



***REGULATIONS***

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

Approved by the Board of Directors on 15 December 2020

## **INTRODUCTION**

These Regulations govern the role, composition, organization and functioning of the Board of Directors of Safilo Group S.p.A. (hereinafter “**Safilo**” or the “**Company**”), as well as the main organizational aspects of Safilo’s corporate governance model, in accordance with the principles and guidelines set out in the Corporate Governance Code for listed companies, in the version in force from time to time (hereinafter the “**Code**”), adopted by the Company.

### **1. The Board of Directors**

The Company is managed by a Board of Directors consisting of between six and fifteen members, who need not be shareholders, all ensuring professional skills and competence that are appropriate to their tasks. The size of the Board of Directors shall be determined by the Shareholders’ Meeting.

The methods for the appointment of the Board of Directors through the voting list mechanism are detailed under Article 14 of the Articles of Association.

The Chairman of the Board of Directors shall be the first candidate appearing on the Directors Majority List (as defined in the Articles of Association).

Safilo’s Directors accept and hold their role insofar as they deem themselves capable of dedicating the required time to the diligent performance of their duties, bearing in mind the commitment associated with their occupational and professional undertakings, and the overall number of offices as director or statutory auditor they may hold in other companies listed on regulated markets or in large companies.

The Board of Directors may consider expressing its guidelines regarding the maximum number of offices as director or statutory auditor in other companies listed on regulated markets or in large companies that may be considered compatible with an effective performance of the Director’s duties, in this case on the basis of an opinion issued by the Remuneration and Nomination Committee.

### **2. Role of the Board of Directors**

Pursuant to Article 20 of the Articles of Association, the Board of Directors is invested with the widest possible powers for the ordinary and extraordinary administration of the Company, excluding only those powers that by law are the prerogative of the Shareholders’ Meeting.

The Board of Directors is also assigned responsibility for decisions concerning (i) mergers and demergers, in the cases envisaged by the law, (ii) the opening or closure of secondary headquarters, (iii) the reduction of share capital in the event of shareholder withdrawal, (iv) amendments to the Articles of Association to update them for statutory and regulatory requirements and (v) the transfer of the Company’s registered office within Italy.

In particular the Board of Directors, in accordance with the Code:

- a) reviews and approves the business plan of the Company and of Safilo Group, also on the basis of the analysis of matters that are relevant for the long-term value generation, carried out with the support of the competent committee;
- b) periodically monitors the implementation of the business plan and assesses the general course of the business, comparing the results achieved with those planned;
- c) defines the nature and level of risk compatible with the Company's strategic objectives, including all the elements that can be relevant for the Company's sustainable success;
- d) defines the corporate governance system of the Company and the structure of Safilo Group, and assesses the adequacy of the Company's organisational, administrative and accounting structure and of its strategically important subsidiaries, with particular reference to the internal control and risk management system;
- e) approves transactions of the Company and its subsidiaries that have a significant impact on the Company's strategies, profitability, assets and liabilities or financial position; to this end, the following are to be considered significant transactions:
  - transactions of any kind, whose value exceeds the amount of Euro 5 million or which, regardless of their value, may have a significant impact on the market or on the completeness and correctness of the information, including accounting, relating to Safilo Group. In any case, the following are to be considered significant transactions:
    - the entry into a new business sector or withdrawal from a business sector;
    - the acquisition and divestment of business or business branches;
    - the purchase or disposal of immovable property;
    - transactions with related parties of greater importance also carried out through subsidiaries;
    - atypical or unusual transactions, meaning those in which the nature or object of the transaction, although permitted under the company's purpose, present aspects of novelty and/or criticality with respect to the normal course of the company's activity.
- f) on proposal of the Chairman in agreement with the Chief Executive Officer, adopts a procedure for the internal and external management of documents and information concerning the Company, with particular reference to inside information;

- g) sets forth guidelines on board composition deemed optimal before its renewal, considering the outcome of the board evaluation on the size, composition and functioning of the Board and its committees;
- h) upon proposal of the Chairman in agreement with the Chief Executive Officer, adopts and describes in the corporate governance report a policy for managing dialogue with the generality of shareholders, taking into account the engagement policies adopted by institutional investors and asset managers;
- i) defines the delegation of managerial powers and identifies who among the executive Directors holds the position of Chief Executive Officer;
- j) adopts a diversity policy for the composition of the Board of Directors and Board of Statutory Auditors.

The Board of Directors periodically evaluates its effectiveness and the contribution made by individual Directors, supported by the Remuneration and Nomination Committee. The Board evaluation assesses the size, composition and functioning of the Board and its committees. It includes also the Board's active involvement in the definition of the Company's strategy and in the monitoring of the management of the Company's business as well as the appropriateness of the internal control and risk management system.

The Board evaluation is conducted at least every three years, before the renewal of the Board of Directors. The Board of Directors requires anyone submitting a list with a number of candidates that is higher than half the number of members to be elected to provide adequate information on the compliance of the list with the Board guidelines and with the Board diversity criteria.

The guidelines of the outgoing Board of Directors on the board composition deemed optimal, in terms of quality and quantity, also taking into account the outcomes of the Board evaluation, are published on the Company's website. Said guidelines identify the managerial and professional profiles and the skills deemed necessary, taking into account the Company's sectoral characteristics, the diversity criteria for the Board of Directors as well as the possible guidelines on the maximum number of offices.

### **3. Independent Directors**

The Board of Directors includes at least two independent Directors, other than the Chairman.

The Board of Directors assesses the independence of each non-executive Director immediately after his or her appointment. The assessment is renewed during the mandate upon the occurrence of circumstances that concern his or her independence and at least once a year.

Each non-executive Director provides all the elements necessary or useful for the assessment of the Board of Directors. On the basis of all the information available, the Board of Directors considers any circumstance that affects or could affect the independence of the Director.

The circumstances that jeopardise, or appear to jeopardise, the independence of a director are at least the following:

- a) if he or she is a significant shareholder of the Company;
- b) if he or she is, or was in the previous three financial years, an executive director or an employee:
  - of the Company, of its subsidiary having strategic relevance or of a company subject to joint control;
  - of a significant shareholder of the Company;
- c) if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):
  - with the Company or its subsidiaries, or with their executive directors or top management;
  - with a subject who, also together with others through a shareholders' agreement, controls the Company; or, if the control is held by a company or another entity, with its executive directors or top management;
- d) if he or she receives, or received in the previous three financial years, from the Company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the Board of Directors and for the membership in the committees recommended by the Code or required by law;
- e) if he or she has served on the board of the Company for more than nine years, even if not consecutive, of the last twelve years;
- f) if he or she holds the position of executive director in another company whereby an executive Director of the Company holds the office of Director;
- g) if he or she is a shareholder, quota-holder or director of a company or other legal entity belonging to the network of the independent auditors of the Company;
- h) if he or she is a close relative of a person who is in any of the circumstances set forth under the previous letters.

The following quantitative and qualitative criteria shall be applied to assess the significance of the situations set forth above under letters c) and d):

- commercial, financial or professional relationships are considered significant if the consideration exceeds at least one of the following parameters: (i) 5% of the annual turnover of the company, body, professional or consultancy firm which the Director controls or of

which he is an executive director or partner; (ii) 5% of the Director's annual income as a natural person;

- in case of a Director who is also a partner in a professional or a consulting firm, the Board of Directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event those pertaining to important transactions of the Company and of Safilo Group, even regardless of the quantitative parameters;
- the additional remuneration, with respect to the fixed remuneration for the position held within the Board of Directors and for the membership in the committees recommended by the Code or required by law, if more than Euro 50,000 per year, is considered significant;

without prejudice, however, to the discretion of the Board of Directors in assessing the specific situation taking into account the best interest of the Company, the significance of the relationship and its suitability to affect the independence of the Director.

The Chairman of the Board of Directors can be assessed as independent if none of the circumstances set forth above occurs. If the independent Chairman is a member of the Board committees recommended by the Code, such committees are made up in majority of independent directors, other than the Chairman. The independent Chairman of the Board of Directors cannot chair the Remuneration and Nomination Committee and the Control Risk Committee.

For the purposes of the assessment of independence, however, the Board of Directors may, in relation to the specific situations concerning each Director, consider any further elements deemed useful and appropriate, adopting additional and/or partially different criteria that favor substance over form, providing information about such assessments in the Corporate Governance Report.

The outcome of the assessments on the independence of Directors is disclosed to the market immediately after the appointment through a specific press release and, later, in the Corporate Governance Report.

#### **4. Committees Internal to the Board of Directors**

The Board of Directors sets up internal committees made up of three members, which are entrusted with the task of supporting the Board in the performance of its role.

In this regard, the Board of Directors has established the Control Risk Committee, the Remuneration and Nomination Committee, the Sustainability Committee and the Transactions with Related Parties Committee.

The tasks of each Committee shall be determined by means of a resolution of the Board of Directors at the time of its appointment and may subsequently be supplemented or amended by means of a resolution of the Board itself, including when amending the respective Regulations adopted by the

Board of Directors. The Board of Directors determines the composition of the Committees, giving priority to the competence and experience of its members.

The activities of the Committees are governed by specific Regulations laying down the tasks and operating procedures in relation to the tasks entrusted to them.

## **5. The Chairman and the Secretary of the Board of Directors**

The Chairman of the Board of Directors plays a liaison role between executive and non-executive Directors and ensures the effective functioning of the Board.

The Chairman ensures:

- a) that the pre-meeting information and the complementary information provided during the meeting are suitable to allow Directors to act in an informed manner; when, in specific cases, it is not possible to provide the necessary information well in advance, the Chairman shall ensure that adequate and precise in-depth discussions are carried out during the meetings;
- b) that the activity of the Board committees is coordinated with the activity of the Board of Directors;
- c) in agreement with the Chief Executive Officer, that the managers of the Company and those of the companies of Safilo Group, who are competent on the issues concerned, participate in the relevant Board meetings to provide appropriate insight on the items on the agenda, also upon request of one or more Directors;
- d) that all the members of the Board of Directors and Board of Statutory Auditors can take part, after their appointment and during their mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company operates, the Company dynamics and their evolution, also in relation to the Company's sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework;
- e) the adequacy and transparency of the Board review, with the support of the Remuneration and Nomination Committee.

The Chairman shall also ensure that the Board of Directors be in any case informed, within the first suitable meeting, about the development and the significant contents of the dialogue that has taken place with all the shareholders.

The Board of Directors, upon proposal of the Chairman, shall appoint a Secretary, who does not need to be one of its members, having adequate expertise and experience in the legal field.

The Secretary supports the activities of the Chairman, assisting him/her in the performance of his /her duties, and gives assistance and advice to the Directors, with impartiality of judgment and independence, on all aspects relevant to the proper functioning of the corporate governance system as

well as in relation to their rights, powers, duties and obligations, in order to ensure the regular exercise of their respective powers.

## **6. Lead Independent Director**

The Board of Directors appoints an independent director as lead independent director if the Chairman of the Board of Directors holds significant managerial powers.

The lead independent director, if appointed, collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones.

## **7. Meetings of Board of Directors**

The Board of Directors shall meet at least 5 times a year according to the calendar of company events approved annually or whenever the Chairman considers it appropriate, or at the request of at least two Directors, or one of the Chief Executive Officers, or at least one member of the Board of Statutory Auditors.

The Chairman or whoever is deputizing for him shall convene the Board of Directors at the registered office or elsewhere in Italy or abroad in any Country (even if it is not a member of the European Union), by sending a notice at least seven days before the date of the meeting (or two days before the date of the meeting in case of urgency).

The meetings of the Board of Directors are also valid when they are held, even exclusively, by teleconference or videoconference, under the conditions laid down in the Articles of Association.

Following the meeting, a draft copy of the minutes shall be sent to all Directors and Statutory Auditors, in order for them to make comments or observations, if any.

The final text of the minutes is then drawn up by the Secretary of the Board of Directors, shared with the Chairman and submitted for approval by the Board of Directors at the next meeting (with the exception of cases of resolutions requiring immediate implementation, for which a simultaneous approval of the minutes is provided).

## **8. Pre-reading Material**

The Chairman, with the support of the Secretary, shall ensure that the Directors and Statutory Auditors are provided with all the information necessary in order that they may knowingly express their views on the items to be discussed.

The confidentiality of the documentation supporting Board meetings is guaranteed through the use of a dedicated online platform where the documentation to be discussed during the Board of Directors is uploaded, with password-protected access.

The supporting documents shall be made available to the Directors and Statutory Auditors on the same date the Board meeting notice of call is sent out , when possible, and in any case at least two days before the Board meeting, save for exceptional justified cases when the documentation can be provided directly during the meeting.

In the event that the documentation made available is voluminous or complex, it must be usefully accompanied by a document summarising the most significant and relevant items for the purposes of the decisions on the agenda, it being understood that this document cannot be considered in any way a substitute for the complete documentation transmitted to the Directors.

The supporting documentation is prepared by the competent Function, on the basis of information/deliberative sheets that collect the main assessment elements necessary for each member of the Board to acquire the necessary knowledge for the purposes of the relevant resolution.

## **9. Duties of Directors and Confidentiality Obligations**

All Directors must act and deliberate with knowledge of the facts, autonomy of judgment and independence, taking care of the social interest and the creation of stable value over time for all shareholders.

The member of the Board of Directors who, on his/her own account or on behalf of third parties, has an interest in a given transaction submitted to the Board of Directors, promptly and comprehensively informs the other Directors and the Board of Statutory Auditors about the nature, terms, origin and scope of the interest. If it is the Chief Executive Officer, he/she must refrain from carrying out the transaction by investing the Board of Directors of the same.

Directors are bound to keep all documents and information, acquired during the course of their duties, strictly confidential, and they shall observe the rules adopted by the Company with regard to the disclosure of the aforementioned documents and information, in the manner provided for by the specific internal procedures pertaining to the management and processing of inside and confidential information as well as the pro tempore legislation in force.

## **10. Final Provisions**

Any changes to these Regulations, as well as those of the Board Committees, are approved by the Board of Directors. The Chairman may proceed directly, reporting to other Directors at the first available meeting, to make adjustments to these Regulations or to the Regulations of the Board Committees resulting from legislative or regulatory provisions, from organizational Company's changes or following specific resolutions adopted by the corporate bodies.