



## **REPORT ON THE REMUNERATION**

**(Report drafted pursuant to art. 123-*ter* of the T.U.F. and art. 84-*quater* of  
Consob Regulation no. 11971)**

**SHAREHOLDERS' MEETING April 22, 2013**

## REPORT ON REMUNERATION

### 1. Introduction

This document (hereinafter, the “**Report**”) has been drawn up in accordance with art. 123-*ter* of legislative decree no. 58 of February 24, 1998 (“TUF”) and art. 84-*quater* of Consob Regulation no. 11971 (“RE”), introduced by resolution no. 18049 of December 23, 2011 and is consistent with the provisions of art. 6 of Borsa Italiana S.p.A.’s Corporate Governance Code (former art. 7), as amended and integrated in December 2011.

This Report was approved by the Remuneration and Nomination Committee on March 5, 2013 and by the Board of Directors on March 6, 2013.

### 2. Definitions

In this Report, the terms in bold shall have the meaning given to each of them herein below.

**Company:** SAFILO GROUP S.p.A.

**Executive Directors:** (i) the Chief Executive Officer of the Company (or of a strategically important subsidiary); (ii) the directors with executive duties within the Company or within a strategically important subsidiary or within the controlling company if the duties also refer to the Company. The deputation of powers or the assignment of powers only in urgent cases to directors without management duties is not sufficient to classify the latter as executive directors, unless such powers are, *de facto*, exercised very frequently.

**Chief Executive Officer:** the Company (or a strategically important subsidiary’s) Chief Executive Officer

**Non-Executive Directors:** the Company’s directors, with no specific duties in the development of corporate strategies and/or individual (operational and/or management) delegations.

**Annual Total Compensation:** means the sum of (i) the remuneration’s gross annual fixed component, (ii) the annual variable component which the beneficiary would receive upon reaching the targets and (iii) the annualized medium-long term variable component (performance-related equity plans).

**Managers with strategic responsibilities:** managers, identified by the Company’s Board of Directors, with the power and responsibility for planning and controlling the Company’s activities or the power to make decisions that may affect the Company’s development and future perspectives.

**Group or Safilo Group:** means all the companies included in SAFILO GROUP S.p.A.’s consolidated financial statements.

**Management:** means all Executive Directors and Managers with strategic responsibilities.

**MBO:** means the annual variable component of the remuneration that can be received as a consequence of the achievement of certain corporate targets.

**2010-2013 Stock Option Plan or Plan:** means the equity-based remuneration plan resolved by the Shareholders' Meeting of the Company held on November 5, 2010, aimed at providing incentives for and retaining the Company's and/or its subsidiaries' Management.

**RAL:** means the remuneration's gross annual fixed component for the employees of one of the Group's companies.

## SECTION I

### 1. Bodies and persons involved in drafting, approving and implementing the remuneration policy properly

The main bodies and persons involved in drafting, approving and implementing the remuneration policy are:

- a) *the Shareholders' Meeting*
- b) *the Board of Directors*
- c) *the Chief Executive Officer*
- d) *the Board of Statutory Auditors*
- e) *the Remuneration and Nomination Committee*

a) *The Shareholders' Meeting shall:*

- fix the remuneration of the Board of Directors, of the executive committee, if any, and of the statutory auditors, according to art. 2364, paragraph 1, no. 3, of the Italian Civil Code;
- express non-binding consultative advice on Section I of this Report;
- obtain adequate information on the implementation of the remuneration policy;
- resolve on equity or other remunerations plans, if any, reserved to the members of the Board of Directors, to employees or collaborators, according to art. 114-*bis*, TUF.

b) *The Board of Directors shall:*

- approve the remuneration policy;
- fix the remuneration of directors with specific duties and of managers with strategic responsibilities;
- set up an internal Remuneration and Nomination Committee;
- draw up equity or other remuneration plans, if any, and submit them to the Shareholders' Meeting for its approval, pursuant to art. 114-*bis*, TUF;
- implement equity or other remuneration plans.

c) *Chief Executive Officer shall:*

- implement the remuneration policies based on this Report;

- provide the Remuneration and Nomination Committee with any useful information for the latter to assess the suitability and actual enforcement of the remuneration policy.
- d) *The Board of Statutory Auditors shall:*
  - perform an advisory activity, expressing such opinions as requested by the existing regulations.
- e) *The Remuneration and Nomination Committee:*
  - as regards the duties of the Remuneration and Nomination Committee, reference should be made to the paragraph below.

## **2. Remuneration and Nomination Committee**

The Remuneration Committee was established in 2005 by the Company's Board of Directors and performs enquiry, advisory and proposal-making duties. On December 6, 2012, the Board of Directors resolved to set up a Nomination Committee composed for the most part by independent directors, incorporating the same in the existing Remuneration Committee, which thus changed its name to "**Remuneration and Nomination Committee**" (hereinafter, also, "**Committee**"), as provided for by Article 4 of Borsa Italiana S.p.A.'s Corporate Governance Code.

### **2.1 Composition**

On the date of approval of this Report, the Committee is composed of:

- Jeffrey Alan Cole (Chairman): independent director;
- Melchert Frans Groot (member): Non-Executive Director;
- Marco Jesi (member): independent director.

### **2.2 Duties**

The Remuneration and Nomination Committee shall:

- approve the remuneration policy as well as the Report and submit the same to the Board of Directors for its final approval;
- submit proposals to the Board of Directors for the remuneration of the Management;
- periodically evaluate the criteria adopted for the remuneration of the Management;
- submit to the Board of Directors their recommendations in relation to stock options and other equity incentive plans reserved to the Senior Management Team;
- monitor the implementation of the decisions made and of the corporate policy on remunerations.

### **2.3 Operating procedures**

The Committee shall appoint a Chairman, from among its members, who shall coordinate and plan the Committee's activities.

The Committee shall meet at the registered office (or at another office selected by the Chairman) upon the Chairman's initiative or at their own initiative or at the written request of one single

member of the Committee and, in any case, before the date of the BoD meeting convened to resolve upon the remuneration of the directors entrusted with special duties and/or of the top management of the Company and of the Group. The meeting shall be convened by registered letter delivered by hand and/or by facsimile and/or e-mail sent to each member on giving 5 days prior notice, or 2 days if urgent. The notice of call may omit reference to the items of the agenda. However, the Committee may validly resolve, even failing a formal call, if all members are present. The Chairman will preside at the Committee's meetings; failing the Chairman, the eldest member will preside. The Committee's meetings may be held via video or teleconference. The Committee shall be considered held in the place where the Chairman is. The Chairman may ask the Chairman of the Board of Directors to take part, with no right to vote, in the meetings of the Committee.

The resolutions of the Committee are validly adopted with the favourable vote of the majority of members. In case of equal votes, the vote of the Chairman, or of the person standing for him/her, shall prevail.

The Committee shall draw up minutes of the meetings, which are recorded in a special book kept by the Chairman and are signed by the Chairman, or by the person standing for him/her, and by the secretary appointed from time to time even among persons unrelated to the Committee.

The Committee shall timely inform the Board of Directors about all the activities performed.

### **3. Inspiring principles of the remuneration policy and its purposes**

The Company sets out and applies a remuneration policy designed to attract and retain, for key positions and functions in particular, highly competent resources suited to the complexity and specialization of its business, with a view to cost sustainability and results over time. The objective of this policy is to align managers' and shareholders' interests, by pursuing the primary aim of creating sustainable value in the medium-long term, through the implementation of a strong relation between remuneration, on one side, and individual and Group's performance, on the other side.

The policy is the result of a clear and transparent process in which a central role is played by the Company's Remuneration and Nomination Committee and the Board of Directors.

The Chief Executive Officer, in coordination with the Human Resources Department and the Chief Financial Officer, starts the proposal-making process, oversees its implementation within the Company and its co-ordination at a Group level, both for fixed and variable remuneration components connected to the incentive system.

Any deviation from the policy guidelines in determining the Management's remuneration is previously examined and approved by the Company's Remuneration and Nomination Committee and the Board of Directors.

At least once a year, on the presentation of the Report, the Chairman of the Remuneration and Nomination Committee shall report to the Board of Directors on the compliance with the policy.

The remuneration policy adopted for this fiscal year and for 2013 does not show any substantial differences from the policy adopted in the previous fiscal year.

#### **4. Policies on fixed and variable components of the remuneration**

The remuneration policy has been determined with a view to ensuring a generally balanced remuneration system, through a proper balancing between fixed and variable components.

The annual variable component (so-called MBO) allows an evaluation of the beneficiary's performance on a yearly basis. The MBO targets for the Chief Executive Officer are set by the BoD upon the proposal of the Remuneration and Nomination Committee and are connected to the yearly performance of the Company and the Group.

The accrual of the annual variable component depends on the achievement of access limits/conditions (so called *on/off*) of financial indicators (EBITDA and Net Financial Position) and is related to yearly profitability criteria.

The MBO targets for Managers with strategic responsibilities (who are not Executive Directors) are set by the BoD upon the proposal of the Remuneration and Nomination Committee, helped by the Human Resources Department and the Group Management Control Department. These targets include, besides the Company's and/or the Group's performance, targets connected with the economic and/or quality performance of the relevant geographic area/unit/function.

The Group fixes a "cap" threshold to the incentive payable should the target objectives be outreached.

The fixed and variable components' respective weight, with respect to the total remuneration, is

*for the Chief Executive Officer :*

- the fixed component generally weighs between 55% and 65% of the Annual Total Compensation;
- the (annual) MBO incentive, as manager of the Group, corresponds to a percentage of the gross annual fixed remuneration as manager, weighing between 40% and 50% of said remuneration;
- the annualized medium-long term variable component (performance-related equity plans) weighs between 40% and 50% of the total variable component (MBO incentive and medium-long term variable component) of the Annual Total Compensation.

*for Managers with strategic responsibilities:*

- the fixed component's weight generally ranges between 55% and 60% of the Annual Total Compensation;
- the (annual) MBO incentive, as managers of the Group, is equal to a pre-determined percentage of the gross annual fixed remuneration as manager, whose weight generally ranges approximately between 50% and 60% of said remuneration, corresponding approximately to a range between 25% and 30% with respect to the Annual Total Compensation;
- the annualized medium-long term variable component (performance-related equity plans) weights approximately between 30% and 35% of the total variable component (MBO incentive and medium-long term variable component) of the Annual Total Compensation, corresponding to a range between approximately 10% and 20% of the Annual Total Compensation.

#### **5. Non-monetary benefit policy**

In line with the market, the remuneration package of the Chief Executive Officer and of the Managers with strategic responsibilities shall include, also in relation to their position as managers of the Group, some benefits, which are an integral part thereof. These consist primarily of pension, insurance and health plans, insurance policy, so-called D&O (*Directors & Officers*) Liability, with respect to third-party civil liability, and company car.

#### **6. Performance targets**

The accrual of the annual variable component depends on the achievement of access limits/conditions (so called on/off) of certain financial indicators (EBITDA and Net Financial Position) and is proportionate to yearly profitability quantity criteria of the Company and/or to the specific activity area, consistent with the relevant market.

#### **7. Criteria used for the evaluation of the performance targets in order to allocate shares, options, other financial instruments or other variable components of remuneration**

With reference to the variable components of the remuneration of the Chief Executive Officer, as manager of the Group, and of the Managers with strategic responsibilities, it should be noted that, the Remuneration and Nomination Committee shall propose every year the MBO targets to the Board of Directors and, the following year, verify the performance of the Director/Manager with strategic responsibilities so as to verify – for the purpose of the resolutions that the Board of Directors shall adopt – that MBO targets in the previous year have been achieved.

## **8. Consistency of the remuneration policy with the pursuit of the Company's long-term interests**

The objective of the remuneration policy is to align managers' and shareholders' interests, by pursuing the primary aim of creating sustainable value in the medium-long term, through the implementation of a strong relationship between remuneration, on one side, individual and Group's performance, on the other side. In particular, the mechanisms through which economic remunerations are determined, create a generally balanced remuneration system, through a proper balancing between fixed and variable components, by avoiding imbalances that may lead to behaviours not in line with the Company's result sustainability requirements and risk management.

## **9. Accrual of rights, deferred payment systems, with indication of deferment periods and criteria used for determining such periods and ex post adjustment measures, if any**

Reference should be made in this respect to paragraph 4, section II, Part I.

## **10. Information on the provision for clauses regarding the holding of portfolio securities after their acquisition, with indication of the holding periods and the criteria used for determining such periods**

The incentive plan based on financial instruments does not provide for any clause regarding the holding of these instruments in the portfolio after their acquisition.

## **11. Policy about the treatment provided for in the event of termination of office or termination of employment**

In case of interruption of an existing relationship with the Group for reasons other than just cause, the Group's approach is to try to reach an agreement to terminate the relationship by mutual consent. Without prejudice, in any case, to the obligations existing under the law and/or arising from the National collective agreements for managers, the agreements for the termination of employment with the Group are guided by the applicable reference criteria on this subject and comply with the rules and procedures in force in the country in which the agreement is entered into.

The Company sets out certain internal criteria to which the other companies of the Group shall also conform for managing agreements concerning the early termination of employment for managers and/or directors holding special offices.

As regards the Managers with strategic responsibilities, the criteria and guarantees provided for by the law and/or by the national collective agreement for managers do apply. In some cases, by way of integration to the provisions of law and/or of the national collective agreement for managers, the Company and the Managers with strategic responsibilities may enter into agreements



regulating *ex ante* the economic treatment provided for in the event of early termination, if any, on the Company's initiative.

With regard to the consequences of termination on the rights granted under the 2010-2013 Stock Option Plan, as for the Chief Executive Officer and the Managers with strategic responsibilities, reference should be entirely made to the informative document drawn up pursuant to art. 84-bis of the Issuers' Regulation, as amended and integrated, as well as to all the documents about said Plan drawn up in accordance with the existing regulations. All such documentation is available on the Company's web site, in the Investors Relations/Corporate Governance section.

## **12. Insurance, social security or pension covers other than mandatory ones**

In line with the market, the Group provides for social security, insurance and health schemes for accidents and sickness, so-called D&O (*Directors & Officers*) Liability, with respect to third-party civil liability.

## **13. Remuneration policy adopted in respect of a) independent directors, b) participation in committees, c) certain positions (chairman, vice-chairman)**

No *ad-hoc* remuneration policy is envisaged with respect to a) independent directors, b) participation in committees, c) certain positions (chairman, vice-chairman)

As far as Non-Executive Directors are concerned, if they do not hold any specific position (e.g. Chairman of the Board of Directors, member of the Control and Risk Committee, Remuneration and Nomination Committee and/or supervisory body according to Legislative Decree 231/2001), their remuneration shall exclusively comprise a gross annual fixed component, not depending on the issuer's economic results, equal to 50 thousand EUR to be paid in quarterly instalments, plus refund of any expense borne in the performance of their duties.

The Board of Directors may pay to the Board of Directors' Chairman, to the Vice-Chairman and to the directors who take part in internal committees an additional compensation (besides the compensation they receive as Non-Executive Directors); such compensation is fixed by the Board of Directors depending on the particular mandate held and the activity specifically carried out. Moreover, the aforesaid directors are entitled to the reimbursement of any expense borne because of their mandate.

Please also note that the remuneration policy has not been determined by reference to other companies' remuneration policies.

## SECTION II

### Part I

Part I herein provides a suitable representation of each of the items comprising the remuneration of Executive, Non-Executive Directors and Managers with strategic responsibilities, as well as of the treatment in the event of cessation of office or termination of employment and incentive plans based on financial instruments.

#### 1) Remuneration of Executive Directors

The Group's policy provides that Executive Directors be related to the Company by an employment contract as managers.

On their appointment or on the first meeting after their appointment, the Remuneration and Nomination Committee shall propose to the Board of Directors the remuneration payable to the Executive Directors (excluding their remunerations under their employment as managers).

The Executive Directors' remuneration consists of:

- a gross annual fixed component;
- a medium-long term variable component paid in equity instruments (performance stock option) through the allocation of stock options, subject – *inter alia* - to the achievement of certain performance targets;

As managers of the Group, Executive Directors are also entitled to:

- an additional gross annual fixed component;
- an annual variable component against the achievement of pre-established corporate targets (so-called MBO);
- customary benefits.

In determining the total (and each of the components of the) remuneration of Executive Directors, the Board of Directors will take into account their specific duties, the position filled within the Company and any related responsibilities.

The Chief Executive Officer's remuneration shall be determined according to the general criteria referred to in previous par. 4 – Section I.

Furthermore, it is the Remuneration and Nomination Committee's duty to propose the allocation and the size of the medium-long term variable component (performance-related equity plans).

The Board of Directors, upon proposal of the Remuneration and Nomination Committee, may grant a bonus to such directors in connection with certain extraordinary transactions strategically important and impactful for the Company's and/or the Group's results.

The Remuneration and Nomination Committee and the Board of Directors shall, respectively, evaluate and previously approve any additional compensation that might be paid to Executive Directors for any other duties assigned to them within any subsidiary's board of directors.

## **2) Remuneration of Non-Executive Directors.**

As far as Non-Executive Directors are concerned reference should be made to par. 12 e 13 – Section I.

## **3) Remuneration of Managers with strategic responsibilities**

The remuneration of Managers with strategic responsibilities is determined with the aim to: (i) balance the fixed and variable components over time; (ii) implement a flexible approach to remuneration; (iii) achieve orientation to performance related to drivers correlated to the corporate role without encouraging any risky and short-term behaviours.

Specifically, like the Chief Executive Officer, the remuneration of Managers with strategic responsibilities generally comprises the following elements:

- a gross annual fixed component (so-called RAL);
- an annual variable component payable on achieving pre-established corporate targets (so-called MBO);
- a medium-long term variable component paid as equity instruments (performance stock options) through the allocation of stock options, subject – *inter alia* - to the achievement of certain performance targets;
- customary benefits.

The remuneration shall be determined according to the general criteria referred to in previous par. 4. – Section I.

Furthermore, it is the Remuneration and Nomination Committee's duty to evaluate the proposal for the allocation and the size of the medium-long term variable component (performance-related equity plans).

The Group does not pay any discretionary bonus to Managers with strategic responsibilities.

The Board of Directors, upon proposal of the Remuneration and Nomination Committee, may grant a bonus to such managers in connection with certain extraordinary transactions strategically important and impactful for the Company's and/or the Group's results.

The process for determining the remuneration of Managers with strategic responsibilities is similar to the one described for Executive Directors.

The Remuneration and Nomination Committee shall evaluate the consistency of the remuneration with the Group remuneration policy.

#### **4) Incentive plans based on financial instruments**

The remuneration policy adopted by the Company provides for the use of an incentive plan based on financial instruments for the period 2010-2013; in particular, the Extraordinary Meeting held on 5 November 2010 resolved to increase the Company's share capital by a maximum nominal amount of EUR 8,500,000.00 (eight million five hundred thousand/00) through the issue of a maximum no. of 1,700,000 (one million seven hundred thousand) new ordinary shares of the nominal value of EUR 5.00 (five/00) each, to be offered for subscription to directors and/or employees of the Company and its subsidiaries.

The adoption of the Plan is aimed at providing incentives for and retaining the Company's and/or other directors and/or managers of Safilo's companies (or equivalent officers), to be identified by name, even at various times, by the Company's BoD, upon proposal of the Remuneration and Nomination Committee, from among Executive Directors and, more generally, from among those who hold major offices thus being more directly liable for business results, in line with equity incentive plans widely used in Italy and overseas (hereinafter, the "**Beneficiaries**" or the "**Beneficiary**").

In particular, the aim of the Plan is to involve those who hold major positions in the achievement of Safilo Group's strategic targets, so as to increase their loyalty towards the Group and ensure at the same time the alignment of their interests to shareholders', with a view to a long term value creation for the Group.

The Plan is implemented through the free allocation, in four *tranches*, of max. 1,700,000 options, which will give each Beneficiary the right to subscribe newly issued ordinary shares of the Company – of a nominal value of EUR 5.00 each, deriving from the aforesaid capital increase, against payment and separately, excluding the right of option pursuant to art. 2441, fourth paragraph, second indent, of the Italian Civil Code. Each option will correspond to one share.

The subscription price will correspond to the weighted average of the prices of Safilo Group S.p.A. ordinary shares on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. in the month preceding the meeting of the BoD which will allocate the rights of option issued within the Plan ("preceding month" shall mean the period from the day preceding the meeting of the BoD which proceeds to the allocation of the options until the same day of the previous calendar month, it being understood that in said period, for the purpose of determining

the weighted average, account will be only taken of the days on which stock exchanges are open), except for the first *tranche*, the price of which has been set at EUR 8.0470, fixed according to the weighted average of the prices of Safilo Group S.p.A. ordinary shares on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. in July 2010, corresponding to the month preceding the date on which the Remuneration Committee (now Remuneration and Nomination Committee) submitted, for the first time, to the BoD for approval, the guidelines of an equity incentive plan to be adopted.

The subscription of shares by the Beneficiaries of the options will depend on the satisfaction of the following conditions:

- the Beneficiary has not ceased the employment relationship/office as director with the Company, or with another company of the Group, on the maturity date of the options, save for any exceptions provided for by the Regulation; and
- with reference to the options allocated within the first *tranche*, the fact that the EBIT emerging from the Company's consolidated financial statements as of any of the financial years ended 31.12.2010, 31.12.2011 or 31.12.2012 has been at least equal to EUR 60,000,000; with reference to the options allocated within the second *tranche*, the fact that the EBIT emerging from the Company's consolidated financial statements as of any of the financial years ended 31.12.2011, 31.12.2012 or 31.12.2013 has been at least equal to EUR 66,000,000; with reference to the options allocated within the third *tranche*, the fact that the EBIT emerging from the Company's consolidated financial statements as of any of the financial years ended 31.12.2012, 31.12.2013 or 31.12.2014 has been at least equal to EUR 72,500,000; with reference to the options allocated within the fourth *tranche*, the fact that the EBIT emerging from the Company's consolidated financial statements as of any of the financial years ended 31.12.2013, 31.12.2014 or 31.12.2015 has been at least equal to EUR 80,000,000.

For the purposes hereof, EBIT means the net operating income in a certain financial year, adjusted to take account of any investment and divestment, emerging from the audited financial statements, which will be approved by the Company's shareholders' meeting and as determined by the same Company's BoD.

The options may be exercised in the periods laid down in the Plan's Rules which are expected to be the following:

- with regard to the first *tranche* options, the period from the day after the date of approval by the Meeting of the financial statements as at 31.12.2012 until the relevant expiry date (31 May 2016);
- with regard to the second *tranche* options, the period from the day after the date of approval by the Meeting of the financial statements as at 31.12.2013 until the relevant expiry date (31 May 2017);

- with regard to the third *tranche* options, the period from the day after the date of approval by the Meeting of the financial statements as at 31.12.2014 until the relevant expiry date (31 May 2018);
- with regard to the fourth *tranche* options, the period from the day after the date of approval by the Meeting of the financial statements as at 31.12.2015 until the relevant expiry date (31 May 2019).

Considering the above, the options allocated within different *tranches* will have a different maturity date, it being however understood that the deadline for the exercise of the options allocated within the last *tranche* will be 31 May 2019.

The options that can be exercised for which no subscription price has been paid to the Company will automatically lapse and will lose any effect and validity for the Beneficiary, with consequent release of the Company from any obligation towards the same Beneficiary.

For more details on the 2010-2013 Stock Option Plan, reference should be made to the notes to the financial statements, to the informative document drawn up pursuant to art. 84-*bis* of the Issuers' Regulation, as amended, and to all documents about the aforesaid Plan drawn up in compliance with the existing rules. Any such documentation is available on the web site in the *Investors Relations - Corporate Governance* section.

For more details, please refer to the report about remuneration plans based on financial instruments provided for by art. 114-*bis* TUF.

#### **5) Agreements providing for indemnities in the event of early termination of employment**

The Company and the Chief Executive Officer have entered into an agreement intended to regulate *ex ante* the economic treatment provided for in the event of early termination, upon the Company's initiative without a just cause. More specifically, this agreement provides for the payment to the Chief Executive Officer of a specific indemnity (equal to two yearly instalments of the total compensation resulting from the remuneration due for the positions held within the Company and the subsidiary Safilo S.p.A. and the remuneration from subordinate employment), to be paid in case of termination on the Company's initiative without a just cause.

There is no agreement providing, in favour of the Chief Executive Officer and of the Managers with strategic responsibilities, for the granting or maintenance of non-monetary benefits after cessation of office or termination of employment ("post-retirement perks") or the making of advisory agreements following the cessation or termination and there is no agreement providing for non-compete clauses.

With regard to the consequences of termination on the rights granted under the 2010-2013 Stock Option Plan, as for the Chief Executive Officer and the Managers with strategic responsibilities,

reference should be entirely made to the informative document drawn up pursuant to art. 84-bis of the Issuers' Regulation, as amended and integrated as well as to all the documents about said Plan drawn up in accordance with the existing regulations. All such documentation is available on the Company's web site, in the Investors Relations/Corporate Governance section.

## **Part II**

This Part II analytically illustrates the compensation paid in the reference financial year, for any title and in any form, by the Company and by subsidiaries and affiliates.

**TABLE 1: Remunerations paid to the members of the administrative and supervisory bodies, to general managers and other managers with strategic responsibilities.**

**TABLE 2: Stock options allocated to the members of the administrative bodies, to general managers and other managers with strategic responsibilities.**

**TABLE 3B: monetary incentive plans in favour of the members of the administrative bodies, of general managers and other managers with strategic responsibilities.**

**Table containing the information on the participation of the members of the administrative and supervisory bodies and of general managers.**

**Table containing the information on the participation of the other managers with strategic responsibilities**

**TABLE 1: Compensation paid to members of the management and control bodies, general managers and other directors with strategic responsibilities**

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed compensation €	Compensation for participation in committees €	Non-equity variable compensation		Non-monetary benefits €	Other compensation €	Total €	Fair value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonuses and other incentives €	Profit-sharing					
<b>ROBERTO BRAM POLET</b>	<b>Chairman of the BoD</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				120,000						120,000		
(II) Compensation paid by subsidiaries and associates												
(III) Total				120,000						120,000		
<b>ROBERTO VEDOVOTTO</b>	<b>CEO</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				200,000						200,000	323,415	
(II) Compensation paid by subsidiaries and associates				1,111,200		450,000		41,253	29,350	1,631,803		
(III) Total				1,311,200		450,000		41,253	29,350	1,831,803	323,415	
<b>MASSIMILIANO TABACCHI *</b>	<b>Director</b>	Delegate Director until 07/08/2012 Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				650,000	4,167					654,167	60,640	
(II) Compensation paid by subsidiaries and associates				204,867				20,549		225,416		922,950



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed compensation €	Compensation for participation in committees €	Non-equity variable compensation		Non-monetary benefits €	Other compensation €	Total €	Fair value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonuses and other incentives €	Profit-sharing					
(III) Total				854,867	4,167			20,549		879,583	60,640	922,950
<b>GIOVANNI CISERANI **</b>	<b>Director</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				50,000	5,833					55,833		
(II) Compensation paid by subsidiaries and associates												
(III) Total				50,000	5,833					55,833		
<b>JEFFREY ALAN COLE</b>	<b>Director</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				50,000	15,000					65,000		
(II) Compensation paid by subsidiaries and associates												
(III) Total				50,000	15,000					65,000		
<b>LUISA DEPLAZES DE ANDRADE DELGADO ***</b>	<b>Director</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				20,833						20,833		
(II) Compensation paid by subsidiaries and associates												
(III) Total				20,833						20,833		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed compensation €	Compensation for participation in committees €	Non-equity variable compensation		Non-monetary benefits €	Other compensation €	Total €	Fair value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonuses and other incentives €	Profit-sharing					
<b>MELCHERT FRANS GROOT</b>	<b>Director</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				50,000	10,000					60,000		
(II) Compensation paid by subsidiaries and associates												
(III) Total				50,000	10,000					60,000		
<b>MARCO JESI</b>	<b>Director</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				50,000	20,000					70,000		
(II) Compensation paid by subsidiaries and associates												
(III) Total				50,000	20,000					70,000		
<b>EUGENIO RAZELLI</b>	<b>Director</b>	Year 2012	Approval of the financial statements 2014									
(I) Compensation paid by the company that prepares the financial statements				50,000	25,000					75,000		
(II) Compensation paid by subsidiaries and associates					10,000					10,000		
(III) Total				50,000	35,000					85,000		
<b>1</b>	<b>Managers with strategic responsibilities</b>	Year 2012										

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed compensation €	Compensation for participation in committees €	Non-equity variable compensation		Non-monetary benefits €	Other compensation €	Total €	Fair value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonuses and other incentives €	Profit-sharing					
(I) Compensation paid by the company that prepares the financial statements				30,000						30,000	122,656	
(II) Compensation paid by subsidiaries and associates				450,500		262,950		15,354	3,750	732,554		
(III) Total				480,500		262,950		15,354	3,750	762,554	122,656	
<b>PAOLO NICOLAI</b>	<b>Chairman of Statutory auditors</b>	Year 2012	Approval of the financial statements 2013									
(I) Compensation paid by the company that prepares the financial statements				54,600						54,600		
(II) Compensation paid by subsidiaries and associates				54,600						54,600		
(III) Total				109,200						109,200		
<b>FRANCO CORGNATI **</b>	<b>Standing statutory auditor</b>	Year 2012	Approval of the financial statements 2013									
(I) Compensation paid by the company that prepares the financial statements				36,400						36,400		
(II) Compensation paid by subsidiaries and associates				36,400						36,400		
(III) Total				72,800						72,800		
<b>BETTINA SOLIMANDO</b>	<b>Standing statutory auditor</b>	Year 2012	Approval of the financial statements 2013									
(I) Compensation paid by the company that prepares the financial statements				36,400						36,400		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed compensation €	Compensation for participation in committees €	Non-equity variable compensation		Non-monetary benefits €	Other compensation €	Total €	Fair value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonuses and other incentives €	Profit-sharing					
(II) Compensation paid by subsidiaries and associates				36,400						36,400		
(III) Total				72,800						72,800		

The present Board of Directors was appointed by the Shareholders' Meeting held on August 7<sup>th</sup>, 2012, which also re-appointed all the members of the previous Board of Directors.

\* Member of the Internal Control Committee (currently Control and Risks Committee) from August 7<sup>th</sup>, 2012

\*\* Member of the Internal Control Committee (currently Control and Risks Committee) until August 7<sup>th</sup>, 2012

\*\*\* She was appointed by the Shareholders' Meeting held on August 7<sup>th</sup>, 2012 .

**TABLE 2: Stock options allocated to members of the management body, general managers and directors with strategic responsibilities**

A	B	(1)	Options held at the start of the financial year (FY)			Options allocated during the FY						Options exercised during the FY			Options that expired during the FY	Options held at end of the FY	Options for the FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
Name and surname	Position	Plan	No. of Options	Exercise price	Exercise period (from - to)	No. of Options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price of underlying shares at option allocation	No. of Options	Exercise price	Market price of underlying shares at exercise date	No. of Options	No. of Options	Fair value
<b>Roberto Vedovotto</b>	<b>CEO</b>																
(I) Compensation paid by the company that prepares the financial statements	Plan 2010-2013 (SM 05/11/2010)	160,000	8.0470	From 31/12/2012* to 31/05/2016	80,000	5.54	From 31/12/2014*** to 31/05/2018	84,800	08/03/2012	5.30	0	0	0	0	0	320,000	323,415
		80,000	12.55	From 31/12/2013** to 31/05/2017													
(II) Compensation paid by subsidiaries and associates																	
(III) Total			240,000			80,000	5.54		84,800		5.30	0	0	0	0	320,000	323,415
<b>Massimiliano Tabacchi</b>	<b>Director (Delegate Director until 07/08/2012)</b>																

A	B	(1)	Options held at the start of the financial year (FY)			Options allocated during the FY						Options exercised during the FY			Options that expired during the FY	Options held at end of the FY	Options for the FY	
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)	
Name and surname	Position	Plan	No. of Options	Exercise price	Exercise period (from - to)	No. of Options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price of underlying shares at option allocation	No. of Options	Exercise price	Market price of underlying shares at exercise date	No. of Options	No. of Options	Fair value	
(I) Compensation paid by the company that prepares the financial statements		Plan 2010-2013 (SM 05/11/2010)	30,000	8.0470	From 31/12/2012* to 31/05/2016	15,000	5.54	From 31/12/2014*** to 31/05/2018	15,900	08/03/2012	5.30	0	0	0	0	0	60,000	60,640
			15,000	12.55	From 31/12/2013** to 31/05/2017													
(II) Compensation paid by subsidiaries and associates																		
(III) Total			45,000			15,000	5.54		15,900		5.30	0	0	0	0	0	60,000	60,640
1	Manager with strategic responsibilities																	
(I) Compensation paid by the company that prepares the financial statements		Plan 2010-2013 (SM 05/11/2010)	60,000	8.0470	from 31/12/2012* to 31/05/2016	35,000	5.54	From 31/12/2014** to 31/05/2018	37,100	08/03/2012	5.30	0	0	0	0	0	125,000	122,656

A	B	Options held at the start of the financial year (FY)				Options allocated during the FY							Options exercised during the FY			Options that expired during the FY	Options held at end of the FY	Options for the FY
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)	
Name and surname	Position	Plan	No. of Options	Exercise price	Exercise period (from - to)	No. of Options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price of underlying shares at option allocation	No. of Options	Exercise price	Market price of underlying shares at exercise date	No. of Options	No. of Options	Fair value	
		010)	30,000	12.55	From 31/12/2013** to 31/05/2017													
(II) Compensation paid by subsidiaries and associates																		
(III) Total			90,000			35,000	5.54		37,100		5.30	0	0	0	0	125,000	122,656	

\* It means, the day following the resolution of the Company's Shareholders' Meeting which approves the financial statements of the Company for the year ended 31/12/2012.

\*\* It means, the day following the resolution of the Company's Shareholders' Meeting which approves the financial statements of the Company for the year ended 31/12/2013.

\*\*\* It means, the day following the resolution of the Company's Shareholders' Meeting which approves the financial statements of the Company for the year ended 31/12/2014.

**TABLE 3B: Monetary incentive plans for members of the management body, general managers and directors with strategic responsibilities**

A	B	(1)	(2)			(3)			(4)
Name and surname	Position	Plan	Bonus for year			Bonus for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Deferred again	
<b>Roberto Vedovotto</b>	CEO								
(I) Compensation paid by the company that prepares the financial statements									
(II) Compensation paid by subsidiaries and associates			450,000						
(III) Total			450,000						
<b>Massimiliano Tabacchi</b>	Director								
(I) Compensation paid by the company that prepares the financial statements									
(II) Compensation paid by subsidiaries and associates									
(III) Total									
<b>1</b>	Managers with strategic responsibilities								
(I) Compensation paid by the company that prepares the financial statements									
(II) Compensation paid by subsidiaries and associates			262,950						
(III) Total			262,950						



**Schedule n. 7-ter - Table 1: Equity investments of members of the management and control bodies and general managers**

Name and surname	Position	Investee Company	No. of shares owned at end of previous FY	No. of shares purchased	No. of shares sold	no. of shares owned at end of fy in progress
<b>Directors</b>						-
Robert Polet	Chairman	SAFILO GROUP S.p.A.	-	-	-	-
Roberto Vedovotto	CEO	SAFILO GROUP S.p.A.	240,000	-	-	240,000
Massimiliano Tabacchi	Director	SAFILO GROUP S.p.A.	43,590	-	-	43,590
Giovanni Ciserani	Director	SAFILO GROUP S.p.A.	-	-	-	-
Jeffrey A. Cole	Director	SAFILO GROUP S.p.A.	1,250	-	-	1,250
Luisa Deplazes de Andrade Delgado	Directors	SAFILO GROUP S.p.A.	-	-	-	-
Melchert Frans Groot	Director	SAFILO GROUP S.p.A.	-	-	-	-
Marco Jesi	Director	SAFILO GROUP S.p.A.	10,000	-	-	10,000
Eugenio Razelli	Director	SAFILO GROUP S.p.A.	-	-	-	-
<b>Board of statutory auditors*</b>						
Paolo Nicolai	Chairman	SAFILO GROUP S.p.A.	-	-	-	-
Franco Corgnati	Standing statutory auditor	SAFILO GROUP S.p.A.	-	-	-	-
Bettina Solimando	Standing statutory auditor	SAFILO GROUP S.p.A.	-	-	-	-

\* Board of Statutory auditors in charge on the date of the end of financial statement as at 31/12/2011

**Schedule n. 7-ter - TABLE 2: Equity investments of other directors with strategic responsibilities**

No. of directors with strategic responsibilities	Investee Company	No. of shares owned at end of previous fy	No. of shares purchased	No. of shares sold	No. of shares owned at end of fy in progress
1	SAFILO GROUP S.p.A.	-	-	-	-