



**REPORTS OF THE DIRECTORS FOR THE ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING
OF
SAFILO GROUP S.p.A.
CALLED ON APRIL 30, 2019, IN SINGLE CALL**

**ITEM NO. 4 ON THE AGENDA – ORDINARY SESSION
(Report drafted pursuant to Articles 114-bis and 125-ter of the T.U.F.)**

**Annex: Informative Document drawn up according to Article 84-bis of the
Issuers' Regulation**

Dear Shareholders,

With this report we would like to illustrate item no. 4 - ordinary session - on the agenda of the Ordinary and Extraordinary Shareholders' Meeting of the Company, called at the registered office of the Company on April 30, 2019, at 10:00 am, in single call.

4. Proposal for the amendment of some terms and conditions of the Stock Option Plan 2017-2020; related and consequent resolutions

Dear Shareholders,

We hereby remind you that the Shareholders' Meeting held on April 26, 2017 approved, pursuant to Article 114-bis of Legislative Decree No. 58 of February 24, 1998, the adoption of an incentive and retention plan, "Safilo Group S.p.A. Stock Option Plan 2017-2020" ("**2017-2020 SOP**") to be implemented by means of a maximum of 2,500,000 options granting the beneficiaries the right to subscribe newly issued ordinary shares of the Company, par value of Euro 5.00 each, at the rate of no. 1 share for each option, to be granted to a selected group of directors and/or employees of the Company and/or companies directly or indirectly controlled by the Company, identified by the Board of Directors, pursuant to the proposal of the Remuneration and Nomination Committee, on one or more occasions, in compliance with the guidelines contained in the Report of the Board of Directors and in the attached informative document, giving mandate to the Board to adopt the related regulations, the same Shareholders' Meeting also granted the Board of Directors with any powers necessary or appropriate to give full and complete effect to the above-mentioned Plan.

The Shareholders' meeting held on April 24, 2018 has in addition approved:

A. In ordinary session, the following amendments to the 2017-2020 SOP (while all other conditions have remained unchanged):

- 1) with reference to the Plan's implementation procedures and clauses, to change the EBIT resulting from the approved consolidated financial statements of the Company related to one of the years ending on 31.12.2018, 31.12.2019 or 31.12.2020, that is the performance target conditioning the vesting of the options granted under the second tranche, to Euro 20,000,000;
- 2) with reference to the "price for the exercise of the option or the methods and criteria for its determination", to provide that the Exercise Price – without prejudice to the fact that the exercise price shall be equal to the volume weighted average of the official price of the shares of SAFILO GROUPS S.p.A. registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) for the preceding month leading up to the day on which the Board of Directors resolves the granting of options under the Plan (therefore the period starting from the day preceding the Board of Directors'

meeting which resolves the granting of Options under the Plan and ending on the same day of the previous calendar month, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average) – shall not in any case be less than Euro 5 per share;

B. In the extraordinary session:

- 1) To integrate the resolution of the share capital increase, with exclusion of the option right pursuant to Article 2441, 4th paragraph, second part, of the Italian Civil Code, at the service of 2017-2020 SOP, approved by the extraordinary Shareholders' Meeting on April 26, 2017, with the inclusion of a minimum issuance price (equal to 5 Euro per share).

The Extraordinary Shareholders Meeting held on October 29, 2018, Subject to the cancellation of the expressed par value of the ordinary shares approved a share capital increase up to a maximum amount of Euro 150,000,000, through the issue of new ordinary shares without any indication of par value, to be offered in option to the Company's shareholders pursuant to Article 2441, subsections 1, 2 and 3 of the Italian Civil Code (the "**Capital Increase**").

As the Capital increase is an extraordinary transaction on the capital which, according to Regulations of the Stock Option Plans of the Company currently in place, allows the Board of Directors - in order to maintain a neutral situation for holders of the securities concerned - to make any required adjustments to the exercise price and/or number of shares relating to any outstanding option, the same Extraordinary Shareholders' meeting has granted the Board of Directors all powers required to carry out, after the execution of the Capital Increase, all suitable adjustments in relation to:

- (i) the number of shares to be issued under the share capital increases serving the Stock Option Plans of the Company of currently in place and being executed, including the 2017-2020 SOP; and
- (ii) with reference to the 2017-2020 SOP, also the minimum subscription price of the underlying shares;

up to the maximum amount resulting from the application of the adjustment ratio identified as the so-called factor K, published by Borsa Italiana S.p.A.

The Board of Directors, in line with the above-mentioned resolution and with the provisions of the Regulations of the 2017-2020 SOP, has therefore made the following adjustments to the 2017-2020 SOP so as to take into account the effects of the Capital Increase:

(i) the number of options, fixed at a maximum number of 2,500,000, was adjusted to 2,891,425 options so as to take into account the adjustments made to the number of options of the first tranche already granted at the time of the Shareholders' resolution; and

(ii) the minimum exercise price, previously set at Euro 5 per share, was adjusted to Euro 3.09 per share.

However, taking into account:

- a. that the inclusion of this minimum exercise price was anchored to the par value of the shares of which it was proposed and resolved the elimination; and
- b. the current share price of the Safilo Group Share on the Mercato Telematico Azionario, well below this minimum price and such as to deprive the plan of the remunerative and incentive aim towards the beneficiaries for the achievement of the strategic long-term objectives of the Company and the creation of value for shareholders,

the Board of Directors believes it appropriate to propose to the upcoming Shareholders' Meeting, ordinary session, to delete the minimum exercise price of the options of the 2017-2020 SOP equal to Euro 3.09 per share:

- in relation to the options already granted under the second tranche, and therefore granting the Board of Directors the power to adjust retroactively the exercise price of said tranche, originally set at Euro 3.09, to Euro 0.89, equal to the volume weighted average of the official price of the shares of SAFILO GROUP S.p.A. registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. for the preceding month leading up to December 10, 2018, i.e. the day on which the Board of Directors resolved the granting of the options, as well as to make any communication to the recipients of the second tranche;
- in relation to the options to be granted under the 2017-2020 SOP, and therefore maintaining the original provision according to which the exercise price shall be equal to the volume weighted average of the official price of the shares of SAFILO GROUP S.p.A. registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. for the preceding month leading up to the day on which the Board of Directors resolves the granting of options under the Plan.

In addition, taking also into account the reduced capacity of the 2017-2020 SOP as a result of the Capital Increase and, therefore, the number of options still available for allocations on the residual tranches of the Plan, as well as the misalignment of the EBIT levels for the vesting of the options relating to the residual tranches of the Plan with respect to the second tranche already assigned, the Board of Directors also deems it appropriate to propose to the Shareholders' Meeting to approve:

- the early closure of the 2017-2020 SOP with reference to the fourth tranche and therefore authorizing the Board of Directors to exhaust the allotment of the options still available under the third tranche;
- to change the EBIT resulting from the approved consolidated financial statements of the Company related to one of the years ending on 31.12.2019, 31.12.2020 or 31.12.2021, that is the performance target conditioning the vesting of the options granted under the third tranche, to Euro 20,000,000.

The above-mentioned amendments are highlighted in the attached informative document – track changes – (drafted in compliance with Annex 3A, Scheme no. 7 of the Issuer’s Regulation – on the occasion of the proposal made by the Board of Directors to the Shareholders’ Meeting on April 26, 2017 regarding the adoption of the 2017-2020 SOP and subsequently amended on the occasion of the proposal made by the Board of Directors to the Shareholders’ Meeting on April 24, 2018 regarding the amendment to certain conditions of the 2017-2020 SOP).

For the sake of completeness, and in particular with reference to the proposal to eliminate the minimum exercise price, it is hereby pointed out that the Board of Directors will propose to the upcoming Shareholders’ Meeting, extraordinary session, the revocation of the resolution of the Extraordinary Shareholders’ Meeting held on April 24, 2018 which integrated the resolution of the share capital increase, with exclusion of the option right pursuant to Article 2441, 4th paragraph, second part, of the Italian Civil Code, at the service of the 2017-2020 SOP, approved by the extraordinary Shareholders’ Meeting on April 26, 2017, with the inclusion of a minimum issuance price (equal to 3,09 Euro per share). The related Illustrative Report shall be made available to the shareholders within the deadlines set forth by the law in force.

For the reasons described above, the Board of Directors submits the following resolution for your approval:

proposed resolution

“The Shareholders’ Meeting:

- *taking into account the related Illustrative Report of the Board of Directors;*
- *having examined the revised Informative Document*

resolves

- *to approve, pursuant to Article 114-bis of Legislative Decree 58/1998, as subsequently amended and integrated, the amendment to the terms and conditions of the Safilo Group S.p.A. Stock Option Plan 2017 – 2020 as illustrated in the Informative Document made available with the related Illustrative Report of the Board of Directors;*
- *to grant the Board of Directors, with express power of sub-delegation, with any powers necessary or appropriate to give full and complete effect to the preceding resolution including the power to amend the Plan Regulations.*

Padua, March 29, 2019

for the Board of Directors
Eugenio Razelli
Chairman

Annex: Informative Document

SAFILO GROUP S.P.A.

INFORMATIVE DOCUMENT APPROVED BY THE SHAREHOLDERS' MEETING HELD ON APRIL 26, 2017 AND ON APRIL 24, 2018, AMENDED BY THE BOARD OF DIRECTORS ON MARCH 13, 2019 AND SUBMITTED TO APPROVAL OF THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 30, 2019

(drawn up according to Article 84-bis of the Issuers' Regulation)

PREAMBLE

The Shareholders' Meeting on April 26, 2017, pursuant to the proposal of the Board of Directors of SAFILO GROUP S.p.A., approved the adoption of a stock option plan reserved to some directors and/or managers of the Company and/or its subsidiaries, subsequently amended by the Shareholders' Meeting on April 24, 2018, upon proposal of the Board of Directors. The plan provides for the free of charge grant of personal and non transferable options which entitle the beneficiary to purchase newly issued ordinary shares of the Company.

On March 13, 2019, the Board of Directors of SAFILO GROUP S.p.A., also on the basis of recommendations of the Remuneration and Nomination Committee, resolved to submit to the attention of the Shareholders' Meeting the proposal for some further amendments to the terms and conditions of the stock option plan. Such amendments have been illustrated in details in the report of the Board of Directors drafted pursuant to Article 114-bis, first paragraph and 125-ter of the T.U.F..

This Informative Document is drawn-up according to the provisions of the Annex 3A, Scheme 7 of the Issuers' Regulation as provided for by Article 84-bis of the same Regulation.

It is hereby pointed out that the Plan qualifies as "of particular importance" pursuant to Article 114-bis, paragraph 3 of T.U.F. and to Article 84-bis, paragraph 2 of the Issuer's Regulation.

DEFINITIONS

<u>Award date:</u>	the date when the Board of Directors of the Company assigns the Options to the Beneficiaries and establishes the amount of Options assigned to each of them and the Exercise Price of the Options (as defined below) under the provisions of paragraph 4.19 of this Informative Document.
<u>Beneficiaries:</u>	those individuals, selected by the Board of Directors, pursuant to the proposal of the Remuneration and Nomination Committee, who are eligible to receive the Options.
<u>Company:</u>	SAFILO GROUP S.p.A.
<u>Exercise Price:</u>	the purchase price of each Share (as defined below) in case of exercise of the Options.
<u>Group:</u>	SAFILO GROUP S.p.A. and its subsidiaries.
<u>Issuers' Regulation:</u>	the Consob Regulation no. 11971 of May 14, 1999, as subsequently amended and integrated.
<u>Options:</u>	the options governed by the plan (as defined below) granting to the respective Beneficiaries the right to purchase an equal number of

Shares.

Shareholders' Meeting: the ordinary and extraordinary meeting of the shareholders of SAFILO GROUP S.p.A..

Shares: the ordinary stocks of SAFILO GROUP S.p.A. listed on the Italian Stock Exchange (*Mercato Telematico Azionario*) managed by Borsa Italiana S.p.A..

Stock Option Plan or the Plan: the Safilo Group S.p.A. Stock Option Plan 2017-2020.

1. THE BENEFICIARIES

1.1 The names of the Beneficiaries of the Plan as members of the Board of Directors and/or employees of the Issuer, of the companies controlling the Issuer, and of the companies controlled, directly or indirectly, by the Issuer

The Plan is aimed to individuals of the Company and/or its subsidiaries who hold a strategic role in the Group. In particular, the Beneficiaries of such Plan will be selected by the Board of Directors among the directors and/or employees of the Group, pursuant to the proposal made by the Remuneration and Nomination Committee.

1.2 The categories of employees or collaborators of the Issuer and of the companies controlled by this Issuer

1.3 The names of the Beneficiaries belonging to the groups set under point 1.3, letters a), b), and c) of the Annex 3A, Scheme 7 of the Issuers' Regulation

1.4 Description and number of the Beneficiaries, broken down by category detailed under point 1.4, letters a), b), c) and d) of the Annex 3A, Scheme 7 of the Issuers' Regulation

The Beneficiaries are selected by the Board of Directors among the directors and employees of the Company and/or its subsidiaries. The required information was and shall be made available within the terms and modalities set by law.

2. THE REASONS FOR THE ADOPTION OF THE PLAN

2.1 The objectives to be achieved through the awarding of the Options

The Plan is aimed at supporting the enhancement of the long-term performance of the Company and to create value for the shareholders by means of an incentive stock option plan which aligns the interests of the Company's shareholders with the interests of the Beneficiaries.

The duration of the Plan is approximately equal to 10~~4~~ years (2017-2027~~8~~): said timeframe has been deemed as the most suitable to retain and motivate the Beneficiaries and focus their efforts to the achievement of the strategic medium/long-term goals of the Company.

With reference to the relation between the compensation deriving from the stock option and other parts of the total remuneration, the Company makes reference to the best market practice of companies belonging to the same industry.

2.2 The key variables, also in the form of performance indicators, considered for the allocation of Options

The exercise of Options by the Beneficiaries is subject to the achievement by the Company of a specified target in terms of performance and to the continuation of the employment relationship/member of the board of director of the Company and/or its subsidiaries upon vesting of the Options, save for specific exceptions expressly provided by the regulations of the Plan (as better described below in Article 4.5).

The Board of Directors deems that the key variables taken into consideration are the most effective for the purpose of representing the creation of value by the Company and that they need to be applied to all the Beneficiaries, indistinctively.

2.3 The factors underlying the establishment of the extent of the remuneration based on financial instruments, or the criteria used for its establishment

The maximum amount of Options that will be awarded to the Beneficiaries of the Plan is equal to no. 2,891,425.

The number of Options to be awarded to each Beneficiary is determined taking into account: (i) the position held within the Company and/or the Group and the related responsibilities, and (ii) the performance of each Beneficiary.

2.4 The reasons behind any decision to award remuneration plans based on financial instruments not issued by the Issuer

Not applicable

2.5 Assessment of the significant tax and accounting implications that influenced the formulation of the Plan

Not applicable because the formulation of the Plan has not been influenced by tax or accounting reasons.

2.6 Any support for the Plan from the special fund for the encouragement of worker participation in firms, referred to in Article 4, paragraph 112, of the Italian Law no. 350 of December 24, 2003

The Plan is not supported by the special Fund for the encouragement of worker participation in firm, referred to in Italian Law no. 350 of December 24, 2003.

3. APPROVAL PROCEDURES AND TIMING FOR THE ASSIGNMENT OF THE INSTRUMENTS

3.1 Setting of powers and functions assigned by the Shareholders' Meeting to the Board of Directors for the implementation of the Plan

On March 15, 2017, the Board of Director resolved to submit to the Shareholders' Meeting the approval of the Plan, pursuant to which no. 2,500,000 Options will be granted to the Beneficiaries.

The Shareholders' Meeting held on April 26, 2017 approved the adoption of the Plan, gave the Board of Directors all the necessary powers to implement the Plan, including, for example, the power to select the Beneficiaries (based on the proposal made by the Remuneration and Nomination Committee), to assign the Options, to adopt the related regulations (the "**Regulations**"), as well as to carry out any act, fulfillment, formality, communication needed for the management and/or implementation of the Plan.

Subsequently, the Shareholders' Meeting held on April 24, 2018, upon proposal of the Board of Directors, approved certain amendments to the to the terms and conditions of the Plan.

On March 13, 2019⁸, the Board of Directorsof ~~SAFILO GROUP S.p.A.~~, also on the basis of recommendations from the Remuneration and Nomination Committee, resolved to submit to the attention of the Shareholders' Meeting called on April 30, 2019 the proposal for some further amendments to the terms and conditions of the Stock Option Plan.

3.2 Specification of the persons appointed to administrate the Plan and their function and responsibilities

The Plan is managed by the Board of Directors of the Company, which was entrusted by the Shareholders' Meeting of the operative management of the Plan and the implementation of the rules provided for by the related Regulations.

3.3 Any existing procedures for the revision of the Plan, also with respect to changes in the key objectives

The Board of Directors may amend or integrate the Plan as deemed necessary or useful in order to achieve the goals of the Plan, taking into account the interests of the Beneficiaries.

3.4 Description of the methods used to determine the availability and the assignment of the financial instruments the Plan is based on

The Options, assigned for free, entitle the Beneficiaries to subscribe an equal number of newly issued Shares, pursuant to a share capital increase with exclusion of the option right according to Article 2441, paragraphs 4, second part of the Italian Civil Code.

Instead of and/or in addition to abovementioned newly issued Shares, the Company shall be entitled to fulfill – in all or in part – its obligations deriving from the Plan, through the assignment to one or

more Beneficiaries of own Shares deriving from any buy-back plan that could be implemented by the Company, it remaining understood that the overall number of Shares assignable to all the relevant Beneficiaries pursuant to the Plan shall not exceed the maximum amount of 2,891,452.

3.5 The role performed by each director in determining the features of the Plan and the occurrence of any situations of conflict of interest concerning the directors involved

The terms and condition of the Plan have been determined collectively by the Board of Directors and shall be approved by the Shareholders' Meeting according to Article 114-bis of the T.U.F..

The resolutions of the Board of Directors have been adopted on the basis of the proposals submitted by the Remuneration and Nomination Committee.

In any case, as the Beneficiaries of the Plan include directors of the Company, the Board of Directors resolved and shall resolve upon the determination of the Beneficiaries and the related assignment of the Options linked to this Plan pursuant to the laws in force, as well as pursuant to Article 2391 of the Italian Civil Code, if applicable.

3.6 For the purposes of the requirements of Article 84-bis, paragraph 1, the date of the decision made by the body responsible for proposing the approval of the plans to the Shareholders' Meeting and the proposal by the Remuneration and Nomination Committee, if present

On March 15, 2017, the Board of Directors, upon proposal of the Remuneration and Nomination Committee, resolved to submit the Plan to the approval of the Shareholders' Meeting on April 26, 2017.

On March 13, 2018, the Board of Directors, also on the basis of recommendations of the Remuneration and Nomination Committee, resolved to submit to the attention of the Shareholders' Meeting of April 24, 2018, the proposal for some amendments to the terms and conditions of the Plan.

On March 13, 2019, the Board of Directors, also on the basis of recommendations from the Remuneration and Nomination Committee, resolved to submit to the attention of the Shareholders' Meeting called on April 30, 2019 the proposal for some further amendments to the terms and conditions of the Stock Option Plan.

3.7 For the purposes of the requirements of Article 84-bis, paragraph 5, letter a), the date of the decision made by the body responsible for the assignment of the instruments and any proposal to the aforementioned body made by the Remuneration and Nomination Committee

The Board of Directors granted the Options of the First Tranche of the Plan on April 27, 2017, upon proposal of the Remuneration and Nomination Committee.

The Board of Directors granted the Options of the Second Tranche of the Plan on December 10, 2018, upon proposal of the Remuneration and Nomination Committee.

3.8 The market price, recorded on the aforesaid dates, for the financial instruments on which the Plan are based, if traded in regulated markets

The reference Stock Exchange price of the Shares on April 27, 2017 was Euro 4.108¹.

The reference Stock Exchange price of the Shares on ~~March-December 1013~~, 2018 was Euro 0.814.

3.9 The terms and procedures adopted by the Issuer in determining the timing for the assignment of the financial instruments to take account of any possible time correlation between:

i) the aforementioned assignment or any related decisions made by the Remuneration and Nomination Committee, and ii) the disclosure of any relevant information pursuant to Article 114, paragraph 1 of T.U.F. for example:

The Options will be granted to the Beneficiaries in tranches, by the Board of Directors which will simultaneously also determine the Exercise Price.

The Exercise Price shall be equal to the volume weighted average of the official price of the SAFILO GROUP S.p.A. Shares registered on the Italian Stock Exchange managed by Borsa Italiana S.p.A. (*Mercato Telematico Azionario*) for the preceding month leading up the day on which the Board of Directors resolves the granting of Options under the Plan (then the period starting from the day preceding the Board of Directors' meeting which resolves the granting of Options under the Plan and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average), ~~it being understood that the same shall not in any case be less than Euro 3.09 per share.~~

4. THE CHARACTERISTICS OF THE INSTRUMENTS ASSIGNED

4.1 Details of the structure of the Plan

The Plan provides for the granting, free of charge, to the Beneficiaries of Options for the purchase of an equivalent number of Shares (either newly issued Shares in the context of a share capital increase and/or treasury Shares of the Company itself as described under paragraph 3.4 above) through the payment of the Exercise Price.

The Options are strictly personal and non-transferable and they may not be pledged, mortgaged, encumbered in any way whatsoever, nor is a Beneficiary allowed to enter into any transaction related to the Options granted.

4.2 Specification of the Plan's effective period of implementation, also with reference to the various cycles established

The Plan lasts around ~~101~~ years (from 2017 to 2027~~8~~). The Options granted to the Beneficiaries and confirmed pursuant to the Plan become exercisable after around 2.5 years from the latest possible

¹ The reference Stock Exchange price on April 27, 2017 (€6.64) has been adjusted, for illustrative purposes by applying the adjustment ratio factor K, published by Borsa Italiana S.p.A..

Award Date of each tranche. Furthermore, the Plan provides for an accelerated exercise period in certain cases of termination of the employment/directorship, as indicated under paragraph 4.8 below.

In particular, the Options will be granted in ~~four~~three tranches.

The first tranche (“**First Tranche**”) was granted by the Board of Directors on April 27, 2017; the second tranche (“**Second Tranche**”) was granted on December 10, 2018; the third tranche (“**Third Tranche**”) will be granted from the day on which the Board of Directors approves the 2018 financial year’s results, to December 31, 2019; ~~the fourth tranche (“**Fourth Tranche**”) will be granted from the day on which the Board of Directors approves the 2019 financial year’s results, to December 31, 2020.~~

The exercise period, subject to vesting of the Options, is determined as indicated under paragraph 4.18 below.

4.3 The Plan terms

The Plan terminates on May 31, 202~~7~~8 (the last day for the exercise of the Options).

The Options not exercised within that date will immediately become null and void.

4.4 The maximum number of Shares assigned in each fiscal year in relation to the persons identified by name or to the identified categories

The maximum number of Options that can be granted to the Beneficiaries, to be issued at the service of the Plan is equal to no. 2,891,425, each of them giving the right to purchase one Share per Option exercised.

The Plan does not establish a threshold of Options to be granted in a fiscal year.

The Board of Directors determine the Beneficiaries and the number of Options to be granted to each Beneficiary.

4.5 The Plan’s implementation procedures and clauses, specifying whether the actual assignment of the Share is subject to the meeting of certain conditions or the achievement of particular results, including performance related

The 2,891,425 Options are granted to the Beneficiaries in ~~four~~three tranches according to the timeframe described under paragraph 4.2.

The options granted shall vest upon the occurrence of the following performance conditions:

- with reference to the Options granted under the First Tranche, the EBIT resulting from the approved consolidated financial statements of the Company related to one of the years ending on 31.12.2017, 31.12.2018 or 31.12.2019 has been at least equal to Euro 63,000,000; with reference to the Options granted under the Second Tranche, the EBIT resulting from the approved consolidated financial statements of the Company related to one of the years ending on 31.12.2018, 31.12.2019 or 31.12.2020 has been at least equal to Euro 20,000,000;

with reference to the Options granted under the Third Tranche, the EBIT deriving from the approved consolidated financial statements of the Company related to one of the years ending on 31.12.2019, 31.12.2020 or 31.12.2021 has been at least equal to Euro 7320,000,000; ~~with reference to the Options granted under the Fourth Tranche, the EBIT deriving from the approved consolidated financial statements of the Company related to one of the years ending on 31.12.2020, 31.12.2021 or 31.12.2022 has been at least equal to Euro 78,000,000 and~~

- except as otherwise expressly provided by the Regulations, the employment/directorship shall be in force on the vesting date of the relevant Options.

For the purposes of the Plan, EBIT shall mean the net operating profit related to a specific financial year, before non-recurring items, resulting from the consolidated annual report of the Company approved by the Board of Directors.

The Shares will be transferred to the bank account selected by the Beneficiary according to the current market practice and what provided by the Regulations and the related exercise form.

The exercisable Options for which the relevant exercise form has been delivered, but the Exercise Price has not been paid in full, in compliance with the same exercise form, will be considered as non-exercised in full and will become null and void, it remaining understood that any portion of the Exercise Price that has been paid by the relevant Beneficiary shall be promptly returned to the latter.

4.6 Details of any restrictions on the availability of the Options or on the Shares resulting from the exercise of the Options

Upon the exercise of the Options, the Beneficiary – upon payment of the Exercise Price - will acquire ordinary Shares which have the same rights of the outstanding share capital at the date they are exercised and that shall not be subject to the restriction of availability of 1 (one) Share for 1 (one) exercised Option.

4.7 Description of any termination conditions for the assignments under the Plan if the Beneficiaries conduct hedging transactions that neutralize any restrictions on the sale of the financial instruments assigned, including in the form of options, or the financial instruments resulting from the exercise of these options

Not applicable.

4.8 Description of the effects generated by the termination of the employment relationship

The Options granted to the Beneficiaries, either having an employment relationship with the Company or its subsidiaries or being member of the Board of Directors of the Company or its subsidiaries, who terminate their relationship with the Company or its subsidiaries, are subject to the following consequences:

- (a) in the event of termination of the relationship due to dismissal or revocation for just cause, subjective cause, director's grounded termination (each as defined by the Regulations), or resignation by the Beneficiary, all his/her Options granted, confirmed and/or vested, shall automatically become null, void and without effect as from the date of receipt of the termination notice; moreover all his/her granted and/or confirmed Options but not vested shall become available for re-assignment by the Board of Directors of the Company as indicated under paragraph 4.2 above, provided that they can be re-assigned starting from the year in which they have been returned to the pool and the performance conditions of the year in which they are assigned. It is understood that should the Beneficiary be placed under disciplinary processes, his/her right to exercise the Options, which have become exercisable, will be suspended until the end of the disciplinary process;
- (b) should the Beneficiary's dismissal be due to objective cause (as defined by the Regulations), or the director terminated due to the natural expiry of the appointment, or the relationship be terminated by mutual agreement, or in the event of termination of the relationship for any reason other than those set forth under previous letter (a) or following letter (c), the Beneficiary shall retain all rights to his/her granted Options, which are confirmed options at the date the termination becomes effective and/or become confirmed during any notice period and he/she has to exercise them within 15 business days from his/her last day of relationship (also waiving the exercise period of the Option as indicated on paragraph 4.18 below); while his/her Options granted (but not yet confirmed) shall become available for re-assignment by the Board of Directors pursuant to paragraph 4.2 above, provided that they can be re-assigned starting from the year in which they have been returned to the pool and the performance conditions of the year in which they are assigned. It remains understood that if the last day of relationship will be in a black-out period (as defined by the Regulations pursuant to the applicable legal framework and the internal regulations of the Company) the relevant term for the exercise of the vested Options shall be suspended until the end of the black-out period and will restart upon the first business day following the expiry of the relevant black-out period; and
- (c) both in the event of Beneficiary's death and termination of the relationship in the event of permanent disability which prevents the continuation of the same, all the Options granted, even if neither confirmed nor exercisable at the date the event occurred, will become exercisable by the Beneficiary, or by his/her heirs or legal representatives, who must have been given an exercise form, reporting the number of exercisable Options and their exercise period, which shall be no less than thirty days from the date when the death or termination of the relationship due to permanent disability occurred.

4.9 Details of any other reasons for the cancellation of the Plan

There are not any other reasons for the cancellation of the Plan. In any case, the Board of Directors was granted with all the powers to implement the Plan, including the power to make any amendment and/or integration necessary to achieve the purposes of the Plan; such powers shall also be in force should the applicable laws change or in case of extraordinary circumstances not provided for in the Regulations.

4.10 The reasons for the provision of any “redemption” by the Company of the financial instruments involved in the Plan, pursuant to Article 2357 and following of the Italian Civil Code and relative description

The Plan does not provide for any redemption by the Company.

4.11 Any loans or concessions due to be granted for the purchase of the Shares pursuant to Article 2358, paragraph 3, of the Italian Civil Code

No loans nor concessions are granted for the purchase of the Shares pursuant to Article 2358, paragraph 3 of the Italian Civil Code.

4.12 Details of the valuations of the expected burden for the Company as at the date of the assignment, as determinable on the basis of the terms and conditions already defined, by overall amount and for each instrument of the Plan

The potential burden for the Company will be calculated, if necessary, taking into account that the Plan provides for a so-called “Equity settled” regulation, according to the international accounting standards (IFRS 2).

4.13 Specification of any dilution effect on the capital generated by the Plan

Assuming that all the Options (as referred to in previous paragraph 4.4) were assigned and exercised, the dilution effect on the share capital of the Company would be equal to 1.038% of the shareholding percentage of the share capital of the Company. It remains understood that the dilution effect shall be lower than the abovementioned percentage in case the Company assigned, in all or in part, to the Beneficiaries, own Shares as indicated under paragraph 3.4 above.

4.14 Any limits established for the exercise of the voting rights and for the assignment of the property rights

No limit was established for the exercise of the voting rights and for the assignment of the property rights on the Shares deriving from the exercised Options.

4.15 If the shares are not traded on regulated markets, any other information needed to properly measure the value attributable to them

Not applicable.

4.16 Number of financial instruments underlying each option

Each Option gives the right to subscribe one Share.

4.17 Maturity date of the options

See following paragraph 4.18.

4.18 Exercise procedures (American/European), timing and clauses of the Options

The exercise period, subject to the vesting of the Options, is determined as follows:

- (a) with reference to the Options granted under the First Tranche, the period from the day following the resolution of the Shareholders' Meeting which approves the financial statements of the Company for the year ended 31.12.2019 until its own expiry date (May 31, 2025);
- (b) with reference to the Options granted under the Second Tranche, the period from the day following the resolution of the Shareholders' Meeting which approves the financial statements of the Company for the year ended 31.12.2020 until its own the expiry date (May 31, 2026);
- (c) With reference to the Options granted under the Third Tranche, the period from the day following the resolution of the Shareholders' Meeting which approves the financial statements of the Company for the year ended 31.12.2021 until its own expiry date (May 31, 2027);
- ~~(d) With reference to the Options granted under the Fourth Tranche, the period from the day following the resolution of the Shareholders' Meeting which approves the financial statements of the Company for the year ended 31.12.2022 until its own expiry date (May 31, 2028).~~

The Beneficiary (or one of its successors or assignees, where so provided by the Regulations) shall be entitled to exercise the confirmed Options, during the relevant Exercise Period, completing and delivering to the Company the exercise form attached to the Regulations.

4.19 The price for the exercise of the option or the methods and criteria for its determination, particularly with reference to:

- a) the formula for the calculation of the exercise price in relation to a particular market price (fair market value), and
- b) the methods for the determination of the market price used as a reference for the determination of the strike price.

See paragraph 3.9.

4.20 If the exercise price is not equal to the market price determined in the manner specified in item 4.19.b (fair market value), the reasons for this difference

The Exercise Price calculated as described in the previous paragraph is deemed to be the most effective to determine the value of the Shares, regardless the occurrence of extraordinary events which may influence the price of the Shares.

4.21 The criteria for the establishment of different exercise prices between the various beneficiaries or the various categories of beneficiaries

See paragraph 3.9.

4.22 If the financial instruments underlying the options are not traded on regulated markets, specification of the value attributable to the underlying instruments or the criteria used to determine their value

Not applicable.

4.23 Criteria for the adjustments needed as a result of corporate actions involving equity or other corporate actions entailing a change in the number of the underlying instruments (capital increases, extraordinary dividends, consolidation or splitting of the underlying shares, mergers and splits, conversions into other classes of shares, etc.)

The Board of Directors may, at its complete discretion, revise or amend the Plan in whole or in part including, without limitation, the adoption of any amendment deemed necessary or desirable for the best achievement of the Plan's objectives, unless it adversely affects the rights or position of the Beneficiary, with respect to any Option previously granted to any Beneficiary.

On the occasion of special events related to the Shares and/or the Company's share capital, the Board of Directors will make any required adjustments, if necessary, to the Exercise Price and/or number of Shares due according to best practices commonly accepted by financial markets.

In the event of a public or exchange offering, according to T.U.F. on the Shares or in case of change of control of the Company - under Article 2359, paragraph 1 and 2, of the Italian Civil Code - any Beneficiary may (i) continue his/her participation in the Plan under the terms and conditions of the Regulations, unless otherwise provided for in any new stock option plan proposed by the Company acquirer, or (ii) exercise immediately all the granted and unexercised Options, regardless of the achievement of the performance conditions referred to in paragraph 4.5.

In case of delisting any Beneficiary shall be entitled to exercise all his/her granted Options in advance, regardless of the achievement of the performance conditions referred to in paragraph 4.5. Beneficiaries shall have to exercise the granted Options within the aforesaid term (under penalty of expiration), regardless of the achievement of any exercise condition.

4.24 The Table no 1 provided by the Issuers' Regulation attached to this Informative Document is limited to the Beneficiaries of the Plan that have already been selected by the Board of Directors after the Shareholders' meeting approval of the Plan

For any information on the options granted under the 2010-2013 Stock Option Plan, the 2014-2016 Stock Option Plan and the 2017-2020 Stock Option Plan to members of the Board of Directors and managers with strategic responsibilities in office as at December 31, 2018, reference should be made to the 2018 Report on the Remuneration, in particular to Section II of the mentioned Report, which will be published in compliance with the modalities and within the legal terms provided for by the applicable law.

Name and surname or category	Position (to be included only for information given on a nominative basis)	STOCK OPTION							
		Section 1							
		Options related to plans approved by previous shareholders' meeting's resolutions and still in force							
		Date of the shareholders' meeting	Description	Exercisable Options held at December 31, 2017 ⁸	Options exercised	Allocation date	Exercise price	Market price of the shares at the allocation date *	Exercise period (from - to)
Employees		05/11/2010	Option on Safilo Group's shares with physical settlement (SOP 2010-2013)	351,577 ²		4 tranche: 06/03/2013	4 tranche: Euro 5.24 ³	4 tranche: Euro 5.42	4 tranche: from 28/04/2016 to 31/05/2019
Employees		15/04/2014	Option on Safilo Group's shares with physical settlement (SOP 2014-2016)	234,384 ⁴		1 tranche: 29/04/2014	1 tranche: Euro 9.31 ⁵	1 tranche: Euro 9.71	1 tranche: from 28/04/2017 to 31/05/2022

* "Market price" means the market price of the Safilo Group S.p.A.'s shares at the allocation date.

² The number of options has been adjusted by the Board of Directors to take into account the effects of the share capital increase up to a maximum of Euro 150 million, resolved upon by the Extraordinary Shareholders' meeting of October 29, 2018, pursuant to Article 2441, paragraph 1 of the Italian Civil Code.

³ The exercise price, originally set at Euro 8.47 per share, has been subsequently adjusted by the Board of Directors to take into account the effects of the share capital increase up to a maximum of Euro 150 million, resolved upon by the Extraordinary Shareholders' meeting of October 29, 2018, pursuant to Article 2441, paragraph 1 of the Italian Civil Code.

⁴ The number of options has been adjusted by the Board of Directors to take into account the effects of the share capital increase up to a maximum of Euro 150 million, resolved upon by the Extraordinary Shareholders' meeting of October 29, 2018, pursuant to Article 2441, paragraph 1 of the Italian Civil Code.

⁵ The exercise price, originally set at Euro 15.05 per share, has been subsequently adjusted by the Board of Directors to take into account the effects of the share capital increase up to a maximum of Euro 150 million, resolved upon by the Extraordinary Shareholders' meeting of October 29, 2018, pursuant to Article 2441, paragraph 1 of the Italian Civil Code.

Name and surname or category	Position (to be included only for information given on a nominative basis)	STOCK OPTION						
		Section 2 Options assigned under 2017-2020 SOP on the basis of the resolution of the board of directors in execution of the resolution of the shareholders' meeting						
		Date of the shareholders' meeting	Description	Number of options held at December 31, 2018	Allocation date	Exercise price	Market price of the shares at the allocation date *	Exercise period (from - to)
Employees		26/04/2017	Option on Safilo Group's shares with physical settlement (SOP 2017-2020) ⁶	1,642,616 ⁷	2 tranche: 10/12/2018	2 tranche: Euro 3.09	2 tranche: Euro 0.81	From the day following approval of the financial statements for the year ended 31/12/2020 to 31/05/2026

* "Market price" means the market price of the Safilo Group S.p.A.'s shares registered the last day of open market before the allocation date.

⁶ The Plan includes only the second tranche as, following the resolution of the Shareholders' meeting of April 24, 2018, each beneficiary of the first tranche was allowed to return the options granted under the first tranche, in exchange being assigned, under the second tranche, the same number of options already assigned under the first tranche.

⁷ The number of options granted to beneficiaries of the first tranche, now beneficiaries of the second tranche (please refer to footnote 6), has been adjusted by the Board of Directors to take into account the effects of the share capital increase up to a maximum of Euro 150 million, resolved upon by the Extraordinary Shareholders' meeting of October 29, 2018, pursuant to Article 2441, paragraph 1 of the Italian Civil Code.