



**DIRECTORS' EXPLANATORY REPORT FOR THE SHAREHOLDERS'
MEETING OF SAFILO GROUP S.P.A. CALLED FOR 28TH APRIL 2008 IN
THE FIRST CALL AND 30TH APRIL 2008 IN THE SECOND CALL**

**(Report prepared in accordance with article 3 of the Ministerial
Decree of November 5th 1998 n. 437)**

SHAREHOLDERS' Meeting 28/30 April 2008

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Notice of call of Shareholders' annual meeting

(notice published in the newspaper "Corriere della sera" on 15th March 2008)

The Shareholders are hereby invited to attend the Shareholders' Annual Meeting in Padova, Settima Strada 15, to be held on 28th April 2008 at 11.00am in first call and, if necessary, on 30th April 2008 in second call, in the same place and at the same time, to discuss and deliberate the following

Agenda:

1. *Financial statements at 31st December 2007; Presentation of the consolidated financial statements at 31st December 2007; Reports from the Directors, from the Board of auditors and from the Auditing company; Related and consequent matters*
2. *Appointment of the Board of Directors and its Chairman, following determination of the number of members and of remuneration for the entire duration of the period of office; Related and consequent matters*
3. *Appointment of the Board of Auditors and its Chairman, following determination of remuneration for the entire duration of the period of office.*

Documentation

The proposals of the Board of Directors for the subjects on the agenda, including the Financial Statements and the consolidated Financial Statements at 31st December 2007 and relative Reports, will be made available to the public at least 15 days before the date fixed for the first call, at the Company's headquarters, at Borsa Italiana S.p.A. and also on the company website at www.safilo.com. The shareholders are entitled to obtain a copy of the above.

Instructions

In accordance with the law and article 10 of the Corporate By-laws, the Shareholders have the right to participate if, at least two working days before the Shareholders' meeting, they have registered with the company the appropriate communication issued by authorised intermediaries and have not withdrawn it before the meeting takes place, as provided for by art. 85, 4° co., D. Lgs. 24/02/1998 n. 58 and article 34-*bis* of the Delibera Consob n. 11768 issued on 23/12/1998.

Each Shareholder can be represented in compliance with the provisions of the law.

List vote for the appointment of the Board of Directors

With reference to point 2 of the agenda, it is hereby underlined that, as prescribed by article 14 of the Corporate By-laws:

- The Board of Directors is appointed on the basis of lists presented by shareholders who own, alone or together with others, at the time of presenting the list and through until the date of the meeting, at least 2% of the share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, and who must give proof of their ownership of the number of shares required for list presentation by the same date;
- The lists of the candidates, listed with a sequential number up to 15, must be signed by those presenting them and filed at the Company's registered headquarters at least 15 days in advance of the date set for the first calling of the Shareholders' Meeting.
- The documentation and the statements indicated in art. 14, letter A) of the Company By-Laws must be filed by the same deadline together with each list;
- Each shareholder entitled to do so may present or participate in the presentation of only one list and each candidate may appear in only one list, otherwise they will be disqualified. Lists presented which are not in accordance with the prescriptions contained in art. 14, letter A), of the Company By-Laws shall be treated as if they had not been presented.

For any other information concerning the means of preparing, presenting and voting lists, please refer to art. 14 of the Company By-Laws, available at the Company's registered headquarters, the secondary headquarters and published on the company website www.safilo.com.

List vote for the appointment of the Board of Auditors

With reference to point 3 of the agenda, it should be remembered that, as prescribed by article 24 of the Company By-Laws:

- The Board of Auditors is appointed on the basis of lists presented by shareholders who own, alone or together with others, at the time of presenting the list and through until the date of the meeting, at least 2% of the share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings and who are registered as such in the shareholder register at the time of presenting the list and through until the date of the meeting, with the exception as prescribed in article 24, letter B) of the Company By-Laws if only one list is presented, or those presented are by shareholders associated with one another;
- The lists, indicating the names of the candidates for the office with a sequential number and signed by the shareholders presenting them, shall be filed at the Company's registered headquarters at least 15 days in advance of the date set for the first calling of the Meeting, with the exception as prescribed by article 24, letter B), of the By-Laws if

only one list is presented or those presented are by shareholders associated with one another. The lists presented must be accompanied by the documentation and the statements indicated in detail in art. 24, letter A) of the Company By-Laws;

- Each person entitled to do so may present and vote only one list, directly and indirectly. Lists presented which are not in accordance with the prescriptions contained in art. 24, letter A), of the Company By-Laws shall be treated as if they had not been presented

For any other information concerning the means of preparing, presenting and voting lists, please refer to art. 24 of the Company By-Laws, available at the Company's registered headquarters, the secondary headquarters and published on the company website www.safilo.com.

To assist the checking of the documentation relative to lists for the appointment of the Board of Directors and the Board of Auditors, shareholders filing lists are hereby invited to send the aforementioned documentation by post to SAFILO GROUP S.p.A. - Direzione Affari Legali e Societari - Settima Strada n. 15, 35129 Padova, or by fax to fax no. 0039 049 698 7173.

* * *

In view of the share composition of the company and what has occurred on previous occasions, it is already foreseen that the Shareholders' Meeting will convene and deliberate on 30th April 2008, in second call.

Padua, 15th March 2008

on behalf of the Board of Directors
Chairman: Vittorio Tabacchi

Explanatory Report

Dear Shareholders,

We have made available, at the company's registered offices, its secondary offices, and at the offices of Borsa Italiana S.p.A., in accordance with article 3 of the Ministerial Decree of November 5th 1998 n. 437, a report on the proposals regarding the subjects of the agenda for the General Shareholders' Meeting, at which you have been called to participate and which will be held at the company's secondary offices in Padova – Settima Strada n. 15, in the first call on April 28th 2008 at 11.00 am and, if necessary, in the second call on April 30th 2008, in the same place and at the same time, and more precisely:

- 1. Financial statements at 31st December 2007; Presentation of the consolidated financial statements at 31st December 2007; Reports from the Directors, from the Board of auditors and from the Auditing company; Related and consequent matters***
- 2. Appointment of the Board of Directors and its Chairman, following determination of the number of members and of remuneration for the entire duration of the period of office; Related and consequent matters***
- 3. Appointment of the Board of Auditors and its Chairman, following determination of remuneration for the entire duration of the period of office.***

First point of the agenda:

Financial statements at 31st December 2007; Presentation of the consolidated financial statements at 31st December 2007; Reports from the Directors, from the Board of auditors and from the Auditing company; Related and consequent matters

The documentation, referring to article 2429 of the Italian Civil Code and to Section IA.2.6 of the Stock Exchange Regulation Instructions, has been made available at the company's registered offices, its secondary offices, and at the offices of Borsa Italiana S.p.A.; furthermore, it may be viewed on the Internet web site at the address www.safilo.com (section [ir/Documenti Finanziari/Safilo Group S.p.A.](#)).

We inform you that every comment relating to this first point of the agenda is included in the Directors' Report at 31st December 2007, filed together with the financial statements and consolidated financial statements, as indicated above.

With regards to point 1 of the agenda, we invite you to approve the following resolution:

"The Shareholders' Meeting of Safilo Group S.p.A., in consideration of the existence of an adequate amount of profits for the year, upon the proposal of the Board of Directors, resolves:

- 1- *to approve the Directors' Report of Safilo Group S.p.A. relating to the financial year ended on 31st December 2007 and the related financial statements at the same date;*
- 2- *to approve the proposal to use the profits for the year, equal to Euro 14,751,352, as follows:*
 - a) *to the legal reserve* - Euro 737,568
 - b) *to the shareholders, as dividends* - Euro 14,013,784
- 3- *to approve the proposal to assign to the shareholders a further dividend of Euro 10,244,717 through the use of the item "retained earnings", by which a total dividend of Euro 24,258,501 will be paid to the shareholders, equal to Euro 0.085 for each of the 285,394,128 ordinary outstanding shares;*
- 4- *to determine that the distribution of the dividend will take place in the following way:*
 - *ex-dividend date: 12th May 2008;*
 - *dividend payment date: 15th May 2008."*

Second point of the agenda:

Appointment of the Board of Directors and its Chairman, following determination of the number of members and of remuneration for the entire duration of the period of office; Related and consequent matters

Dear Shareholders,

With the Shareholders' Meeting for the approval of the Financial Statements at 31st December 2007, the Board of Directors of your company will have completed its term of office.

In thanking you for the trust placed in the Board of Directors, we now invite you to appoint, for the three year period 2008-2009-2010, the new administrative body, subject to the

determination of the number of members which, in accordance with article 14 of the Company's Articles of Association, can not be fewer than 7 nor more than 15.

The appointment of the Board of Directors and its Chairman will take place in accordance with the procedures indicated in article 14 of the Company Articles of Association, attached to this report.

We inform you that two lists of candidates for appointment as members of the Board of Directors have been deposited to date, presented respectively (i) by the shareholder Only 3T. S.p.A., with registered offices in Vicenza, Stradella dell'Isola n. 1, tax code and Vicenza company register number 03626440287, holder of a total of 108,178,160 ordinary shares of your company, equal to 37.905% of the share capital with the right to vote in the Shareholders' Meeting, and (ii) by the shareholder Fidelity Funds SICAV, manager of the funds Fidelity Funds Italy Fund and Fidelity Funds European Aggressive Fund, holder of a total of 28,473,782 ordinary shares of your company, equal to 9.98% of the share capital with the right to vote in the Shareholders' Meeting.

List n. 1: list presented by Only 3T. S.p.A., which also proposed to set at 7 the number of members of the Board of Directors, composed of the following persons, listed according the progressive order indicated:

1. Vittorio Tabacchi
2. Massimiliano Tabacchi
3. Giannino Lorenzon
4. Claudio Gottardi
5. Carlo Gilardi
6. Ennio Doris
7. Riccardo Ruggiero

List n. 2: list presented by Fidelity Funds SICAV, composed of the following person:

1. Antonio Favrin

At the current date no other lists have been deposited; since, however, the last date for depositing the lists is April 13th 2008, the Company undertakes to promptly inform the Shareholders, the public and the market of the possible filing of further lists.

As required by the regulatory provisions in force:

- together with list n. 1, the following documents have been deposited: (i) the *curriculum vitae* of each candidate, (ii) the statements with which each candidate accepts his candidature and confirms, on his own responsibility, the inexistence of reasons for ineligibility, cancellation or incompatibility, as well as the existence of the prescribed requirements for the related position; (iii) the statements, for the Directors considered as independent, with which Mr. Carlo Gilardi, Mr. Ennio Doris and Mr. Riccardo Ruggiero state they hold the requirements of independence referred to in Article 3 of the Corporate Governance Code promoted by Borsa Italiana S.p.A. and adopted by the Company and, with reference to Mr. Carlo Gilardi, states he holds also the requirements provided for his role as independent director by Articles 148, paragraph 3, and 147 ter, paragraph 4, of T.U.F. (Italy's Financial Markets Consolidation Act) and (iv) the communication of the proposing shareholder including the indication of the information relating to its identity and the equity interest it holds, as confirmed by the correct certificate issued by the authorized intermediary;
- together with list n. 2, the following documents have been deposited (i) the candidate's *curriculum vitae*, (ii) the statement with which the candidate accepts his candidature and states, on his own responsibility, the inexistence of reasons for ineligibility, cancellation or incompatibility, as well as the existence of the prescribed requirements for the related positions and statement of the possession of the independence requirements provided for by Article 3.C.1 of the Corporate Governance Code as well as by Article 147 ter, paragraph 4, and Article 148, paragraph 3 of T.U.F. (Italy's Financial Markets Consolidation Act) and (iii) the communication of the proposing shareholder including the indication of the information relating to its identity and equity interest it holds, as confirmed by the proper certificate issued by the authorized intermediary.

We would like, therefore, to invite you to take note of the lists of candidates deposited to date, together with the statements and *curricula vitae*, which will be available also on the Company's web site at the following address www.safilo.com (section *ir/Corporate Governance*) within the term provided for by the law, along with any possible additional lists presented subsequently and the related documentation.

With regards to the determination of the fees due to the members of the new Board of Directors, the shareholder Only 3T. S.p.A. proposes that the fee due to each of the new board members is of Euro 10.000,00 for each financial year, on a yearly basis, other than the reimbursement of all expenses incurred in carrying out the role.

That being said, the Shareholders' meeting is invited to:

- determine the number of components of the Board of Directors as 7;
- vote on the lists of candidates presented, in accordance with the terms and methods provided for by Article 14 of the Company Articles of Association and made public according to the regulatory provisions currently in force;
- appoint as Chairman the first candidate of the Majority List, as defined by Article 14 of the Company Articles of Association;
- determine the fees, for each year and for each member of the Board of Directors, bearing in mind for this purpose the proposal of the shareholder Only 3T. S.p.A. which presented list n. 1.

Third point of the agenda:

Appointment of the Board of Auditors and its Chairman, following determination of remuneration for the entire duration of the period of office

Dear Shareholders,

The term of office of the Board of Auditors for your Company has also been completed; we therefore invite you to appoint, for the three year period 2008-2009-2010, the new Board of Auditors.

We would like to remind you that the appointment of the Board of Auditors will take place in accordance with the procedures indicated in article 24 of the Articles of Association, attached to this report.

We inform you that, in accordance with the terms provided for by the legislation currently in force and by the Articles of Association, two lists of candidates for appointment to the Board of Auditors have been presented respectively (i) by the shareholders Only 3T. S.p.A., with registered offices in Vicenza, Stradella dell'Isola n. 1, tax code and Vicenza company register number 03626440287, holder of a total of 108,178,160 ordinary shares of your company, equal to 37.905% of the share capital with the right to vote in the Shareholders' Meeting, and (ii) by the shareholder Fidelity Funds SICAV, manager of the funds Fidelity Funds Italy Fund and Fidelity Funds European Aggressive Fund, holder of a total of 28,473,782 ordinary shares of your company, equal to 9.98% of the share capital with the right to vote in the Shareholders' Meeting.

List n. 1: list presented by the shareholder Only 3T. S.p.A. composed of the following persons:

Standing Statutory Auditors

- 1 Franco Corgnati
- 2 Paolo Mazzi
- 3 Lorenzo Lago

Alternate Statutory Auditors

- 1 Nicola Gianese
- 2 Giampietro Sala

List n. 2: list presented by the shareholder Fidelity Funds SICAV composed of the following person:

Standing Statutory Auditor

- 1 Domenico Carlo Vanoni

At the current date no other lists have been deposited; since, however, the last date for depositing the lists is April 13th 2008, the Company undertakes to promptly inform the Shareholders, the public and the market of the possible deposit of further lists.

As required by the regulatory provisions in force:

- together with list n. 1 the following documents have been deposited: (i) the *curriculum vitae* of each candidate, (ii) the statements with which each of them accepts his candidature and confirms, on his own responsibility, the inexistence of reasons for ineligibility, cancellation or incompatibility, as well as the existence of the prescribed requirements for the related positions;
- together with list n. 2 the following documents have been deposited: (i) the *curriculum vitae* of the candidate, (ii) the statements with which he accepts his candidature and confirms, on his own responsibility, the inexistence of reasons for ineligibility, cancellation or incompatibility, as well as the existence of the prescribed requirements for the related positions and (iii) the statement of the shareholder confirming the absence of any connecting relations according to Article 144-*quinquies* of the Consob Regulations.

We would like, therefore, to invite you to take note of the lists of candidates deposited to date, together with the statements and *curricula vitae*, which will be available also on the Company's web site at the following address www.safilo.com (section *ir/Corporate Governance*) within the term provided for by the law, along with any possible additional lists subsequently presented and their related documentation.

With regards to the determination of the fees due to the Board of Auditors, the shareholder Only 3T. S.p.A. proposes that the fee due to each of the new Standing Statutory Auditors, as compensation for carrying out the role and for the duration of the term in office, is the amount determined by the minimum fees for Professional Accountants, other than the reimbursement of all expenses incurred in carrying out the role.

That being said, the Shareholders' meeting is invited to:

- vote on the lists of candidates presented, in accordance with the terms and methods provided for by Article 24 of the Articles of Association and made public according to the regulatory provisions currently in force;
- appoint the Chairman of the Board of Auditors according to the methods defined by Article 24 of the Articles of Association;
- determine the fees for the Standing Statutory Auditors, bearing in mind for this purpose the proposal of the shareholder Only 3T. S.p.A. which presented list n. 1.

Padova, 11th April 2008

p. The Board of Directors
Vittorio Tabacchi
Chairman

Attachment No. 1 – Abstract of the Articles of Association

[omissis]

BOARD OF DIRECTORS

Article 14)

The Company shall be managed by a Board of Directors consisting of between seven and fifteen members, who need not be shareholders.

The size of the Board of Directors shall be determined by the Shareholders' Meeting.

The directors must satisfy the requirements of eligibility, experience and integrity established by law and other applicable regulations. At least one of the members of the Board of Directors, or two if the Board has more than seven members, must satisfy the independence requirements applying to statutory auditors under current legislation.

Members of the Board of Directors shall remain in office for three financial years and are eligible for re-election.

In accordance with the provisions of article 147-ter of Decree 58 dated 24 February 1998 (Decree 58/1998) and for the purposes of ensuring that minority shareholders are represented by one member on the Board of Directors, the Board of Directors is appointed on the basis of lists presented by shareholders containing a maximum of 15 candidates, all listed with a sequential number.

A) Presentation of lists

Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list and through until the date of the meeting, at least 2% (two percent) of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, or such other percentage envisaged by laws or regulations governing directors' appointments and in force at the time of the appointment. This percentage shall be specified in the notice convening the Shareholders' Meeting called to resolve on the appointment of the Board of Directors. The outgoing Board of Directors can also present a list of its own.

No individual shareholder, no shareholders belonging to a shareholder syndicate relating to the Company's shares as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries or companies under common control pursuant to article 93 of Decree 58/1998, may present or vote for more than one list, including through a third party or trust companies. No candidate may appear in more than one list, otherwise they will be disqualified.

If these rules are not observed, the shareholder's vote for any of the lists presented is discounted.

The lists presented must be filed at the Company's registered office at least 15 (fifteen) days in advance of the date set for the first calling of the

Shareholders' Meeting. This requirement must be mentioned in the notice convening the meeting, or in any other form of publicity established by current legislation.

Each list must be signed by those presenting it and filed within the term specified above at the Company's registered office, accompanied by (i) the professional curricula of the candidates, and (ii) statements by each individual candidate accepting their candidacy and confirming, under their own responsibility, that they are in possession of the requirements envisaged by prevailing statutory and regulatory provisions for members of the Board of Directors and the absence of any reasons for incompatibility and/or ineligibility contained in law.

Candidates for whom the above rules are not observed are disqualified.

Shareholders presenting a candidate list must also provide the Company within the same list presentation deadline information as to their own identity and percentage of shares held, accompanied by a certificate, issued by a legally registered intermediary, attesting their ownership of the number of shares required for list presentation.

Each list shall contain one or more candidates - in compliance with the provisions of current legislation - who satisfy the independence requirements for statutory auditors established in para. 3, article 148 of Decree 58/1998, and nonetheless in prevailing statutory and regulatory provisions, as well as in the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, specifying such candidates clearly.

Lists for which the above provisions are not observed shall be treated as if they had not been presented.

B) Voting

Each shareholder's vote shall refer to the list and hence all the candidates appearing therein, without the possibility of making any changes, additions or exclusions.

Once the Shareholders' Meeting has decided the number of directors to be elected, the procedures are as follows:

- 1) all the directors requiring election, bar one, shall be elected from the list obtaining the highest number of shareholder votes ("Majority List"), in the sequential order in which they appear on that list;
- 2) one director shall be elected, in compliance with statutory provisions, from the list obtaining the second highest number of votes ("Minority List"), which shall not be associated in any way, even indirectly, with the shareholders who presented or voted for the Majority List; the director elected in this case shall be the candidate at the head of this list. If not even one independent director is elected from the Majority List, then the first independent director appearing on the Minority List shall be elected in place of the candidate at the head of this list.

The Chairman of the Board of Directors shall be the first candidate appearing on the Majority List.

No account is taken of lists that obtain a percentage of votes corresponding

to less than half of that required by this article for their presentation. If only one list is presented, or admitted to voting, the Shareholders' Meeting shall vote on this. If this list obtains the required majority vote, the number of directors established by the Shareholders' Meeting shall be elected from it in the sequential order in which the candidates appear therein.

If no list is presented at all, the Shareholders' Meeting shall appoint the Board of Directors, voting with the majorities required by law.

[omissis]

BOARD OF STATUTORY AUDITORS - AUDIT OF ACCOUNTS

Article 24)

The Board of Statutory Auditors shall consist of three standing members and two alternate members, who remain in office for three financial years and are eligible for re-election. Current laws shall apply to statutory auditors' requirements for eligibility, integrity, experience and independence, to their duties, the determination of their remuneration and their term in office; more specifically, with regard to the experience requirements under article 1 of Ministry of Justice Decree 162 dated 30 March 2000, activities that are considered strictly pertinent to those of the Company are those matters concerning commercial or tax law, economics or corporate finance and the sectors of activity listed in article 4 above and the sectors of fashion, luxury goods, manufacturing industry, finance, banking and insurance.

The Board of Statutory Auditors shall be appointed by the Shareholders' Meeting on the basis of lists presented by shareholders, with the procedures described below, so as to allow the minority to appoint one standing member and one alternate member.

The number of candidates appearing in the lists may not exceed the number of members up for election. Each candidate shall be listed with a sequential number.

No candidate may appear in more than one list, otherwise they will be disqualified.

A) Presentation of lists

Lists may be presented only by those shareholders who own, alone or together with others, at least 2% (two percent) of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, or such other percentage envisaged by laws or regulations governing the appointment of the Board of Statutory Auditors and who are registered shareholders at the time of presenting the list through until the date of the related Shareholders' Meeting. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.

No individual shareholder, no shareholders belonging to a shareholder syndicate as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries and companies under common control pursuant to article 93 of

Decree 58/1998, may present or vote for more than one list, either directly or through a third party or trust company.

If this rule is not observed, the shareholder's vote for any of the lists presented is discounted.

The lists, containing the names of the candidates for the office of standing statutory auditor and alternate statutory auditor, shall be signed by the shareholders presenting them and filed at the Company's registered offices at least 15 (fifteen) days in advance of the date set for the first calling of the related Shareholders' Meeting, except for any other form of publicity established by prevailing legislation. The lists must be accompanied by:

(i) information on the identity of the shareholders who have presented the lists, specifying their overall percentage interest in share capital, and a certificate confirming them as the owners of such interest;

(ii) a statement by the shareholders, other than those who individually or jointly own a controlling or majority interest, confirming the absence of relationships connecting them to the latter, as defined by article 144-quinquies of the regulations implementing Decree 58/1998;

(iii) comprehensive details on the personal characteristics and experience of the candidates;

(iv) a statement by the candidates themselves confirming that they are in possession of the requirements envisaged by law, that there are no reasons of ineligibility and incompatibility against them holding office and that they meet the requirements of integrity and experience established by law for members of the Board of Statutory Auditors;

(v) statements by the candidates in which they accept their candidacy and provide details of the number of their appointments as directors or statutory auditors in other companies, with the undertaking to update this list at the date of the Shareholders' Meeting.

(vi) any other information required by current statutory and regulatory provisions.

Lists for which the above provisions are not observed shall be treated as if they had not been presented.

B) Voting

Every shareholder entitled to vote may vote for only one list, including through a third party or trust company.

Two standing members and one alternate member shall be elected from the list that obtains the highest number of votes ("Majority List") in the sequential order in which they appear on this list.

The third standing member and other alternate member shall be taken from the list obtaining the second highest number of votes and presented and voted by shareholders who are not associated with the majority shareholders as defined by para. 2, article 148 of Decree 58/1998 ("Minority List"). The first and second candidates appearing on this list shall be elected in the sequential order in which they appear therein.

In the event of a tied vote, a second ballot shall be taken involving the

entire Shareholders' Meeting in order to obtain an unequivocal result.

The Shareholders' Meeting shall appoint the standing member elected on the Minority List as the Chairman of the Board of Statutory Auditors.

In the event of a tied vote between two or more lists, the more senior candidate will be appointed as chairman.

If, at the end of the aforementioned 15-day term for presenting lists, only one list is presented, or those presented are by shareholders associated with one another as defined by para. 2, article 148 of Decree 58/1998, other lists may be presented during the five-day period after the initial term. In this case, the share ownership requirement for list presentation is halved.

In any event, even if at the end of this additional 5-day term only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.

If no lists are presented or if it is not possible to appoint one or more statutory auditors using the list voting system, the Shareholders' Meeting shall decide with the majorities required by law.

C) Replacement

In the event of having to replace a statutory auditor, the replacement shall be an alternate statutory auditor belonging to the same list as the outgoing auditor in the order specified therein.

This is without prejudice to other replacement procedures established by current statutory or regulatory provisions.

The Shareholders' Meeting called under para. 1, article 2401 of the Italian Civil Code shall make the appointment or replacement in compliance with the principle of having the required minority representation.

The powers, duties and term in office of the statutory auditors are those established by law.

The statutory auditors may, individually or jointly, request the Board of Directors to provide details and explanations about the information they have received and about general business trends or specific transactions, and may carry out inspections and controls at any time.

Members of the Board of Statutory Auditors may not hold similar appointments in more than five companies that are quoted on the stock exchange. The statutory auditors shall comply with the limits on the number of appointments as a director or statutory auditor established by article 148-bis of Decree 58/1998 and related regulations for its implementation.

No standing or alternate statutory auditor may be a director or employee of companies or entities that control the Company; this is without prejudice to the other limitations on the number of appointments that may be held under current statutory or regulatory provisions.

Meetings of the Board of Statutory Auditors may be held via teleconference or videoconference, in accordance with the terms stated in article 17.