



**REPORT OF THE DIRECTORS FOR THE ORDINARY AND EXTRAORDINARY  
SHAREHOLDERS' MEETING**

**OF**

**SAFILO GROUP S.p.A.**

**CALLED ON APRIL 28, 2020, IN SINGLE CALL**

**ITEMS NO. 2, 3 AND 5 ON THE AGENDA – ORDINARY SESSION  
(Report drafted pursuant to Article 125-ter of the T.U.F. and Article 84-ter of  
the Issuer's Regulation)**

Dear Shareholders,

With this report we would like to illustrate items no. 2, 3 and 5 - ordinary session - on the agenda of the Ordinary and Extraordinary Shareholders' Meeting of the Company, called at the registered office of the Company on April 28, 2020, at 10:00 am, in single call.

**2. Separate Financial statements as at December 31, 2019; Presentation of the consolidated financial statements as at December 31, 2019; Reports of the Directors, the Board of Statutory Auditors and the Auditing Company; related and consequent resolutions**

Dear Shareholders,

We submit to your approval the separate financial statements as at December 31, 2019.

We also submit to your attention the consolidated financial statements as at December 31, 2019 which, although not subject to the approval of the Shareholders' Meeting, is useful supplemental information to the separate financial statements.

We remind you that the annual financial report, comprising the draft separate financial statements, the consolidated financial statements and the report on operations will be made available in due time at the registered office of the Company, on the Company's web site [www.safilogroup.com](http://www.safilogroup.com) (section Investor Relations/Financial Documents/Reports) as well as at the central storage of regulated information [www.1info.it](http://www.1info.it) in compliance with the legal terms, and in any case no later than April 7, 2020.

Given the above and referring for more information to the annual financial report, we submit to your approval the following

**proposed resolution**

*"The Shareholders' Meeting:*

- *having taken into account the draft financial statements for the year ended as at December 31, 2019 and the related reports of the Directors, the Board of Statutory Auditors and the Auditing Company;*
- *having taken into account the consolidated financial statements as at December 31, 2019;*
- *having taken into account the Illustrative Report of the Board of Directors;*

**resolves**

- *to approve the financial statements for the year ended as at December 31, 2019;*

- to carry forward the loss, generated in the year, amounting to Euro 242,119,810.”

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### **3. Report on the remuneration policy and on the remuneration paid:**

#### **3.1 resolution pursuant to Article 123-ter, Paragraph 3-ter, of Legislative Decree 58/98 on Section I of the Report**

#### **3.2. resolution pursuant to Article 123-ter, Paragraph 6, of Legislative Decree 58/98 on Section II of the Report**

Dear Shareholders,

We submit to your attention the Report on the remuneration policy and the remuneration paid, prepared pursuant to Article 123-ter of Legislative Decree 58/98. We remind you that the Report on the remuneration policy and the remuneration paid is divided into two sections, which illustrate respectively:

- (i) the Company's policy on the remuneration of the members of the Board of Directors, managers with strategic responsibilities and Board of Statutory Auditors for the 2020 financial year and the procedures used for the adoption and implementation of this policy (the "**Remuneration Policy**");
- (ii) each of the items that make up the remuneration of the members of the Board of Directors, Board of Statutory Auditors and managers with strategic responsibilities, as well as the remuneration paid to them for any reason during the 2019 financial year (the "**Remuneration Paid**").

Pursuant to the aforementioned provision, the Shareholders' Meeting is called to approve the first section of the Report containing the Remuneration Policy and to resolve in favor or against the second section of the Report containing the Remuneration Paid. The resolution of the Shareholders' Meeting on the second section is not binding but the outcome of the vote will in any case be made available to the public pursuant to Article 125-quater, paragraph 2, of Legislative Decree 58/98.

It should be noted that (i) the Remuneration Policy was approved by the Board of Directors on March 24, 2020 upon proposal of the Remuneration and Nomination Committee; and (ii) the Report on the remuneration policy and on the remuneration paid will be made available in due course at the registered office of the Company, as well as on the Company's web site [www.safilogroup.com](http://www.safilogroup.com) (section *Investor Relations/Corporate Governance/Shareholders' Meeting*) in compliance with the legal terms, and in any case no later than April 7, 2020.

Given all the above, and referring for more information to the contents of the Report on the remuneration policy and on the remuneration paid, we submit to your approval the following

**proposed resolution**

" *The Shareholders' Meeting:*

- *having taken into account the contents of the first section of the Report on the remuneration policy and on the remuneration paid, relating to the Company's policy on the remuneration of the members of the Board of Directors, managers with strategic responsibilities and Board of Statutory Auditors for the 2020 financial year and the procedures used for the adoption and implementation of this policy;*
- *having taken into account the contents of the second section of the Report on the remuneration policy and on the remuneration paid, relating to the items that make up the remuneration of the members of the Board of Directors, Board of Statutory Auditors and managers with strategic responsibilities, as well as the remuneration paid to them for any reason during the 2019 financial year;*
- *having taken into account the Illustrative Report of the Board of Directors;*

**resolves**

- *to approve the first section of the Report on the remuneration policy and on the remuneration paid;*
- *in favour of the second section of the Report on the remuneration policy and on the remuneration paid."*

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**5. Appointment of a Director; related and consequent resolutions**

Dear Shareholders,

as previously announced, Catherine Gérardin-Vautrin (independent and non-executive Director of the Board of Directors, as well as Chairman of the Remuneration and Nomination Committee) resigned, on March 24, 2020, from the position of Director of the Company.

In this regard, the Board of Directors, in the meeting held on March 24, 2020, resolved not to proceed with the replacement pursuant to Article 2386, paragraph 1, of the Italian Civil Code, in

consideration of the imminence of the next Shareholders' Meeting, to which it was deemed appropriate to defer the decision on the appointment of a Director.

We hereby remind you that the current Board of Directors, consisting of 9 (nine) members, was appointed by the Shareholders' Meeting on April 24, 2018 and will expire with the approval of the financial statements as at December 31, 2020; we also remind you that the current Board of Directors includes three Directors who meet the independence requirements and two directors belonging to the less represented gender. Consequently, the appointment of the new director by the Shareholders' Meeting must ensure the compliance with the applicable pro tempore legislation and regulations in force regarding balance between genders, which requires – as this is an integration of the Board of Directors and not an integral renewal of the body - that the less represented gender represents at least one third of the elected directors.

In view of the above, you are therefore invited to proceed with the appointment of a new female Director, in order to integrate the number of Directors of the Company and ensure compliance with the applicable pro tempore legislation and regulations in force regarding balance between genders.

It should be noted that the appointment of the Director will take place without application of the list voting procedure, required by the Articles of Association only for the renewal of the entire Board, and therefore by means of a majority resolution on the basis of proposals submitted by shareholders.

There are no specific procedures for submitting candidatures. However, following the entry into force of Legislative Decree no. 18/2020 (“Decree”) - which introduced some exceptional rules related to the COVID-19 emergency applicable to the shareholders’ meetings of listed companies - and to the consequent decision of the Board of Directors to establish, pursuant to the Decree, that the intervention of the shareholders in Shareholders’ Meeting shall take place exclusively through the designated proxy pursuant to Article 135-undecies of Legislative Decree no. 58/98, without physical participation by the participants in order to minimize the risks associated with the current health emergency, the same Board of Directors invites the Shareholders to file the candidate lists (i) by registered letter at the Company's registered office, to the attention of the Legal and Corporate Affairs Department, or (ii) by certified e-mail at [safilogroupspa@legalmail.it](mailto:safilogroupspa@legalmail.it), in order to allow the Company to disclose the lists at least 21 (twenty one) days before the date of the Shareholders, Meeting.

We remind you that in any case any candidates submitted must be accompanied by the following documentation:

- (i) the professional curricula of the candidates,

(ii) statements by each of the 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.

The proposals received will be promptly made public, by means of a specific press release to the market and on the Company's website.

We finally remind you that the elected Director will remain in office until the expiry date foreseen for all the other members of the Board of Directors, i.e. until the approval of the financial statements for the year ending on December 31, 2020, and that the annual remuneration for the new director shall be the equal to Euro 50,0000, as resolved by the Shareholders' Meeting of April 24, 2018.

Padua, March 27, 2020

for the Board of Directors

Eugenio Razelli

Chairman