

ENGLISH TRANSLATION FOR CONVENIENCE PURPOSES ONLY

Report of the Directors pursuant to article 3 of the Ministerial Decree no. 437 of November 5, 1998 and section 72 of Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended)



REPORT OF THE BOARD OF DIRECTORS

Drafted pursuant to article 3 of the Ministerial Decree no. 437 of November 5, 1998 and section 72 – as well as in compliance with Annex 3A, layout no. 3 – of Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended)

TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

CALLED ON APRIL 29/30, AND MAY 3, 2010

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Foreword

Dear Shareholders,

The Board of Directors of Safilo Group S.p.A. (the "**Company**") held on March 29, 2010, resolved to submit to the Ordinary and Extraordinary Shareholders' Meeting of the Company, called – as far as the Ordinary and the Extraordinary sessions are concerned – at the secondary office of the Company, in Padua, Settima Strada no. 15, on April 29 2010, at 10:00 am, on first call, and on April 30, 2010, same time and place, on second call, and – as far as the Extraordinary session only is concerned – also on May 3, 2010, same time and place, on its possible third call, the items set forth under the following

AGENDA

Ordinary Session

Omissis

[Please refer to the separate report drafted by the Board of Directors pursuant to article 3 of the D.M. no. 437 of November 5, 1998]

Extraordinary Session

- (i) *Proposal of reverse stock split; Amendments to article 5 of the Company's Bylaws; Pertinent and consequent resolutions*
- (ii) *Amendments to articles 5, 14, 15, 17, 21, 22, 24, and 29 of the Company's Bylaws; Pertinent and consequent resolutions*

This report (the "**Report**"), drafted pursuant to article 3 of the Ministerial Decree no. 437 of November 5, 1998 and section 72 of the Consob Regulation, the so-called "*Regolamento Emittenti*", adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended), as well as in compliance with Annex 3A, layout no. 3, to the above mentioned Consob Regulation, is aimed at providing the necessary information on the items of the agenda to be resolved upon by the Extraordinary Shareholders' Meeting.

This Report shall be read together with the separate report concerning the proposals relating to the items of the agenda of the Ordinary Shareholders' Meeting drafted pursuant to article 3 of Ministerial Decree no. 437 of November 5, 1998.

* * *

Part I - Proposal of reverse stock split; Amendments to Article 5 of the Company's Bylaws; Pertinent and consequent resolutions

Dear Shareholders,

As of the date of this Report the share capital of the Company is equal to Euro 284,109,827.50 (two hundred eighty four million one hundred and nine thousand eight hundred twenty seven/50) divided into no. 1,136,439,310 (one billion one hundred thirty six million four hundred thirty nine thousand three hundred and ten) ordinary shares with par value equal to Euro 0.25 (zero/25) each.

1 Rationale of the proposed resolution

The above being stated, the Board of Directors deems it appropriate to highlight how the par value and the trading on the telematic stock exchange of your Company's shares are currently

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expressed in few Euro cents. Such circumstance has to be ascribed to the high number of shares representing the share capital, the amount of which is, moreover, significantly increased following the Company's capital increase resolved upon by the Extraordinary Shareholders' Meeting held on December 15, 2009. The full subscription of said capital increase, completed on March 24, 2010, implied the allotment of an overall number of additional ordinary shares equal to no. 822,505,770 (eight hundred twenty two million five hundred five thousand seven hundred seventy).

In light of the above, the Board of Directors deems it appropriate to propose to the Extraordinary Shareholders' Meeting of the Company to group the shares representing the corporate capital of the Company according to a ratio of 1 (one) new ordinary share for every 20 (twenty) current ordinary shares (the "**Reverse Stock Split**"). For the purpose of avoiding that the application of the above mentioned Reverse Stock Split ratio gives rise to a rest of shares on the aggregate of the shares representing the entire share capital of the Company, same Company could request one or more shareholders to renounce, within the context of the implementation of the Reverse Stock Split, and for the sole purpose of "squaring" the operation, to no. 10 (ten) shares and therefore allow the cancellation of no. 10 (ten) ordinary shares of the Company and the concomitant rounding down of the share capital of the Company for the corresponding par value of Euro 2.50 (two/50). In this respect, it is pointed out that, if so required, the shareholder Multibrands Italy B.V. has already expressed its availability to the abovementioned renunciation. Contextually with such annulment, even considering the absolute marginality of the share capital reduction caused by the abovementioned rounding down, the Company shall in any case set up a non disposable reserve for an amount equal to Euro 2.50 (two/50).

The implementation of the Reverse Stock Split should also not have an adverse effect on the "Safilo Group S.p.A. 2006-2010 Stock Option Plan" which the Board of Directors deems as expired in advance (for an examination of the rationale supporting such circumstance, please refer to Part II of this Report).

The Reverse Stock Split under this Report is mainly aimed at simplifying the administrative management of the share title (implying, *inter alia*, a significant reduction of the costs relating to same management) in the interest of the current and future shareholders and at fostering both the liquidity of the title and the exchange of the latter. In this respect, in fact, by increasing the share value in the order of Euro unities, on one hand, the control over significant percentage fluctuations of the title as compared to the absolute variations of cents or thousandths of Euro would be strengthened and, on the other hand, the unity value of each single title would be more legible, avoiding the possible "penny share" perception.

As a consequence of the Reverse Stock Split described in this Report:

1. the overall number of ordinary shares representing the share capital of the Company, currently equal to 1,136,439,300 (one billion one hundred thirty six million four hundred thirty nine thousand three hundred), as they result following the completion of the cancellation of no. 10 (ten) shares in accordance with the terms illustrated above, will be reduced to 56,821,965 (fifty six million eight hundred twenty one thousand nine hundred sixty five); and
2. the par value of each ordinary share representing the share capital of the Company will be increased to Euro 5.00 (five/00).

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2 Synoptical display of the articles of the bylaws to be amended, in both the current and the proposed amended version

The approval of the envisaged resolution relating to the Reverse Stock Split of the ordinary shares representing the share capital of the Company will imply the amendment to the current version of article 5 of the Company's Bylaws as follows:

Current Version	Proposed Amended Version
Article 5 – First paragraph	Article 5 – First paragraph
The share capital amounts to Euro 284,109,827.50 (two hundred eighty-four million one hundred and nine thousand eight hundred and twenty-seven point five) divided into no. 1,136,439,310 (one billion one hundred and thirty-six million four hundred and thirty-nine thousand three hundred and ten) ordinary shares of a par value of Euro 0.25 (zero/25) each.	The share capital amounts to Euro 284,109,827.50 (two hundred eighty-four million one hundred and nine thousand eight hundred and twenty-seven point five) <u>284,109,825.00 (two hundred eighty-four million one hundred nine thousand eight hundred twenty-five)</u> divided into no. 1,136,439,310 (one billion one hundred and thirty-six million four hundred and thirty-nine thousand three hundred and ten) <u>56,821,965 (fifty-six million eight hundred twenty-one thousand nine hundred sixty-five)</u> ordinary shares of a par value of Euro 0.25 (zero/25) <u>5.00 (five/00)</u> each.

The amendment to the Company's Bylaws illustrated above does not entitle the shareholders to exercise the withdrawal right.

3 Reverse Stock Split Implementation

In the event that the Company's Extraordinary Meeting approves the proposed resolution, the Reverse Stock Split shall be implemented after the filing of the Shareholders' Meeting resolution with the competent office of the Company Register, in accordance with the timing and the modalities that will be agreed upon by and among the Board of Directors, Borsa Italiana S.p.A. and any other competent authorities. The operations relating to the Reverse Stock Split will be carried out by authorized intermediaries participating to the centralized management system of Monte Titoli S.p.A., pursuant to applicable laws and without any expense for the shareholders.

The Reverse Stock Split will become effective on the date on which the relevant implementation transactions will begin. The completion of the Reverse Stock Split shall be promptly notified in accordance with applicable regulations.

In order to allow all Shareholders to implement the Reverse Stock Split as well as to manage the "rests" of the shares that might result from same Reverse Stock Split, the aforesaid shareholders will be provided with a service for the treatment of any shares that could not be grouped, based on official market prices and without additional expenses, stamp duties or commissions, through one or more intermediaries participating to the centralized management system of Monte Titoli S.p.A., for the purpose of allowing each shareholder to own a number of

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shares which is equal to exactly 20 or a multiple thereof (according to the Reverse Stock Split ratio proposed herein).

4 Proposal of resolution

The above being stated, the following proposal is submitted to the shareholders for their resolution:

"The Extraordinary Shareholders' Meeting of Safilo Group S.p.A., called at the secondary office of the Company, in Padua, Settima Strada no. 15, on [April 29 / April 30 / May 3], 2010:

- *having examined the report of the Board of Directors;*
- *having acknowledged the availability of the shareholder, Multibrands Italy BV, to renounce, if necessary, to the minimum number of shares required to be cancelled in order to ensure the implementation of the Reverse Stock Split through a full coincidence between the number of shares obtained by the Reverse Stock Split and the share capital of the Company that such shares will represent,*

RESOLVED

- (i) *to approve the report of the Board of Directors and the implementation, according to the arrangements described therein, of the proposed Reverse Stock Split; and therefore*
- (ii) *to group, upon prior cancellation of n. 10 (ten) shares, the ordinary shares representing the entire share capital, in accordance with the ratio of n. 1 (one) newly issued ordinary share for every 20 (twenty) shares and to consequently increase the nominal value of each share to Euro 5.00 (five/00);*
- (iii) *to amend, as a consequence of the implementation of the above resolutions, the first paragraph of article 5 of the Company's bylaws, in accordance with the following text, as it results from a comparison with the current text:*

Article 5 – First paragraph	
Version in force prior to the Extraordinary Shareholders' Meeting held on [April 29/ April 30 / May 3], 2010	Version resolved by the Extraordinary Shareholders' Meeting held on [April 29/ April 30 / May 3], 2010
<p>The share capital amounts to Euro 284,109,827.50 (two hundred eighty-four million one hundred and nine thousand eight hundred and twenty-seven point five) divided into no. 1,136,439,310 (one billion one hundred and thirty-six million four hundred and thirty-nine thousand three hundred and ten) ordinary shares of a par value of Euro 0.25 (zero/25) each.</p>	<p>The share capital amounts to Euro 284,109,827.50 (two hundred eighty-four million one hundred and nine thousand eight hundred and twenty-seven point five) <u>284,109,825.00 (two hundred eighty-four million one hundred nine thousand eight hundred twenty-five)</u> divided into no. 1,136,439,310 (one billion one hundred and thirty-six million four hundred and thirty-nine thousand three hundred and ten) <u>56,821,965 (fifty-six million eight hundred twenty-one thousand nine hundred sixty-five)</u> ordinary shares of a par value of Euro 0.25 (zero/25) <u>5.00 (five/00)</u> each.</p>

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- (iv) *to grant the Board of Directors the mandate to fully implement all the above, granting, moreover, the Managing Director with any and all powers in order to:*
- *carry out all necessary measures in order to complete the Reverse Stock Split in accordance with the resolutions above, including, without limitation, the right and the power to: (i) determine, in accordance with Borsa Italiana S.p.A. as well as any competent authority, the starting day of the Reverse Stock Split operations above, (ii) adopt any and all additional appropriate measures in order not to prejudice the holders of a number of shares representing the capital of the Company lower than (or a non-multiple of) 20 (twenty), (iii) define, in accordance with Borsa Italiana S.p.A. and all relevant authorities the timing and modalities for the operations relating/consequent to the above mentioned Reverse Stock Split, such as, by way of example, the management of the rests of shares, in compliance with applicable laws, and (iv) carry out all filings, notices, information and other accomplishments required by the current laws and regulations that may be applied in relation with the above Reverse Stock Split; all the above with the faculty to sub-delegate;*
 - *make to the above resolutions those non-substantial amendments, additions and suppressions that may be possibly useful and/or appropriate in the context of the filing thereof with the competent office of the Company Register, as well as carry out all other acts and/or take all other actions that may be useful and/or appropriate for the purpose of a more efficient and faster implementation of the resolutions; all the above with the faculty to sub-delegate;*
- (v) *to vest the Managing Director – with the authority to sub-delegate – with the power to file and publish, in accordance with the law, the updated version of the Company's Bylaws reflecting with the amendments carried out in accordance with the resolutions above, following the implementation of the Reverse Stock Split and with any rounding relating to the numeric expressions contained therein that may be necessary in order to implement the Reverse Stock Split”.*

* * *

Part II - Amendments to articles 5, 14, 15, 17, 21, 22, 24 and 29 of the Company's Bylaws; Pertinent and consequent resolutions

Dear Shareholders,

In addition to the amendments to articles 5 of the Company's Bylaws which would be required in connection with the Reverse Stock Split described above, the Board of Directors would like to submit to your attention the opportunity to introduce the following additional amendments.

1 Proposals of amendments to the Company's Bylaws and related motivations

Article 5: in consideration of the fact that the conditions for the coming into existence of the option rights to be conferred pursuant to the “Safilo Group S.p.A. 2006-2010 Stock Option Plan” have never been fulfilled because the EBITDA targets set forth from time to time by the Board of Directors in relation to the abovementioned plan (including the EBITDA targets relating to the 2009 financial statements of the Company) have not been reached, it is appropriate to consider the “Safilo Group S.p.A. 2006-2010 Stock Option

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Plan" as expired in advance. Consequently, it is also appropriate to amend article 5 of the Bylaws by deleting from the relevant text the following provision currently in place in relation to the aforesaid stock option plan: *"By virtue of the authority granted to it by the Extraordinary Shareholders' Meeting held on 24 October 2005, the Board of Directors resolved on 31 May 2006 to increase share capital for cash payment, excluding option rights pursuant to para. 5, article 2441 of the Italian Civil Code, by up to a maximum amount of Euro 2,125,296.25 (two million one hundred and twenty-five thousand, two hundred and ninety-six/25) at par, by issuing up to a maximum of 8,501,185 (eight million five hundred and one thousand, one hundred and eighty-five) ordinary redeemable shares, with a par value of Euro 0.25 (twenty-five cents) each and a share premium. The aforesaid shares will be offered for subscription to the beneficiaries specified in the Rules of the "Safilo Group S.p.A. Stock Option Plan 2006 - 2010" (the "2006 Stock Option Plan") approved by the aforementioned Board meeting, which established, amongst others, that such shares could be subscribed, within the terms prescribed in the aforesaid Rules, at a price corresponding to their par value plus a premium of Euro 4.16 (four point sixteen) per share, or, in the event of subsequent reassignments of options, with a share premium that will be determined in accordance with the Rules, and in any case not less than Euro 4.16 (four point sixteen). It was also established that such capital increase could be carried out in several instalments and was divisible, meaning that share capital would be automatically increased on each occasion by an amount corresponding to the par value of the ordinary shares effectively subscribed each time", leaving unchanged the remaining portion of article 5, as it has been amended following the approval of the Reverse Stock Split described under Part I of this Report.*

In addition to the above, on the basis of the full subscription of the capital increase resolved by the Extraordinary Shareholders' Meeting held on December 15, 2009, it is appropriate to delete the following part of Article 5: *"The Extraordinary Shareholders' Meeting approved a further, divisible, paid share increase for a maximum of Euro 250,041,754 (including premium), to be offered as an option to all shareholders of the Company, pursuant to article 2441, paragraph 1, of the Italian Civil Code, via the issue of 822,505,770 ordinary shares, at a subscription price of Euro 0.304 per share, of which Euro 0.25 shall be the nominal value and Euro 0.054 the premium, which shall have standard dividend rights, and identical characteristics to those of the other outstanding shares at the time of their issue. Such increase to be offered as an option by 31 December 2010".*

Article 14: it is appropriate to amend the current provision relating to the minimum percentage of the shares with voting rights required for each shareholder in order to present a list of candidates for the appointment as directors of the Company. Such percentage is currently equal to 2% of the shares with voting rights, with no prejudice to the different percentage indicated by *"provisions and regulations governing the appointment of the Board of Directors in force at the time of such appointment"*. The above provision would be amended in order to provide that such minimum percentage will be equal to the percentage indicated from time to time by the applicable regulations or, in the absence of such regulations, by the applicable laws in force at the expiry of the term for the presentation of the lists. The proposed amendment would be aimed at rendering such provision directly referable to the legal context in force at the date when

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the new board would be appointed, in accordance with the mechanism of list voting provided by the bylaws;

- Article 15: it is appropriate to amend the current *simul stabunt simul cadent* clause in order to provide that the entire Board of Directors will cease from its office in the event that 2 (two) directors – and not 3 (three) as per the current wording of article 15 of the bylaws – cease from their office. The proposed amendment would be aimed at ensuring that the composition of the Board of Directors will from time to time coherently represent the shareholding composition of the Company as well as the will of its shareholders. In this respect, the cessation of even only 2 (two) directors would determine the need to appoint the entire Board of Directors;
- Article 17: in relation to the possibility that the members of the Board of Directors may reside in, or in any case be domiciled at, a country which does not form part of the EU, it is appropriate to amend the current provision of the bylaws which limits the possibility to call the Board of Directors' Meeting abroad, exclusively within the countries of the EU, providing, on the contrary, that the same Board of Directors' Meeting may be convened not only at the registered office of the Company, but also in other places, in Italy or in any other foreign country, even if this country does not form part of the EU;
- Article 21: it is appropriate to amend the provisions relating to the appointment and revocation by the Board of Directors of the financial reporting officer, in order to exclude that such appointment or revocation, as the case may be, will have to be carried out on the basis of a proposal of the Managing Director. Such proposed amendment is aimed at vesting the entire Board of Directors with the competence to appoint the above mentioned manager;
- Article 22: it is appropriate to delete the provision pursuant to which the Managing Director's signature certifies the absence or the impediment of the Chairman of the Board of Directors. It would seem, in fact, that the above mentioned provision confers to the representative power of the Managing Director a residual function as compared to the prerogatives of the Chairman (*i.e.* the Managing Director would be vested with the power to represent the Company only in the event of absence or impediment of the Chairman), which it is not clearly in line with the provisions of Article 22, regulating the legal representation of the Company;
- Article 24: it is appropriate to amend the current provision relating to the minimum percentage of the shares with voting rights required for each shareholder to present a list of candidates for the appointment as statutory auditors of the Company. Such percentage is currently equal to 2% of the shares with voting rights, with no prejudice to the different percentage indicated by "*provisions and regulations governing the appointment of the Board of Statutory Auditors in force at the time of such appointment - omissis*". The provision above would be amended in order to provide that such minimum percentage will be equal to the percentage indicated from time to time by the applicable regulations or, in the absence of such regulations, by the applicable laws in force at the expiry of the term for the presentation of the lists. In addition, it is appropriate to remove the wording "*and who are registered with the shareholders' ledger, to the such extent, at the time of the presentation of the list and until the date of the related Shareholders' Meeting*". The proposed amendment would be aimed at rendering such provision directly referable to the legal context in force at the date when the new Board

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of Statutory Auditors would be appointed, in accordance with the mechanism of list voting provided by the bylaws;

- Article 29: it is appropriate to amend such article specifying the role, merely formal and simply representative, of the Honorary Chairman within the Board of Directors. In light of the above, the Honorary Chairman may attend to the meetings of the Board of Directors only upon prior invitation of the Chairman thereof and, in any case, without the right to vote. The proposed amendment is aimed at clarifying the roles and the prerogatives of the recently introduced office of Honorary Chairman.

2 Synoptical display of the articles of the Company's Bylaws to be amended, in both the current and the amended version

Please find herein below the proposed amendments.

Current Version	Amended Version
Article 5	Article 5
<p>The share capital amounts to Euro 284,109,825.00 (two hundred eighty four million one hundred nine thousand eight hundred twenty five) divided into 56,821,965 (fifty six million eight hundred twenty one thousand nine hundred sixty five) (ordinary shares of par value Euro 5.00 (five/00) each.</p> <p>Under the authority granted to it by the Extraordinary Shareholders' Meeting held on 24 October 2005, the Board of Directors resolved on 31 May 2006 to increase share capital for cash payment, excluding option rights pursuant to para. 5, article 2441 of the Italian Civil Code, by up to a maximum amount of Euro 2,125,296.25 (two million one hundred and twenty-five thousand, two hundred and ninety-six/25) at par, by issuing up to a maximum of 8,501,185 (eight million five hundred and one thousand, one hundred and eighty-five) ordinary redeemable shares, with a par value of Euro 0.25 (twenty-five cents) each and a share premium. The aforesaid shares will be offered for subscription to the beneficiaries specified in the Rules of the "Safilo Group S.p.A. Stock Option Plan 2006 - 2010" (the "2006 Stock Option Plan") approved by the aforementioned Board meeting, which established, amongst others, that such shares could be subscribed, within the terms prescribed in the aforesaid Rules, at a price</p>	<p>The share capital amounts to Euro 284,109,825.00 (two hundred eighty four million one hundred nine thousand eight hundred twenty five) divided into 56,821,965 (fifty six million eight hundred twenty one thousand nine hundred sixty five) (ordinary shares of par value Euro 5.00 (five/00) each.</p> <p>Under the authority granted to it by the Extraordinary Shareholders' Meeting held on 24 October 2005, the Board of Directors resolved on 31 May 2006 to increase share capital for cash payment, excluding option rights pursuant to para. 5, article 2441 of the Italian Civil Code, by up to a maximum amount of Euro 2,125,296.25 (two million one hundred and twenty-five thousand, two hundred and ninety-six/25) at par, by issuing up to a maximum of 8,501,185 (eight million five hundred and one thousand, one hundred and eighty-five) ordinary redeemable shares, with a par value of Euro 0.25 (twenty-five cents) each and a share premium. The aforesaid shares will be offered for subscription to the beneficiaries specified in the Rules of the "Safilo Group S.p.A. Stock Option Plan 2006 - 2010" (the "2006 Stock Option Plan") approved by the aforementioned Board meeting, which established, amongst others, that such shares could be subscribed, within the terms prescribed in the aforesaid Rules, at a price</p>

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<p>corresponding to their par value plus a premium of Euro 4.16 (four point one six) per share, or, in the event of subsequent reassignments of options, with a share premium that will be determined in accordance with the Rules, and in any case not less than Euro 4.16 (four point one six). It was also established that such capital increase could be carried out in several instalments and was divisible, meaning that share capital would be automatically increased on each occasion by an amount corresponding to the par value of the ordinary shares effectively subscribed each time.</p> <p>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.</p> <p>The Extraordinary Shareholders' Meeting approved a further, divisible, paid share increase for a maximum of EUR 250,041,754 (including premium), to be offered as an option to all shareholders of the Company, pursuant to article 2441, paragraph 1, of the Italian Civil Code, via the issue of 822,505,770 ordinary shares, at a subscription price of EUR 0.304 per share, of which EUR 0.25 shall be the nominal value and EUR 0.054 the premium, which shall have standard dividend rights, and identical characteristics to those of the other outstanding shares at the time of their issue. Such increase to be offered as an option by 31 December 2010.</p>	<p>corresponding to their par value plus a premium of Euro 4.16 (four point one six) per share, or, in the event of subsequent reassignments of options, with a share premium that will be determined in accordance with the Rules, and in any case not less than Euro 4.16 (four point one six). It was also established that such capital increase could be carried out in several instalments and was divisible, meaning that share capital would be automatically increased on each occasion by an amount corresponding to the par value of the ordinary shares effectively subscribed each time.</p> <p>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.</p> <p>The Extraordinary Shareholders' Meeting approved a further, divisible, paid share increase for a maximum of EUR 250,041,754 (including premium), to be offered as an option to all shareholders of the Company, pursuant to article 2441, paragraph 1, of the Italian Civil Code, via the issue of 822,505,770 ordinary shares, at a subscription price of EUR 0.304 per share, of which EUR 0.25 shall be the nominal value and EUR 0.054 the premium, which shall have standard dividend rights, and identical characteristics to those of the other outstanding shares at the time of their issue. Such increase to be offered as an option by 31 December 2010.</p>
<p><u>Article 14</u></p>	<p><u>Article 14</u></p>
<p>The Company shall be managed by a Board of Directors consisting of between six and fifteen members, who need not be shareholders.</p> <p>The size of the Board of Directors shall be determined by the Shareholders' Meeting.</p> <p>The directors must satisfy the requirements of eligibility, experience and integrity established by law and other applicable</p>	<p>The Company shall be managed by a Board of Directors consisting of between six and fifteen members, who need not be shareholders.</p> <p>The size of the Board of Directors shall be determined by the Shareholders' Meeting.</p> <p>The directors must satisfy the requirements of eligibility, experience and integrity established by law and other applicable</p>

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<p>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>Members of the Board of Directors shall remain in office for three financial years and are eligible for re-election.</p> <p>In accordance with the provisions of article 147-ter of Decree 58 dated 24 February 1998 (Decree 58/1998) and for the purposes of ensuring that minority shareholders are represented by one member on the Board of Directors, the Board of Directors is appointed on the basis of lists presented by shareholders containing a maximum of 15 candidates, all listed with a sequential number.</p> <p>A) Presentation of lists</p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list and through until the date of the meeting, at least 2% (two percent) of share capital, consisting of shares with voting rights at Ordinary Shareholders' Meetings,, or such other percentage envisaged by laws or regulations governing directors' appointments and in force at the time of the appointment. This percentage shall be specified in the notice convening the Shareholders' Meeting called to resolve on the appointment of the Board of Directors. The outgoing Board of Directors can also present a list of its own.</p> <p>No individual shareholder, no shareholders belonging to a shareholder syndicate relating to the Company's shares as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries or companies under common control pursuant to article 93 of Decree 58/1998, may present or vote for more than one list, including through a third party or trust companies. No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p>If these rules are not observed, the shareholder's vote for any of the lists</p>	<p>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>Members of the Board of Directors shall remain in office for three financial years and are eligible for re-election.</p> <p>In accordance with the provisions of article 147-ter of Decree 58 dated 24 February 1998 (Decree 58/1998) and for the purposes of ensuring that minority shareholders are represented by one member on the Board of Directors, the Board of Directors is appointed on the basis of lists presented by shareholders containing a maximum of 15 candidates, all listed with a sequential number.</p> <p>A) Presentation of lists</p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list and through until the date of the meeting, at least 2% (two percent) <u>at least the percentage</u> of share capital, consisting of shares with voting rights at Ordinary Shareholders' Meetings, or such other percentage envisaged by laws or regulations governing directors' appointments and in force at the time of the appointment. <u>or set forth by applicable regulations, or in the absence, by applicable laws</u> governing <u>the</u> directors' appointments, <u>as such regulations/laws are</u> and <u>in force and effect</u> at <u>the time expiry</u> of the <u>term for the presentation of the lists</u> appointment. This percentage shall be specified in the notice convening the Shareholders' Meeting called to resolve on the appointment of the Board of Directors. The outgoing Board of Directors can also present a list of its own.</p> <p>No individual shareholder, no shareholders belonging to a shareholder syndicate relating to the Company's shares as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries or companies under common control pursuant to article 93 of Decree 58/1998, may present or vote for more than one list, including through a third party or trust companies. No candidate may</p>
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<p>presented is discounted.</p> <p>The lists presented must be filed at the Company's registered office at least 15 (fifteen) days in advance of the date set for the first calling of the Shareholders' Meeting. This requirement must be mentioned in the notice convening the meeting, or in any other form of publicity established by current legislation.</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>Shareholders presenting a candidate list must also provide the Company within the same list presentation deadline information as to their own identity and percentage of shares held, accompanied by a certificate, issued by a legally registered intermediary, attesting their ownership of the number of shares required for list presentation.</p> <p>Each list shall contain one or more candidates - in compliance with the provisions of current legislation - who satisfy the independence requirements for statutory auditors established in para. 3, article 148 of Decree 58/1998, and nonetheless in prevailing statutory and regulatory provisions, as well as in the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, specifying such candidates clearly.</p> <p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p>	<p>appear in more than one list, otherwise they will be disqualified.</p> <p>If these rules are not observed, the shareholder's 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 15 (fifteen) days in advance of the date set for the first calling of the Shareholders' Meeting. This requirement must be mentioned in the notice convening the meeting, or in any other form of publicity established by current legislation.</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>Shareholders presenting a candidate list must also provide the Company within the same list presentation deadline information as to their own identity and percentage of shares held, accompanied by a certificate, issued by a legally registered intermediary, attesting their ownership of the number of shares required for list presentation.</p> <p>Each list shall contain one or more candidates - in compliance with the provisions of current legislation - who satisfy the independence requirements for statutory auditors established in para. 3, article 148 of Decree 58/1998, and nonetheless in prevailing statutory and regulatory provisions, as well as in the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, specifying such candidates clearly.</p>
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<p>B) Voting</p> <p>Each shareholder's vote shall refer to the list and hence all the candidates appearing therein, without the possibility of making any changes, additions or exclusions.</p> <p>Once the Shareholders' Meeting has decided the number of directors to be elected, the procedures are as follows:</p> <ol style="list-style-type: none">1) all the directors requiring election, bar one, shall be elected from the list obtaining the highest number of shareholder votes ("Majority List"), in the sequential order in which they appear on that list;2) one director shall be elected, in compliance with statutory provisions, from the list obtaining the second highest number of votes ("Minority List"), which shall not be associated in any way, even indirectly, with the shareholders who presented or voted for the Majority List; the director elected in this case shall be the candidate at the head of this list. If not even one independent director is elected from the Majority List, then the first independent director appearing on the Minority List shall be elected in place of the candidate at the head of this list. <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 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.</p> <p>If no list is presented at all, the Shareholders' Meeting shall appoint the Board of Directors, voting with the majorities required by law.</p>	<p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p> <p>B) Voting</p> <p>Each shareholder's vote shall refer to the list and hence all the candidates appearing therein, without the possibility of making any changes, additions or exclusions.</p> <p>Once the Shareholders' Meeting has decided the number of directors to be elected, the procedures are as follows:</p> <ol style="list-style-type: none">1) all the directors requiring election, bar one, shall be elected from the list obtaining the highest number of shareholder votes ("Majority List"), in the sequential order in which they appear on that list;2) one director shall be elected, in compliance with statutory provisions, from the list obtaining the second highest number of votes ("Minority List"), which shall not be associated in any way, even indirectly, with the shareholders who presented or voted for the Majority List; the director elected in this case shall be the candidate at the head of this list. If not even one independent director is elected from the Majority List, then the first independent director appearing on the Minority List shall be elected in place of the candidate at the head of this list. <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 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.</p>
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	If no list is presented at all, the Shareholders' Meeting shall appoint the Board of Directors, voting with the majorities required by law.
<u>Article 15</u>	<u>Article 15</u>
<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 from the same list as that of the outgoing 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;</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.</p> <p>If three 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>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 from the same list as that of the outgoing 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;</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.</p> <p>If three<u>two</u> 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>
<u>Article 17</u>	<u>Article 17</u>
<p>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.</p> <p>The Chairman or whoever is deputizing for him shall convene the Board of Directors at the registered office or elsewhere in Italy or the European Union, by sending a notice</p>	<p>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.</p> <p>The Chairman or whoever is deputizing for him shall convene the Board of Directors at the registered office or elsewhere in Italy or <u>abroad in any country (even if it is not a</u></p>

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<p>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 sent in the same manner at least two days before the date of the meeting.</p> <p>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.</p> <p>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.</p>	<p><u>member of the European Union</u>), 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 sent in the same manner at least two days before the date of the meeting.</p> <p>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.</p> <p>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.</p>
<p><u>Article 21</u></p>	<p><u>Article 21</u></p>
<p>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.</p> <p>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.</p> <p>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-<i>bis</i> of Decree 58/1998. Such appointment and annulment shall be made at the proposal of the Chief Executive Officer, and after having sought the compulsory but not binding opinion of the Board of Statutory Auditors on</p>	<p>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.</p> <p>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.</p> <p>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-<i>bis</i> of Decree 58/1998. Such appointment and annulment shall be made <u>by the Board of Directors</u> at the proposal of the Chief Executive Officer, and after having sought the compulsory but not binding opinion of the</p>

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<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
<p><u>Article 22</u></p>	<p><u>Article 22</u></p>
<p>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.</p> <p>Signature by the Chief Executive Officer signifies that the Chairman is absent or unable to sign.</p>	<p>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.</p> <p>Signature by the Chief Executive Officer signifies that the Chairman is absent or unable to sign.</p>
<p><u>Article 24</u></p>	<p><u>Article 24</u></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</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</p>

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<p>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 allow the minority to appoint one standing member and one alternate member.</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.</p> <p>No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p>A) Presentation of lists</p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at least 2% (two percent) of share capital consisting of shares with voting rights at the Ordinary Shareholders' Meetings, or such other percentage envisaged by laws or regulations governing the appointment of the Board of Statutory Auditors and who are registered shareholders at the time of presenting the list through until the date of the related Shareholders' Meeting. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.</p> <p>No individual shareholder, no shareholders belonging to a shareholder syndicate as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries and companies under common control pursuant to article 93 of Decree 58/1998, may present or vote for more than one list, either directly or through a third party or trust company.</p> <p>If this rule is not observed, the shareholder's 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, shall be signed by the shareholders presenting them and filed at the Company's registered</p>	<p>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 allow the minority to appoint one standing member and one alternate member.</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.</p> <p>No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p>A) Presentation of lists</p> <p>Lists may be presented only by those shareholders who own, alone or together with others, <u>at the time of presentation of the list and until the date of the related Shareholders' Meeting,</u> at least 2% (two percent) the percentage of share capital consisting of shares with voting rights at the Ordinary Shareholders' Meetings or such other percentage envisaged by laws or set forth by applicable regulations, <u>or in the absence, by applicable laws</u> governing <u>the</u> directors' appointments, <u>as such regulations/laws are and in force and effect at the time expiry of the term for the presentation of the lists</u> appointment. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.</p> <p>No individual shareholder, no shareholders belonging to a shareholder syndicate as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries and companies under common control pursuant to article 93 of Decree 58/1998, may present or vote for more than one list, either directly or through a third party or trust company.</p> <p>If this rule is not observed, the shareholder's vote for any of the lists presented is discounted.</p> <p>The lists, containing the names of the</p>
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<p>offices at least 15 (fifteen) days in advance of the date set for the first calling of the related Shareholders' Meeting, except for any other form of publicity established by prevailing legislation. The lists must be accompanied by:</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;</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-<i>quinquies</i> 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>B) Voting</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</p>	<p>candidates for the office of standing statutory auditor and alternate statutory auditor, shall be signed by the shareholders presenting them and filed at the Company's registered offices at least 15 (fifteen) days in advance of the date set for the first calling of the related Shareholders' Meeting, except for any other form of publicity established by prevailing legislation. The lists must be accompanied by:</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;</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-<i>quinquies</i> 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>B) Voting</p>
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<p>member shall be elected from the list that obtains the highest number of votes ("Majority List") in the sequential order in which they appear on this list.</p> <p>The third standing member and other alternate member shall be taken from the list obtaining the second highest number of votes and presented and voted by shareholders who are not associated with the majority shareholders as defined by para. 2, article 148 of Decree 58/1998 ("Minority List"). The first and second candidates appearing on this list shall be elected in the sequential order in which they appear therein.</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.</p> <p>The Shareholders' Meeting shall appoint the standing member elected on the Minority List as the Chairman of the Board of Statutory Auditors.</p> <p>If, at the end of the aforementioned 15-day term for presenting lists, only one list is presented, or those presented are by shareholders associated with one another as defined by para. 2, article 148 of Decree 58/1998, other lists may be presented during the five-day period after the initial term. In this case, the share ownership requirement for list presentation is halved.</p> <p>In any event, even if at the end of this additional 5-day term only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.</p> <p>If no lists are presented or if it is not possible to appoint one or more statutory auditors using the list voting system, the Shareholders' Meeting shall decide with the majorities required by law.</p> <p>C) Replacement</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 obtains the highest number of votes ("Majority List") in the sequential order in which they appear on this list.</p> <p>The third standing member and other alternate member shall be taken from the list obtaining the second highest number of votes and presented and voted by shareholders who are not associated with the majority shareholders as defined by para. 2, article 148 of Decree 58/1998 ("Minority List"). The first and second candidates appearing on this list shall be elected in the sequential order in which they appear therein.</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.</p> <p>The Shareholders' Meeting shall appoint the standing member elected on the Minority List as the Chairman of the Board of Statutory Auditors.</p> <p>If, at the end of the aforementioned 15-day term for presenting lists, only one list is presented, or those presented are by shareholders associated with one another as defined by para. 2, article 148 of Decree 58/1998, other lists may be presented during the five-day period after the initial term. In this case, the share ownership requirement for list presentation is halved.</p> <p>In any event, even if at the end of this additional 5-day term only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.</p> <p>If no lists are presented or if it is not possible to appoint one or more statutory auditors</p>
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<p>In the event of having to replace a statutory auditor, the replacement shall be an alternate statutory auditor belonging to the same list as the outgoing auditor in the order specified therein.</p> <p>This is without prejudice to other replacement procedures established by current statutory or regulatory provisions.</p> <p>The Shareholders' Meeting called under para. 1, article 2401 of the Italian Civil Code shall make the appointment or replacement in compliance with the principle of having the required minority representation.</p> <p>***</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>	<p>using the list voting system, the Shareholders' Meeting shall decide with the majorities required by law.</p> <p>C) Replacement</p> <p>In the event of having to replace a statutory auditor, the replacement shall be an alternate statutory auditor belonging to the same list as the outgoing auditor in the order specified therein.</p> <p>This is without prejudice to other replacement procedures established by current statutory or regulatory provisions.</p> <p>The Shareholders' Meeting called under para. 1, article 2401 of the Italian Civil Code shall make the appointment or replacement in compliance with the principle of having the required minority representation.</p> <p>***</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</p>
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	videoconference, in accordance with the terms stated in article 17.
<u>Article 29</u>	<u>Article 29</u>
<p>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 must not necessarily be a member of the Board and who will be entitled to attend meetings of the Board of Directors and to intervene in the Shareholders' Meeting, but who does not have the right to vote.</p> <p>The Honorary Chairman shall carry out the duties assigned from time to time by the Board of Directors.</p> <p>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.</p> <p>The Board of Directors shall determine the remuneration of the Honorary Chairman.</p>	<p>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 must will not necessarily be a member of the Board <u>of Directors</u> and who will be entitled to only <u>attend meetings of the Board of Directors</u> and to intervene upon invitation by the Chairman of the Board in the Shareholders' Meeting, but who. <u>The Honorary Chairman</u> does not have the right to vote <u>in the meetings of the Board of Directors</u>.</p> <p>The Honorary Chairman shall carry out the duties assigned from time to time by the Board of Directors.</p> <p>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.</p> <p>The Board of Directors shall determine the remuneration of the Honorary Chairman.</p>

The amendments to the current Company's Bylaws do not entitle the shareholders to exercise the withdrawal right.

3 Proposal of resolution

The above being stated, the following resolution is submitted to the shareholders:

"The Extraordinary Shareholders' Meeting of Safilo Group S.p.A., called at the secondary office of the Company, in Padua, Settima Strada no. 15, on [April 29 / April 30 / May 3], 2010, having examined the report of the Board of Directors and the related proposals illustrated thereto,

RESOLVED

- (i) *to amend articles 5, 14, 15, 17, 21, 22, 24 and 29 of the Company's Bylaws, as proposed by the Board of Directors, adopting the new version of the Company's Bylaws, attached hereto;*
- (ii) *to grant the Board of Directors the power in order to fully implement all of the above, granting, moreover, the Managing Director in charge all the powers in order to:*

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- *carry out the filings, notices, information and other obligations required by the current laws and regulations that may be applied in relation with the above with the faculty to sub-delegate; and*
 - *make to the resolutions above those non-substantial amendments, additions and suppressions that may be possibly useful and/or appropriate in the context of the filing with the competent office of the Company Register, as well as to carry out all other acts and/or actions that may be useful and/or appropriate for the purpose of a more efficient and faster implementation of the resolutions, with the faculty to sub-delegate;*
- (iii) *to vest the Managing Director, with the authority to sub-delegate, with the power to file and publish, in accordance with the law, the updated versions of the Company's Bylaws with the amendments carried out pursuant to the resolutions above."*

* * *

Padua, April 13, 2010

For the Board of Directors

Melchert Frans Groot
Chairman