

Report of the Directors pursuant to article 114-bis of Legislative Decree No. 58/1998 ("T.U.F") - Attachment: Informative Document prepared according to 84-bis of the Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended) - as well as in compliance with Annex 3A, Scheme no. 7



REPORT OF THE DIRECTORS

FOR THE SHAREHOLDERS' MEETING OF

SAFILO GROUP S.P.A.

CALLED ON APRIL 15TH, 2014, IN SINGLE CALL

(Report drafted pursuant to article 114-bis of Legislative Decree No. 58/1998 - Attachment: Informative Document prepared according to 84-bis of the Consob Regulation as well as in compliance with Annex 3A, Scheme no. 7)

SHAREHOLDERS' MEETING APRIL 15TH, 2014

Dear Shareholders,

The Board of Directors of Safilo Group S.p.A. (the “**Company**”) held on March 5th, 2014, resolved to submit to the Ordinary and Extraordinary Shareholders’ Meeting of the Company, called –at the secondary office of the Company, in Padua, Settima Strada no. 15, on April 15th, 2014, at 10:00am, in single call, to discuss and resolve upon the following

AGENDA

ORDINARY SESSION

1. ***Omissis*** [Please refer to the separate report drafted by the Board of Directors pursuant to article 125-ter of the T.U.F. and article 84-ter of the Consob Regulation]
2. ***Omissis*** [Please refer to the separate report drafted by the Board of Directors pursuant to article 125-ter of the T.U.F. and article 84-ter of the Consob Regulation]
3. ***Proposal to approve the adoption of a stock option plan aimed at directors and/or employees of Safilo Group S.p.A. and/or other companies belonging to Safilo Group; Related and consequent matters***
4. ***Omissis*** [Please refer to the separate report drafted by the Board of Directors pursuant to article 125-ter of the T.U.F. and article 84-ter of the Consob Regulation]
5. ***Omissis*** [Please refer to the separate report drafted by the Board of Directors pursuant to article 125-ter of the T.U.F. and article 84-ter of the Consob Regulation]
6. ***Omissis*** [Please refer to the separate report drafted by the Board of Directors pursuant to article 125-ter of the T.U.F. and article 84-ter of the Consob Regulation]

EXTRAORDINARY SESSION

1. ***Omissis*** [Please refer to the separate report drafted by the Board of Directors pursuant to article 125-ter of the T.U.F. and pursuant to article 72 of the Consob Regulation – in compliance with Scheme no. 2 of the Annex 3A of the Consob Regulation]

This Report shall be read together with the separate reports concerning the proposals relating to the items on the agenda of the Shareholders’ Meeting, drafted pursuant to the articles of the T.U.F. and of the Consob Regulation applicable from time to time.

* * *

Dear Shareholders,

according to article 114-*bis* of the Law no. 58, February 24th, 1998 (the "**TUF**"), the Board of Directors of Safilo Group S.p.A. (the "**Company**") has called the ordinary shareholder's meeting to submit to its approval the adoption of an incentive and retention plan (the "**Safilo Group S.p.A. Stock Option Plan 2014 - 2016**" or the "**Plan**"), to be implemented by means of a maximum of 1,500,000 options (the "**Options**") to be granted in tranches and free of charge to a selected group of directors and/or employees of the Company and/or companies belonging to Safilo Group, identified by the Board of Directors, pursuant to the proposal of the Remuneration and Nomination Committee, on one or more occasions.

The Options will give the beneficiaries the right to subscribe newly issued ordinary shares of the Company, par value of Euro 5.00 each, arising from a paid and separable capital increase, with exclusion of the option rights according to article 2441, paragraph 4 second part of the Civil Code, at the rate of no. 1 share for each Option. 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 (as defined below) 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 1,500,000.

The capital increase proposal for the implementation of the Plan illustrated by a special report, according to article 72 of Consob Regulation 11971/1999 and further amendments (the "**Consob Regulation**") will be submitted to the attention and approval of the extraordinary Shareholders' Meeting of the Company (the "**Extraordinary Meeting**").

The conditions, terms and procedures for implementing the plan are better defined in the informative document drawn-up in accordance with Scheme 7 Annex 3A to Consob Regulation, attached to this report.

This document, drawn-up according to article 114-*bis* of TUF, is aimed to explain the reasons and the content of the abovementioned proposal.

1.1 Reasons for the adoption of the Plan

The purposes of the Plan is to retain and motivate the directors and/or employees of the Company and/or companies belonging to Safilo Group, selected by the Board of Directors, and identified by name even on several occasions, pursuant to the proposal of the Remuneration and Nomination Committee, from

among those executives and directors that hold an important role within the Company and are directly responsible for its business results, according to the best practice followed in the national and international experience.

In particular, the Plan is intended to involve those individuals who hold an important role for the purposes of achieving the strategic objectives of the Company, in order to increase their retention, while aligning their interests with the interests of the Company's shareholders and pursuing the continuous increase of the value of the Group.

1.2 The Beneficiaries

The Options will be granted to some directors and/or employees of the Company and/or its subsidiaries selected by the Board of Directors, selected pursuant to the proposal of the Remuneration and Nomination Committee, also in more than one tranche at its own discretion, among the individuals who are directors and/or employees of Company and/or its subsidiaries, taking into account the personal ability to influence the Company's results and to increase the value for its shareholders (the "Beneficiaries").

1.3. The procedures and clauses for the implementation of the Plan, specifying whether its implementation is subject to the satisfaction of conditions and, in particular, to the achievement of specific results

The terms and conditions of the Plan are better defined in the informative document drawn-up in accordance with Scheme 7 Annex 3A of the Consob Regulation (attached to this report).

In particular, the Plan provides for the award of a maximum of no. 1,500,000 Options to the Beneficiaries. The grant is free of charge, therefore the Beneficiaries will not be asked for any payment in order to obtain the Options.

For the purposes of implementing the Plan, the Extraordinary Shareholder's Meeting of the Company will be asked to approve the proposal to increase, payable and separable, the share capital of the Company for a nominal value equal to Euro 7,500,000.00, with the exclusion of the option right according to article 2441, paragraph 4 second part of the Civil Code by means of the issuance of a maximum of 1,500,000 newly issued Company's shares, par value 5 Euro each, to be subscribed by the Beneficiaries at a certain exercise price, equal to the volume weighted average of the official price of the Company's shares 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 (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, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average). As indicated above, 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 1,500,000.

For more details on the proposed capital increase at the service of the Plan, please refer to the relevant Board of Directors' report drawn-up according to article 72 of the Consob Regulation made available according to the law provisions.

The Options will be granted in three tranches. The amount of each tranche will be determined by the Board of Directors, taking into account the performance and the professional skills of the Beneficiaries. The first tranche ("**First Tranche**") will be granted by the Board of Directors from the date of the meeting following the Shareholders' Meeting resolution approving the Plan to December 31st, 2014; the second tranche ("**Second Tranche**") will be granted from the day on which the Board of Directors approves the 2014 financial year's results to December 31st 2015; the third tranche ("**Third Tranche**") will be granted from the day on which the Board of Directors approves the 2015 financial year's results to December 31st 2016.

In particular, the Company will send to the eligible Beneficiaries, selected by the Board of Directors, pursuant to the proposal of the Remuneration and Nomination Committee, the regulations of the Plan and the award agreement indicating the number of Options granted.

In order to participate in the Plan, the Beneficiaries must duly fill in and sign the award agreement and a copy of the regulations of the Plan and return them to the Company within ten working days from their receipt, under penalty of expiration of their right to participate in the Plan. The date on which the Company receives the award agreement and a copy of the regulations of the Plan duly filled in and signed, the Options will be considered as awarded and the Company will sign the award agreement received by the Beneficiary for confirmation.

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

- (a) 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 31.12.2014, 31.12.2015 or 31.12.2016 has been at least equal to Euro 80,000,000; 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 31.12.2015, 31.12.2016 or 31.12.2017 has been at least equal to Euro 85,000,000; with reference to the Options granted under the Third Tranche, the EBIT resulting from the approved consolidated financial statements of the Company related to one of the years ending on 31.12.2016, 31.12.2017 or 31.12.2018 has been at least equal to Euro 90,000,000; and
- (b) save as otherwise expressly provided by the regulations of the Plan, the employment/directorship of the relevant Beneficiary shall be in force on the vesting date of the relevant Options.

For the purposes of the determination of the achievement of the target, EBIT shall mean the net operating income of a specific financial year, adjusted for potential acquisitions and divestures, based on the audited financial statements which will be approved by the Shareholders' Meeting of the Company and as determined by the Board of Directors.

1.4. Whether the Plan enjoys any support from the special Fund for encouraging workers' participation in firms referred to in article 4, paragraph 112 of Law 350/2003

At present, the Plan does not enjoy any support from the special Fund for encouraging workers' participation in firms referred to in article 4, paragraph 112 of Law 350/2003.

1.5. The procedures to determine either the prices or the criteria for determining the prices for the subscription or purchase of shares

The exercise price of the Options (and also the price for the subscription of the newly issued Shares at the service of the Plan), is equal to the volume weighted average of the official price of Safilo Group S.p.A.'s ordinary shares registered on the Italian Stock Exchange (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 (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, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).

1.6. The Terms of the Plan and the exercise of the Options

The Options granted to the beneficiaries shall be exercised in accordance with the regulations of the Plan and the related award agreement. The Plan provides that (i) Options shall be granted to the Beneficiaries identified by the Board of Directors, pursuant to the proposal of the Remuneration and Nomination Committee, pursuant to the timeframe described under previous paragraph 1.3 (ii) the Options are exercisable during the periods established in the regulations of the Plan which are anticipated to be as follows:

- With reference to the Options granted under the First Tranche, the period from the day following the resolution of the Company's Shareholders' Meeting which approves the financial statements of the Company for the year ended 31.12.2016 until its own expiry date (May 31st, 2022);
- With reference to the Options granted under the Second Tranche, the period from the day following the resolution of the Company's Shareholders' Meeting which approves the financial statements of the Company for the year ended 31.12.2017 until its own the expiry date (May 31st, 2023);
- With reference to the Options granted under the Third Tranche, the period from the day following the resolution of the Company's Shareholders' Meeting which approves the financial statements of the Company for the year ended 31.12.2018 until its own expiry date (May 31st, 2024).

The Plan grants the possibility to accelerate the exercise of the awarded Options, with respect to the exercise periods indicated above, in certain cases of termination of the relevant employment/directorship due to the circumstances specified in the Plan itself.

As stated above, the Options granted by means of different tranches will have a different expiration date but is always understood that the deadline for the exercise of the Options granted within the last tranche expires on May 31st, 2024.

1.7 The restrictions on the availability of the shares or options allocated, with special reference to the time limits within which the subsequent transfer of shares to the company or third parties is permitted or prohibited

The Options granted to the Beneficiaries are strictly personal and cannot be transferred, pledged, mortgaged, or encumbered in any way whatsoever, nor is a beneficiary allowed to enter into any transaction related to the options granted.

There are no restrictions on the availability of the shares subscribed upon the exercise of the Options.

Resolution Proposal

Dear Shareholders,

for the reasons described above, the Board of Directors proposes to pass the following resolutions:

*"Safilo Group S.p.A. Ordinary Shareholders' Meeting, on the basis of the related report of the Board of Directors, having regard to article 114-bis of the Legislative Decree 24 February 1998 no. 58 and the regulations issued by Consob and by the Italian Stock Exchange ("**Borsa Italiana**"), taken note of the favorable opinion of the Board of Statutory Auditors*

resolves

- 1) *to approve, according to article 114-bis of the Legislative Decree 24 February 1998, no. 58, the adoption of a stock option plan named "Safilo Group S.p.A. Stock Option Plan 2014 - 2016" for the grant of a maximum of 1,500,000 options which confer the right to any Beneficiary to subscribe newly issued ordinary shares of the Company par value Euro 5.00 each, at the rate of no. 1 share for each option, aimed at directors and/or employees of the Company and/or companies directly or indirectly controlled by the Company itself, to be identified by name, even on several occasions, by the Board of Directors, pursuant to the proposal of the Remuneration and Nomination Committee, in accordance with the guidelines outlined in the report of Board of Directors and in the informative document attached thereto, published pursuant to the law and filed with the Company's records, instructing the Board to adopt the related regulations;*
- 2) *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 "Safilo Group S.p.A. Stock Option Plan 2014 - 2016 " and, in particular and among other things, the power to identify the beneficiaries, pursuant to the proposal of the Remuneration and Nomination Committee, and to determine the quantity of options to be granted to each of them, to proceed with the grant to the beneficiaries, and to carry out any act, requirement, formality or communication as needed for the management and/or implementation of the Plan, with the authority to delegate its powers, duties and responsibilities concerning the implementation and enforcement of the plan to the Chairman and/or to the Chief Executive Officer of the Company, also separately. It is understood that any decision related to the grant of the options to the beneficiaries who are also the Chairman and/or the Chief Executive Officer of Safilo Group S.p.A. (like every other decision related to the management and/or implementation of the plan towards them) will be at the exclusive competence of the Board of Directors."*

Attachment:

Informative Document concerning the "Safilo Group S.p.A. Stock Option Plan 2014-2016" in favor of a selected group of directors and/or employees of Safilo Group S.p.A., concerning the grant of a maximum of 1,500,000 options free of charge which give the right to subscribe a maximum of 1,500,000 ordinary shares of Safilo Group S.p.A., drafted pursuant to article 84-bis Consob Regulation.

SAFILO GROUP S.P.A.

**INFORMATION MEMORANDUM RELATED TO THE STOCK OPTION PLAN SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS'
MEETING CALLED ON APRIL 15TH, 2014
(prepared according to article 84-bis of the Issuer Regulation)**

PREAMBLE

According to the provisions of article 114-bis of the Legislative Decree n. 58/1998, the Board of Directors of Safilo Group S.p.A. on March 5th, 2014, pursuant to the proposal of the Remuneration and Nomination Committee, approved the decision to submit to the attention of the Shareholders' Meeting, the proposal concerning the adoption of a stock option plan reserved to some directors and/or manager of the Company and/or its subsidiaries. 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.

This informative document is drawn-up according to the provisions of the schedule 3A, scheme 7 of the Consob Regulation n.11971 as provided for by article 84-bis of the same Regulation.

DEFINITIONS

<u>Award date:</u>	the date in which the Board of Directors assigns the Options to the Beneficiaries and establishes 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>Issuer's Regulation:</u>	the Consob Regulation n. 11971 of 14 May, 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.
<u>Shareholders' Meeting:</u>	the extraordinary and ordinary meeting of the shareholders of the Company.
<u>Shares:</u>	the ordinary stocks, par value Euro 5 per share, of the Company, listed on the stock exchange (<i>Mercato Telematico Azionario</i>) managed by Borsa Italiana S.p.A..
<u>Stock Option Plan or the Plan:</u>	the "Safilo Group S.p.A. Stock Option Plan 2014-2016".

1. THE BENEFICIARIES

1.1 The names of the Beneficiaries who are beneficiaries of the Plan as members of the Board of Directors 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 will be selected by the Board of Director among the directors and/or employees of the Group, pursuant to the proposal made by the Remuneration and Nomination Committee, after the Shareholders' Meeting approval of the Plan, according to paragraph 4.2.

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

Not applicable.

1.3 The names of the Beneficiaries belonging to the following groups:

a) the general managers of the Issuer

Not applicable.

b) other executives/managers with strategic responsibilities of the Issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the Issuer

Not applicable.

c) the natural persons controlling the Issuer, who are employees or work on contract within the issuer of shares

Not applicable.

1.4 Description and number, broken down by category:

a) executives/managers with strategic responsibilities other than those specified under letter b) of paragraph 1.3;

Not applicable.

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives/managers with strategic responsibilities of the Issuer;

Not applicable.

c) any other categories of employees or collaborators for which different characteristics are envisaged for the Plan (e.g. executives, middle management, employees, etc.);

Not applicable.

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 years (2014-2024): said timeframe has been held 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 part 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 or its subsidiaries upon vesting of the Options, save 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.

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. 1,500,000.

The number of Options to be awarded to each Beneficiary shall be 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 schemes 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 350 of 24 December 2003

Not applicable

3. APPROVAL PROCEDURES AND TIMESCALES 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 5th, 2014, the Board of Director resolved to submit to the Shareholders' Meeting the approval of the Plan, pursuant to which no. 1,500,000 Options will be granted to the Beneficiaries.

The Shareholders' Meeting is called to approve the adoption of the Plan and give the Board of Directors all the necessary powers to implement the Plan, including the power to select the Beneficiaries (pursuant to 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 is needed for the management and/or implementation of the Plan.

3.2 Specification of the persons appointed to administer the scheme and their function and responsibilities

The Plan is administered by the Board of Directors of the Company, which shall be entrusted by the Shareholders' Meeting of the operative management of the Plan and the implementation of the rules provided by the 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 that the Plan are based on

The Options 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 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 1,500,000.

3.5 The role performed by each director in determining the features of the Plan and the occurrence of any situations of conflicts of interest for 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 Legislative Decree no. 58/1998.

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

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 schemes to the shareholders' meeting and the proposal by the Remuneration and Nomination Committee, if present

On March 5th, 2014, the Board of Directors resolved to submit the Plan to the approval of the Shareholders' Meeting, as per the proposal made by the Remuneration and Nomination Committee on March 4th, 2014.

3.7 for the purposes of the requirements of Article 84-bis, paragraph 5, 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

See the above paragraph.

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 price of the Shares on March 5th, 2014 is Euro 17.30.

3.9 The terms and procedures adopted by the Issuer in determining the timescales 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; for example, when the information is:

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 Company's Shares registered on the Italian stock exchange (*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).

4. THE FEATURES OF THE INSTRUMENTS ASSIGNED

4.1 Details of the structure of the Plan

The Plan provides for the granting 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 own 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 10 years (from 2014 to 2024). The Options granted to the Beneficiaries and vested pursuant to the Plan become exercisable after at least two years from the latest possible 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.

The Options will be granted in three tranches.

The first tranche (“**First Tranche**”) will be granted by the Board of Directors from the date of the meeting following the Shareholders’ Meeting resolution approving the Plan to December 31st, 2014; the second tranche (“**Second Tranche**”) will be granted from the day on which the Board of Directors approves the 2014 financial year’s results to December 31st 2015; the third tranche (“**Third Tranche**”) will be granted from the day on which the Board of Directors approves the 2015 financial year’s results to December 31st 2016.

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

4.3 The end date of the Plan

The Plan terminates on May 31st, 2024 (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 provided for by the Plan is equal to no. 1,500,000, each of them giving the right to purchase one Share per Option exercised.

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 1,500,000 Options are granted to the Beneficiaries in 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 31.12.2014, 31.12.2015 or 31.12.2016 has been at least equal to Euro 80,000,000; 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 31.12.2015, 31.12.2016 or 31.12.2017 has been at least equal to Euro 85,000,000; 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 31.12.2016, 31.12.2017 or 31.12.2018 has been at least equal to Euro 90,000,000; 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 income of a specific financial year, adjusted for potential acquisitions and divestures, resulting from the audited financial statements which will be approved by the Shareholders' Meeting of the Company and as determined 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 Shares

Upon the exercise of the Options, the Beneficiary will acquire ordinary Shares which have the same rights of the outstanding share capital at the date they are exercised

4.7 Description of any termination conditions for the assignments under the Plan if the Beneficiaries conduct hedging transactions that neutralise 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, vested and/or exercisable, shall automatically become null, void and without effect as from the date of receipt of termination notice; all his/her Options granted (but not yet vested and/or exercisable) shall become available for re-assignment by the Board of Directors as indicated under paragraph 4.2 above. 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 (the Beneficiary being member of the Board of Directors of the Company or its

subsidiaries) 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 Options granted, which are vested at the date the termination becomes effective and/or become vested 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 vested) shall become available for re-assignment by the Board of Directors pursuant to paragraph 4.2 above. 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.

- (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 vested nor exercisable at the date the event occurred, will become exercisable by the Beneficiary, or by his 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 no any other reasons for the cancellation of the Plan.

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

Not applicable.

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

Not applicable.

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 scheme

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 2.35% of the current corporate capital of the Company. It remains understood that the dilution effect shall be lower than the abovementioned percentage in case the Company would assign, 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

Not applicable.

4.15 If the shares are not traded in 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), timescales and clauses

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 31.12.2016 until its own expiry date (May 31st, 2022);

- (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 31.12.2017 until its own the expiry date (May 31st, 2023);
- (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 31.12.2018 until its own expiry date (May 31st, 2024).

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

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

- a) the formula for the calculation of the strike 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 strike 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 strike prices between the various beneficiaries or the various categories of beneficiaries

Not applicable.

4.22 If the financial instruments underlying the options are not traded in 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.

In occasion of special event 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 related to any outstanding vested but not exercised according to best practices commonly accepted by financial markets.

In the event of a public or exchange offering, according to Law 24 February 1998, n. 58 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 provided by the Issuer Regulation is not attached to this Informative Document because the Beneficiaries will be selected by the Board of Directors after the Shareholders' meeting approval of the Plan