



REPORT ON THE REMUNERATION

**(Report drafted pursuant to Article 123-ter of the TUF and Article 84-quater
of Consob Regulation No. 11971)**

SHAREHOLDERS' MEETING April 24, 2018

REPORT ON REMUNERATION

1. Introduction

This document (hereinafter, the “**Report**”) has been drawn up in accordance with Article 123-ter of Legislative Decree No. 58 of February 24, 1998 (“**TUF**”) and Article 84-quater of Consob Regulation No. 11971 (“**Issuers’ Regulation**”), and is consistent with the provisions of Article 6 of Borsa Italiana S.p.A.’s Corporate Governance Code.

This Report was approved by the Remuneration and Nomination Committee on March 12, 2018 and by the Board of Directors on March 13, 2018.

2. Definitions

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

Annual Total Compensation: the sum of (i) the remuneration gross annual fixed component, (ii) the annual variable component which the beneficiary would receive upon reaching the targets and (iii) the yearly update of the medium-long term variable component (as performance-related equity plans or other benefits as long-term bonus), if and when made available by a decision of the Board of Directors.

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

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 regard 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.

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

Management: all Executive Directors and Managers with strategic duties.

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 adopt decisions that may affect the Company’s development and future perspectives.

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.

Gross Annual Fixed Component: the remuneration of gross annual fixed fees and/or gross annual fixed salary.

STAR: *Short Term Achievement Reward*, the annual variable component of the remuneration linked to the achievement of defined Company Performance Targets.

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

2014-2016 Stock Option Plan or 2014-2016 Plan: the stock-based remuneration plan resolved upon by Safilo's Shareholders' Meeting held on April 15, 2014, aimed, inter alia, at providing incentives for and retaining the Company's and/or its subsidiaries' Management.

2017-2020 Stock Option Plan or 2017-2020 Plan: the stock-based remuneration plan resolved upon by Safilo's Shareholders' Meeting held on April 15, 2014, aimed, inter alia, at providing incentives for and retaining the Company's and/or its subsidiaries' Management.

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 article 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 remuneration plans, if any, reserved to the members of the Board of Directors, to employees or collaborators, according to article 114-bis, TUF.

b) *The Board of Directors shall:*

- approve the remuneration policy of the Executive Directors and Managers with strategic responsibilities upon proposal of the Remuneration and Nomination Committee;

- fix the remuneration of directors with specific duties with the favourable opinion of the Statutory Auditors and upon proposal of the Remuneration and Nomination Committee, and of managers with strategic responsibilities upon proposal of the Remuneration and Nomination Committee;
 - set up an internal Remuneration and Nomination Committee;
 - approves the report on remuneration;
 - draw up, with the assistance of the Remuneration and Nomination Committee, equity or other remuneration plans, if any, and submit them to the Shareholders' Meeting for its approval, pursuant to article 114-bis, TUF;
 - implement equity or other remuneration plans.
- c) *The 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 adequacy, overall consistency and actual application 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 made up of non-executive directors, the majority of which to independent, 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;
- Robert Polet: (member): Non-Executive Director;
- Marco Jesi (member): Independent Director.

2.2 Duties

The Remuneration and Nomination Committee's duties are:

- to submit to the Board of Directors proposals and opinions on the remuneration of the managing directors and of the other directors provided with special assignments as well

as to set the performance targets linked to the variable component of their remuneration, monitoring the application of the resolutions of the Board itself and, in particular, the actual achievement of the performance objectives;

- to periodically evaluate the adequacy, overall consistency and actual application of the remuneration policy of directors and managers with strategic responsibilities, on the basis of the information provided by the managing directors and submitting general recommendations on the subject to the Board. Furthermore, the Committee recommends the fees and remunerations based on the Application Criteria 6.C.1 and 6.C.2 of the Corporate Governance Code. With reference to stock options and other share-based incentive systems, the Committee assists the Board of Directors in drafting and implementing possible awarding plans based on stock options or on other financial instruments and, in particular, (i) it expresses recommendations on the related targets and evaluation criteria, in order to correctly align the remuneration of executive managers and managers with strategic responsibilities with the medium-long term interests of the shareholders and with the targets set by the Board of Directors, (ii) it submits proposals to the Board of Directors regarding the incentive system deemed most appropriate, monitoring the actual implementation over time of the plans approved by the shareholders' meeting upon proposal of the Board of Directors and (iii) monitors the evolution and application over time of the plans approved by the Shareholders' Meeting pursuant to Article 114-bis of TUF.

Furthermore, the Committee:

- expresses opinions to the Board of Directors regarding the size and composition of the same and submits recommendations with regard to the professional skills necessary within the Board, as well as on the maximum number of offices and on derogations to the non-competition obligation pursuant to ex Article 2390 of the Italian Civil Code;
- proposes to the Board of Directors candidates in case of co-option of independent Directors, and gives guidelines to the exiting Board of Directors that decided to file its own list for the appointment of the new Board of Directors;
- carries out the preliminary activities with regard the succession plans of the executive managers;
- reports to the shareholders on its functioning and activities.

The Committee, in performing its duties, ensures appropriate functional and operational connections with the relevant corporate structures.

2.3 Operating procedures

The Committee is convened, for the performance of its duties, by the Chairman any time he/she deems it necessary – on his/her initiative or following a written request from at least one of its members – and in any case at least on a half-yearly basis or upon request of the Chairman of the

Board of Statutory Auditors or the Chairman of the Board of Directors or of the Chief Executive Officer.

The meeting is convened by registered mail delivered by hand and/or e-mail that, as a rule, must be sent to each one of the members with at least 5 days notice, or at least with a 2 days notice in case of urgency.

The Committee, however, may take valid decisions, even without a formal notice of call, if all the members are present.

The meetings of the Committee may take place via video or teleconference, on condition that it is possible to identify all participants and such identification must be reported in the related minutes and they must be able to follow the discussion of the items on the agenda and intervene in real time and exchange, if it is the case, documents.

The Chairman of the Board of Statutory Auditors attends the meetings of the Committee, he/she can designate another standing statutory auditor to be present at the meeting on his/her behalf; in any case the remaining statutory auditors are allowed to attend. Furthermore, the Chairman may – from time to time – invite to attend the meetings of the Committee, without voting rights, the Chairman of the Board of Directors and/or persons that are not members of the Committee, with reference to specific items on the agenda, as well as members of the company structure or third parties whose presence might facilitate the functioning of the Committee itself.

No director shall participate in the meetings of the Committee during which the proposals to be submitted to the Board relating to his/her remuneration are drafted, unless the proposals relate to the members of the Committees within the Board of Directors in general.

The Committee meetings are validly held if at least the majority of its members are in attendance.

The resolutions are considered valid with a favourable vote from the majority of its members. If the votes should be equal, the person chairing the meeting will have the casting vote.

The Chairman of the Committee notifies the Board of Directors of all activities it carries out at the first possible Board meeting.

Furthermore, the Committee shall report to the shareholders on the exercise of its functions; for this purpose, the Chairman or another member of the Committee should be present at the annual shareholders' meeting.

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 all key positions and functions, highly competent resources, so as to maintain proper professional standards within a highly competitive market.

The objective of this policy is to align employee' 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. In particular, the mechanisms through which economic remunerations are determined create a generally balanced remuneration structure, through a proper balancing between fixed and variable components.

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 Human Resources Department, in coordination with the Chief Executive Officer 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 must be approved by the Board of Directors, subject to the opinion or proposal of the Company's Remuneration and Nomination Committee.

At least once a year, on occasion of 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 for the fiscal year 2018, approved by the Board of Directors on December 12, 2017, upon proposal of the Remuneration and Nomination Committee, 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.

4.1 Executive Directors

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

Upon their appointment or at 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 is composed by:

- a gross annual fixed component;

- an annual variable component achievable upon reaching pre-established corporate targets (so-called STAR);
- a medium-long term variable component paid in equity instruments (performance stock option) through the allocation of stock options or in long-term bonuses, subject – *inter alia* - to the achievement of certain performance targets.

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

- an additional gross annual fixed component;
- customary benefits.

In the overall determining (and in determining each of the components) of the Executive Directors' remuneration, the Board of Directors will take into account their specific duties assigned to the former, the office held within the Company and any related responsibilities.

The annual variable component (so-called STAR) allows an evaluation of the beneficiary's performance on a yearly basis, linking it with the performance of the Group. The STAR targets for the Chief Executive Officer are set by the Board of Directors upon the proposal of the Remuneration and Nomination Committee and are connected to the yearly performance of Company and/or the Group. The Remuneration and Nomination Committee then checks, the year after, the performance of the director for the purpose of verifying the achievement of the STAR targets in the year before.

The Group fixes a "maximum" ceiling to the incentive payable should the target objectives be overachieved.

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 or long-term bonuses).

The Board of Directors, upon proposal of the Remuneration and Nomination Committee, may grant an extraordinary bonus (also called signing bonus) to such directors in connection with specific operations of strategic importance and/or impact on the Company's and/or the Group's results and management requirements.

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 boards of directors.

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

- the fixed component generally weighs between 40% and 50% of the Annual Total Compensation;

- the (annual) STAR incentive corresponds to a percentage of the gross annual fixed remuneration weighing up to 100% of said remuneration, corresponding approximately to a range between 40% and 50% with respect to the Annual Total Compensation;
- the annualized medium-long term variable component (performance-related equity plans or long-term bonus) weighs between 4% and 10% of the total variable component (STAR incentive and medium-long term variable component) of the Annual Total Compensation, corresponding to a range between approximately 2% and 10% of the Annual Total Compensation.

4.2 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 consists the following elements:

- a gross annual fixed component;
- an annual variable component on the achievement of the pre-established corporate targets (so-called STAR);
- 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.

As it happens for Executive Directors, also with reference to the variable components, the STAR targets for Managers with strategic responsibilities (who are not Executive Directors) are set by the Board of Directors upon the proposal of the Remuneration and Nomination Committee, assisted by the Human Resources Department and the Group Management Control Department. These targets are connected to the Company's and/or the Group's performance. The Remuneration and Nomination Committee checks then, the year after, the performance of the manager for the purpose of the verifying the achievement of the STAR targets in the year before.

The Group fixes a “maximum” ceiling to the incentive payable should the target objectives be overachieved.

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 Board of Directors, upon proposal of the Remuneration and Nomination Committee, may grant an extraordinary bonus (also as signing bonus) to such managers in connection with specific operations of strategic importance and/or impact on the Company's and/or the Group's results and management requirements.

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

- the fixed component's weight generally ranges between 55% and 67% of the Annual Total Compensation;
- the (annual) STAR incentive, as managers of the Group, is equal to a pre-determined percentage of the gross annual fixed remuneration as manager, whose weight generally is approximately 50% of said remuneration, corresponding approximately to a range between 25% and 40% with respect to the Annual Total Compensation;
- the annualized medium-long term variable component (performance-related equity plans) weights approximately between 4% and 15% of the total variable component (STAR incentive and medium-long term variable component) of the Annual Total Compensation, corresponding to a range between approximately 2% and 10% of the Annual Total Compensation.

4.3 Remuneration of Non-Executive Directors

The remuneration of non-executive directors consists exclusively of a gross annual fixed component, established by the shareholders' meeting at the time of their appointment, without any additional variable components.

For more details, please refer to Paragraph 12 below.

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 assignment of company cars for mixed use and housing.

6. 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 performance targets in order to allocate the short-term part of the variable components of the remuneration of the Chief Executive Officer and of the Managers with strategic responsibilities, please refer to details contained in previous Paragraphs 4.2 and 4.3.

7. Consistency of the remuneration policy with the pursuit of the Company's long-term interests

The objective of the remuneration policy is to align employees' 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.

8. 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

With reference to the vesting of the options under the 2010-2013 Plan, the 2014-2016 Plan and the 2017-2020 Plan, reference should be entirely made to the informative documents drawn up pursuant to Article 84-bis of the Issuers' Regulation and available on the Company's web site, in the Investors Relations/Corporate Governance section.

9. 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 2010-2013 Plan, the 2014-2016 Plan and the 2017-2020 Plan do not provide for any clause regarding the holding of these instruments in the portfolio after their acquisition.

10. 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, the 2014-2016 Stock Option Plan and the 2017-2020 Stock Option Plan, reference should be entirely made to the informative documents drawn up pursuant to article 84-bis of the Issuers' Regulation and available on the Company's web site, in the *Investors Relations/Corporate Governance* section.

11. Insurance, social security or pension covers other than mandatory ones

In line with the market, and with reference to the Chief Executive Officer and the Managers with strategic responsibilities, the Group provides for social security, life insurance and health schemes for accidents and sickness, so-called D&O (*Directors & Officers*) Liability, with respect to third-party civil liability, reviewed during the year 2015.

The remuneration package of non-executive directors includes an insurance policy, so-called D&O (*Directors & Officers*) Liability, with respect to third-party civil liability.

12. 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 consists exclusively of a gross annual fixed component, not depending on the issuer's economic results, established by the Shareholders' meeting on April 27, 2015 and equal to 50 thousand EURO 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.

13. Definition of the remuneration policy

The analysis of the positioning, composition and more generally of the competitiveness of the Executive Directors' remuneration is made by Remuneration and Nomination Committee and by the Board of Directors based on market data and studies provided by independent external specialised companies.

SECTION II

Part I

1) Representation of each of the items comprising remuneration

Part I herein provides a suitable representation of each of the items comprising the remuneration of members of the Board of Directors, Statutory Auditors and and Managers with strategic responsibilities.

The tables of Part II provide an analytical presentation of the compensation paid during the reference year; the information is nominative for members of the Board of Directors and Statutory Auditors, aggregated data is instead provided for Managers with strategic responsibilities.

(a) Fixed compensation

It specifies the emoluments of competence resolved by the shareholders' meeting, compensation received as Chairman, compensation received as Financial Reporting Manager and fixed salary form employment gross of tax and social security expenses to be paid by the employee.

(b) Compensation for participation in committees

It specifies the emoluments received as Chairman or members of one of the Committees of the Board of Directors.

(c) Bonuses and other incentives

It includes the short-term part of the variable components, even if not yet paid during the year for objectives achieved during the year according to STAR.

(d) Profit sharing

Not applicable.

(e) Non-monetary benefits

It includes the sum of the counter-value of fringe benefits for the 2017 financial year.

(f) Other compensation

It indicates additional compensations as member of the Supervisory Committee and *una tantum* payments to neutralize fiscal effects on benefits.

(g) Fair value of equity compensation

It indicates the fair value on the assignment date of compensation that is competent of the year, against the 2010-2013 Stock Option Plan, the 2014-2016 Stock Option Plan and the 2017-2020 Stock Option Plan, estimated according to international accounting standards.

(h) Indemnity for end of position or cessation of employment relationship

Not applicable.

2) Incentive plans based on financial instruments

For any information on the 2010-2013 Stock Option Plan, the 2014-2016 Stock Option Plan and the 2017-2020 Stock Option Plan, reference should be made to the informative documents drawn up pursuant to Article 84-*bis* of the Issuers' Regulation, available on the web site in the *Investors Relations - Corporate Governance* section.

3) Agreements providing for indemnities in the event of early termination of employment

At the end of the financial year closed at December 31, 2017, the original agreement entered into by the Company and the Chief Executive Officer (signed on September 15, 2013 and renewed on October 18, 2016) was in place, aimed 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, the agreement provided for an indemnity accrued upon occurrence of some additional circumstances and which consisted in the following "exit package": (i) a notice period equal to 6 (six) months, during which the Chief Executive Officer would have remained available to perform corporate offices in the company bodies and in some companies of the Group; (ii) the payment of a gross amount equal to 12 months of the fixed fees of the Chief Executive Officer for his offices in the corporate bodies of the Issuer or of Safilo S.p.A., in addition to 12 month fixed salary as Safilo S.p.A.'s employee; (iii) both the long-term bonuses for the Chief Executive Officer, for a total amount equal to EURO 3,000,000.00 (three millions/00), to be paid according to the deadlines initially set by the bonus allocation plan.

It is hereby pointed out that the Chief Executive Officer Ms Luisa Delgado has decided to retire starting from February 28, 2018.

Pursuant to the termination agreement entered with the former Chief Executive Officer, approved by the Board of Directors of the Company with the favorable opinion of the Remuneration and Nomination Committee, the Transactions with Related Parties Committee and the Board of Statutory Auditors, in line with the remuneration policy in force, the Company will pay to the former Chief Executive Officer: (i) as exit incentive relating to the mutual termination of her employment relationship, the gross amount of EURO 500,000, to be paid upon satisfaction of certain conditions, including the execution of a Verbale di Conciliazione pursuant to Article 2113, paragraph 4, of the Italian Civil Code; (ii) as consideration for the non-competition and non-solicitation undertakings assumed by the former Chief Executive Officer for a period of six months, EURO 200,000, to be paid in four equal installments the last of which in December 2018; (iii) as settlement consideration, the gross amount of EURO 300,000, out of which EURO 280,000 gross in relation to the corporate offices and EURO 20,000 in relation to the employment relationship, to be paid upon satisfaction of the aforementioned conditions.

The former Chief Executive Officer will maintain the stock options already vested on the date of effect of the termination of the relationship (i.e. no. 70,000 stock options) and the following non-monetary benefits: (i) company car for one month; (ii) apartment for ten months and (iii) insurance coverage up to December 31, 2018.

With specific reference to the non-competition obligation, the former Chief Executive Officer undertook not to engage in any activity in the competing business (i.e. designing, manufacturing and distributing prescriptions frames, sunglasses and sports eyewear) or for competitors within the territory of Italy, France, Austria, Germany, Japan, United States, China and Switzerland.

At the end of the financial year closed at December 31, 2017 (except for what above indicated), 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 which provides for the entering into advisory agreements for a period of time following the termination; there is also no agreement providing compensation for non-compete clauses.

With regard to the consequences of termination on the rights granted under the 2010-2013 Stock Option Plan, 2014-2016 Stock Option Plan and the 2017-2020 Stock Option Plan, reference should be entirely made to the informative documents drawn up pursuant to article 84-*bis* of the Issuers’ Regulation, 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					
ROBERT BRAM POLET	Chairman of the BoD of Safilo Group S.p.A. up to April 26th, 2017 and director	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				73,333	15,000					88,333		
(II) Compensation paid by subsidiaries and associates												
(III) Total				73,333	15,000					88,333		
LUISA DEPLAZES DE ANDRADE DELGADO	Chief Executive Officer	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				650,000				88,639	69,657	808,296	37,050	
(II) Compensation paid by subsidiaries and associates				150,000						150,000		
(III) Total				800,000				88,639	69,657	958,296	37,050	
JEFFREY ALAN COLE	Director	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				50,000	21,000					71,000		
(II) Compensation paid by subsidiaries and associates												
(III) Total				50,000	21,000					71,000		
MELCHERT FRANS GROOT	Director	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				50,000	15,000					65,000		

(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												
(III) Total				50,000	15,000					65,000		
MARCO JESI	Director	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				50,000	25,000					75,000		
(II) Compensation paid by subsidiaries and associates												
(III) Total				50,000	25,000					75,000		
EUGENIO RAZELLI	Chairman of the BoD of Safilo Group S.p.A. from April 26th, 2017 and Director	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				216,667	14,000				3,333	234,000	13,819	
(II) Compensation paid by subsidiaries and associates									3,333	3,333		
(III) Total				216,667	14,000				6,666	237,333	13,819	
INES MAZZILLI	Director	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				50,000	38,000				6,667	94,667		
(II) Compensation paid by subsidiaries and associates									16,667	16,667		
(III) Total				50,000	38,000				23,334	111,334		
GUIDO GUZZETTI	Director	Year 2017	Approval of the financial statements 2017									
(I) Compensation paid by the company that prepares the financial statements				50,000	25,000					75,000		

(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												
(III) Total				50,000	25,000					75,000		
1	Managers with strategic responsibilities	Year 2017										
(I) Compensation paid by the company that prepares the financial statements				438,431		23,513		12,611	3,082	477,637	11,055	
(II) Compensation paid by subsidiaries and associates												
(III) Total				438,431		23,513		12,611	3,082	477,637	11,055	
PAOLO NICOLAI	Chairman of Statutory auditors	Year 2017	Approval of the financial statements 2016									
(I) Compensation paid by the company that prepares the financial statements (Q1 2017 MANDATE 2014-2016)				19,000						19,000		
(II) Compensation paid by subsidiaries and associates				19,000						19,000		
(III) Total				38,000						38,000		
CARMEN PEZZUTO	Chairman of Statutory auditors	Year 2017	Approval of the financial statements 2019									
(I) Compensation paid by the company that prepares the financial statements				57,000						57,000		
(II) Compensation paid by subsidiaries and associates				40,000						40,000		
(III) Total				97,000						97,000		
FRANCO CORGNATI	Standing statutory auditor	Year 2017	Approval of the financial statements 2019									
(I) Compensation paid by the company that prepares the financial statements				38,000					10,000	48,000		
(II) Compensation paid by subsidiaries and associates				50,000					20,000	70,000		
(III) Total				88,000					30,000	118,000		

(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					
BETTINA SOLIMANDO	Standing statutory auditor	Year 2017	Approval of the financial statements 2019									
(I) Compensation paid by the company that prepares the financial statements				38,000						38,000		
(II) Compensation paid by subsidiaries and associates				50,000						50,000		
(III) Total				88,000						88,000		

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
Luisa Deplazes de Andrade Delgado	CEO																
(I) Compensation paid by the company that prepares the financial statements		Plan 2014-2016 (SM 15/04/2015)	230,000	12.32	From 31/12/2016 ¹ to 31/05/2024										90,000	140,000	20,467
		Plan 2017-2020 (SM 26/04/2017)				60,000	6.54	From 31/12/2019 ² to 31/05/2025	65,197	RNC 14.03.2017 BoD 26.04.2017	6.54					60,000	16,582
(II) Compensation paid by subsidiaries and associates																	
(III) Total			230,000			60,000			65,197						90,000	200,000	37,049
Eugenio Razelli	Chairman BoD Safilo Group SpA since 24/04/2017 and Directors																
(I) Compensation paid by the company that prepares the financial statements		Plan 2017-2020 (SM 26/04/2017)				50,000	6.54	From 31/12/2019 ³ to 31/05/2025	54,331	BoD 26.04.2017	6.54					50,000	13,819

¹ 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 31/12/2016

² 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 31/12/2019

³ 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 31/12/2019

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
(II) Compensation paid by subsidiaries and associates																	
(III) Total						50,000			54,331							50,000	13,819
1	Manager with strategic responsibilities																
(I) Compensation paid by the company that prepares the financial statements		Plan 2014-2016 (SM 15/04/2015)	110,000	11.72	From 31/12/2016 ⁴ to 31/05/2024										75,000	35,000	
		Plan 2017-2020 (SM 26/04/2017)				40,000	6.54	From 31/12/2019 ⁵ to 31/05/2025	43,465	RNC 14.03.2017 BoD 26.04.2017	6.54					40,000	11,055
(II) Compensation paid by subsidiaries and associates																	
(III) Total			110,000			40,000			43,465						75,000	75,000	11,055

⁴ 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 31/12/2016

⁵ 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 31/12/2019

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	
Luisa Deplazes de Andrade Delgado	CEO								
(I) Compensation paid by the company that prepares the financial statements									
(II) Compensation paid by subsidiaries and associates									
(III) Total									
1	Managers with strategic responsibilities								
(I) Compensation paid by the company that prepares the financial statements									
(II) Compensation paid by subsidiaries and associates			23.513						
(III) Total			23.513						

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
Directors						
Eugenio Razelli	Chairman	SAFILO GROUP S.p.A.	-	-	-	-
Luisa Deplazes de Andrade Delgado	CEO	SAFILO GROUP S.p.A.	38,008		-	38,008
Jeffrey A. Cole	Director	SAFILO GROUP S.p.A.	3,250		-	3,250
Melchert Frans Groot	Director	SAFILO GROUP S.p.A.	-	-	-	-
Guido Guzzetti	Director	SAFILO GROUP S.p.A.	-	-	-	-
Marco Jesi	Director	SAFILO GROUP S.p.A.	-	-	-	-
Ines Mazzilli	Director	SAFILO GROUP S.p.A.	-	-	-	-
Robert Polet	Director	SAFILO GROUP S.p.A.	-	-	-	-
Board of statutory auditors						
Carmen Pezzuto	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.	-	-	-	-

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.	5,000	5,000	-	10,000