



## **REMUNERATION AND NOMINATION COMMITTEE**

### **REGULATIONS**

*September 2018*

#### **ARTICLE 1 - PRELIMINARY PROVISIONS**

These regulations ("**Regulations**"), define the composition, the appointment, the duties and the operating rules of the remuneration and nomination Committee ("**Committee**"), that was formed within the Board of Directors of SAFILO GROUP S.p.A (the "**Company**").

#### **ARTICLE 2 - COMPOSITION**

The members of the Committee are appointed and may be dismissed by means of a resolution of the Board of Directors.

The Committee is composed of at least three independent directors, or, alternatively, of non-executive directors, the majority of which are independent.

At least one member of the Committee must have adequate experience in finance and remuneration policies, his/her experience shall be evaluated by the Board of Directors upon his/her appointment.

Except for resignation or revocation, the members of the Committee remain in office for a three-year period, corresponding to the office term of the Board of Directors that has appointed them. Any directors appointed as replacement of the original members will expire together with those in office at the time of their appointment.

#### **ARTICLE 3 - CHAIRMANSHIP**

The Committee appoints a Chairman from among its members who are independent directors. It is the Chairman's responsibility to convene and lead the meetings, coordinating and planning the Committee activities.

#### **ARTICLE 4 - MEETINGS**

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.

Its meetings are held at the registered office of the Company or in another location chosen by the Chairman.

The notice, including the date, time and location of the meeting as well as the list of the items to be discussed, shall be by email to each one of the members with at least a 5 day notice, or at least a 2 day notice in case of an emergency.

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

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.

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.

The Chairman presides over the Committee meetings, in his/her absence or impediment the oldest member will take the chair and 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. In the performance of its duties, the Committee is entitled to have access to the Company information and functions necessary for the performance of its tasks, as well as to consult with external advisors of its choice and at the Company's expenses, (provided that they are bound by a confidentiality agreement) and on condition that their independence and lack of conflicts of interest have been verified, chosen among subjects of renowned professionalism and competence.

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.

#### **ARTICLE 5 - RESOLUTIONS**

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

The resolutions of the Committee 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.

#### **ARTICLE 6 - MINUTES**

Minutes must be taken of the meetings of the Committee which, transcribed in the book held for this purpose, must be signed by the person chairing the meeting and the secretary appointed from time to time, even from among those who are not members of the Committee.

The minutes of the meetings of the Committee are filed in chronological order. Copy of the minutes shall be sent to the members of the Committee and to the standing members of the Board of Statutory Auditors.

#### **ARTICLE 7 - REPORTING**

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 is present at the annual shareholders' meeting.

#### **ARTICLE 8 - REMUNERATION**

The members of the Committee have the right to be reimbursed for expenses incurred for reasons relating to their office and the Board of Directors may accord additional remuneration to the members.

#### **ARTICLE 9 - FINANCIAL RESOURCES**

Financial resources, adequate to the performance of its duties, shall be made available to the Committee. To this end, the Board of Directors may alternatively resolve to allocate an ad hoc budget to the Committee or, from time to time, to pay for expenses that could be needed.

#### **ARTICLE 10 - DUTIES OF THE REMUNERATION COMMITTEE**

The Committee performs the functions set forth by the Corporate Governance Code with reference to both the remuneration and nomination themes.

With specific reference to the remuneration themes, the Committee's duties are:

- (i) to submit to the Board of Directors a policy for the remuneration of the directors and of the managers with strategic responsibilities;
- (ii) 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;
- (iii) 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 director with regard to the implementation of this policy in relation to managers with strategic responsibilities and submitting general recommendations on the subject to the Board;
- (iv) with reference to stock options and other share-based incentive systems for executive directors and managers with strategic responsibilities, it submits proposals to the Board of Directors regard-

ing their use and any relevant technical aspects related to their preparation and implementation, monitoring the actual implementation over time of the plans approved by the shareholders' meeting upon proposal of the Board of Directors.

With specific reference to the nomination themes of the Board of Directors, the Committee's duties are:

- (i) to express opinions to the Board of Directors regarding the size and composition of the same, also by assisting the Board in the self-evaluation process of the Board itself and the internal Committees, and to submit recommendations with regard to the managerial and professional profiles necessary within the Board;
- (ii) to express opinions to the Board of Directors regarding the limits on the maximum number of offices in the management and control bodies of other companies which is considered compatible with an effective performance of the directors' duties;
- (iii) to submit recommendations to the Board of Directors with regard to any critical issue related to the non-competition obligation of the directors pursuant to Article 2390 of the Italian Civil Code if the shareholders' meeting, when dealing with organisational needs, has authorised on a general, preventive basis, derogations from such rule;
- (iv) to propose to the Board of Directors candidates for the Board, in compliance with the relevant provisions of the Articles of Association, taking into account any suggestions received from the shareholders:
  - a. in case of co-option of independent Directors,
  - b. if, in the event of renewal of the Board of Directors, it is foreseeable that it is not possible to draw from the lists received by the shareholders the number of directors requested, so that the exiting Board can in this case submit its candidates to the shareholders' meeting;
  - c. where, in the event of a renewal of Board of Directors, the exiting Board of Directors decides to file its own list for the appointment of the new Board of Directors;
- (v) to carry out the preliminary activities with regard the succession plans of the executive managers.

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

#### **ARTICLE 11 - AMENDMENTS**

These Regulations may be amended by resolution of the Board of Directors, which may, from time to time, delegate to its members any power to amend these Regulations, within specific limits of their powers.

The Committee periodically verifies the adequacy of the present Regulations and submits to the Board of Directors any proposal for amendment or integration.