



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

OF

SAFILO GROUP S.p.A.

CALLED ON APRIL 30, 2019, IN SINGLE CALL

ITEM NO. 3 ON THE AGENDA – ORDINARY SESSION

**(Report drafted pursuant to Articles 125-ter of the T.U.F. and Article 73 of the
Issuer's Regulation)**

Dear Shareholders,

With this report we would like to illustrate item no. 3 - ordinary session - on the agenda of the Ordinary and Extraordinary Shareholders' Meeting of the Company, called at the registered office of the Company on April 30, 2019, at 10:00 am, in single call.

3. Authorization to the purchase and disposal of treasury shares pursuant to Article 2357 and following Articles of the Italian Civil Code as well as to Article 132 of Legislative Decree 58/1998 and related implementing provisions, subject to revocation of the authorisation granted by the ordinary Shareholders' meeting of April 24, 2018; related and consequent resolutions

Dear Shareholders,

The Shareholders' Meeting held on April 24, 2018 had granted the Company the authorisation to purchase treasury shares for a period of 18 months starting from the date of the resolution, along with the authorization to the sale, disposal and/or use of treasury shares possibly purchased without any time limit.

In the 2018 financial year and up to the date of this report, the Company has not purchased treasury shares.

However, the Board of Directors believes that the reasons which led to requesting the Shareholders' Meeting the authorization to proceed with the purchase and disposal of treasury shares should still be considered valid.

Having said that, in consideration of the expiry (October 2019) of the resolution authorizing the purchase and disposal of treasury shares, and in order to allow the Company to retain the right to purchase own shares and dispose of them, the Board of Directors deems it appropriate to propose to the Shareholders' Meeting to issue a new authorization, for a similar period of 18 months starting from the date of the related resolution, subject to revocation of the previous authorization, which has not been executed.

The terms and procedures for the purchase and disposal of the Company's treasury shares - which the Board of Directors submits to you for the purpose of the issue of the relative authorization - are discussed briefly below.

1. The reasons for the request of the authorization to purchase and/or dispose treasury shares

The authorization for the purchase and disposal of treasury shares is aimed at providing the Company with a useful and strategic investment opportunity to be used within the limits permitted by national and European laws in force, including any "market practices" admitted by Consob

pursuant to Article 180, paragraph 1 c) of T.U.F. (the “**Market Practices**”) and Regulation no. 596/2014/EU and any relevant implementing provisions.

In particular, the purchase and disposal of treasury shares may be used:

- (i) to perform the obligations to deliver the Company’s shares arising from programs of distributions, against payment or for free, of options or shares of the Company to directors, employees and collaborators of the Company or the relevant subsidiaries, as well as arising from programs for free allocation of shares to the shareholders;
- (ii) to perform the obligations to deliver the Company’s shares arising from convertible bonds or bonds cum warrants; and
- (iii) as a compensation in extraordinary transactions, including the exchange of shares, with other parties in the context of transactions in the interests of the Company.

2. The maximum number, class, and par value of the shares the authorization refers to

The authorization is required for the purchase, also in multiple tranches, of Safilo Group S.p.A. ordinary shares without any indication of par value, up to a maximum amount of 10,000,000 (taking into account both the shares owned by the Company and/or by the subsidiaries), being understood that the number of Company’s shares held from time to time in the portfolio of the Company and its subsidiaries shall not exceed 20% of the Company’s share capital.

The authorization includes the possibility for the Company and for its subsidiaries to dispose of the treasury shares in their portfolio, also before using up the maximum number of shares that may be purchased, and the possibility to re-purchase such shares so that the number of shares held by the Company and by its subsidiaries does not exceed the limits set by the authorization.

3. Information needed for a thorough assessment of compliance with the provisions of Article 2357, paragraph 3, of the Italian Civil Code

The maximum number of shares held by Safilo Group S.p.A. and/or by controlled companies, equal to maximum no. 10,000,000 shares (currently equal to approximately 3,6% of the share capital), shall not in total exceed 20% of the share capital of the Company, in compliance with the limit, equal to the fifth part of the share capital, provided for in Article 2357, paragraph 3 of the Italian Civil Code.

As of the date of this Report, Safilo Group S.p.A. and its subsidiaries do not hold Safilo Group S.p.A. shares. The subsidiaries shall be given specific instructions in order to promptly notify any possible purchase of shares pursuant to Article 2359-bis of the Italian Civil Code.

The purchase of treasury shares must in any case occur within the limits of distributable profits and available reserves resulting from the most recent financial statements approved by the Company at

the time of the transaction; in the event of the purchase and disposal of treasury shares, the required accounting entries will also be made, in compliance with the provisions of law and the applicable accounting standards.

It is understood that the Board of Directors shall assess the compliance with the thresholds set forth by Article 2357, paragraphs 1 and 3 of the Italian Civil Code for the purchase of treasury shares prior to the start of each authorized purchase of share.

4. The duration of the requested authorization

Authorization for the purchase of treasury shares is requested for a period of 18 months starting from the possible approval of this proposal by the Shareholders' Meeting. Within the expiry of the authorization possibly granted, the Board of Directors may proceed with the authorized transactions, on one or more occasions and at any time, freely determining the amount and timing in accordance with applicable law, at the pace deemed appropriate in the interests of the Company.

The authorization to the sale, disposal and/or use of treasury shares possibly purchased is requested without any time limit, in order to allow the Board of Directors to dispose of the shares with the maximum flexibility, also in terms of timing.

5. The minimum and maximum purchase price and sale price of the treasury shares

Purchases of treasury shares shall be carried out in accordance with the Italian and European law in force as well as with the operational criteria established for the Market Practices, if applicable, and in particular at a price not higher than the higher of the price of the last independent trade and the highest current independent purchase bid in the trading venue where the purchase is carried out. It being understood that the purchase price of each share shall not be, in its minimum, more than 10% below and, in its maximum, more than 5% above the reference price of Safilo Group S.p.A. shares on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) of the trading day prior to the date of the purchase trade, and, in any case, it shall not exceed Euro 3.00 per share.

The Board of Directors proposes to be authorized to sell, dispose of and/or use, pursuant to Article 2357-ter of the Italian Civil Code, for any reason and at any time, wholly or partially, in one or more tranches, the treasury shares purchased pursuant to the authorization possibly granted by this Shareholders' Meeting, for the purposes mentioned above, pursuant to modalities, terms and conditions determined by the Board of Directors from time to time, taking into account the modalities of implementation effectively adopted, the trend of Safilo Group S.p.A. share price and the best interests of the Company, it being understood that the proceeds of any possible disposal of

the treasury shares may be used for further purchases of shares until the expiration of the requested shareholders' authorization, within the restrictions set forth by the same and the applicable law provisions.

6. The methods that will be used for the execution of the purchases, sales and uses

The purchase transactions of treasury shares mentioned in this Report shall be performed by the Company directly and/or indirectly through its subsidiaries, potentially also pursuant to Article 2359-bis of the Italian Civil Code, following the operating modalities deemed appropriate in line with the interests of the Company.

Purchases of treasury shares shall be performed on regulated markets or on multilateral trading facilities, pursuant to the operating modalities set forth in the regulations organizing and managing the same markets, in compliance with the applicable provisions and, in particular, pursuant to Article 144-bis of the Issuers' Regulation and any other applicable provisions in force, and therefore, with reference also to the principle of equal treatment of the shareholders as set forth by Article 132 of T.U.F., the European and national market abuse provisions and the Market Practices.

The transactions for the sale, disposal and/or use of treasury shares in the portfolio shall be carried out through any means deemed in line with its purposes, in compliance with the applicable laws and regulations and may occur in one or more tranches, possibly before using up the amount of treasury shares that may be purchased, at the pace that best suits the interests of the Company.

The shares at the service of programs of distribution, against payment or for free, of options or shares of the Company to directors, employees and collaborators of the Company or the relevant subsidiaries, as well as arising from programs for free allocation of shares to the shareholders, shall be assigned pursuant to the terms and conditions set in the related plans from time to time in force.

7. Information on the instrumentality of the purchase transaction to a share capital reduction

It is noted that this request of authorization to purchase treasury shares is not instrumental to the reduction of the share capital of the Company.

Should you agree with the above illustrated proposal, the Board of Directors submits the following resolution for your approval:

"The Shareholders' Meeting:

- *Having taken into account the Illustrative Report of the Board of Directors;*
- *Having taken into account the opportunity to proceed for the purposes and following the modalities illustrated above;*

- *Acknowledging that the Company currently does not hold any ordinary treasury share, neither directly nor indirectly through its subsidiaries*

Resolves

(A) To revoke the resolution granting the previous authorisation approved on April 24, 2018;

(B) To authorize the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer, severally and with the powers to sub-delegate, to purchase treasury shares, in compliance with the following quantities, price, term and modalities:

- 1. purchases may be made, in one or more tranches, for a period of 18 months from the date of this resolution, up to a maximum of 10,000,000 shares, taking into account the ordinary shares of Safilo Group S.p.A. at any time held in portfolio by the Company and by its subsidiaries, being understood that the treasury shares purchased, taking into account the ordinary shares of Safilo Group S.p.A. at any time held in portfolio by the Company and by its subsidiaries, shall not in total exceed 20% of the share capital, in compliance with the limit provided for in Article 2357, paragraph 3 of the Italian Civil Code;*
- 2. purchases may be made within the limits of distributable earnings and available reserves resulting from the latest available financial statements of the Company approved at the time of each transaction and, upon purchase and disposal of treasury shares, the required accounting entries will be made, in compliance with the provisions of the law and applicable accounting standards;*
- 3. the purchase price will not be higher than the higher of the price of the last independent trade and the highest current independent purchase bid in the trading venue where the purchase is carried out. It being understood that the purchase price of each share shall not be, in its minimum, more than 10% below and, in its maximum, more than 5% above the reference price of Safilo Group S.p.A. shares on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) of the trading day prior to the date of the purchase trade and, in any case, it shall not exceed Euro 3.00 per share;*
- 4. purchases shall be performed by the Company directly and/or indirectly through its subsidiaries, potentially also pursuant to Article 2359-bis of the Italian Civil Code, following the operating modalities deemed appropriate in line with the interests of the Company. Purchases of treasury shares shall be performed on regulated markets or on multilateral trading facilities, pursuant to the operating modalities set forth in the regulations organizing and managing the same markets, in compliance with the*

applicable provisions and, in particular, pursuant to Article 144-bis of the Issuers' Regulation and any other applicable provisions in force, and therefore, with reference also to the principle of equal treatment of the shareholders as set forth by Article 132 of T.U.F., the European and national market abuse provisions and the Market Practices;

(C) To authorize the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer, severally and with the powers to sub-delegate, pursuant to and in accordance with Article 2357-ter of the Italian Civil Code, to sell, dispose and/or use, at any time and without a time limit, in whole or in part, in one or more tranches, the treasury shares purchased according to terms, modalities and conditions deemed appropriate in the interests of the Company, in compliance with the laws and regulatory provisions in force;

(D) To grant the Chairman and the Chief Executive Officer, severally and with full power of sub-delegation for single acts or categories of acts, all powers, none being excluded, to implement the above resolutions, through any act required, appropriate, instrumental, connected and/or useful for the positive outcome of the same and of the authorizations provided therein.”

Padua, April 9, 2019

for the Board of Directors
Eugenio Razelli
Chairman