

Notary File no. 12,722

Folder no. 9,848

**MINUTES OF THE BOARD OF DIRECTORS' MEETING OF  
THE COMPANY "SAFILO GROUP S.P.A."**

REPUBLIC OF ITALY

On March eleventh, two thousand and twenty, at eight thirty am.  
In Padua, Via Settima Strada no. 15, at the registered office of said  
Company.

Before me, **Alessandro Nazari**, Notary in Padua, with offices in Piazza  
De Gasperi no. 32 and registered with the Notary College of the  
District of Padua,

is Mr.:

- **RAZELLI Eugenio**, born in Genoa (GE) on 18th June 1950, fiscal code  
RZL GNE 50H18 D969M, who appears in this record in his capacity as  
Chairman of the Board of Directors of the Company **"SAFILO GROUP  
S.P.A."**, with its registered office in Padua (PD), Zona Industriale  
VII Strada no. 15, where he is domiciled for the purposes of his  
office, fully subscribed and paid-in share capital Euro  
349,943,372.53 (three hundred and forty-nine million nine hundred  
and forty-three thousand three hundred and seventy two point  
fifty-three, resolved share capital 349,943,372.53 (three hundred  
and forty-nine million nine hundred and forty-three thousand three  
hundred and seventy two point fifty-three), Fiscal Code and  
registration number with the Company Register of Padua 03032950242,  
REA: PD-358600, an Italian company, established in Italy, listed on  
the Mercato Telematico Azionario managed by Borsa Italiana S.p.a..  
**Of whose personal identity, I am certain.**

The same has charged me with writing the minutes of the resolutions  
of the Board of Directors of said company, for which a notarized deed  
is required.

By accepting the above-mentioned request, I, the Notary, verbalize  
the following.

Eugenio Razelli, chairs the meeting and:

given that

the present meeting of the Board of Directors has been convened for  
today, at this place and time with notice dated 4 March 2020; given  
that

- for the Board of Directors, in addition to the Chairman of the Board  
of Directors himself, Mr. Eugenio Razelli, the Chief Executive  
Officer, Mr. Angelo Trocchia and the Directors Messrs.

GROOT Melchert Frans, POLET Robert, MAZZILLI Ines Maria Lina,  
GUZZETTI Guido, MORELLI Cinzia and GERARDIN Catherine Marie Yvonne,  
all participating via teleconference, whereas the Director COLE  
Jeffrey Alan has justified his absence;

- for the Board of Statutory Auditors, the Chairman Ms. PEZZUTO  
Carmen and Statutory Auditors CORGNATI Franco and SOLIMANDO Bettina  
are present via teleconference;

- furthermore, Francesco Gianni and Katia Buja, Group Global  
Head Corporate and Legal Affairs, as well as Gerd Graehsler, Group  
Chief Financial Officer and Valentina Russo, Legal Corporate Affairs

Counsel, are participating via teleconference;  
and therefore, the Chairman, having ascertained that the meeting has  
been regularly convened and the identity and legitimacy of those in  
attendance,

declares

the meeting validly convened to resolve upon the following item on  
the agenda, which he reads:

1. Alignment of the Company's Articles of Association  
to new regulatory provisions; related and consequent  
resolutions

... omisiss ...

Those in attendance confirm that they have regularly received the  
notice of call containing the meeting agenda within the related  
deadline.

The Chairman reminds those in attendance that pursuant to Article  
20 of the Articles of Association, in accordance with Article 2365,  
second paragraph, of the Italian Civil Code, the Board of Directors  
of "SAFILO GROUP S.p.A." is assigned with the responsibility to amend  
the Articles of Association so as to align them to statutory and  
regulatory requirements. Therefore, today, the Board of Directors  
of the Company has been convened in order to resolve upon the  
alignment of the Articles of Association to the mandatory provisions  
of Law No. 160/2019, which entered into force on January 1, 2020,  
and which amended the provisions on gender balance in corporate  
bodies as introduced into Italian law by law No. 120/2011, as well  
as to approve the Illustrative Report attached to these minutes as  
letter "A".

The above-mentioned Law, in particular, amended the law provisions  
currently in force as follows:

- a) increase in the percentage of components belonging to the less  
represented gender, from at least one third to at least two  
fifths, both for the board of directors and board of statutory  
auditors;
- b) extension of the application of this new gender criterion of at  
least two fifths to six consecutive mandates, in lieu of three  
mandates;
- c) gradual application of the new provisions only to newly listed  
companies and not also to already listed companies.

Following the entry into force of the Law, Consob published the  
Communication No. 1/20 of January 30<sup>th</sup>, 2020, in order to provide  
an interpretative clarification on how the new provisions on gender  
balance should be applied to corporate bodies composed of three  
members, with particular reference therefore to the Boards of  
Statutory Auditors of listed companies, normally composed of 3  
(three) Standing Auditors.

As, in fact, in the case of a board composed of three members, the  
two fifths reserve is inapplicable due to arithmetic impossibility,  
Consob has clarified that, in this case, the rounding down rather  
than up rule is applied, as currently provided for by the Issuers'  
Regulations.

The scope of this interpretative clarification is limited to the corporate bodies composed of three members, while for corporate bodies with a different composition, the criterion of rounding up to the higher unit remains unchanged.

Given the above, the Board of Statutory Auditors in office as of today will expire on the date of the shareholders' meeting called to approve the financial statements as at 31 December 2019, whereas the Board of Directors in office as of today will expire on the date of the shareholders' meeting called to approve the financial statements as at 31 December 2020.

Both renewals of the corporate bodies shall therefore take place, on the respective dates indicated above, in compliance with the new provisions on gender balance.

The Chairman then moves on to illustrate the amendments to the Articles of Association to be resolved upon by the Board of Directors.

In particular, Articles 14 and 15, relating to the appointment and replacement of the members of the Board of Directors during their mandate, and Article 27, relating to the appointment of the Board of Statutory Auditors, have been amended by inserting a "generic" sentence referring to the applicable pro tempore legislation and regulations in force concerning gender balance so as to avoid subsequent amendments to the Articles of Association in the event of any legislative or regulatory changes on this topic.

To this regard, it should be noted that the amendments to the Articles of Association do not imply the right of withdrawal by the Shareholders pursuant to Article 2437 of the Italian Civil Code. The above being said, while the Illustrative Report attached to these minutes reports the comparison of the current Articles of Association and those to be approved by the Board of Directors today, the Chairman proceeds to illustrate the main changes proposed for each of the above-mentioned Articles, underlining that the substantial changes in the text are highlighted in bold.

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#### **ARTICLES OF ASSOCIATION: PROPOSED WORDING**

##### **"Article 14)**

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

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

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

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.

In accordance with the provisions of article 147-ter of the Legislative Decree no. 58 of 24 February 1998:

(i) to the purpose 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; and

(ii) to the additional purpose of ensuring the balanced representation of genders (masculine or feminine) within the Board of Directors, the mechanism for the election of the Board of Directors set forth in this Article 14 **shall in any case ensure balance between genders (masculine or feminine) within the Board of Directors in compliance with the applicable pro tempore legislation and regulations in force.**

**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, at least a percentage of share capital, consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the directors' appointments. 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/entity attending the meeting, none of the 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 the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' Meetings, their vote for any of the lists presented is discounted.

The lists presented must be filed at the Company's registered office at least 25 (twenty-five) days in advance of the date set for the single call or first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time. This requirement must be mentioned in the notice convening the meeting, without prejudice to any other form of publicity established by legislation in force from time to time.

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.

The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Directors or within the different deadline provided for by applicable law and regulations in force from time to time.

Shareholders presenting a list of candidates must also provide the Company, within the deadline for presentation of the list, with the information concerning their own identity and percentage of shares held. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time.

In compliance with the current legislative and regulatory provisions as well as the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, each list shall contain a number of candidates who satisfy the independence requirements for statutory auditors established in article 148, paragraph 3, of the Legislative Decree no. 58 of 24 February 1998, specifying such candidates clearly.

If and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Directors Majority List (as defined below), from such list a number of Directors belonging to the underrepresented gender are elected **in order to ensure balance between genders (masculine or feminine) within the Board of Directors in compliance with the applicable pro tempore legislation and regulations in force.**

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

#### **B) Voting**

The vote of each entitled individual/entity 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, but one, shall be elected from the list obtaining the highest number of votes ("**Directors 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 ("**Directors Minority List**"), which shall not be associated in any way, even indirectly, with the individuals/entities who presented and/or voted for the Majority List; the Director elected in this case shall be the candidate at the head of this list. However, if not even one independent Director is elected from the Directors Majority List, then the first independent Director appearing on the Directors Minority List shall be elected in place of the candidate at the head of this list.

In the event of a tie, the entire Shareholders' Meeting will vote again until an unequivocal result is achieved.

The Chairman of the Board of Directors shall be the first candidate appearing on the Directors 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 and subject to compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine) within the Board of Directors.

The Directors Majority List or the only list (as the case may be) shall ensure compliance with **the applicable pro tempore legislation and regulations in force regarding balance between genders**. In particular, if the composition of the managing body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of components of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Directors Majority List, the gender (masculine or feminine) of the candidate elected by the Directors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine) will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the minimum **quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders**.

If no list is presented or the list(s) presented contain(s) a number of candidates (also in terms of underrepresented gender, masculine or feminine) not sufficient to elect the entire managing body, the Board of Directors or, as appropriate, the additional Directors to be elected in order to reach the number of members of the Board of Directors established by the Shareholders' Meeting, shall be appointed by same Shareholders' Meeting with the voting majorities required by law. In each case, it shall be carefully ensured the presence within the Board of Directors of the necessary number of

members having all the requirements set forth by applicable laws and regulations, who shall also be selected in such a way as to ensure the presence in the Board of Directors of **the minimum quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders.**"

**ARTICLES OF ASSOCIATION: PROPOSED WORDING**

**"Article 15)**

If one or more directors should vacate office during the year, the following procedures shall be adopted for their replacement in accordance with article 2386 of the Italian Civil Code:

a) the Board of Directors shall appoint replacements by way of co-option of individuals belonging to the same list of the resigned Directors; the next Shareholders' Meeting shall vote with the legally required majorities, in compliance with the same principle and nonetheless ensuring that the Board of Directors contains the correct number of directors qualifying as independent required by current statutory and regulatory provisions. If and until expressly provided by mandatory law and/or regulatory provisions, the Board of Directors shall appoint replacements of the same gender (masculine or feminine) of the ceased Directors, so to ensure the compliance with **the applicable pro tempore legislation and regulations in force regarding balance between genders**, having also care to ensure that the Board of Directors contains the correct number of Directors having the independency requirements set forth by current statutory and regulatory provisions.

The Shareholders' Meeting, in confirming/replacing the coopted Directors or, in the absence of co-option, in directly proceeding with the appointment of replacements, resolves with the voting majorities set forth by law, having however care of complying with the same principles referred above;

b) if the list no longer contains previously unelected candidates, the Board of Directors shall make the replacement without observing the procedure set out in point (a) above. Similarly, the related vote by the next Shareholders' Meeting, again with the legally required majorities, shall nonetheless ensure that the Board of Directors contains the correct number of Directors qualifying as independent required by current statutory and regulatory provisions and, if and until expressly provided by mandatory law and/or regulatory provisions, the required number of Directors belonging to the underrepresented gender (masculine or feminine).

If two or more Directors resign or leave the Board of Directors for any other reason, the entire Board will be considered replaced from the date on which the new Board takes office."

**ARTICLES OF ASSOCIATION: PROPOSED WORDING**

**"Article 27)**

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: (a) allow the minority to appoint one standing member and one alternate member, and (b) ensure the balance between genders (masculine and feminine) represented within the Board of Statutory Auditors.

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. Furthermore, if and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Statutory Auditors Majority List (as defined below), from such list a number of statutory auditors belonging to the underrepresented gender are elected **so to ensure compliance with the applicable pro tempore legislation and regulations in force regarding balance between genders.**

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 the time of presentation of the list, at least the percentage of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the appointment of the Board of Statutory Auditors. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.

No individual/entity attending the meeting, none of the 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 the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' meeting, their 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, prepared in compliance with **the applicable pro tempore legislation and regulations in force**, shall be signed by the shareholders presenting them and filed at the Company's registered offices at least 25 (twenty-five) days in advance of the date set for the single call or first call of the related Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time, without prejudice to any other form of publicity established by applicable 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. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time;

(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.

The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Statutory Auditors or within the different deadline provided for by applicable law and regulations in force from time to time.

## **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 ("**Statutory Auditors Majority List**") in the sequential order in which they appear on this list.

The third standing member and the second alternate member shall be taken from the list obtaining the second highest number of votes and presented and voted by entitled individuals/entities who are not associated with the majority shareholders as defined by par. 2, article 148 of Decree 58/1998 ("**Statutory Auditors 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, further ballots 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 Statutory Auditors Minority List as the Chairman of the Board of Statutory Auditors.

Without prejudice to the above, the provisions of law and regulations in force from time to time apply to the presentation, deposit and publication of the lists, including in the cases where only one list is presented, or the lists are presented by shareholders associated one with the others as per par. 2 of article 148 of Decree 58/1998. In any event, even if only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing statutory auditors, in compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine, and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.

The Statutory Auditors Majority List or the only list (as the case may be) shall ensure compliance with **the applicable pro tempore legislation and regulations in force regarding balance between genders**. In particular, if the composition of the controlling body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of candidates of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Statutory Auditors Majority List, the gender (masculine or feminine) of the candidate elected by the Statutory Auditors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine), will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until **the minimum quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders**.

If no list is 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 and ensuring, in any case, the presence of the required number of members belonging to the underrepresented gender (masculine or feminine) between the standing members of the Board of Statutory Auditors, such as to comply with **the applicable pro tempore legislation and regulations in force regarding balance between genders.**

**C) Replacement**

In the event of having to replace a statutory auditor, the replacement shall be an alternate statutory auditor belonging to: (i) the same list and (ii) if and until it is necessary in order to ensure the proportion between genders (masculine and feminine) within the Board of Statutory Auditors **required by the applicable pro tempore legislation and regulations in force regarding balance between genders**, the same gender as the ceased statutory 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 par. 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 and, if and until it is necessary, in order to ensure the balance between genders (masculine and feminine) within the Board of Statutory Auditors, in compliance with the **applicable pro tempore legislation and regulations in force regarding balance between genders.**

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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."

The Chairman declares the discussion open and no-one asks to take the chair.

At the end of the discussion, the Chairman proposes to the Board of Directors to approve the amendments to the Articles of Association as illustrated above and in the Illustrative Report.

The Board of Directors,

**unanimously resolves**

- to amend the Articles of Association of the company "SAFILO GROUP S.P.A." as proposed, with consequent amendment of Articles 14), 15) and 27) of the Articles of Association, specifically approving the text of the aforementioned articles in the updated version which was read during this meeting;

- to approve the Illustrative Report drafted pursuant to Article 72, paragraph 6, of the Issuers' Regulation.

The updated version of the Articles of Association of the company "SAFILO GROUP S.P.A." is attached to these minutes under letter "B" as amended today.

As there is nothing else to be resolved upon with the presence of the Notary and nobody asking to speak, the Chairman declares the meeting closed in relation to the amendment to the Articles of Association at eight fifty am.

and invites the Directors to continue the meeting for the other items on the agenda.

The Chairman, undersigned, releases me, the Notary, from the obligation of reading the attached annexes.

This deed has been written by electronic means and completed by pen by a trusted person, I have read it before the applicant who approves and hereby signs it with me, Notary of Law at eight and fifty-five. The act is composed of four sheets which occupies thirteen full pages and up here of the present.

Signed

Eugenio Razelli

Alessandro Nazari

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## **REPORT OF THE BOARD OF DIRECTORS**

**relating to the amendments to the Articles of Association to align them to the provisions of law 160/2019  
on gender balance in the composition of corporate bodies**

**(Report drafted pursuant to Article 72, paragraph 6, of the Issuers' Regulation)**

Pursuant to Article 20 of the Articles of Association, in accordance with Article 2365, second paragraph, of the Italian Civil Code, the Board of Directors of Safilo Group S.p.A. (the "**Company**") is assigned with the responsibility to amend the Articles of Association so as to align them to statutory and regulatory requirements.

Therefore, today, the Board of Directors of the Company has approved this Report and resolved to align the Articles of Association to the mandatory provisions of Law No. 160/2019, which entered into force on January 1, 2020 and which amended the provisions on gender balance in corporate bodies as introduced into Italian law by law No. 120/2011.

The above-mentioned law, in particular, amended the law provisions currently in force as follows:

- a) increase in the percentage of components belonging to the less represented gender, from at least one third to at least two fifths, both for the board of directors and board of statutory auditors;
- b) extension of the application of this new gender criterion of at least two fifths to six consecutive mandates, in lieu of three mandates;
- c) gradual application of the new provisions only to newly listed companies and not also to already listed companies.

Following the entry into force of the law, Consob published the Communication No. 1/20 of January 30 , 2020 in order to provide an interpretative clarification on how the new provisions on gender balance should be applied to corporate bodies composed of three members, with particular reference therefore to the Boards of Statutory Auditors of listed companies, normally composed of 3 Standing Auditors.

As, in fact, in the case of a board composed of three members, the two fifths reserve is inapplicable due to arithmetic impossibility, Consob has clarified that, in this case, the rounding down rather than up rule is applied, as currently provided for by the Issuers' Regulations.

The scope of this interpretative clarification is limited to the corporate bodies composed of three members, while for corporate bodies with a different composition, the criterion of rounding up to the higher unit remains unchanged.

Given the above, the Board of Statutory Auditors in office as of today will expire on the date of the shareholders' meeting called to approve the financial statements as at 31 December 2019, whereas the Board of Directors in office as of today will expire on the date of the shareholders' meeting called to approve the financial statements as at 31 December 2020.

Both renewals of the corporate bodies shall therefore take place, on the respective dates indicated above, in compliance with the new provisions on gender balance.

This Report, drafted by the Board of Directors pursuant to Article 72, paragraph 6, of the Issuers' Regulations, is therefore aimed at illustrating the amendments to the Articles of Association approved by the Board of Directors. In particular, Articles 14 and 15, relating to the appointment and replacement of the members of the Board of Directors during their mandate, and Article 27, relating to the appointment of the

Board of Statutory Auditors, have been amended by inserting a "generic" sentence referring to the applicable pro tempore legislation and regulations in force concerning gender balance so as to avoid subsequent amendments to the Articles of Association in the event of any legislative or regulatory changes on this topic.

To this regard, it should be noted that the amendments to the Articles of Association do not imply the right of withdrawal by the Shareholders pursuant to Article 2437 of the Italian Civil Code.

Below is a comparison of the current Articles of Association and those approved by the Board of Directors today.

<i>Current Text</i>	<i>Amended Text</i>
<p><b>Article 14</b></p> <p>The Company shall be managed by a Board of Directors consisting of between six and fifteen members, who need not be shareholders. The size of the Board of Directors shall be determined by the Shareholders' Meeting. Members of the Board of Directors shall remain in office for three financial years and are eligible for re-election.</p> <p>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.</p> <p>In accordance with the provisions of article 147-ter of the Legislative Decree no. 58 of 24 February 1998:</p> <p>(i) to the purpose 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; and</p> <p>(ii) to the additional purpose of ensuring the balanced representation of genders (masculine or feminine) within the Board of Directors, the mechanism for the election of the Board of Directors set forth in this Article 14 ensures that the underrepresented gender (masculine or feminine) shall obtain at least one third (the “<b>Full Quota</b>”) or, if applicable, one fifth (the “<b>Reduced Quota</b>”), of the elected Directors.</p> <p><b>A) Presentation of lists</b></p>	<p><b>Article 14</b></p> <p>The Company shall be managed by a Board of Directors consisting of between six and fifteen members, who need not be shareholders. The size of the Board of Directors shall be determined by the Shareholders' Meeting. Members of the Board of Directors shall remain in office for three financial years and are eligible for re-election.</p> <p>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.</p> <p>In accordance with the provisions of article 147-ter of the Legislative Decree no. 58 of 24 February 1998:</p> <p>(i) to the purpose 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; and</p> <p>(ii) <del>to the additional purpose of ensuring the balanced representation of genders (masculine or feminine) within the Board of Directors,</del> the mechanism for the election of the Board of Directors set forth in this Article 14 <b>shall in any case ensure balance between genders (masculine or feminine) within the Board of Directors in compliance with the applicable pro tempore legislation and regulations in force</b> ensures that the underrepresented gender</p>

<p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list, at least a percentage of share capital, consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the directors' appointments. 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.</p> <p>No individual/entity attending the meeting, none of the 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.</p> <p>If the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' Meetings, their vote for any of the lists presented is discounted.</p> <p>The lists presented must be filed at the Company's registered office at least 25 (twenty-five) days in advance of the date set for the single call or first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time. This requirement must be mentioned in the notice convening the meeting, without prejudice to any other form of publicity established by legislation in force from time to time.</p> <p>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.</p> <p>Candidates for whom the above rules are not observed are disqualified.</p>	<p><del>(masculine or feminine) shall obtain at least one third (the "Full Quota") or, if applicable, one fifth (the "Reduced Quota"), of the elected Directors.</del></p> <p><b>A) Presentation of lists</b></p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list, at least a percentage of share capital, consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the directors' appointments. 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.</p> <p>No individual/entity attending the meeting, none of the 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.</p> <p>If the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' Meetings, their vote for any of the lists presented is discounted.</p> <p>The lists presented must be filed at the Company's registered office at least 25 (twenty-five) days in advance of the date set for the single call or first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time. This requirement must be mentioned in the notice convening the meeting, without prejudice to any other form of publicity established by legislation in force from time to time.</p> <p>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</p>
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<p>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Directors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p>Shareholders presenting a list of candidates must also provide the Company, within the deadline for presentation of the list, with the information concerning their own identity and percentage of shares held. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time.</p> <p>In compliance with the current legislative and regulatory provisions as well as the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, each list shall contain a number of candidates who satisfy the independence requirements for statutory auditors established in article 148, paragraph 3, of the Legislative Decree no. 58 of 24 February 1998, specifying such candidates clearly.</p> <p>If and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Directors Majority List (as defined below), from such list a number of Directors belonging to the underrepresented gender are elected equal to, at least, the Full Quota, or, if applicable, the Reduced Quota.</p> <p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p> <p><b>B) Voting</b></p>	<p>ineligibility contained in law.</p> <p>Candidates for whom the above rules are not observed are disqualified.</p> <p>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Directors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p>Shareholders presenting a list of candidates must also provide the Company, within the deadline for presentation of the list, with the information concerning their own identity and percentage of shares held. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time.</p> <p>In compliance with the current legislative and regulatory provisions as well as the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, each list shall contain a number of candidates who satisfy the independence requirements for statutory auditors established in article 148, paragraph 3, of the Legislative Decree no. 58 of 24 February 1998, specifying such candidates clearly.</p> <p>If and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Directors Majority List (as defined below), from such list a number of Directors belonging to the underrepresented gender are elected <b>in order to ensure balance between genders (masculine or feminine) within the Board of Directors in compliance with the</b></p>
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<p>The vote of each entitled individual/entity 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:</p> <p>1) all the Directors requiring election, but one, shall be elected from the list obtaining the highest number of votes ("<b>Directors Majority List</b>"), in the sequential order in which they appear on that list;</p> <p>2) one Director shall be elected, in compliance with statutory provisions, from the list obtaining the second highest number of votes ("<b>Directors Minority List</b>"), which shall not be associated in any way, even indirectly, with the individuals/entities who presented and/or voted for the Majority List; the Director elected in this case shall be the candidate at the head of this list. However, if not even one independent Director is elected from the Directors Majority List, then the first independent Director appearing on the Directors Minority List shall be elected in place of the candidate at the head of this list.</p> <p>In the event of a tie, the entire Shareholders' Meeting will vote again until an unequivocal result is achieved.</p> <p>The Chairman of the Board of Directors shall be the first candidate appearing on the Directors Majority List.</p> <p>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.</p> <p>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 and subject to compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine) within the Board of Directors.</p> <p>The Directors Majority List or the only list (as the case may be) shall ensure compliance with the Full Quota or, where applicable, the Reduced Quota. In particular, if the composition of the</p>	<p><b>applicable pro tempore legislation and regulations in force</b> equal to, at least, the Full Quota, or, if applicable, the Reduced Quota.</p> <p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p> <p><b>B) Voting</b></p> <p>The vote of each entitled individual/entity 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:</p> <p>1) all the Directors requiring election, but one, shall be elected from the list obtaining the highest number of votes ("<b>Directors Majority List</b>"), in the sequential order in which they appear on that list;</p> <p>2) one Director shall be elected, in compliance with statutory provisions, from the list obtaining the second highest number of votes ("<b>Directors Minority List</b>"), which shall not be associated in any way, even indirectly, with the individuals/entities who presented and/or voted for the Majority List; the Director elected in this case shall be the candidate at the head of this list. However, if not even one independent Director is elected from the Directors Majority List, then the first independent Director appearing on the Directors Minority List shall be elected in place of the candidate at the head of this list.</p> <p>In the event of a tie, the entire Shareholders' Meeting will vote again until an unequivocal result is achieved.</p> <p>The Chairman of the Board of Directors shall be the first candidate appearing on the Directors Majority List.</p> <p>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.</p> <p>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 and subject to compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance</p>
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<p>managing body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of components of the underrepresented gender (masculine or feminine) – taking also into account, in case of the Directors Majority List, the gender (masculine or feminine) of the candidate elected by the Directors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine) will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the Full Quota, or the Reduced Quota, if applicable, of directors to be elected has been reached.</p> <p>If no list is presented or the list(s) presented contain(s) a number of candidates (also in terms of underrepresented gender, masculine or feminine) not sufficient to elect the entire managing body, the Board of Directors or, as appropriate, the additional Directors to be elected in order to reach the number of members of the Board of Directors established by the Shareholders' Meeting, shall be appointed by same Shareholders' Meeting with the voting majorities required by law. In each case, it shall be carefully ensured the presence within the Board of Directors of the necessary number of members having all the requirements set forth by applicable laws and regulations, who shall also be selected in such a way as to ensure the presence in the Board of Directors of the Full Quota, or, where applicable, the Reduced Quota, of components belonging to the underrepresented gender (masculine or feminine).</p>	<p>between genders (masculine or feminine) within the Board of Directors.</p> <p>The Directors Majority List or the only list (as the case may be) shall ensure compliance with <del>the Full Quota or, where applicable, the Reduced Quota</del> <b>with the applicable pro tempore legislation and regulations in force regarding balance between genders</b>. In particular, if the composition of the managing body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of components of the underrepresented gender (masculine or feminine) – taking also into account, in case of the Directors Majority List, the gender (masculine or feminine) of the candidate elected by the Directors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine) will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the <b>minimum quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>Full Quota, or the Reduced Quota, if applicable, of directors to be elected has been reached</del>.</p> <p>If no list is presented or the list(s) presented contain(s) a number of candidates (also in terms of underrepresented gender, masculine or feminine) not sufficient to elect the entire managing body, the Board of Directors or, as appropriate, the additional Directors to be elected in order to reach the number of members of the Board of Directors established by the Shareholders' Meeting, shall be appointed by same Shareholders' Meeting with the voting majorities required by law. In each case, it shall be carefully ensured the presence within the Board of Directors of the necessary number of members having all the requirements set forth by applicable laws and regulations, who shall also be selected in such a way as to ensure the presence in the Board of Directors of the <b>minimum quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>Full Quota, or, where applicable, the Reduced Quota, of components belonging to the underrepresented gender (masculine or feminine)</del>.</p>
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<p><b>Article 15</b></p> <p>If one or more directors should vacate office during the year, the following procedures shall be adopted for their replacement in accordance with article 2386 of the Italian Civil Code:</p> <p>a) the Board of Directors shall appoint replacements by way of co-option of individuals belonging to the same list of the resigned Directors; the next Shareholders' Meeting shall vote with the legally required majorities, in compliance with the same principle and nonetheless ensuring that the Board of Directors contains the correct number of directors qualifying as independent required by current statutory and regulatory provisions. If and until expressly provided by mandatory law and/or regulatory provisions, the Board of Directors shall appoint replacements of the same gender (masculine or feminine) of the ceased Directors, so to ensure the compliance with the Full Quota or, if applicable, the Reduced Quota of Directors belonging to the underrepresented gender (masculine or feminine), having also care to ensure that the Board of Directors contains the correct number of Directors having the independency requirements set forth by current statutory and regulatory provisions.</p> <p>The Shareholders' Meeting, in confirming/replacing the coopted Directors or, in the absence of co-option, in directly proceeding with the appointment of replacements, resolves with the voting majorities set forth by law, having however care of complying with the same principles referred above;</p> <p>b) if the list no longer contains previously unelected candidates, the Board of Directors shall make the replacement without observing the procedure set out in point (a) above. Similarly, the related vote by the next Shareholders' Meeting, again with the legally required majorities, shall nonetheless ensure that the Board of Directors contains the correct number of Directors qualifying as independent required by current statutory and regulatory provisions and, if and until expressly provided by mandatory law and/or regulatory provisions, the required number of Directors belonging to the underrepresented gender (masculine or feminine).</p>	<p><b>Article 15</b></p> <p>If one or more directors should vacate office during the year, the following procedures shall be adopted for their replacement in accordance with article 2386 of the Italian Civil Code:</p> <p>a) the Board of Directors shall appoint replacements by way of co-option of individuals belonging to the same list of the resigned Directors; the next Shareholders' Meeting shall vote with the legally required majorities, in compliance with the same principle and nonetheless ensuring that the Board of Directors contains the correct number of directors qualifying as independent required by current statutory and regulatory provisions. If and until expressly provided by mandatory law and/or regulatory provisions, the Board of Directors shall appoint replacements of the same gender (masculine or feminine) of the ceased Directors, so to ensure the compliance with <b>the applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>the Full Quota or, if applicable, the Reduced Quota of Directors belonging to the underrepresented gender (masculine or feminine)</del>, having also care to ensure that the Board of Directors contains the correct number of Directors having the independency requirements set forth by current statutory and regulatory provisions.</p> <p>The Shareholders' Meeting, in confirming/replacing the coopted Directors or, in the absence of co-option, in directly proceeding with the appointment of replacements, resolves with the voting majorities set forth by law, having however care of complying with the same principles referred above;</p> <p>b) if the list no longer contains previously unelected candidates, the Board of Directors shall make the replacement without observing the procedure set out in point (a) above. Similarly, the related vote by the next Shareholders' Meeting, again with the legally required majorities, shall nonetheless ensure that the Board of Directors contains the correct number of Directors qualifying as independent required by current statutory and regulatory provisions and, if and until expressly provided by mandatory law and/or regulatory provisions, the required number of Directors belonging to the</p>
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<p>If two or more Directors resign or leave the Board of Directors for any other reason, the entire Board will be considered replaced from the date on which the new Board takes office.</p>	<p>underrepresented gender (masculine or feminine).</p> <p>If two or more Directors resign or leave the Board of Directors for any other reason, the entire Board will be considered replaced from the date on which the new Board takes office.</p>
<p><b>Article 27</b></p> <p>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.</p> <p>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: (a) allow the minority to appoint one standing member and one alternate member, and (b) ensure the balance between genders (masculine and feminine) represented within the Board of Statutory Auditors.</p> <p>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. Furthermore, if and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Statutory Auditors Majority List (as defined below), from such list a number of statutory auditors belonging to the underrepresented gender are elected equal to, at least, the Full Quota, or, if applicable, the Reduced Quota.</p>	<p><b>Article 27</b></p> <p>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.</p> <p>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: (a) allow the minority to appoint one standing member and one alternate member, and (b) ensure the balance between genders (masculine and feminine) represented within the Board of Statutory Auditors.</p> <p>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. Furthermore, if and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Statutory Auditors Majority List (as defined below), from such list a number of statutory auditors belonging to the underrepresented gender are elected <b>so to ensure compliance with the applicable pro tempore legislation and</b></p>

<p>No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p><b>A) Presentation of lists</b></p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presentation of the list, at least the percentage of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the appointment of the Board of Statutory Auditors. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.</p> <p>No individual/entity attending the meeting, none of the 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.</p> <p>If the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' meeting, their vote for any of the lists presented is discounted.</p> <p>The lists, containing the names of the candidates for the office of standing statutory auditor and alternate statutory auditor, prepared in compliance with the Full Quota or, if applicable, the Reduced Quota of Statutory Auditors to be elected, shall be signed by the shareholders presenting them and filed at the Company's registered offices at least 25 (twenty-five) days in advance of the date set for the single call or first call of the related Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time, without prejudice to any other form of publicity established by applicable legislation. The lists must be accompanied by:</p> <p>(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. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when</p>	<p><b>regulations in force regarding balance between genders</b> equal to, at least, the Full Quota, or, if applicable, the Reduced Quota.</p> <p>No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p><b>A) Presentation of lists</b></p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presentation of the list, at least the percentage of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the appointment of the Board of Statutory Auditors. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.</p> <p>No individual/entity attending the meeting, none of the 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.</p> <p>If the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' meeting, their vote for any of the lists presented is discounted.</p> <p>The lists, containing the names of the candidates for the office of standing statutory auditor and alternate statutory auditor, prepared in compliance with <b>the applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>the Full Quota or, if applicable, the Reduced Quota of Statutory Auditors to be elected</del>, shall be signed by the shareholders presenting them and filed at the Company's registered offices at least 25 (twenty-five) days in advance of the date set for the single call or first call of the related Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time, without prejudice to any other form of publicity established by applicable legislation. The lists must be accompanied by:</p> <p>(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. The certificate attesting the ownership</p>
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<p>the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time;</p> <p>(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;</p> <p>(iii) comprehensive details on the personal characteristics and experience of the candidates;</p> <p>(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;</p> <p>(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.</p> <p>(vi) any other information required by current statutory and regulatory provisions.</p> <p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p> <p>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Statutory Auditors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p><b>B) Voting</b></p> <p>Every shareholder entitled to vote may vote for only one list, including through a third party or trust company.</p> <p>Two standing members and one alternate member shall be elected from the list that</p>	<p>of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time;</p> <p>(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;</p> <p>(iii) comprehensive details on the personal characteristics and experience of the candidates;</p> <p>(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;</p> <p>(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.</p> <p>(vi) any other information required by current statutory and regulatory provisions.</p> <p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p> <p>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Statutory Auditors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p><b>B) Voting</b></p> <p>Every shareholder entitled to vote may vote for</p>
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<p>obtains the highest number of votes ("<b>Statutory Auditors Majority List</b>") in the sequential order in which they appear on this list.</p> <p>The third standing member and the second alternate member shall be taken from the list obtaining the second highest number of votes and presented and voted by entitled individuals/entities who are not associated with the majority shareholders as defined by par. 2, article 148 of Decree 58/1998 ("<b>Statutory Auditors Minority List</b>"). The first and second candidates appearing on this list shall be elected in the sequential order in which they appear therein.</p> <p>In the event of a tied vote, further ballots 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 Statutory Auditors Minority List as the Chairman of the Board of Statutory Auditors.</p> <p>Without prejudice to the above, the provisions of law and regulations in force from time to time apply to the presentation, deposit and publication of the lists, including in the cases where only one list is presented, or the lists are presented by shareholders associated one with the others as per par. 2 of article 148 of Decree 58/1998.</p> <p>In any event, even if only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing statutory auditors, in compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine, and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.</p> <p>The Statutory Auditors Majority List or the only list (as the case may be) shall ensure compliance with the Full Quota or, where applicable, the Reduced Quota of statutory auditors to be elected. In particular, if the composition of the controlling body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of candidates of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Statutory Auditors Majority List, the gender (masculine or feminine)</p>	<p>only one list, including through a third party or trust company.</p> <p>Two standing members and one alternate member shall be elected from the list that obtains the highest number of votes ("<b>Statutory Auditors Majority List</b>") in the sequential order in which they appear on this list.</p> <p>The third standing member and the second alternate member shall be taken from the list obtaining the second highest number of votes and presented and voted by entitled individuals/entities who are not associated with the majority shareholders as defined by par. 2, article 148 of Decree 58/1998 ("<b>Statutory Auditors Minority List</b>"). The first and second candidates appearing on this list shall be elected in the sequential order in which they appear therein.</p> <p>In the event of a tied vote, further ballots 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 Statutory Auditors Minority List as the Chairman of the Board of Statutory Auditors.</p> <p>Without prejudice to the above, the provisions of law and regulations in force from time to time apply to the presentation, deposit and publication of the lists, including in the cases where only one list is presented, or the lists are presented by shareholders associated one with the others as per par. 2 of article 148 of Decree 58/1998.</p> <p>In any event, even if only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing statutory auditors, in compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine, and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.</p> <p>The Statutory Auditors Majority List or the only list (as the case may be) shall ensure compliance with the <b>applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>Full Quota or, where applicable, the Reduced Quota of statutory auditors to be elected</del>. In particular, if the composition of the controlling body, determined on the basis of the</p>
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<p>of the candidate elected by the Statutory Auditors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine), will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the Full Quota, or the Reduced Quota, if applicable, of statutory auditors to be elected has been reached.</p> <p>If no list is 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 and ensuring, in any case, the presence of the required number of members belonging to the underrepresented gender (masculine or feminine) between the standing members of the Board of Statutory Auditors, such as to comply with the Full Quota, or, where applicable, the Reduced Quota, of statutory auditors to be elected.</p> <p><b>C) Replacement</b></p> <p>In the event of having to replace a statutory auditor, the replacement shall be an alternate statutory auditor belonging to: (i) the same list and (ii) if and until it is necessary in order to ensure the proportion between genders (masculine and feminine) within the Board of Statutory Auditors in compliance with the Full Quota or, if applicable, the Reduced Quota, of statutory auditors belonging to the underrepresented gender (masculine or feminine), the same gender as the ceased statutory auditor, in the order specified therein.</p> <p>This is without prejudice to other replacement procedures established by current statutory or regulatory provisions.</p> <p>The Shareholders' Meeting called under par. 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 and, if and until it is necessary, in order to ensure the balance between genders (masculine and feminine) within the Board of Statutory Auditors, in compliance with the Full Quota or, if applicable, the Reduced Quota, of statutory auditors belonging to the underrepresented gender (masculine or feminine).</p> <p style="text-align: center;">***</p>	<p>sequence numbers assigned to the candidates of such list, does not include a sufficient number of candidates of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Statutory Auditors Majority List, the gender (masculine or feminine) of the candidate elected by the Statutory Auditors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine), will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until <b>the minimum quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>Full Quota, or the Reduced Quota, if applicable, of statutory auditors to be elected</del> has been reached.</p> <p>If no list is 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 and ensuring, in any case, the presence of the required number of members belonging to the underrepresented gender (masculine or feminine) between the standing members of the Board of Statutory Auditors, such as to comply with the <b>applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>Full Quota, or, where applicable, the Reduced Quota, of statutory auditors to be elected</del>.</p> <p><b>C) Replacement</b></p> <p>In the event of having to replace a statutory auditor, the replacement shall be an alternate statutory auditor belonging to: (i) the same list and (ii) if and until it is necessary in order to ensure the proportion between genders (masculine and feminine) within the Board of Statutory Auditors <b>required by the applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>in compliance with the Full Quota or, if applicable, the Reduced Quota, of statutory auditors belonging to the underrepresented gender (masculine or feminine),</del> the same gender as the ceased statutory auditor, in the order specified therein.</p> <p>This is without prejudice to other replacement procedures established by current statutory or</p>
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<p>The powers, duties and term in office of the statutory auditors are those established by law.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Meetings of the Board of Statutory Auditors may be held via teleconference or videoconference, in accordance with the terms stated in article 17.</p>	<p>regulatory provisions.</p> <p>The Shareholders' Meeting called under par. 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 and, if and until it is necessary, in order to ensure the balance between genders (masculine and feminine) within the Board of Statutory Auditors, in compliance with <b>the applicable pro tempore legislation and regulations in force regarding balance between genders</b> <del>the Full Quota or, if applicable, the Reduced Quota, of statutory auditors belonging to the underrepresented gender (masculine or feminine).</del></p> <p style="text-align: center;">***</p> <p>The powers, duties and term in office of the statutory auditors are those established by law.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Meetings of the Board of Statutory Auditors may be held via teleconference or videoconference, in accordance with the terms stated in article 17.</p>
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Padua, March 11, 2020

for the Board of Directors  
Eugenio Razelli  
Chairman

Filed and registered with the Company Register of Padova on March 12, 2020.

## **ARTICLES OF ASSOCIATION OF SAFILO GROUP S.P.A.**

### **ESTABLISHMENT - REGISTERED OFFICE - DURATION**

#### **Article 1)**

A joint stock company is hereby established under the name of "SAFILO GROUP S.p.A.".

#### **Article 2)**

The Company's registered office is in Padua. Under the terms of law the Company may:

- (a) Establish and close down secondary offices, branches and agencies both in Italy and abroad;
- (b) Move the operating headquarters elsewhere and change the address of the registered office.

#### **Article 3)**

The duration of the Company is established up to 31 (thirty first) December 2100 (twenty one hundred) and can be amended by resolution of the Extraordinary Shareholders' Meeting.

### **BUSINESS PURPOSE**

#### **Article 4)**

The Company's business purpose is:

- a) The direct and indirect management, through shareholdings in companies and entities, of activities in Italy and abroad for the creation, realization, production and marketing of prescription frames and sunglasses, sports eyewear, lenses, machinery and equipment for the eyewear trade and any other accessories for optical use, equipment and items for sport and leisure;
- (b) The assumption, negotiation and management of shareholdings in companies which operate directly or through subsidiary companies, in the sectors specified in a) above, or connected or complementary thereto; the Company may perform financial transactions, finance companies in which it has directly or indirectly invested and make financial agreements for the technical and financial coordination of the same; all activities defined in law as being financial ones shall be conducted solely in respect of group companies and not in respect of the general public;
- (c) The provision of assistance in developing economic, administrative, organizational and commercial planning of entire

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market segments or restructuring of individual companies, feasibility studies for company acquisitions, and in managing programmes for developing economic and commercial relationships abroad and in managing industrial and commercial companies in the sectors listed in a) above, or connected or complementary thereto.

The Company may perform all commercial, industrial, real estate and securities transactions that its governing body considers fit or necessary for achieving its business purpose and for improving management of its resources, particularly financial ones; the Company may receive loans from shareholders and make and receive intragroup loans; the Company may grant endorsements, sureties and any other type of guarantee, including to third parties; the Company may become an agent for Italian or foreign companies; the Company may directly or indirectly undertake shareholdings and interests in other companies, consortia, associations and enterprises whose business purpose is similar, related or nonetheless associated with the Company's own.

The Company may not conduct any activities defined in law as financial ones with the general public.

The Company may not perform any deposit-taking activities or any other legally controlled activities. Restricted professional activities are likewise excluded.

#### **SHARE CAPITAL - SHARES - BONDS - SHAREHOLDERS**

##### **Article 5)**

Share capital amounts to Euro 349,943,372.53 (three hundred forty-nine million nine hundred forty-three thousand three hundred seventy-two/53) divided into no. 275,703,846 (two hundred seventy-five million seven hundred and three thousand eight hundred forty-six) ordinary shares without any indication of par value.

Option rights may be excluded, in respect of the capital increase, up to the limit of ten per cent of existing capital, on the condition that the issue price corresponds to the market value and this is confirmed in a report by the Company's auditors, pursuant to article 2441, paragraph 4, point 2, of the Italian Civil Code.

By virtue of what has been specified above, the extraordinary meeting of April 15th, 2014 resolved to increase the share capital by a maximum value of Euro 7,500,000.00 (seven million five hundred thousand/00) by issuing new ordinary shares for an amount up to a maximum of no. 1,500,000 (one million five hundred

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thousand/00) without any indication of par value, to be offered for subscription to directors and/or employees of the Company and its subsidiaries.

On April 26, 2017, the extraordinary general meeting resolved to increase the share capital, in cash and in more tranches, by a maximum value of Euro 12,500,000.00 (twelve million five hundred thousand/00) attributable to the entire share capital by issuing new ordinary shares for an amount up to a maximum of no. 2,500,000 (two million five hundred thousand) without any indication of par value, having the same characteristics as those already issued, with regular enjoyment, with the exclusion of the option right pursuant to article 2441, paragraph 4, second part of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2017-2020 Stock Option Plan, at a certain exercise price, equal to the volume weighted average of the official price of the Safilo Group's shares registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) for the preceding month leading up to the granting of options (therefore the period starting from the day preceding the Board of Directors' meeting which resolves the granting of options and ending on the same day of the previous calendar month, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).

#### **Article 6)**

Shares are registered and indivisible and can be freely transferred. Likewise convertible bonds issued by the Company are registered and indivisible and may be converted into its shares.

#### **Article 7)**

The right to withdrawal may be exercised in those cases established by binding legal provisions and in the manner set out in law.

The right of withdrawal may not be exercised for resolutions to prolong the Company's duration or to introduce, amend or remove constraints on the circulation of shares.

### **SHAREHOLDERS' MEETINGS**

#### **Article 8)**

Shareholders' Meetings are called in accordance with applicable law and regulations by the Company's Board of Directors at the

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Company's registered office or elsewhere, provided in Italy, in the place indicated in the meeting's notice.

The Directors call without delay the Shareholders' Meetings when so requested by the shareholders in accordance with applicable law and regulations. The shareholders requesting the call of the Shareholders' Meetings prepare and submit to the Board of Directors, contextually with their request, a report on the proposals concerning the items to be discussed at such Shareholders' Meetings. The Board of Directors makes available to the public the aforesaid report along with its own evaluations thereon simultaneously with the publication of the notice of call of the relevant Shareholders' Meetings in accordance with applicable law and/or regulations.

Shareholders' Meetings are convened, pursuant to the provisions of law, through a notice of call containing an indication on the date, time, place and agenda of each such Shareholders' Meeting, as well as any other information required pursuant to applicable law and regulation, to be published on the website of the Company and through the additional modalities which may be provided for pursuant to applicable law and regulations.

#### **Article 9)**

Shareholders' Meetings can be held in either ordinary or extraordinary session.

An Ordinary Shareholders' Meeting must be called at least once a year within 120 days of the end of the Company's financial year. When so entitled by law, the annual Shareholders' Meeting can be convened within 180 days of the end of the Company's financial year; in this case the Directors outline the reasons of the delay in the directors' report accompanying the annual financial statements.

Shareholders' Meetings are convened in one single call, unless, with respect to a specific Shareholders' Meeting, the Board of Directors has resolved to fix a date for the second and, eventually, the third call, informing the shareholders of such circumstance in the relevant notice of call.

Shareholders who, alone or jointly with others, represent at least 2.5% (two point five percent) of share capital may request in writing, within 10 (ten) days of publication of the notice convening the Shareholders' Meeting, or the different term set forth by law within the limits and in accordance with the modalities provided by applicable law and regulations, that additional items be placed on the agenda, specifying in such

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request the additional proposed topics for discussion. Any additions to the meeting's agenda following requests of this kind shall be published in the manner and terms established by the applicable law.

Within the deadline for the presentation of their request to integrate the items on the agenda, the requesting shareholders submit to the Board of Directors a report on such additional items. The Board of Directors makes available to the public the aforesaid report along with its own evaluations thereon simultaneously with the notice of integration of the agenda through the above mentioned modalities.

No integrations to the Shareholders' Meetings' agenda are permitted with respect to those items on which, by operation of law, same Shareholders' Meetings are called to resolve by the Board of Directors or on the basis of a plan or report prepared by same Board of Directors, other than the reports which are ordinarily prepared by the Board on the items of the agenda.

#### **Article 10)**

Each share carries the right to one vote.

The entitlement to attend and vote at the Shareholders' Meetings is attested by an apposite certificate delivered to the Company by an authorized intermediary in accordance with its accounting books, issued in favour of the individual/entity which is entitled to vote on the basis of the participation owned by his/her/it at the end of the seventh trading day preceding the date of single call or first call of the concerned Shareholders' Meeting or at the different term set forth by applicable law or regulations.

The above mentioned certificate shall be delivered to the Company by the authorized intermediary within the deadlines set forth by law.

The individuals/entities entitled to vote may be represented in the relevant Shareholders' Meetings by written proxy, in the cases and to the extent allowed by applicable law and regulations. The proxy may be submitted to the Company in an electronic way, through a certified email account (PEC) or any other technical modalities which may be contemplated by applicable law or regulations.

The Company, availing itself of the possibility set forth by law, elect not to appoint the representative provided for by article 135-undecies of the Decree 58/1998.

#### **Article 11)**

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Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, if absent or unable, by another individual selected by majority vote of those attending the Shareholders' Meeting.

The Chairman is assisted by a secretary, who need not be a shareholder, designated by the Meeting or by a notary in the cases established by law or when so decided by the meeting's Chairman. A secretary is not necessary when the minutes of the meeting are prepared by a notary.

The Chairman confirms that the meeting has been properly called and that the individuals/entities in attendance are entitled to take part thereto; he directs and controls the debate and establishes the methods of voting.

#### **Article 12)**

The provisions of law apply to both ordinary and extraordinary Shareholders' Meetings, both as regards their proper formation and the validity of the resolutions adopted.

#### **Article 13)**

Shareholders' Meetings are conducted in accordance with a specific set of procedures, approved by resolution of the Ordinary Shareholders' Meeting.

### **BOARD OF DIRECTORS**

#### **Article 14)**

The Company shall be managed by a Board of Directors consisting of between six and fifteen members, who need not be shareholders. The size of the Board of Directors shall be determined by the Shareholders' Meeting.

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

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.

In accordance with the provisions of article 147-ter of the Legislative Decree no. 58 of 24 February 1998:

(i) to the purpose 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



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shareholders containing a maximum of 15 candidates, all listed with a sequential number; and

(ii) the mechanism for the election of the Board of Directors set forth in this Article 14 shall in any case ensure balance between genders (masculine or feminine) within the Board of Directors in compliance with the applicable *pro tempore* legislation and regulations in force.

#### **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, at least a percentage of share capital, consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the directors' appointments. 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/entity attending the meeting, none of the 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 the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' Meetings, their vote for any of the lists presented is discounted.

The lists presented must be filed at the Company's registered office at least 25 (twenty-five) days in advance of the date set for the single call or first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time. This requirement must be mentioned in the notice convening the meeting, without prejudice to any other form of publicity established by legislation in force from time to time.

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

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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.

The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Directors or within the different deadline provided for by applicable law and regulations in force from time to time.

Shareholders presenting a list of candidates must also provide the Company, within the deadline for presentation of the list, with the information concerning their own identity and percentage of shares held. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time.

In compliance with the current legislative and regulatory provisions as well as the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, each list shall contain a number of candidates who satisfy the independence requirements for statutory auditors established in article 148, paragraph 3, of the Legislative Decree no. 58 of 24 February 1998, specifying such candidates clearly.

If and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Directors Majority List (as defined below), from such list a number of Directors belonging to the underrepresented gender are elected in order to ensure balance between genders (masculine or feminine) within the Board of Directors in compliance with the applicable *pro tempore* legislation and regulations in force.

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

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## B) Voting

The vote of each entitled individual/entity 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, but one, shall be elected from the list obtaining the highest number of votes ("**Directors 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 ("**Directors Minority List**"), which shall not be associated in any way, even indirectly, with the individuals/entities who presented and/or voted for the Majority List; the Director elected in this case shall be the candidate at the head of this list. However, if not even one independent Director is elected from the Directors Majority List, then the first independent Director appearing on the Directors Minority List shall be elected in place of the candidate at the head of this list.

In the event of a tie, the entire Shareholders' Meeting will vote again until an unequivocal result is achieved.

The Chairman of the Board of Directors shall be the first candidate appearing on the Directors 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 and subject to compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine) within the Board of Directors.

The Directors Majority List or the only list (as the case may be) shall ensure compliance with the applicable *pro tempore* legislation and regulations in force regarding balance between genders. In particular, if the composition of the managing body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of components of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Directors Majority

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List, the gender (masculine or feminine) of the candidate elected by the Directors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine) will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the minimum quota required by the applicable *pro tempore* legislation and regulations in force regarding balance between genders has been reached.

If no list is presented or the list(s) presented contain(s) a number of candidates (also in terms of underrepresented gender, masculine or feminine) not sufficient to elect the entire managing body, the Board of Directors or, as appropriate, the additional Directors to be elected in order to reach the number of members of the Board of Directors established by the Shareholders' Meeting, shall be appointed by same Shareholders' Meeting with the voting majorities required by law. In each case, it shall be carefully ensured the presence within the Board of Directors of the necessary number of members having all the requirements set forth by applicable laws and regulations, who shall also be selected in such a way as to ensure the presence in the Board of Directors of the minimum quota required by the applicable *pro tempore* legislation and regulations in force regarding balance between genders.

#### **Article 15)**

If one or more directors should vacate office during the year, the following procedures shall be adopted for their replacement in accordance with article 2386 of the Italian Civil Code:

a) the Board of Directors shall appoint replacements by way of co-option of individuals belonging to the same list of the resigned Directors; the next Shareholders' Meeting shall vote with the legally required majorities, in compliance with the same principle and nonetheless ensuring that the Board of Directors contains the correct number of directors qualifying as independent required by current statutory and regulatory provisions. If and until expressly provided by mandatory law and/or regulatory provisions, the Board of Directors shall appoint replacements of the same gender (masculine or feminine) of the ceased Directors, so to ensure the compliance with the applicable *pro tempore* legislation and regulations in force regarding balance between genders, having also care to ensure that the Board of Directors contains the correct number of Directors having the independency requirements set forth by current statutory and regulatory provisions.

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The Shareholders' Meeting, in confirming/replacing the coopted Directors or, in the absence of co-option, in directly proceeding with the appointment of replacements, resolves with the voting majorities set forth by law, having however care of complying with the same principles referred above;

b) if the list no longer contains previously unelected candidates, the Board of Directors shall make the replacement without observing the procedure set out in point (a) above. Similarly, the related vote by the next Shareholders' Meeting, again with the legally required majorities, shall nonetheless ensure that the Board of Directors contains the correct number of Directors qualifying as independent required by current statutory and regulatory provisions and, if and until expressly provided by mandatory law and/or regulatory provisions, the required number of Directors belonging to the underrepresented gender (masculine or feminine).

If two or more Directors resign or leave the Board of Directors for any other reason, the entire Board will be considered replaced from the date on which the new Board takes office.

#### **Article 16)**

If no list has been presented and if the Shareholders' Meeting has not already done so, the Board of Directors shall appoint its own Chairman.

The Board can appoint one or more Vice Chairmen, and one or more Chief Executive Officers, who also have deputizing functions to the Chairman.

The Board shall appoint a Secretary, who does not have to be one of its members.

#### **Article 17)**

The Board of Directors shall meet 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 containing the meeting's date, time, place and agenda; such notice shall be sent at least seven days before the date of the meeting via letter, fax, e-mail or any other method that guarantees proof of receipt, to the domicile of each director and standing statutory auditor. In the event of having to convene the Board urgently, the notice may be

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sent in the same manner at least two days before the date of the meeting.

Board meetings are valid even when they are held by teleconference or videoconference, provided that all participants can be identified by the Chairman and all the others attending, and they are able to follow the discussion or intervene in real time, and that all the proceedings are recorded in the minutes. If these conditions are met, the meeting is considered as being held in the place where the Chairman and Secretary are both located for the purposes of preparing the minutes.

Board meetings are valid even when not duly convened provided all the directors and statutory auditors in office are present, including in teleconference or videoconference.

#### **Article 18)**

Board meetings are chaired by the Chairman or, if absent, by a Vice Chairman or Chief Executive Officer or, if absent, by another director as appointed by the Board.

#### **Article 19)**

The majority of directors in office must be present for Board resolutions to be valid.

Board resolutions are adopted by majority vote of the directors in attendance. Should the Board of Directors consist of an even number of members, the Chairman shall have the casting vote in the event of a tie.

#### **Article 20)**

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 mergers in the cases envisaged by articles 2505 and 2505-bis of the Italian Civil Code, demergers in the case of article 2505-bis mentioned in article 2506-ter of the Italian Civil Code, the opening or closure of secondary headquarters, the reduction of share capital in the event of shareholder withdrawal, amendments to the Articles of Association to update them for statutory and regulatory requirements and the transfer of the Company's registered office within Italy.

The Board of Directors, or its members invested with specific powers, shall comply with all legal reporting requirements, informing the Board of Statutory Auditors of its activities and

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of the more important economic, financial and equity operations carried out by the Company or its subsidiaries; they specifically report on transactions in which they have an interest, on their own account or that of third parties, or which are influenced by any body exercising direction and coordination of the Company; this report is made at least every three months during meetings of the Board of Directors.

#### **Article 21)**

In compliance with article 2381 of the Italian Civil Code, the Board of Directors can delegate its powers to an executive committee, and to one or more of the directors.

The notice of call, the meetings and resolutions of the executive committee, when appointed, are governed by the same provisions as in articles 17, 18 and 19 above.

The Board of Directors shall be responsible for making and annulling the appointment of the Company's Financial Reporting Officer, in compliance with the provisions of article 154-bis of Decree 58/1998. Such appointment and annulment shall be made by the Board of Directors after having sought the compulsory but not binding opinion of the Board of Statutory Auditors on this matter. The Board of Directors shall ensure that the Financial Reporting Officer has suitable powers and resources for carrying out the duties entrusted under current legislation and shall establish the term in office and related remuneration. The Financial Reporting Officer shall be chosen from persons in possession of professional qualifications involving specific expertise and long experience in the accounting and financial field and any other requirements established by the Board of Directors and/or current legislation.

The Board of Directors also has the right to appoint proxies, who may be permanent or temporary, for individual deeds or transactions or for categories of deed or transaction.

#### **Article 22)**

Except for authority otherwise granted, the Chairman of the Board of Directors and each of the Chief Executive Officers, if appointed, shall be entitled to sign jointly or severally on the Company's behalf, as decided by the Board of Directors which appointed them and established their powers and duties.

#### **Article 23)**

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The directors and the members of the executive committee shall receive such remuneration as determined by the Shareholders' Meeting.

Directors invested with special office will also receive the remuneration established by the Board of Directors, after having consulted with the Board of Statutory Auditors.

Alternatively, the Shareholders' Meeting may determine a global amount for the remuneration of all Directors, including the executive ones, to be allocated to each single Director through a resolution to be taken by the Board of Directors after having consulted with the Board of Statutory Auditors.

### **RELATED-PARTY TRANSACTIONS**

#### **Article 24)**

The Company approves any related-party transactions in accordance with the provisions of law or regulations in force from time to time, as well as pursuant to the provisions of these by-laws and the internal procedures and rules adopted by the Company in connection therewith.

#### **Article 25)**

The internal procedures adopted by the Company on related-party transactions can provide for the possibility of the Board of Directors to approve related-party transactions of major relevance notwithstanding the advice of the independent directors to the contrary, provided that the implementation of such transactions is previously authorized by the Shareholders' Meeting pursuant to article 2364, paragraph 1, number 5), of the Italian Civil Code.

In the above circumstance the Shareholders' Meeting may give its authorization to the transaction resolving with the majorities set forth by law, unless, should the non-related shareholders in attendance to the meeting represent at least 10% of the share capital with voting right, the majority of the non-related shareholders voting at such meeting expresses its vote against the transaction.

#### **Article 26)**

Within the limits set forth by applicable provisions of law and regulations, the internal procedures adopted by the Company on related-party transactions can provide for an exemption to their application in relation to urgent transactions, even if such



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transactions should be submitted to the competence of the Shareholders' Meeting.

**BOARD OF STATUTORY AUDITORS - LEGAL AUDITING OF THE COMPANY'S  
ACCOUNTS**

**Article 27)**

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: (a) allow the minority to appoint one standing member and one alternate member, and (b) ensure the balance between genders (masculine and feminine) represented within the Board of Statutory Auditors.

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. Furthermore, if and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Statutory Auditors Majority List (as defined below), from such list a number of statutory auditors belonging to the underrepresented gender are elected so to ensure compliance with the applicable *pro tempore* legislation and regulations in force regarding balance between genders.

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 the time of presentation of the list,

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at least the percentage of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the appointment of the Board of Statutory Auditors. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.

No individual/entity attending the meeting, none of the 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 the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' meeting, their 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, prepared in compliance with the applicable *pro tempore* legislation and regulations in force regarding balance between genders, shall be signed by the shareholders presenting them and filed at the Company's registered offices at least 25 (twenty-five) days in advance of the date set for the single call or first call of the related Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time, without prejudice to any other form of publicity established by applicable 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. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time;

(ii) a statement by the shareholders, other than those who individually or jointly own a controlling or majority interest,

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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.

The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Statutory Auditors or within the different deadline provided for by applicable law and regulations in force from time to time.

## **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 ("Statutory Auditors Majority List") in the sequential order in which they appear on this list.

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

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In the event of a tied vote, further ballots 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 Statutory Auditors Minority List as the Chairman of the Board of Statutory Auditors.

Without prejudice to the above, the provisions of law and regulations in force from time to time apply to the presentation, deposit and publication of the lists, including in the cases where only one list is presented, or the lists are presented by shareholders associated one with the others as per par. 2 of article 148 of Decree 58/1998.

In any event, even if only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing statutory auditors, in compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine, and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.

The Statutory Auditors Majority List or the only list (as the case may be) shall ensure compliance with the applicable *pro tempore* legislation and regulations in force regarding balance between genders. In particular, if the composition of the controlling body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of candidates of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Statutory Auditors Majority List, the gender (masculine or feminine) of the candidate elected by the Statutory Auditors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine), will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the minimum quota required by the applicable *pro tempore* legislation and regulations in force regarding balance between genders has been reached.

If no list is 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 and ensuring, in any case, the presence of the required number of members belonging to the underrepresented gender (masculine or feminine) between the standing members of the Board of Statutory Auditors, such as to comply with the applicable *pro*

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*tempore* legislation and regulations in force regarding balance between genders.

### **C) Replacement**

In the event of having to replace a statutory auditor, the replacement shall be an alternate statutory auditor belonging to: (i) the same list and (ii) if and until it is necessary in order to ensure the proportion between genders (masculine and feminine) required by the applicable *pro tempore* legislation and regulations in force regarding balance between genders, the same gender as the ceased statutory 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 par. 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 and, if and until it is necessary, in order to ensure the balance between genders (masculine and feminine) within the Board of Statutory Auditors, in compliance with the applicable *pro tempore* legislation and regulations in force regarding balance between genders.

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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.

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**Article 28)**

The legal auditing of the Company's accounts is made by an auditing firm, whose appointment, duties, powers and responsibilities are governed by the provisions of specific laws.

**FINANCIAL STATEMENTS AND PROFITS**

**Article 29)**

The Company's financial year runs from 1 January to 31 December of each year. The financial statements are prepared by the Board of Directors as required by current legislation.

**Article 30)**

Five percent of net income resulting from the financial statements approved by the Shareholders' Meeting must be allocated to the legal reserve until this equals one-fifth of share capital. The remainder of net income may then be allocated in the manner decided by the Shareholders' Meeting.

The Board of Directors may resolve to distribute interim dividends, if the legal requirements and conditions exist.

Dividends not collected within a five-year period from their payment date shall become statute-barred and be recredited to the legal reserve.

**WINDING-UP AND LIQUIDATION**

**Article 31)**

In the event the Company is wound up, the Extraordinary Shareholders' Meeting shall determine how the liquidation will be conducted, appoint one or more liquidators, determine their powers and fix their remuneration.

**APPOINTMENT OF AN HONORARY CHAIRMAN**

**Article 32)**

Should the Board of Directors consider it necessary, and insofar as the Ordinary Shareholders' Meeting has not made provisions there for, the Board of Directors can nominate an Honorary Chairman, who will not be a member of the Board of Directors, and who will only attend meetings of the Board of Directors upon invitation by the Chairman of the Board. The Honorary Chairman does not have the right to vote in the meetings of the Board of Directors.

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The Honorary Chairman shall carry out the duties assigned from time to time by the Board of Directors.

The Honorary Chairman shall serve the same term as the Board of Directors in office at the time. The Honorary Chairman can be re-elected.

The Board of Directors shall determine the remuneration of the Honorary Chairman.