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**Safilo Group S.p.A.**

Registered office in Pieve di Cadore (BL) - Piazza Tiziano, 8

Corporate capital of Euro 313,149,825.00 fully paid-in.

Registered with the Register of Enterprises of Belluno with no. 03032950242

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**INFORMATION DOCUMENT CONCERNING A TRANSACTION WITH RELATED PARTIES OF GREATER  
IMPORTANCE**

*(Document drafted pursuant to article 5 of the Regulation for transactions with related parties  
approved by Consob with resolution no. 17221 of March 12, 2010)*

*September 10, 2015*

## INTRODUCTION

This information document (“**Information Document**”) has been drafted by Safilo Group S.p.A. (“**Safilo Group**” or the “**Company**”) pursuant to article 5 of the Regulation approved by Consob with resolution no. 17221 of March 12, 2010, concerning transactions with related parties (the “**Regulation**”), as well as article 3.2, letter (f), of the procedure for transactions with related parties approved by the Board of Directors of Safilo Group on November 5, 2010, as subsequently amended, published on the Company’s website ([www.safilogroup.com/en/](http://www.safilogroup.com/en/)) (the “**Procedure**”).

This Information Document illustrates the commercial agreement (the “**Master Agreement**”) - signed on September 7, 2015 by Safilo S.p.A., (“**Safilo**”), controlled by Safilo Group, and GrandVision Supply Chain B.V. (“**GVSCBV**”) controlled by GrandVision N.V. (“**GVNV**”), controlled by HAL Holding N.V. – that rules the general terms and conditions for the sale of sunglasses and optical frames by the companies of the group that are controlled by Safilo Group (“**Safilo Group**”) to the companies of the GNVV group (“**GVNV Group**”), a leading international optical group with several optical chains in Europe, South America and Asia (the “**Transaction**”).

It is specified that, even if the Transaction is a transaction whose terms and conditions are standard or in line with the market ones, the Company did not avail itself of the exemption provided for by article 4.1.3 of the Procedure and therefore decided to publish this Information Document, in order to ensure a high level of transparency to the market and to the shareholders, taking into consideration the particularly significant size of the Transaction.

### 1. WARNINGS

In the light of the terms and conditions of the Master Agreement – as better described in this Information Document – it is deemed that, as of the date of the present Information Document, the Transaction is in the interest of Safilo, of the Company and of Safilo Group and it does not entail risks connected to the fact that the other party is a related party and/or to the potential conflicts of interests, resulting from the Transaction, in fact all the controlling measures, guaranteeing the substantial and procedural correctness of the Transaction and of its terms and conditions, have been adopted.

## 2. INFORMATION ON THE TRANSACTION

### 2.1 Description of the characteristics, modalities, terms and conditions of the Transaction.

The Transaction consists in the signing of a two-year framework agreement regulating the possible and future sales of sunglasses and optical frames by Safilo Group to GNVV Group, operating in the sales of the above-mentioned products, and some connected promotional activities; so this agreement is included among the ordinary business of the Group. Moreover, the Transaction is part of the long-standing commercial relation between Safilo Group and GNVV Group and its economic and commercial terms and conditions are substantially in line with those in force and valid as of today. In particular, the Master Agreement provides for the terms and conditions applicable to the sales, by Safilo Group to GNVV Group, of sunglasses and optical frames – bearing the Group own and licensed trademarks – (the “**Products**”).

Below listed are details on the main terms and conditions of the Master Agreement:

- a) it is a two-year agreement for the years 2015 and 2016;
- b) neither GNVV Group nor Safilo Group have any legal obligation to enter into the agreement;
- c) the commercial terms and conditions (for example discounts, marketing contributions, promotions, returns) are applicable to all the sales of the Products between Safilo Group and each company of the GNVV Group (so called regulatory agreement);
- d) the sales and the relative invoicing (with some exceptions) are between each company of the GNVV Group and Safilo and/or other companies of Safilo Group;
- e) the commercial terms and conditions are standard or in line with the market (see following paragraph 2.4).

With reference to the above-mentioned letter c), it is specified that, in compliance with the policy of Safilo Group regarding the sales of Products to its commercial partners, the commercial terms and conditions can be summarized as follows:

- discounts, marketing contributions and/or promotions are applied to the turnover of Safilo related to the sales of the Products to the retail chains of the GNVV Group, divided on the bases of specific commercial criteria (i.e. clusters, doors and banners); that is promotional activities in order to promote the Products and increase their sales and their presence on the market;

- the above-mentioned discounts, marketing contributions are applied within the limits of specific percentages as indicated in the Master Agreement;
- these percentages are both fixed and variable, between a minimum and a maximum, taking into consideration the volume of the turnover of Safilo in each retail chain (divided by cluster and door).

## **2.2 Information on the related parties with whom the Transaction is entered into, on the relevant degree of relation, on the nature and extent of the interests of such parties in the Transaction.**

As of the date of the present Information Document, GVSCBV is a related party of Safilo Group, as it is controlled by HAL Holding N.V., that is the controlling company of Safilo Group.

The parties have an industrial and commercial interest in the Transaction, in fact the Master Agreement is a significant framework agreement, governing all the future commercial relations that will be established between the groups. The Company has no knowledge of other interests of GVSCBV in the Transaction.

## **2.3 Information on the economic rationale and convenience of the Transaction for Safilo and for the Company.**

With the closing of the Transaction Safilo, the Company and Safilo Group intend to reinforce and increase the turnover and the penetration of the Products into the markets where the GNVN Group operates. From the strategic and entrepreneurial point of view, the Transaction seems convenient because GNVN Group has an extended retail network at a global level, suitable to permit an implementation and extension of the business of Safilo Group, confirming and reinforcing the presence of its Products on the market.

From an economic point of view, the Transaction seems convenient because it guarantees an adequate level of commercial marginality and profitability for Safilo Group.

## **2.4 Modalities for determination of the amount of the Transaction and evaluation of its consistency with market values related to similar transactions.**

As stated above, the Master Agreement is a framework agreement, that rules the future commercial relation with GNVN Group; consequently it is not possible to define *ex ante* the total amount of the Transaction, i.e. the total amounts that will be paid by GVSCBV on the bases of the annual gross volume of the turnover, taking into account that GNVN Group has no obligations to place orders of Products with Safilo Group.

Therefore, for the purposes of the Procedure, the equivalent value relevance ratio was calculated taking into consideration several parameters: (i) the revenues earned by Safilo with GVSCBV as at December 31, 2013, equal to about Euro 56,787 million and about 5% of the total turnover of Safilo Group, as at December 31, 2014, equal to about Euro 67,494 million and about 6% of the total turnover of Safilo Group, and as at March 31, 2015, equal to about Euro 24,890 million and about 8% of the total turnover of Safilo Group, as indicated in the most recent periodical accounting documents published by Safilo, and (ii) the volumes of turnover estimated based on commercial analysis, forecast evaluations and sales simulations, with reference to years 2015 e 2016, on which some discounts, bonuses and other reward systems, in compliance with the commercial policy of the Group, were applied (the “**Amount of the Transaction**”).

In order to verify if the commercial terms and conditions of the Transaction could be considered in line with the market or as standard on the basis of objective comparable elements, it has been deemed appropriate to make some analysis, also from a comparative point of view, based on the commercial relation with companies or groups whose business is the retail sale of the Products, as specified here below.

In particular, such analysis concerned:

- the commercial relation with the GNVV Group and the commercial policy adopted by Safilo with reference to Safilo’s other clients that are size-wise comparable (on the basis of specific targets) to the GNVV Group (so called **comparable clients**) that may represent Safilo’s business (with some limitations connected to the fact that the clients selected could not be totally comparable to the GNVV Group and to its territoriality);
- the verification of economic conditions agreed with a panel of other clients of Safilo and the analysis of the commercial margin achieved by the Company on the performed sales comparable with the sales to be performed in accordance with the Master Agreement (“Benchmark”). Safilo’s counterparts that were included in the panel, that is four comparable clients, were selected on the bases of their 2013 net turnover;
- the performance of commercial marginality achieved by the selected transactions and verified in the light of the above and the comparison between the commercial marginality achieved by the GNVV Group and that of the benchmark;
- the comparability of the terms and conditions of the Master Agreement with the standard or the market ones.

Based on the above, the terms and conditions of the Master Agreement and the Amount of the Transaction resulted adequate and in line with the policy applied by the Company to other unrelated parties, for commercial agreements comparable with the Master Agreement and with equivalent transactions for peculiarity, risk and entity.

*From a commercial point of view*

Safilo Group, based on its commercial policy, applies to the GNVV Group some discounts, promotions and marketing contributions as well as to other clients.

The terms and conditions of payment, applicable to the GNVV Group, are in line with those applied to comparable clients.

*From the point of view of the economic conditions – analysis of the commercial marginality*

The economic conditions, also taking into consideration the utilized reward systems and the maximum level of returns, are substantially consistent with the ones applied to other comparable clients.

It is clearly confirmed by an analysis on the overall margin and by a benchmark analysis on some specific SKU margin.

Margins of the selected SKU sold to GNVV were analysed compared with the SKUs sold and that could be sold to comparable clients, that represented the reference and comparison benchmark. The SKU were selected on the bases of some criteria:

- SKU that were bought by all the comparable clients;
- a sample of SKU sold (number of delivered units net of returns) to the GNVV Group with a number of units higher than a level considered adequate for this analysis and related to different models and brands;
- a sample of mainly sold SKU for each comparable client, related to different models.

The performance of commercial marginality compared with selected SKU was made on the bases of price lists, of the Master Agreement and of the commercial agreement with the comparable clients.

From these analysis, the commercial marginality appears substantially included between the minimum and the maximum marginality of the comparable clients.

With reference to the overall marginality analysis, it is highlighted that the commercial margin in percentage is substantially in line with the margin of the main comparable clients.

Furthermore, pursuant to the joint provisions of articles 3.1, letter (d) and 3.2, letter (b) of the Procedure, on October 30, 2014 the RPT Committee presented to the Board of Directors of the Company its favorable written opinion, concerning the Company's interest in closing the Transaction, as well as the convenience and substantial fairness of the relevant terms and conditions. Precisely, in its opinion, the RPT Committee declares the Company's interest in closing the Transaction, as well as the convenience and substantial fairness of the relevant terms and conditions.

In connection with the drafting of such opinion, and with the carrying out of its evaluations, the RPT Committee has appointed KPMG Advisory S.p.A., as its own independent advisor. In this context, on October 24, 2014 KPMG Advisory S.p.A. issued an opinion, stating that *“the commercial terms and conditions applied to GVVN are substantially consistent with the so called Arm’s length principle”*.

The terms and the scope of the mandate given to KPMG Advisory S.p.A. are the following:

- Scope of the mandate: the RPT Committee requested an opinion concerning the economic conditions of the Master Agreement, with particular reference to the aspects of the adequacy of these conditions and the fact that they can be considered standard or in line with the market;
- Working group: the mandate has been carried out under the responsibility of Mr. Stefano Giani, associate partner of KPMG Advisory S.p.A.. The working group included professionals of the legal division expert in risk management, corporate processes and corporate finance with significant experience in related parties transactions.

The independent advisor KPMG Advisory S.p.A. was selected between the most renowned international companies expert in financial consulting activities, taking into consideration that, *inter alia*, there are not significant economic, financial and property relations between KPMG Advisory S.p.A. and (i) the Company, (ii) the entities that control the Company, Safilo and other controlled companies or companies subject to common control, (iii) the directors of the companies listed above under points (i) and (ii).

Based on the declaration of independence issued by KPMG Advisory S.p.A., it is hereby pointed out that, as of the date of the present Information Document, there are not significant economic, financial and property relations, further to the compensation related to the above-mentioned assignment, between KPMG Advisory S.p.A. and the Company and/or other controlled companies and/or directors of the Company.

With reference to the essential elements of the opinion of KPMG Advisory S.p.A., that was published, it is confirmed that such information was reproduced coherently with the content of the opinion itself and there are no omissions that could make the reproduced information incorrect or misleading.

Negotiations between the parties for the signature of the Master Agreement took a long time and required additional preparatory activities and negotiations efforts.

It should be noted that on April 27, 2015, the ordinary shareholders' Meeting of the Company, based on the lists filed by its shareholders, elected the new Board of Directors which appointed the directors Eugenio Razelli, Ines Mazzilli and Guido Guzzetti, all non-executive and independent, as members of the RPT Committee (the "**RPT Committee in its New Composition**").

The RPT Committee in its New Composition examined the work carried out by the previous Related Parties Transaction Committee. In particular, the RPT Committee in its New Composition carefully and critically reviewed the work of the previous committee in order to evaluate: (i) the persistence of the grounds for the RPT Committee's favourable opinion regarding the interest of the Company in closing the Transaction; and (ii) the existence of the necessary convenience and substantial fairness of the Transaction.

The RPT Committee in its New Composition on August 4, 2015 issued its favorable opinion on the existence of the Company's interest in closing the Transaction, confirming the opinion issued on October 30, 2014 regarding the interest of the Company in the Transaction and the substantial fairness of its terms and conditions. The opinion was unanimously approved.

It is hereby specified that pursuant to article 5 of the Regulation, copy of the above-mentioned opinion issued by the RPT Committee in its New Composition, as also included in the extract of the report by KPMG Advisory S.p.A. which contains its essential elements, is attached to the present Information Document and it includes (in its attachment) the previous opinion issued by the same RPT Committee on October 30, 2014.

## **2.5 Illustration of the economic, patrimonial and financial effects of the Transaction.**

With reference to the economic effects of the Transaction for Safilo Group, it is highlighted that the Transaction is adequate to guarantee a suitable level of commercial marginality and profitability.



In consideration of the extension of the global retail structure of GNVV Group, the Transaction allows Safilo Group to maintain, implement and expand its business, reinforcing the presence of its Products on the market and the level of turnover.

## **2.6 Impact of the Transaction on the remuneration of the members of the administrative body of the Company and/or of companies controlled by the latter.**

The remuneration of the members of the corporate bodies shall not vary as a consequence of the Transaction.

It is underlined that, as indicated in the Report on the remuneration published during the current year, the remuneration of the Chief Executive Officer is also composed by an annual variable part, that shall be obtained upon achievement of set company targets, that could be influenced not by the signing of the Master Agreement, but indirectly by the volume of the business that could be achieved by signing it, that, as at December 31 2014, is equal to about 6% of the total turnover of Safilo Group (as at December 31, 2013 it was equal to 5% of the total turnover of Safilo Group).

## **2.7 Carrying out of and participation to the negotiations. Procedures for the approval of the Transaction.**

### Introduction

The signing of the Master Agreement is a part of the ordinary business of Safilo, and, more generally, of Safilo Group, in fact it is functional to the activity of the sales of Products, one of the main and typical activities generating revenues for the Group. Moreover, the ordinary nature of the Transaction can be confirmed in consideration of the characteristic of the counterpart, a primary global group operating in the field of sale of Products, of the recurring commercial relation between the Group and the GNVV Group (the Master Agreement is, in fact, an agreement that follows precedent agreements between the GNVV Group itself and Safilo Group) as well as of the contractual terms and conditions of the Master Agreement.

Notwithstanding the above-mentioned characteristic of the Transaction and the fact that the terms and conditions of the Master Agreement are standard or in line with the market ones, the Company chose to apply the Procedure (and not to avail itself of the exemption provided for by the Procedure) and it also chose to draw up this Information Document pursuant to article 5 of the Regulation, in consideration of the size of the Transaction connected to the territorial extension of the GNVV Group business.

### Carrying out of and participation to the negotiations

The negotiations with GVSCBV have been carried out by Henri Blomqvist, *Chief Commercial Officer*, supported by all the management of the Group and supervised by the Chief Executive Officer, Luisa Deplazes de Andrade Delgado, who, in compliance with the Regulation, the Procedure and the corporate best practice, have always updated all the directors, in particular the members of the RPT Committee, about the evolution of the negotiations, sending them, duly in advance, appropriate information about the essential terms of the Transaction, as determined during the negotiations and giving them the possibility to ask for information and to make their comments.

### Procedure for the approval of the Transaction

Since the Transaction exceeds the relevance thresholds set forth in the Regulation and the Procedure – and, in particular, the threshold relating to the equivalent-value relevance ratio, as the ratio between the amount the Transaction and the net equity is higher than 5% – the Transaction qualifies as "transaction with related parties of greater importance" in accordance with the Regulation.

In consideration of the fact that the Transaction is made by the controlled company Safilo, the Board of Directors of Safilo Group examined and approved the Transaction, after examining the RPT Committee's non-binding opinion, pursuant to article 3.3 of the Procedure.

In particular, pursuant to the Regulation and the Procedure, the RPT Committee was involved the preparatory activities by being timely, completely and adequately informed and updated by the management on the evolution of the ongoing negotiations aimed at the signing of the Master Agreement. The Master Agreement and all the related documentation was submitted to the RPT Committee for its prior examination, which, on October 30, 2014, expressed its favorable opinion on the same Transaction.

Later on, the Board of Directors, on November 6, 2014, with the favorable vote of the majority of the directors in attendance and with the abstention of Melchert Frans Groot's vote, non-executive director, and Jeffrey Alan Cole's vote, independent director, whom declared that, in light of the their role as members of the Supervisory Committee of GNVV and pursuant to Article 2391 of the Italian Civil Code and Article 150 of the Italian Financial Act, they were potentially bearer of a third party interest in connection with the completion of the Transaction, approved the Transaction as a whole and the terms and conditions of the Master Agreement, presented as a draft, granting the Chief Executive Officer with any and all the powers to negotiate and sign the Master Agreement, in line with the terms and conditions approved by the Board.

In execution of this resolution, the Master Agreement was signed on September 7, 2015.

Lastly, it is hereby specified that on August 4, 2015, the RPT Committee in its New Composition, after having examined the terms and conditions of the Transaction, deemed it appropriate to unanimously issue its new favorable opinion. In said last opinion, the RPT Committee in its New Composition confirmed the opinion issued on October 30, 2014 regarding the interest of Safilo in the Transaction and the convenience and substantial fairness of the relative terms and conditions.

The Board of Directors held on August 4, 2015 approved the favorable opinion of the RPT Committee in its New Composition.

*To the members of the Board of Directors of Safilo Group S.p.A. (the “**Company**”)*

Dear Sirs,

In compliance with article 8 of CONSOB Regulation no. 17221 of March 12<sup>th</sup>, 2010 and subsequent amendment no. 17389 of June 23<sup>rd</sup>, 2010, concerning transactions with related parties, and with Safilo Group TRP Regulation (herein after referred to as “**TRP Regulation**”), this Transactions with Related Parties Committee has been required to express its opinion on the signing of a framework commercial agreement (“**Master Agreement**”) between the controlled company Safilo S.p.A. (“**Safilo**”), on one side, and GrandVision N.V. (“**GVNV**”), on the other side, company controlled by HAL Holding N.V. (“**Transaction**”).

It is hereby reminded that a favourable opinion on the above-mentioned Transaction had already been expressed by the Committee in its previous composition, that also availed itself of the opinion given by KPMG Advisor S.p.A., on October 30<sup>th</sup>, 2014 and that subsequently, on November 6<sup>th</sup>, 2014, the Board of Directors of the Company, approved the Transaction as a whole as well as the terms and conditions of the Master Agreement also granting the Chief Executive Officer with all powers to sign such agreement.

Preliminary, the Committee takes note that the Master Agreement regulates the possible and future sales of sunglasses and optical frames by the Group to GNVN Group (“**GVNV Group**”), operating in the sales of the above-mentioned products, and some connected promotional activities, all that is included among the ordinary business of the Group. Moreover, the Master Agreement is part of the long-standing commercial relation between the Group and GNVN Group and its economic and commercial terms and conditions are substantially in line with those currently in force.

In particular, with the closing of the Transaction, the Company, Safilo and the Group intend to reinforce and increase the turnover and the penetration of the products into the markets where GNVN Group operates. From the strategic and entrepreneurial point of view, the Transaction seems convenient because GNVN Group has an extended retail network at a global level, suitable to permit an implementation and extension of the business of the Group, confirming and reinforcing the presence of its products on the market. From an economic point of view, the Transaction seems convenient because it guarantees an adequate level of commercial marginality and profitability for the Group.

In order to verify if the economic and commercial terms and conditions of the Transaction could be considered in line with the market or standard on the basis of objective comparable elements, it has been deemed appropriate to make some analysis, also from a comparative point of view, based on the commercial relation with companies or groups whose business is the retail sale of the products. In this regard, the Committee also examined a specific update as at June 30<sup>th</sup>, 2015 of the above-mentioned comparative analysis which, save for some differences regarding the commercial margin mainly due to the mix of supplied products, confirmed the previous results.

Based on the above-mentioned analysis, the terms and conditions of the Master Agreement and the amount of the Transaction resulted adequate and in line with the policy applied by Safilo and the Group to other unrelated parties, with reference to commercial agreements comparable with the Master Agreement and with equivalent transactions for peculiarity, risk and entity.

Lastly, the Committee examined in details the grounds for the postponement of the initial deadline for the completion of the Transaction and the signing of the Master Agreement and it deemed that they would not impact on those elements (also including the opinion issued at the time by the independent advisor) on which the opinion of the Committee in its previous composition as well as the resolution of the Board of Directors were based.

The Committee, when drawing up this opinion and making its own evaluations (i) has received all the documentation and information necessary to give a new opinion concerning the interest of the Company, of Safilo and generally of Safilo Group in completing the Transaction, as well as the convenience and substantial fairness of the relevant terms and conditions.

\* \* \*

At the end of the evaluation of the documentation made available and of the Transaction – which constitutes a "transaction with related parties of greater importance" - and with the assistance of the above-mentioned advisor's opinion, the Committee, assuming that the substantial terms and conditions of the draft of the Master Agreement made available will be confirmed, confirms its favorable opinion, concerning the interest of the Company, of Safilo as well as of the Safilo Group in completing the Transaction, as well as the convenience and substantial fairness of the relevant terms and conditions.

Milan, August 4<sup>th</sup>, 2015

Duly signed by

E. Razelli

G. Guzzetti

I. Mazzilli

Pursuant to article 5 of the Regulation, copy of the present opinion of the Transactions with Related Parties Committee, including an extract of the report issued by KPMG Advisor S.p.A. as independent advisor, shall be attached to the Information Document required by the law in force.



**Safilo Group S.p.A.**

Assistance on transactions with Related Parties

KPMG Advisory S.p.A.  
24 October 2014



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## **Private and confidential**

Safilo Group S.p.A.  
Settima Strada 15 – Zona Industriale  
35129 Padova (PD)  
To the kind attention of the Committee for Transactions with Related Parties

24 October 2014

**Subject: Assistance on transactions with Related Parties**  
*(Translation from the Italian original which remains the definitive version)*

Dear Sirs,

With respect to the engagement assigned to us on 29 September 2014, we would like to inform you that we have completed our work.

We enclose our report which sets out the assumptions and limitations of our engagement and presents the information used during our analysis as well as the valuation methods, relevant application procedures and results thereof.

## **1 Background and scope of the engagement**

Safilo S.p.A., a subsidiary of Safilo Group S.p.A. (hereinafter also the “Company”), has started the negotiation of the existing contract with the company Grandvision BV (hereinafter also “GVBV”) belonging to HAL - counterpart considered as a Related Party of the Company - in order to renew the contract for the period 2015-2016.

In this context, even compared with the regulatory requirement of the Company to ensure transparency, substantial correctness and procedural fairness in the management of this type of transaction, the Committee for Transactions with Related Parties (also referred to as the “Committee OPC”) has expressed its need for specific support aimed at analyzing the fairness of contractual terms referred to that operation and the subsequent release of an advisory report concerning the fairness of the commercial terms agreed for the period 2015/2016.

In response to the above, Safilo Group S.p.A engaged KPMG Advisory S.p.A. (“KPMG”) to verify the expected marginality related to the business with GVBV based on the terms and conditions of the agreement in the course of renewal.

## **2 Work performed**

For the purpose of the engagement, we performed the follow analyses:

- A. Benchmark analysis on expected margins on SKUs (stock keeping units) sold to GVBV:
- selection of a sample of SKU based on data provided by Safilo S.p.A related to SKU sold to GVBV during 2014;
  - for the selected SKU, re-performance of margins based on the price lists provided by Safilo S.p.A. and applying the contractual conditions foreseen in the draft version of the "Master Agreement" under subscription with GVBV.
  - for the selected SKU and for the benchmark analysis, re-performance of margins based on the price lists provided by Safilo S.p.A. and applying the trade agreements applied to the customers included in the panel;
  - for the selected SKU comparison of expect margins re-performed as above described.
- B. GVBV margin analysis:
- re-performance of the economic and financial impact underlying the adoption of the new GVBV contract for the years 2015-2016 in the three different scenarios performed by Safilo S.p.A;
  - with reference to the year 2014, re-performance of the impact of the application of the new GVBV contractual conditions against the previous ones;
  - analysis and comparison of GVBV commercial margin with the margins of other comparables identified.

Above analyses were performed based on information received by Safilo S.p.A. in relation to GVBV and other comparables' contractual terms as well as some assumptions on the projected increase in turnover.

## **3 Limitations**

KPMG has been engaged by Committee for Transactions with Related Parties of Safilo Group S.p.A. on a voluntary basis. The present opinion is provided with exclusive reference to the objectives mentioned in section 1 of the present letter.

The object of our engagement did not involve an analysis of aspects and elements inherent the commercial and strategic convenience of the transaction under analysis being this a specific responsibility of Safilo S.p.A. and Safilo Group S.p.A..

The analysis performed to verify the adequacy of the commercial terms agreed for the period 2015/2016 with GVBV were conducted on the basis of documentation provided to us by Safilo S.p.A. No further analysis was carried out in regard to the accuracy and reliability of this documentation.



KPMG has not performed any audit procedure on the financial and operating data provided by Safilo S.p.A..

The counterparties included in the panel used for the performance of the benchmark analysis have been selected from Safilo S.p.A. as representative of its customers according also to the turnover achieved with them.

The present valuation report is restricted to internal use by Safilo Group S.p.A only. This report may not be provided to other parties or quoted or referred to, in whole or in part, without KPMG's prior written consent.

## **4 Conclusions**

The valuation of the “Arm’s Length” principle of the transaction with the Related Party GVBV has been performed on commercial terms and contractual conditions under subscription for the period 2015/2016.

The “Arm’s Length” principle has been verified by re-performing the model developed by Safilo S.p.A. and by applying a benchmark analysis on a sample of SKU sold to GVBV and selected panel of comparables. The analysis has been performed at the reference date of September 2014.

The commercial terms and contractual conditions agreed with GVBV have been valued based on the draft of Master Agreement prepared by the management of Safilo S.p.A.

On the basis of the above, it is our opinion that the commercial terms and contractual conditions, set into the Master Agreement under negotiation with GVBV, are substantially aligned to the “Arm’s Length” principle.

The results mentioned above must be read with exclusive reference to the scope of our engagement and the limitations of our work as presented in the report enclosed to the present letter.

• • •

Yours faithfully,

KPMG Advisory S.p.A.

Stefano Giani  
Associate Partner

Annex: “Assistance on transactions with Related Parties – Final Report”

*TO THE MEMBERS OF THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A.*

Dear Sirs,

In compliance with article 8 of CONSOB Regulation no. 17221 of March 12<sup>th</sup>, 2010 and subsequent amendment no. 17389 of June 23<sup>rd</sup>, 2010, concerning transactions with related parties, and with Safilo Group TRP Regulation (herein after referred to as "**TRP Regulation**"), this Transactions with Related Parties Committee has been required to express its opinion on the signing of a framework commercial agreement ("**Master Agreement**") between the controlled company Safilo S.p.A. ("**Safilo**"), on one side, and GrandVision B.V. ("**GVBV**"), on the other side, company controlled by HAL Holding N.V. ("**Transaction**").

Preliminary, the Committee takes note that the Master Agreement regulates the possible and future sales of sunglasses and optical frames by the Group to GVBV Group, operating in the sales of the above-mentioned products, and some connected promotional activities, all that is included among the ordinary business of the Group. Moreover, the Master Agreement is part of the long-standing commercial relation between the Group and GVBV Group and its economic and commercial terms and conditions are substantially in line with those currently in force and valid until December 31<sup>st</sup>, 2014.

In particular, with the closing of the Transaction, the Company, Safilo and the Group intend to reinforce and increase the turnover and the penetration of the Products into the markets where GVBV Group operates. From the strategic and entrepreneurial point of view, the Transaction seems convenient because GVBV Group has an extended retail network at a global level, suitable to permit an implementation and extension of the business of the Group, confirming and reinforcing the presence of its Products on the market. From an economic point of view, the Transaction seems convenient because it guarantees an adequate level of commercial marginality and profitability for the Group.

In order to verify if the economic and commercial terms and conditions of the Transaction could be considered in line with the market or standard on the basis of objective comparable elements, it has been deemed appropriate to make some analysis, also from a comparative point of view, based on the commercial relation with companies or groups whose business is the retail sale of the Products.

Based on the above-mentioned analysis, the terms and conditions of the Master Agreement and the Amount of the Transaction resulted adequate and in line with the policy applied by Safilo and the Group to other unrelated parties, with reference to commercial agreements comparable with the Master Agreement and with equivalent transactions for peculiarity, risk and entity.

The Committee, when drawing up this opinion and making its own evaluations: (i) has received all the documentation and information necessary to give the opinion concerning the interest of the Company, of Safilo and generally of Safilo Group in completing the Transaction, as well as the convenience and substantial fairness of the relevant terms and conditions, and (ii) has availed itself of KPMG Advisor S.p.A., as its own independent advisor.

It is specified that the present opinion, as well as the opinion of the independent advisor, is issued based on the economic conditions included in the draft of the Master Agreement that is currently being negotiated between the parties and that, as a consequence, may be subject to change.

\* \* \*

At the end of the evaluation of the documentation made available and of the Transaction – which constitutes a "transaction with related parties of greater importance" - and with the assistance of the abovementioned advisor, the Committee, assuming that the substantial terms and conditions of the draft of the Master Agreement made available will be confirmed, gives its favorable opinion, concerning the interest of the Company, of Safilo as well as of the Safilo Group in completing the Transaction, as well as the convenience and substantial fairness of the relevant terms and conditions.

Padua, 30th October 2014

Duly signed by

E. Razelli

G. Ciserani

M. Jesi

Pursuant to article 5 of the Regulation, copy of the present opinion of the Transactions with Related Parties Committee, including an extract of the report issued by KPMG Advisor S.p.A. as independent advisor, shall be attached to the Information Document required by the law in force.