Companies). Three executives with strategic responsibilities were assigned a company vehicle. Other non-monetary benefits are not provided.

Remuneration of the Chief Operating Officer

In application of the agreement signed with the Company, the Chief Operating Officer (COO) receives fixed annual remuneration in the amount of €292,274.29. The COO has received a short-term variable component for the Financial Year in the amount of €41,020.

The COO has been identified as a beneficiary of the *"2013-2017 Stock Option Plan"* of the Company, as approved by the Ordinary Shareholders' Meeting of November 25, 2013, for 82,500 options that are valid for the underwriting of 82,500 ordinary Moleskine shares (with a ratio of 1 new ordinary share for every single exercised option), related to the second tranche, at an underwriting price per share of €1.632, which corresponds to the weighted average of the official prices recorded by ordinary Moleskine shares on the MTA during the 30 (thirty) days of open stock exchange prior to the date of assignment of the options. With regard to the third *tranche*, the COO was identified as a beneficiary of 106,500 options that are valid for the underwriting of 106,500 ordinary Moleskine shares (with a ratio of new ordinary share for every single exercised option), using an underwriting price per share of €1.268, which corresponds to the weighted average of the official prices recorded by ordinary Moleskine shares on the MTA during the 30 (thirty) days of open stock exchange prior to the date of assignment of the options.

Monetary and non-monetary benefits

Remuneration for the COO also includes fringe benefits such as insurance coverage against professional and non-professional accidents and in the case of permanent invalidity. Other non-monetary benefits are not provided.

SECTION II - PART TWO – ANALYTICAL REPORTING OF REMUNERATION DISBURSED DURING THE YEAR

Information relative to reporting obligations pursuant to Schedule 7-*bis* of Annex 3A of the Issuers' Regulations – pertaining to remuneration disbursed to members of administrative and control bodies, as well as to Executives with strategic responsibilities, of any type and in any form, even from subsidiaries and associated companies of Moleskine – is provided below.

It should be noted that this includes parties who, during the course of the Year, held – even for a fraction of the period - the office of member of the administrative and control bodies or executive with strategic responsibilities.

This information is supplied separately and with reference to the offices held in the Company as well as for those implemented in subsidiary and associated companies.

<u>Table 1 - Remuneration of members of the Board of Directors and the Board of Statutory Auditors, of the COO and of Executives with strategic responsibilities</u>

Name and Surname	Office	Period during which office was held	Expiration date of office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnities for end of office or termination of employment
Marco Ariello	Chairman	As of 3/04/2013	Approval of 2015 financial statements	15.000	2,500 (member of Control and Risk Committee) 2,500 (member of Remuneration Committee)	Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				15.000	5.000					20.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				15.000	5.000					20.000		
Arrigo Berni	CEO	As of 3/04/2013	Approval of 2015 financial statements	492.883		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				492.883		75.000		7.117		575.000	56.398	
(II) Remuneration from subsidiaries and associates												
(III) Total				492.883		75.000		7.117		575.000	56.398	
Philippe Sevin	Director	As of 04/03/2013	Approval of 2015 financial statements	12.000		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				12.000						12.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				12.000						12.000		

Giuseppe Zocco	Director	As of 04/03/2013	Approval of 2015 financial statements	12.000		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				12.000						12.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				12.000						12.000		
Name and Surname	**Office**	**Period during which office was held**	**Expiration date of office**	**Fixed compensation**	**Compensation for participation in committees**	**Non-equity variable compensation**		**Non-monetary benefits**	**Other compensation**	**Total**	**Fair Value of equity compensation**	**Indemnities for end of office or termination of employment**
Fabio Brunelli	Director	As of 04/03/2013	Approval of 2015 financial statements	12.000	2,500 (Chairman of Control and Risk Committee) 2,500 (member of Remuneration Committee)	Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				12.000	5.000					17.000		
(II) Remuneration from subsidiaries and associates												
III) Total				12.000	5.000					17.000		
Daniele Raynaud	Director	As of 04/03/2013	Approval of 2015 financial statements	12.000		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				12.000						12.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				12.000						12.000		
Daniela Della Rosa	Director	As of 04/03/2013	Approval of 2015 financial statements	12.000	2,500 (Chairman of Remuneration Committee) 2,500 (member of Control and Risk Committee)	Bonuses and other incentives	Profit sharing					

(I) Remuneration in the company drafting the financial statements				12.000	5.000					17.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				12.000						17.000		
Claudia Parzani	Director	As of 04/03/2013	11/03/2015	2.301		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				2.301						2.301		
(II) Remuneration from subsidiaries and associates												
(III) Total				2.301						2.301		
Orna Ben Naftali	Director	As of 3/11/2015	Approval of 2015 financial statements	9.699		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				9.699						9.699		
(II) Remuneration from subsidiaries and associates												
(III) Total				9.699						9.699		
Paola Maiorana	Chairman of the Board of Statutory Auditors	As of 04/03/2013	Approval of 2015 financial statements	18.000		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				18.000						18.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				18.000						18.000		
Roberto Spada	Statutory Auditor	As of 04/03/2013	Approval of 2015 financial statements	12.000		Bonuses and other incentives	Profit sharing					

(I) Remuneration in the company drafting the financial statements				12.000						12.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				12.000						12.000		
Rocco Santoro	Statutory Auditor	As of 04/03/2013	Approval of 2015 financial statements	12.000								
						Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				12.000						12.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				12.000						12.000		

no. 7	Executives with strategic responsibilities	As of 01/01/2015	31.12.2015	1.833.141		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				1.833.141		-		58.922		1.892.063	97.439	~~340.000**~~
(II) Remuneration from subsidiaries and associates												
(III) Total				1.833.141		-		58.922		1.892.063	97.439	~~340.000**~~
Lorenzo Viglione	Chief Operating Officer	As of 01/01/2015	31.12.2015	292.274,29		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company drafting the financial statements				292.274,29		41.020		5.962		339.256,29	11.951	
(II) Remuneration from subsidiaries and associates												
(III) Total				292.274,29		41.020		5.962		339.256,29	11.951	

2. Stock options assigned to members of the administrative body, to the COO, and to Executives with strategic responsibilities

			Options held at the beginning of the year			Options assigned during the course of the year						Options exercised during the course of the year			Options expired during	Options held at year end	Options pertaining to the year
Name and Surname	Office	Plan	Number of options	Exercise price	Potential exercise period (from-to)	Number of options	Exercise price	Potential exercise period (from-to)	Fair value on the date of assignment	Date of assignment	Market price of underlying shares at time of assignment of options	Number of options	Exercise price	Market price of underlying shares on the exercise date	Number of options	Number of options	Fair value
Arrigo Berni	CEO	SOP 2013-2017	202.000 207.000	1,664 1.632	From the day following Board approval of the draft 2015 financial statements as of December 31, 2018	296.000	1,268	From the day following Board approval of the draft 2016 financial statements as of December 31, 2019	92.648	11/03/15	1,326					705.000	56.398
Total			**409.000**			**296.000**										**705.000**	
no. 7	Executives with strategic responsibilities (related solely to 7 Executives with strategic resp.)	SOP 2013-2017	216.500 311.755	1,664 1.632	From the day following Board approval of the draft 2015 financial statements as of December 31, 2018	315.627 122.000	1,268	From the day following Board approval of the draft 2016 financial statements as of December 31, 2019	98.791 38.186	11/03/15 05/11/15	1.326					843.882 122.000	95.818 2.053
Total			**528.255**			**437.627**										**965.882**	

Lorenzo Viglione	Chief Operating Officer	SOP 2013-2017	82.500	1.632		106.500	1.268	From the day following Board approval of the draft 2016 financial statements as of December 31, 2019	33.335	11/03/15	1,326					189.000	11.951
Total						**106.500**										**189.000**	

SECTION II - PART THREE – SHAREHOLDINGS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND BY THE BOARD OF STATUTORY AUDITORS AS WELL AS BY OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Table 1: Shareholdings of members of the Board of Directors and of Statutory Auditors, and of COOs

Name and surname	Office	Company held	Number of shares held at end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at year end
Arrigo Berni	Chief Executive Officer	Moleskine S.p.A.	-	1.750.469	-	1.750.469

Table 2: Shareholdings of other executives with strategic responsibilities

Number of Executives with strategic responsibilities	Company held	Number of shares held at end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at year end
5	Moleskine S.p.A.	-	2.028.281	-	2.028.281