

## **REPORT OF THE BOARD OF STATUTORY AUDITORS**

### **To the Shareholders' Meeting of Safilo Group S.p.A. on the financial year 2013**

Dear Shareholders,

during the financial year ended 31 December 2013, the Board of Statutory Auditors of Safilo Group S.p.A. carried out the supervision activity required by law, in accordance with the principles of conduct of the Board of Statutory Auditors recommended by the *Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili* [Italian national council of graduate accountants and accounting experts], considering the recommendations made by Consob in Communication no. 1025564 dated 6 April 2001, as subsequently amended, on company controls and the activities of the Board of Statutory Auditors.

As regards the methods employed by the Board of Statutory Auditors to carry out its institutional activities, we confirm the following:

- we monitored compliance with the law and bylaws;
- we attended the Shareholders' Meeting and all the meetings of the Board of Directors held during this year, and obtained from the Directors quarterly reports on activities carried out and significant operations executed by the company or its subsidiaries and verified that the aforesaid operations were coherent with the assumed deliberations and in respect for the principles of correct management;
- we monitored, within our area of responsibility, the organisational adequacy of the company, its respect for the principles of correct management and the organisational evolution of the Group;
- we monitored the operation of the administrative and accounting system, in order to assess its adequacy for management requirements and its reliability for the reporting of business operations. During this activity, we relied on the information supplied by the executive Director in charge of the internal control system and the Internal Audit Manager, together with the information obtained during periodic meetings with the auditing firm PricewaterhouseCoopers S.p.A., which reported

on the outcome of systematic checks and on the proper keeping of accounting records. We have no particular comments to make in this respect;

- not having been appointed to perform an analytical inspection of the content of the financial statements, we verified the general structure of the financial statements and consolidated financial statements, drawn up in compliance with IAS/IFRS international accounting principles, and of the respective management reports through direct checks and using specific information supplied by the auditing company;
- we verified that the impairment test had been carried out for the intangible asset entries made in the consolidated financial statements.

We report that:

- to the best of our knowledge, the Directors did not infringe the provisions of article 2423 paragraph 4 of the Civil Code in the Notes to the Financial Statements;
- we verified that, following adoption of its own “Internal Dealing Code”, the Company has set up specific operational and management procedures for any communications from “relevant” parties;
- we verified that, pursuant to the provisions of Legislative Decree No. 231 of 8/6/2001, your company has equipped itself with an Organisation, Management and Control Model that complies with the *Confindustria* Guidelines and fulfils the requirements of the aforementioned legislative decree, disseminated the Code of Ethics and established a Supervisory Committee that reported to the Control and Risk Committee and the Board of Directors on its activities. The necessary actions and measures have been taken to ensure that the organisational model remains appropriate and up-to-date for the purpose of fulfilling its functions and complying with new regulatory requirements.

In accordance with the aforementioned Consob communications, we hereby provide the following information:

1. The significant economic, financial and capital operations carried out by the company and its subsidiaries were executed in accordance with the law and company bylaws. Based on the information acquired, we were able to ascertain that they were not manifestly imprudent or risky, that they did not result in a conflict of interest and did not compromise the integrity of the company’s assets.

2. We ascertained that no atypical and/or unusual operations, as defined by Consob communication DEM/6064293 of 28 July 2006, were carried out within the group or with related or third parties, having found confirmation of this in the information supplied by the Board of Directors and the Auditing Firm.

Furthermore, we ascertained that the standard operating procedures in force within the Group guarantee that all commercial operations with related parties take place according to market conditions.

3. We believe that the information presented by the Directors in their report on operations and explanatory notes in respect of the operations mentioned in paragraph 2 is adequate.

4. The reports prepared by the audit firm PricewaterhouseCoopers S.p.A., issued on March 19<sup>th</sup> 2014, regarding the individual and consolidated balance sheet of Safilo Group S.p.A. as of 31.12.2013 do not contain significant findings and/or disclosure requests. The auditing firm issued its assessment of the consistency of the Management Report with the relevant financial statements without any observations and/or objections.

5. During 2013, no reports were made to the Board of Statutory Auditors under article 2408 of the Civil Code, and no complaints were submitted by shareholders.

6. During 2013, Safilo Group S.p.A. has no appointed to PricewaterhouseCoopers S.p.A. engagement other than to perform the legal audit of the statutory and consolidated financial statements, the limited audit of the half-yearly report, the procedures for the verification of the regular bookkeeping and the correct presentation of the administrative facts in the bookkeeping writings and the the signature of the fiscal declarations.

7. At Group level, the following fees were paid for auditing and other services provided by the same Auditing Firm and by its network:

- **for auditing**

of Safilo Group S.p.A.	to PWC S.p.A.	€ 49,000
of the subsidiaries	to PWC S.p.A.	€ 146,000
of the subsidiaries	to PWC network	€1,110,000

- **for certification services**

of Safilo Group S.p.A.	to PWC S.p.A.	€ 2,000
of the subsidiaries	to PWC S.p.A.	€ 67,000

of the subsidiaries to PWC network €152,000

• **For other services**

for Safilo Group S.p.A. to PWC S.p.A. € 0

for the subsidiaries to PWC S.p.A. € 0

for the subsidiaries to PWC network €108,000

8. During the 2013 financial year, the Board of Statutory Auditors expressed its opinion when required by current laws and verified that its members fulfilled the integrity and independence requirements by signing appropriate statements.
9. The Board of Statutory Auditors verified the accuracy of the criteria and assessment procedures employed by the Board of Directors to assert the independence of its members.
10. A list is attached to this Report on supervision activities that outlines the tasks performed, as of the date of issue of the Report, by the members of the Board of Statutory Auditors, drawn up according to sample 4, appendix 5-bis of the Issuers' Regulations.
11. During 2013, both the Board of Directors held seven meetings and the Board of Statutory Auditors held eight meetings. Additionally, the "Control and Risk Committee" met three times, while the "Remuneration Committee" met five times. These meetings were attended by at least one member of the Board of Statutory Auditors.
12. On the basis of the information gathered from the company's departmental managers and during periodic meetings with the Auditing Firm, we believe that the principles of correct management were constantly observed.
13. We gathered information about and monitored the company's organisational structure to the extent of our responsibilities.
14. Based on the analyses performed and the information obtained during meetings with the Director in charge of the internal control system, with the Internal Control Manager, with the Manager in charge of preparing the accounting documentation and during meetings of the Control and Risk Committee and the Supervisory Board of Safilo Group S.p.A, we verified the adequacy and reliability of the internal control system and risks management.
15. We verified the adequacy of the administrative and accounting system and the reliability of the same in correctly representing business operations.

16. We verified the adequacy of the manner in which the parent company hands down instructions to its main subsidiaries.
17. During systematic meetings between the Board of Statutory Auditors and the Auditing Firm under art. 150, paragraph 2, Legislative Decree 58/1998, no significant findings emerged.
18. The Remuneration Report is prepared pursuant to art. 84 quater of the Issuers' Regulations and to Consob resolution No. 11971/1999 and subsequent amendments.
19. The "2013 Report on corporate governance and ownership structure" prepared by the Board of Directors contains a description of the governance of the Company and the Group that appears to be in line with the principles of the Self-Regulation Code and the Issuers' Regulations. This Report also presents information on the ownership structure pursuant to art. 123 bis of the TUF (consolidated finance act). The Board of Statutory Auditors monitored implementation of the corporate governance rules, which appear to be in line with the model adopted by the company.
20. The Managing Director and the Manager in charge of preparing the company's accounting documents provided the statements required by article 154-bis, paragraph 5, regarding the financial statements and consolidated financial statements in accordance with the model provided in appendix 3c-ter of the Issuers' Regulations.
21. We confirm that no omissions, irregularities or wrongful actions emerged from our supervisory activities that would need to be reported to the Supervisory Bodies or Shareholders.

To conclude, we express our approval, to the extent of our responsibilities, of the 2013 financial statements as presented by the Board of Directors in the Management Report, and the proposal for allocation of the results made by the Directors."

Padua, 19 March 2014

**THE BOARD OF STATUTORY AUDITORS**

Paolo Nicolai	President
Franco Corgnati	Regular auditor
Bettina Solimando	Regular auditor

Following is a list of positions as director or statutory auditor held by the Board of Statutory Auditors at other companies (pursuant to Article 144-quinquiesdecies of the Issuer Regulations):

**PAOLO NICOLAI – LIST OF POSITIONS HELD AT MARCH 19<sup>th</sup>, 2014:**

Company	Fiscal code	Registered office		Position	Term of office
S.I.T. S.R.L.	01430440063	San Martino B.A.	VR	Chairman of the Board of Statutory auditors	31/12/2014
CONSORZIO TRIVENETO S.P.A.	02408060289	Padova	PD	Chairman of the Board of Statutory auditors	31/12/2014
MULTITECNO S.R.L.	00975890286	Fossalta di Portogruaro	VE	Chairman of the Board of Statutory auditors	31/12/2014
RIELLO S.P.A.	02641790239	Legnago	VR	Chairman of the Board of Statutory auditors	31/12/2015
CA' DEL BOSCO S.R.L. - SOCIETA' AGRICOLA	01749900989	Erbusco	BS	Chairman of the Board of Statutory auditors	31/12/2014
FIT SERVICE S.P.A.	03604820237	Legnago	VR	Chairman of the Board of Statutory auditors	31/12/2015
ACQUAFIN HOLDING S.P.A.	012160062	Milano	MI	Chairman of the Board of Statutory auditors	31/12/2014
MONEYNET S.R.L.	05221390825	Palermo	PA	Chairman of the Board of Statutory auditors	31/12/2015
SAFILO GROUP S.P.A.	03032950242	Pieve di Cadore	BL	Chairman of the Board of Statutory auditors	31/12/2013
SAFILO S.P.A.	03625410281	Pieve di Cadore	BL	Chairman of the Board of Statutory auditors	31/12/2013
HOLDING F.I.S. S.P.A.	01348120930	Pordenone	PN	Chairman of the Board of Statutory auditors	31/12/2015
RPM S.P.A.	00226730299	Badia Polesine	RO	Regular auditor	31/12/2013
ELETTROTEST S.P.A.	00356140293	Badia Polesine	RO	Regular auditor	31/12/2013
CEMENTIZILLO S.P.A.	00203550280	Padova	PD	Regular auditor	31/12/2014
CALCESTRUZZI ZILLO S.P.A.	00867100281	Padova	PD	Regular auditor	31/12/2014
ZIGNAGO HOLDING S.P.A.	03781170281	Fossalta di Portogruaro	VE	Regular auditor	31/12/2014

S.M. TENIMENTI LAMOLE E VISTARENNI E SAN DISDAGIO S.R.L.	00308350529	Gaiole in Chianti	SI	Regular auditor	31/12/2014
ACCIAIERIE VENETE SPA	00224180281	Padova	PD	Regular auditor	31/12/2015
CEMENTERIA DI MONSELICE SPA	01575210164	Padova	PD	Regular auditor	31/12/2014
FININT S.P.A.	04310560265	Conegliano	TV	Regular auditor	31/12/2013
AQUAFIL S.P.A.	00123150229	Arco	TN	Regular auditor	31/12/2015
AQUAFIN CAPITAL S.P.A.	04197570239	Verona	VR	Regular auditor	31/12/2015
ERRE IMMOBILIARE S.R.L.	04251680288	Padova	PD	Sole Director	until revocation

**FRANCO CORGNATI – LIST OF POSITIONS HELD AT MARCH 19<sup>th</sup>, 2014:**

Company	Fiscal code	Registered office		Position	Term of office
Az.Agricole L.Bennati S.p.A.	00647670272	Roma	RM	Regular auditor	31/12/2013
B. & T. S.r.l.	09863770013	S. Mauro Torinese	TO	Regular auditor	31/12/2013
Baglio di Pianetto S.r.l.	02940950245	Vicenza	VI	Chairman of the Board of Statutory auditors	31/12/2013
Bauer S.p.A.	00443820311	Roma	RM	Chairman of the Board of Statutory auditors	31/12/2014
Burgo Energia S.r.l.	08737780018	S. Mauro Torinese	TO	Regular auditor	31/12/2015
Burgo Group S.p.A.	13051890153	Altavilla Vicentina	VI	Regular auditor	31/12/2015
Burgo Distribuzione S.r.l.	0023020377	Altavilla Vicentina	VI	Chairman of the Board of Statutory auditors	31/12/2015
Burgo Factor S.p.A.	10209320158	Milano	MI	Chairman of the Board of Statutory auditors	31/12/2015
Centro Servizi Metalli S.p.A.	01323290351	Reggio Emilia	RE	Chairman of the Board of Statutory auditors	31/12/2014
C.I.S. S.p.A. – in liquidation	02026570248	Vicenza	VI	Regular auditor	31/12/2014
Facchin Calcestruzzi S.r.l.	01992290245	Recoaro Terme	VI	Chairman of the Board of Statutory auditors	31/12/2013
Ferriera di Cittadella S.p.A.	00800140246	Vicenza	VI	Regular auditor	31/12/2015

Filivivi S.r.l.	04816000964	Milano	MI	Chairman of the Board of Statutory auditors	31/12/2013
Finintes S.p.A.	01469900128	Milano	MI	Chairman of the Board of Statutory auditors	31/12/2013
Forint S.p.A.	00167200245	Vicenza	VI	Chairman of the Board of Statutory auditors	31/12/2014
Gemmo Holding S.p.A.	03214560249	Arcugnano	VI	Chairman of the Board of Statutory auditors	31/12/2013
Gemmo S.p.A.	03214610242	Arcugnano	VI	Chairman of the Board of Statutory auditors	31/12/2013
Holding Gruppo Marchi S.p.A.	01791370024	Altavilla Vicentina	VI	Chairman of the Board of Statutory auditors	31/12/2015
Immobiliare Stampa S.p.A.	09422020157	Vicenza	VI	Regular auditor	31/12/2013
Imprenditori Riuniti S.p.A.	04209170283	Schio	VI	Chairman of the Board of Directors	31/12/2014
Manifattura Lane G. Marzotto & Figli S.p.A.	00166580241	Milano	MI	Regular auditor	31/12/2014
Margraf SpA	01317330247	Chiampo	VI	Chairman of the Board of Statutory auditors	31/12/2013
Mosaico S.r.l.	03506890247	Altavilla Vicentina	VI	Chairman of the Board of Statutory auditors	31/12/2013
Palladio Zannini Industrie Grafiche Cartotecniche S.p.A.	03079210245	Dueville	VI	Chairman of the Board of Statutory auditors	31/12/2014
PFC S.r.l.	03247130242	Vicenza	VI	Chairman of the Board of Statutory auditors	31/12/2013
Prodotti Stella S.p.A.	01419130685	Altavilla Vicentina	VI	Chairman of the Board of Statutory auditors	31/12/2013
Safilo Group S.p.A.	03032950242	Pieve di Cadore	BL	Regular auditor	31/12/2013
Safilo S.p.A.	03625410281	Pieve di Cadore	BL	Regular auditor	31/12/2013
San Giorgio S.r.l.	03418240242	Schio	VI	Chairman of the Board of Directors	until revocation



Veninvest S.p.A.	01619690249	Vicenza	VI	Chairman of the Board of Statutory auditors	31/12/2014
Vigel S.p.A.	01587520246	Vicenza	VI	Chairman of the Board of Statutory auditors	31/12/2015

**BETTINA SOLIMANDO – LIST OF POSITIONS HELD AT MARCH 19<sup>th</sup>, 2014:**

<b>Company</b>	<b>Fiscal code</b>	<b>Registered office</b>		<b>Position</b>	<b>Term of office</b>
Safilo Group S.p.A.	03032950242	Pieve di Cadore	BL	Regular auditor	31/12/2013
Safilo S.p.A.	03625410281	Pieve di Cadore	BL	Regular auditor	31/12/2013
Bottega Veneta S.r.l5	07078730152	Vicenza	VI	Chairman of the Board of Statutory auditors	31/12/2015
B.V. Italia S.r.l.	12647870158	Vicenza	VI	Chairman of the Board of Statutory auditors	31/12/2015
Distributori Articoli Sanitari S.r.l.	02656040017	Torino	TO	Regular auditor	31/12/2014
Equibox Holding S.p.A.	04339950265	Asolo	TV	Regular auditor	31/12/2015
GCE Mujelli S.p.A.	02101430961	S. Martino B.A.	VR	Regular auditor	31/12/2015
Hoerbiger Italiana S.p.A.	00884990151	Verona	VR	Regular auditor	31/12/2014
Paul Hartmann S.p.A.	07179150151	Verona	VR	Regular auditor	31/12/2013
Volkswagen Group Firenze S.p.A.	05671860483	Firenze	FI	Regular auditor	31/12/2014