

Report of the Directors pursuant to Article 125-ter of the Legislative Decree no. 58 of February 24, 1998, ("T.U.F."), and Article 84-ter of Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended)



**REPORT OF THE DIRECTORS
FOR THE SHAREHOLDERS' MEETING OF
SAFILO GROUP S.p.A.
CALLED ON APRIL 27th, 2015, IN SINGLE CALL**

**(Report drafted pursuant to Article 125-ter of the T.U.F. and Article 84-ter of
the Consob Regulation)**

SHAREHOLDERS' MEETING APRIL 27TH, 2015

REPORT

Dear Shareholders,

We make available to you, at the registered office and the secondary office of the Company, as well as on the Company's web site www.safilo.com, pursuant to Section 125-ter of the T.U.F. and Section 84-ter of the Consob Regulation, a report relating to the proposals concerning the following items on the agenda of the ordinary Shareholders' Meeting, to which you have been called to take part, at the secondary office of the Company, in Padua, at Zona Industriale, Settima Strada no. 15, on April 27th, 2015, at 10:00am, in single call, to discuss and resolve upon the following:

AGENDA

- 1. Financial statements as at December 31, 2014; Presentation of the consolidated financial statements as at December 31, 2014; Reports of the Directors, the Board of Statutory Auditors and the Auditing Company; inherent and consequent resolutions;**
- 2. Report to the Shareholders' Meeting on the Group's Remuneration Policy;**
- 3. Appointment of the Board of Directors and its Chairman, with the previous determination of the number of members; Determination of their remunerations for the entire term of their office; inherent and consequent resolutions.**

First item on the agenda

Financial statements as at December 31, 2014; Presentation of the consolidated financial statements as at December 31, 2013; Reports of the Directors, the Board of Statutory Auditors and the Auditing Company; Inherent and consequent resolutions

Reference is made to the documentation relating to this item on the agenda that will be made available in due course at the registered office and the secondary office of the Company, in Padua, as well as on the Company's web site www.safilo.com (section Investor Relations/Financial Documents/Reports) in compliance with the legal terms, and in any case no later than April 6th, 2015.

Second item on the agenda

Report to the Shareholders' Meeting on the Group's Remuneration Policy

With reference to this item on the agenda, reference is made to the Report on the remuneration - drawn up in accordance with article 123-ter of Legislative Decree no. 58 of 24 February 1998 ("TUF") and article 84-*quater* of Consob Regulation no. 11971, introduced with resolution No. 18049 of 23 December 2011, ("Consob Regulation") and consistent with the provisions of Borsa Italiana S.p.A.'s Corporate Governance Code - that will be made available in due course at the registered office and the secondary office of the Company, in Padua, as well as on the Company's web site

www.safilo.com (section Investor Relations/Corporate Governance/Shareholders' Meeting) in compliance with the legal terms, and in any case no later than April 6th, 2015.

That being stated, the Shareholders' Meeting is asked, pursuant to article 123-ter T.U.F., to favourably resolve upon section 1 of the Report on the Remuneration.

Third item on the agenda

Appointment of the Board of Directors and its Chairman, with the previous determination of the number of members; Determination of their remunerations for the entire term of their office; inherent and consequent resolutions

Dear Shareholders,

the Board of Directors of your Company ceases from the office due to the expiration of the relevant term; therefore, we invite you to appoint the new Board of Directors.

Without prejudice to what has been already illustrated in the notice of call of the Shareholders' Meeting, we hereby remind you that the appointment of the Board of Directors is carried out in accordance with the provisions set forth under article 14 of the Articles of Association, published on the Company's web site in the section Investor Relations/Corporate Governance and attached hereto, to which you are fully referred.

The procedures for the deposit of the lists and the modalities of appointment are briefly summarized herein below.

The Board of Directors consists of between 6 and 15 members, who need not be shareholders, they shall remain in office for 3 financial years and are eligible for re-election. The size of the Board of Directors shall be determined by the Shareholders' Meeting.

The Board of Directors shall be appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders, 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 Directors.

The lists presented by shareholders shall contain a maximum of 15 candidates listed with a sequential number. 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 in the Articles of Association), from such list a number of directors belonging to the underrepresented gender are elected equal to, at least, one fifth of the elected statutory auditors (the "**Reduced Quota**").

No candidate may appear in more than one list, otherwise they will be not eligible.

The lists, showing the names of the candidates, prepared in compliance with the Reduced Quota of Directors to be elected and undersigned by the shareholders submitting same lists, shall be deposited at the registered office of the Company, in compliance with the instructions set forth under the notice of call, at least 25 days prior to the date of the Shareholders' Meeting in single call and shall be completed with:

- (i) the professional curricula of the candidates,
- (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;
- (iii) information relating to the identity of the shareholders that have submitted the lists, specifying the overall percentage of the share capital hold by them. The certificate attesting the legal ownership necessary for the submission of the lists of candidates, to be determined by taking into account the number of shares registered in favour of the concerned Shareholder on the same day when the lists are deposited at the Company, may be delivered to the Company also after the deposit of the lists provided that such certificate is delivered at least 21 days prior to the date of the Shareholders' Meeting in single call;
- (iv) a statement of the shareholders, other than those that individually or jointly own a controlling or relatively majority shareholding, confirming the absence of relationships connecting them to the latter as provided under Section 144-quinquies of the Consob Regulation.

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

The lists that are not compliant with the above provisions will be deemed as if they had not been submitted.

The deposited lists will be made available to the public at the registered office of the Company, on the Company's web site and with the other modalities provided by the applicable laws and regulations, at least 21 days prior to the Shareholders' Meeting in single call, convened to resolve upon the appointment of the members of the Board of Directors.

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.

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 Reduced Quota. 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 Reduced Quota of directors to be elected 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 Reduced Quota of components belonging to the underrepresented gender (masculine or feminine).

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

It is specified that the Remuneration and Nomination Committee, held on March 4th, 2015, gave its favorable opinion on the dimension and composition of the Board of Directors, indicating that it would be appropriate to keep a number of Directors equal to or substantially in line with the present one and/or the number of the previous years. The Committee suggested, moreover, that the candidates have technical and professional experience, as the member of the present Board of Directors.

The Shareholders' meeting is invited to:

- determine the number of components of the Board of Directors, bearing in mind for this purpose the possible proposals of the shareholders which shall present the lists;
- vote on the lists of candidates that shall be presented, in accordance with the terms and methods provided for by Article 14 of the Company's Articles of Association and shall make public according to the regulatory provisions currently in force and it is understood that in accordance with article 14, paragraph B), of the Company's Articles of Association, the first listed candidate of the Majority List shall be appointed as Chairman; and
- determine the fees, for the entire period of office, for the members of the Board of Directors.

Padua, March 5th, 2015

for the Board of Directors
Robert Polet
Chairman

ARTICLE OF ASSOCIATION

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 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 ensures that the underrepresented gender (masculine or feminine) shall obtain at least one third (the "Full Quota") or, if applicable, one fifth (the "Reduced Quota"), of the elected Directors.

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 equal to, at least, the Full Quota, or, if applicable, the Reduced Quota.

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 Full Quota or, where applicable, the Reduced Quota. 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 Full Quota, or the Reduced Quota, if applicable, of directors to be elected 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 Full Quota, or, where applicable, the Reduced Quota, of components belonging to the underrepresented gender (masculine or feminine).