



Safilo Group S.p.A.

Registered office in Padova 35129 – Zona Industriale, Settima Strada no. 15

Share capital of Euro 349.943.372,53 fully paid in

Registered with the Company Register of Padova with no. 03032950242

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

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

Loan granted by the largest shareholder Multibrands Italy B.V. to the subsidiary Safilo S.p.A.

This document cancels and substitutes the previous document, stored on 13/02/2020 at 18:16, "Information document concerning a transaction with related parties of greater importance", protocol 82976_one info, amended as follows in the last two paragraphs of Paragraph 2.4:

"In order to verify whether the terms and conditions of the Transaction could be considered in line with the market, a comparative analysis was carried out, starting from the qualifying characteristics of the Transaction and precisely: the nature of the subordinated loan, Safilo's faculty not to pay the interest accrued at the end of each period and to proceed with the related capitalization (so-called PIK interest), Multibrands' right to demand, instead, the payment of interest accrued at the end of each period only in

the case of particularly positive overall financial leverage, as well as the announced intention of Safilo to immediately avail itself of the aforementioned right.

Such comparative analysis continued on the basis of the information obtained from some of the Group's reference banks and market information publicly available for instruments with similar characteristics, even if not perfectly tying, collected through Bloomberg. In particular, in order to create a so-called panel, existing bonds were selected, which presented (i) PIK interest structure and (ii) subordinated or unsecured nature or with minor guarantees (II or III). Lastly, the weighted average margin by maturity of the Transaction (approx. 8.25%) was compared with the corresponding one in the Bloomberg panel (approx. 8.5%) and with the one indicated by the banks (approx. 6.75 %).

The analysis and the related discussion brought out that all the qualitative and quantitative terms and conditions of the Transaction were reasonable and the only possible, given the tight timing required by the Acquisitions and the substantial absence of appropriate financing alternatives (taking into consideration that the revolving credit facility referred to in the Bank Loan Agreement, though used in part to finance the Privé Acquisition, would not have been sufficient to cover even the whole Privé Acquisition itself) and given the reasonable comparability with the external benchmarks available. In addition, it was also taken into account that thanks to the Transaction, the Group would have, as it actually has, preserved the access to the revolving credit facility.”

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DEFINITIONS

A list of the main terms used in this Information Document is provided below.

Acquisitions	Means: <ul style="list-style-type: none">- the purchase by Safilo America, a subsidiary of Safilo, of a 61.34% stake in the capital of Prive Goods LLC, a company incorporated under the United States law active in the wholesale and retail distribution of sunglasses and optical frames, announced and finalized on February 10, 2020 (the “Privé Acquisition”); and- the purchase by Safilo America, a subsidiary of Safilo, of a 70% stake in Blenders Eyewear LLC, a company incorporated under the United States law active in the wholesale and retail distribution of sunglasses and ski goggles, announced on December 9, 2019, whose closing has not yet been completed as of the date of this Information Document (the “Blenders Acquisition”).
Bank Loan Agreement	Means the unsecured and non-subordinated loan agreement, for a total amount of Euro 150 million expiring on June 30, 2023, signed on October 26, 2018 between Safilo, as a borrower and a pool of national and international banks.
Board of Directors	Means the board of directors of the Company.
Company or Safilo Group	Means Safilo Group S.p.A., with registered office in Padua, Zona Industriale, Settima Strada no. 15, a company whose shares are listed on <i>Mercato Telematico Azionario</i> organized and managed by Borsa Italiana S.p.A..
Consob	Means the <i>Commissione Nazionale per le Società e la Borsa</i> (Italian Companies and Exchange Commission).
Group	Means the group headed by Safilo Group and composed by Safilo Group and the companies controlled by it.
Information Document	Means the information document pursuant to Article 5 of the TRP Regulation and Article 3.2, letter (f), of the TRP Procedure.

Multibrands	Means Multibrands Italy B.V, with registered office at Weena 696, 3012 Rotterdam, Netherlands, which as of the date of this Information Document holds 49. 843% of the share capital of Safilo Group.
Transactions with Related Parties Committee or TRP Committee	Means the committee for transactions with related parties appointed, in compliance with the TRP Regulation and the TRP Procedure, on April 24, 2018 and composed, at the date of the Information Document, by Ines Mazzilli (Chairman), Catherine Gérardin-Vautrin and Guido Guzzetti.
TRP Procedure	Means the procedure for transactions with related parties adopted by the Board of Directors on November 5, 2010, as subsequently amended and in force on the date of the Information Document.
TRP Regulations	Means the Regulations approved by Consob with resolution no. 17221 of March 12, 2010, containing provisions relating to transactions with related parties as subsequently amended and integrated.
Safilo	Means Safilo S.p.A. with registered office in Padua, Zona Industriale, Settima Strada no. 15, a company controlled by Safilo Group.
Safilo America	Means Safilo America Inc. with registered office in 1007 Orange Street, Wilmington, Delaware, 19801, United States, a company controlled by Safilo and fully controlled, indirectly, by Safilo Group.
Transaction	Means the financing transaction by means of a loan granted by Multibrands in favor of Safilo described in this Information Document.
Transaction of Greater Importance	Means the Related Party Transactions identified in paragraph 2 (A) of the TRP Procedure, in accordance with Article 1.1, letter a) of Annex 3 of the TRP Regulation.

INTRODUCTION

This Information Document has been drafted by Safilo Group pursuant to Article 5 of the TRP Regulations, as well as Article 3.2, letter (f) of the TRP Procedure published on the Company's website (www.safilogroup.com/it).

The Information Document has been drafted pursuant to Annex 4 of the TRP Regulations in order to provide the market with an exhaustive information framework regarding the loan granted by Multibrands to Safilo for a total amount of Euro 90,000,000 (ninety million/00), approved by the Board of Directors of Safilo Group on February 6, 2020 and functional to the Acquisitions.

The Transaction qualifies as a related party transaction as Multibrands, a subsidiary of HAL Holding N.V., holds 49.843% of the Company's share capital, which, in turn, controls Safilo. Multibrands is therefore a related party of the Company.

The Transaction is a Transaction of Greater Importance, since the ratio between the counter value of the Transaction and the consolidated net equity stemming from the Company's half-year financial report as at June 30, 2019 is equal to approximately 22.8% and therefore higher than the 5% threshold. As a result, pursuant to Article 3.3 of the TRP Procedure, Safilo Group's Board of Directors approved on February 6, 2020 the Transaction after receiving the favorable opinion of the TRP Committee issued on February 4, 2020.

The contract relating to the Transaction was signed on February 6, 2020.

The Information Document is available to the public at the Company's registered office and on the website at the address www.safilogroup.com/it.

1. Warnings

1.1 Risks associated with potential conflicts of interest arising from the Transaction with related parties

As of the date of this Information Document, Multibrands holds 49.843% of the Company's share capital, which, in turn, is the holder of all outstanding shares of Safilo equal to 95.2% of its share capital (the remaining portion of Safilo's share capital is represented by its own shares). Multibrands is therefore a related party of the Company.

The Transaction does not expose Safilo Group and the companies of the Group to particular risks connected to potential conflicts of interest, other than those typically inherent to transactions with related parties, nor to risks other than those typically inherent to financing transactions.

In accordance with the TRP Procedure, the management has updated the Committee on the negotiations relating to the Transaction on a continuous basis, sending appropriate information and giving the opportunity to request information and make comments.

On February 4, 2020 the TRP Committee issued its favorable opinion on the interest of the Company and of the companies of the Group in the signing of the loan agreement, as well as to the convenience and substantial correctness of its underlying terms, attached to this Information Document under Annex A.

2. Information on the Transaction

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

The Transaction consists of an interest-bearing loan granted by the largest shareholder Multibrands in favor of the indirect subsidiary Safilo for a total amount of Euro 90,000,000 (ninety million/00) functional to the Acquisitions. In particular, Safilo, through intercompany transactions, which are excluded from the application of the provisions on Transactions with Related Parties pursuant to Article 4.1 of the TRP Procedure, has provided to Safilo America, its US subsidiary, the necessary funding to partially finance the Privé Acquisition (including ancillary costs connected to it), as well as it intends to provide it with the funding necessary to entirely finance the Blenders Acquisition (including ancillary costs connected to it) immediately before its closing.

The main terms and conditions of the Transaction are listed below.

Terms and conditions of the Transaction	
Amount of the loan	Euro 90,000,000
Purpose of the loan	Financing of the Acquisitions.
Conditions and timing of the Transaction	The loan will be disbursed by Multibrands in favor of Safilo in two <i>tranches</i> : - Euro 30,000,000 have been made available to Safilo before the closing of the Privé Acquisition, which took place on February 10, 2020; - Euro 60,000,000 will be made available to Safilo

	<p>immediately before the closing of the Blenders Acquisition.</p>
Interest	<p>The loan accrues interest equal to the Euribor rate (with a minimum value equal to zero) plus a margin, to be paid every six months (on June 30 and December 31 of each year) and on the termination date, except as provided below.</p> <p>The initial margin, applicable for the first 12 months from the drawdown date of the corresponding <i>tranche</i>, is equal to 6% per annum; from the following year up to the termination date, the margin will be equal to 9% per annum.</p> <p>Safilo has the right not to pay interest accrued on the related payment date; in the event Safilo exercises such right, interest is capitalized and therefore added to the capital outstanding at the moment of the non-payment. Currently Safilo intends to exercise the above-mentioned right.</p> <p>If the ratio between the overall net debt on a test date falling on or after 30 June 2021 and the corresponding consolidated EBITDA for the last 12 months is lower than 1.25x, the right to capitalize interest ceases and the interest accrued from such date becomes due and payable on the related payment date.</p>
Subordination	<p>The contract relating to the Transaction establishes that the loan is subordinated in the repayment of the capital to the Bank Loan Agreement.</p>
Guarantees	<p>The Transaction does not provide for the establishment of personal guarantees and/or security interests.</p>
Financial Covenants	<p>The loan provides for the compliance with the covenants related to the ratio between (i) the net financial debt and the corresponding consolidated EBITDA for the last 12 months (<i>i.e. "Leverage Ratio"</i>) as well as between (ii) EBITDA and net interest at consolidated level (<i>i.e. "Interest Service Coverage Ratio"</i>) for the last 12 months, in both cases excluding any subordinated financial debt for the portion on which accrued interest is capitalized.</p>

	Both the <i>Leverage Ratio</i> and the <i>Interest Service Coverage Ratio</i> are tested on June 30 and December 31 of each year.
Termination date	The repayment in full of the loan by Safilo must take place on December 31, 2023. Any prepayment of the loan is subject to certain limitations, given the subordinated nature of the loan in respect to the Bank Loan Agreement, except for a prepayment funded through the proceeds of any rights issue of Safilo Group.

2.2 Indication of the related parties with which the Transaction was entered into, of the nature of the relationship and, where this is disclosed to the administrative body, of the nature and extent of the interests of these parties in the Transaction

The Transaction qualifies as a transaction between related parties pursuant to the TRP Regulations and the TRP Procedure as Multibrands, which acts as a lender, holds 49.843% of the share capital and therefore is the main shareholder of Safilo Group.

The loan was granted to Safilo, a subsidiary controlled by Safilo Group.

The Transaction has been unanimously approved on February 6, 2020 by the Company's Board of Directors, with the sole abstention of the director Melchert Frans Groot, who declared, by virtue of his role as Chairman of the Executive Board of Hal Holding N.V., which indirectly controls Multibrands, the main shareholder of the Company, to be the bearer of an interest in relation to the Transaction.

2.3 Information on the economic rationale and convenience of the Transaction for the Company

With regard to the economic motivations and convenience of the Transaction for the Company and for the Group, the Board of Directors noted that the Transaction is functional to the Acquisitions and, in particular, it has considered that the loan, which is the subject of the Transaction, can be drawn in two separate *tranches* and was the most suitable means for a fast and timely closing of the Acquisitions, in particular of the Privè Acquisition, taking into account the tight schedule of the latter compared to the Blenders Acquisition. In addition, it was considered that this loan allows Safilo to maintain the necessary flexibility, in terms of availability for any future needs, of the revolving credit line granted under the Bank Loan Agreement. It should also be noted that the available amount of this line, even if combined with existing and/or expected liquidity, would be nevertheless insufficient to cover the overall expected disbursements to finance both Acquisitions.

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

The Transaction consists of an interest-bearing loan granted by the largest shareholder Multibrands in favor of the indirect subsidiary Safilo for a total amount of Euro 90,000,000, with the final repayment date on December 31, 2023.

The Transaction's consideration is represented by the remuneration of the loan which provides for the application of interest equal to the Euribor rate (with a minimum value equal to zero) plus a margin.

The initial margin for the first 12 months from the drawdown date of the corresponding *tranche*, is equal to 6% per annum; from the following year up to the termination date, the margin will be equal to 9% per annum.

The Transaction does not involve the payment of commissions, penalties or additional charges (*e.g.*, the provision of personal guarantees and/or security interests).

In order to verify whether the terms and conditions of the Transaction could be considered in line with the market, a comparative analysis was carried out, starting from the qualifying characteristics of the Transaction and precisely: the nature of the subordinated loan, Safilo's faculty not to pay the interest accrued at the end of each period and to proceed with the related capitalization (so-called PIK interest), Multibrands' right to demand, instead, the payment of interest accrued at the end of each period only in the case of particularly positive overall financial leverage, as well as the announced intention of Safilo to immediately avail itself of the aforementioned right.

Such comparative analysis continued on the basis of the information obtained from some of the Group's reference banks and market information publicly available for instruments with similar characteristics, even if not perfectly tying, collected through Bloomberg. In particular, in order to create a so-called panel, existing bonds were selected, which presented (i) PIK interest structure and (ii) subordinated or unsecured nature or with minor guarantees (II or III). Lastly, the weighted average margin by maturity of the Transaction (approx. 8.25%) was compared with the corresponding one in the Bloomberg panel (approx. 8.5%) and with the one indicated by the banks (approx. 6.75 %).

The analysis and the related discussion brought out that all the qualitative and quantitative terms and conditions of the Transaction were reasonable and the only possible, given the tight timing required by the Acquisitions and the substantial absence of appropriate financing alternatives (taking into consideration that the revolving credit facility referred to in the Bank Loan Agreement, though used in part to finance the Privé Acquisition, would not have been sufficient to cover even the whole Privé Acquisition itself) and given the reasonable comparability with the external benchmarks available. In addition, it was also taken into account that thanks to the Transaction, the Group would have, as it actually has, preserved the access to the revolving credit facility.

2.5 Illustration of the economic, patrimonial and financial effects of the Transaction

The Transaction qualifies as a Transaction of Greater Importance pursuant to the TRP Procedure adopted by the Company, as the index of relevance of the value of the same Transaction, *i.e.* the ratio between the counter value of the Transaction and the consolidated net equity stemming from the Company's half-year financial report as at June 30, 2019 is higher than the 5% threshold (being equal to circa 22.8%).

The economic effects of the Transaction consist of an increase in the financial expenses, for an amount on an annual basis resulting from the application of the Euribor rate (with a minimum value equal to zero) and the margin applicable to the two *tranches* of the loan, according to the respective drawdown date.

The balance sheet and financial effects of the Transaction consist of an increase in total financial debt for Euro 90,000,000 and for the additional amounts relating to capitalized interest.

2.6 Impact of the Transaction on the remuneration of the members of the administrative body of the Company and/or of its subsidiaries

The Transaction does not entail any change to the remuneration of the members of the administrative body of the Company, or of any of its subsidiaries.

2.7 Information relating to the financial instruments of the Company held by the members of the administrative and control bodies, general managers and executives of the Issuer possibly involved in the Transaction and to the interests of the latter in extraordinary transactions

The Transaction does not involve members of the administrative and control bodies or executives of the Company.

2.8 Indication of the bodies or directors who conducted or participated in the negotiations

Pursuant to Article 3.3 of the TRP Procedure in the event that the transaction carried out by the subsidiary appears to be a Transaction of Greater Relevance, it must be submitted to the Board of Directors of Safilo Group, called to resolve upon it after obtaining the opinion of the TRP Committee.

The negotiations relating to the Transaction have been conducted by the Group's management which, in compliance with the TRP Regulations and the TRP Procedure, kept the TRP Committee updated on the evolution of the negotiations on a continuous basis, sending all the necessary information and with the possibility to request information and to make observations.

The Company's Board of Directors examined and approved the Transaction on February 6, 2020, after obtaining the favorable opinion of the Transactions with Related Parties Committee of February 4, 2020, relating to the Group's interest in the Transaction, as well as to the convenience and substantial correctness of the related terms and conditions. A copy of the above-mentioned opinion is attached to this Information Document under Annex A.

The Company's Board of Directors unanimously approved the Transaction, with the sole abstention of the director Melchert Frans Groot, who declared, by virtue of his role as President of the Executive Board of Hal Holding N.V., which indirectly controls Multibrands, the main shareholder of the Company, to be the bearer of an interest in relation to the Transaction.

The contract relating to the Transaction was signed on February 6, 2020.

2.9 If the relevance of the Transaction derives from cumulating multiple transactions carried out during the year with the same related party, or with subjects related both to the latter and to the Company, the information indicated in the previous points must be provided with reference to all the aforementioned operations

The relevance of the Transaction, which is the subject of this Information Document, does not derive from the accumulation of multiple transactions carried out during the year with the same related parties or with related parties, neither to the latter nor to the Company.

ANNEX A