

ENGLISH TRANSLATION FOR CONVENIENCE PURPOSES ONLY

Report of the Directors pursuant to Section 125-ter of the Legislative Decree no. 58 of February 24, 1998, ("T.U.F."), and Section 72 of Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended)



**REPORT OF THE DIRECTORS
FOR THE SHAREHOLDERS' MEETING OF
SAFILO GROUP S.p.A.
CALLED ON AUGUST 7th, 2012**

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

SHAREHOLDERS' MEETING August 7th, 2012

**FIRST ITEM ON THE AGENDA
EXTRAORDINARY SESSION**

RELAZIONE ILLUSTRATIVA

Dear Shareholders,

The Board of Directors of Safilo Group S.p.A. (the "**Company**") held on June 27th, 2012, resolved to submit to the Ordinary and Extraordinary Shareholders' Meeting of the Company, called - for both the Ordinary and the Extraordinary sessions - at the Company's secondary office in Padua, Seventh Avenue, no. 15, to be held on August 7th, 2012, at 11:00am, in single call,, the items set forth under the following

AGENDA

Ordinary Session

1. ***Omissis*** [Please refer to the separate report drafted by the Board of Directors pursuant to article 125-ter T.U.F. and article 84-ter of the Consob]

Extraordinary Session

1. ***Amendments to articles 14, 15 and 27 of the Company's Articles of Association; Related and consequent matters***

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 125-ter of the T.U.F. and article 84-ter of Consob Regulation, published on June 28th, 2012.

Dear Shareholders,

with reference to the item on the agenda of the extraordinary session of the Shareholders' Meeting, you are convened in order to resolve upon the proposals of amendment and integration of certain articles of the Company's Articles of Association in order to comply with Law no. 120 (issued on July 12th, 2011) (the "**Law 120**") - concerning gender balance in the composition of corporate bodies of Italian companies whose shares are listed on regulated markets in Italy or in other countries of the European Union (the "**Listed Companies**") - effective since August 12th, 2011. Law 120, which provides amendments to Legislative Decree No. 58 of February 24th, 1998 (the T.U.F.), is mainly intended to promote, as it has already happened in other European Countries, a larger presence of women in the governing and control bodies of Listed Companies (so-called "gender balance").

Law 120 has amended the articles 147-ter and 148 of the TUF - concerning, respectively, the composition of the Board of directors and of the Board of statutory auditors of Listed

Companies – that require Listed Companies to comply with certain criteria in the appointment of such corporate bodies in order to guarantee gender balance, the Listed Companies shall amend their articles of association so that the less-represented gender should obtain at least one third of the directors and statutory auditors appointed.

The new provisions introduced by Law 120 shall apply starting from the first renewal of the corporate bodies of Listed Companies after one year from the date of entry into force of Law 120. To graduate the compliance process, Law 120 also provides for an interim regime according to which in the first mandate the less-represented gender will be reserved a quota of at least one fifth of the directors and statutory auditors to be appointed.

The appointment criteria established by Law 120 shall apply for three consecutive terms after the entry into force of such law.

By virtue of the delegation provided by the abovementioned articles of T.U.F., Consob has subsequently completed the reference regulatory framework, amending the Issuers' Regulation and inserting article 144-*undecies*.1 (Gender balance), which sets forth the guidelines to be followed by Listed Companies in order to amend their articles of association, which shall regulate, among others, the modalities of formation of the lists for the appointment of the corporate bodies and the cases of replacement during a mandate in order to comply with the applicable legal and regulatory provision regarding gender balance.

In light of the above, it is hereby proposed to amend the text of articles 14, 15 and 27 of the Company's Articles of association, as following indicated in details:

Current Version	Proposed Amended Version
Article no. 14	Article no. 14
<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</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><u>Members of the Board of Directors shall remain in office for three financial years and are eligible for re-election.</u></p> <p>The directors must satisfy the</p>

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<p>requirements of eligibility, experience and integrity established by law and other applicable regulations. At least one of the members of the Board of Directors, or two if the Board has more than seven members, must satisfy the independence requirements applying to statutory auditors under current legislation.</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><u>A) Presentation of lists</u></p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list, at least a percentage of share capital,</p>	<p>requirements of eligibility, experience and integrity established by law and other applicable regulations. At least one of the members of the Board of Directors, or two if the Board has more than seven members, must satisfy the independence requirements applying to statutory auditors under current legislation.</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 <u>the Legislative Decree no. 58 dated of</u> 24 February 1998 (Decree 58/1998) and for:</p> <p><u>(i) to the purposes purpose of ensuring that minority shareholders are represented by one member on the Board of Directors, the Board of Directors is appointed on the basis of lists presented by shareholders containing a maximum of 15 candidates, all listed with a sequential number-;</u> <u>and</u></p> <p><u>(ii) to the additional purpose of ensuring the balanced representation of genders (masculine or feminine) within the Board of Directors, the mechanism for the election of the Board of Directors set forth in this Article 14 ensures that the underrepresented gender (masculine or feminine) shall obtain at least one third (the "Full Quota") or, if applicable, one fifth (the "Reduced Quota"), of the elected Directors.</u></p> <p><u>A) Presentation of lists</u></p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list, at least a percentage of share capital,</p>

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<p>consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the directors' appointments. This percentage shall be specified in the notice convening the Shareholders' Meeting called to resolve on the appointment of the Board of Directors. The outgoing Board of Directors can also present a list of its own. No individual/entity attending the meeting, none of the shareholders belonging to a shareholder syndicate relating to the Company's shares as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries or companies under common control pursuant to article 93 of Decree 58/1998, may present or vote for more than one list, including through a third party or trust companies. No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p>If the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' Meetings, their vote for any of the lists presented is discounted.</p> <p>The lists presented must be filed at the Company's registered office at least 25 (twenty-five) days in advance of the date set for the single call or first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time. This requirement must be mentioned in the notice convening the meeting, without prejudice to any other form of publicity established by legislation in</p>	<p>consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the directors' appointments. This percentage shall be specified in the notice convening the Shareholders' Meeting called to resolve on the appointment of the Board of Directors. The outgoing Board of Directors can also present a list of its own. No individual/entity attending the meeting, none of the shareholders belonging to a shareholder syndicate relating to the Company's shares as defined by article 122 of Decree 58/1998, nor the parent company, subsidiaries or companies under common control pursuant to article 93 of Decree 58/1998, may present or vote for more than one list, including through a third party or trust companies. No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p>If the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' Meetings, their vote for any of the lists presented is discounted.</p> <p>The lists presented must be filed at the Company's registered office at least 25 (twenty-five) days in advance of the date set for the single call or first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time. This requirement must be mentioned in the notice convening the meeting, without prejudice to any other form of publicity established by legislation</p>

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<p>force from time to time.</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. Candidates for whom the above rules are not observed are disqualified.</p> <p>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Directors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p>Shareholders presenting a list of candidates must also provide the Company, within the deadline for presentation of the list, with the information concerning their own identity and percentage of shares held. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned</p>	<p>in force from time to time.</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. Candidates for whom the above rules are not observed are disqualified.</p> <p>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Directors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p>Shareholders presenting a list of candidates must also provide the Company, within the deadline for presentation of the list, with the information concerning their own identity and percentage of shares held. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned</p>

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<p>shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time.</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>shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time.</p> <p>Each list shall contain one or more candidates - in <u>In</u> 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 <u>current legislative and regulatory provisions as well as</u> the latest version of the Corporate Governance Code issued by the Corporate Governance Committee, <u>each list shall contain a number of candidates who satisfy the independence requirements for statutory auditors established in article 148, paragraph 3, of the Legislative Decree no. 58 of 24 February 1998,</u> specifying such candidates clearly.</p> <p><u>If and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Directors Majority List (as defined below), from such list a number of Directors belonging to the</u></p>

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<p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p> <p><u>B) Voting</u></p> <p>The vote of each entitled individual/entity shall refer to the list and hence all the candidates appearing therein, without the possibility of making any changes, additions or exclusions.</p> <p>Once the Shareholders' Meeting has decided the number of directors to be elected, the procedures are as follows:</p> <p>1) all the directors requiring election, but one, shall be elected from the list obtaining the highest number of votes ("Majority List"), in the sequential order in which they appear on that list;</p> <p>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 individuals/entities 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> <p>In the event of a tie, the entire Shareholders' Meeting will vote again</p>	<p><u>underrepresented gender are elected equal to, at least, the Full Quota, or, if applicable, the Reduced Quota.</u></p> <p>Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p> <p><u>B) Voting</u></p> <p>The vote of each entitled individual/entity shall refer to the list and hence all the candidates appearing therein, without the possibility of making any changes, additions or exclusions.</p> <p>Once the Shareholders' Meeting has decided the number of directors to be elected, the procedures are as follows:</p> <p>1) all the Directors requiring election, but one, shall be elected from the list obtaining the highest number of votes ("<u>Directors</u> Majority List"), in the sequential order in which they appear on that list;</p> <p>2) one Director shall be elected, in compliance with statutory provisions, from the list obtaining the second highest number of votes ("<u>Directors</u> Minority List"), which shall not be associated in any way, even indirectly, with the individuals/entities who presented <u>and/or</u> voted for the Majority List; the Director elected in this case shall be the candidate at the head of this list. If<u>However, if</u> not even one independent Director is elected from the <u>Directors</u> Majority List, then the first independent Director appearing on the <u>Directors</u> Minority List shall be elected in place of the candidate at the head of this list.</p> <p>In the event of a tie, the entire Shareholders' Meeting will vote again</p>

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<p>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>until an unequivocal result is achieved.</p> <p>The Chairman of the Board of Directors shall be the first candidate appearing on the <u>Directors</u> 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 <u>and subject to compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine) within the Board of Directors.</u></p> <p><u>The Directors Majority List or the only list (as the case may be) shall ensure compliance with the Full Quota or, where applicable, the Reduced Quota. In particular, if the composition of the managing body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of components of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Directors Majority List, the gender (masculine or feminine) of the candidate elected by the Directors Minority List -, candidates having the lowest sequence number, belonging to</u></p>

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<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><u>the mainly represented gender (masculine or feminine) will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the Full Quota, or the Reduced Quota, if applicable, of directors to be elected has been reached.</u></p> <p>If no list is presented at all, the Shareholders' <u>or the list(s) presented contain(s) a number of candidates (also in terms of underrepresented gender, masculine or feminine) not sufficient to elect the entire managing body, the Board of Directors or, as appropriate, the additional Directors to be elected in order to reach the number of members of the Board of Directors established by the Shareholders' Meeting,</u> shall appoint the Board of Directors, <u>be appointed by same Shareholders' Meeting with the voting</u> with the <u>majorities</u> required by law. <u>In each case, it shall be carefully ensured the presence within the Board of Directors of the necessary number of members having all the requirements set forth by applicable laws and regulations, who shall also be selected in such a way as to ensure the presence in the Board of Directors of the Full Quota, or, where applicable, the Reduced Quota, of components belonging to the underrepresented gender (masculine or feminine).</u></p>
Article no. 15	Article no. 15
<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>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>

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<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</p>	<p>a) the Board of Directors shall appoint replacements from<u>by way of co-option of individuals belonging to</u> the same list as that of the outgoing directors<u>resigned Directors</u>; 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. <u>If and until expressly provided by mandatory law and/or regulatory provisions, the Board of Directors shall appoint replacements of the same gender (masculine or feminine) of the ceased Directors, so to ensure the compliance with the Full Quota or, if applicable, the Reduced Quota of Directors belonging to the underrepresented gender (masculine or feminine), having also care to ensure that the Board of Directors contains the correct number of Directors having the independency requirements set forth by current statutory and regulatory provisions. The Shareholders' Meeting, in confirming/replacing the coopted Directors or, in the absence of co-option, in directly proceeding with the appointment of replacements, resolves with the voting majorities set forth by law, having however care of complying with the same principles referred above;</u></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</p>

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<p>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 two 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>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 <u>and, if and until expressly provided by mandatory law and/or regulatory provisions, the required number of Directors belonging to the underrepresented gender (masculine or feminine).</u></p> <p>If two 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>
Article no. 27	Article no. 27
<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 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</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 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</p>

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<p>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><u>A) Presentation of lists</u></p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presentation of the list, at least the percentage of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the</p>	<p>be appointed by the Shareholders' Meeting on the basis of lists presented by shareholders, with the procedures described below, so as to: <u>(a) allow the minority to appoint one standing member and one alternate member, and (b) ensure the balance between genders (masculine and feminine) represented within the Board of Statutory Auditors.</u></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. <u>Furthermore, if and until expressly provided by mandatory law and/or regulatory provisions, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Statutory Auditors Majority List (as defined below), from such list a number of statutory auditors belonging to the underrepresented gender are elected equal to, at least, the Full Quota, or, if applicable, the Reduced Quota.</u></p> <p>No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p><u>A) Presentation of lists</u></p> <p>Lists may be presented only by those shareholders who own, alone or together with others, at the time of presentation of the list, at least the percentage of share capital consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth by applicable law or regulations governing the</p>

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<p>appointment of the Board of Statutory Auditors. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.</p> <p>No individual/entity attending the meeting, none of the 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 the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' meeting, their 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 offices at least 25 (twenty-five) days in advance of the date set for the single call or first call of the related Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time, without prejudice to any other form of publicity established by applicable legislation. The lists must be accompanied by:</p> <p>(i) information on the identity of the</p>	<p>appointment of the Board of Statutory Auditors. Details of this percentage and of the appointment procedures shall be provided in the notice convening the Shareholders' Meeting.</p> <p>No individual/entity attending the meeting, none of the 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 the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' meeting, their 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, <u>prepared in compliance with the Full Quota or, if applicable, the Reduced Quota of Statutory Auditors to be elected,</u> shall be signed by the shareholders presenting them and filed at the Company's registered offices at least 25 (twenty-five) days in advance of the date set for the single call or first call of the related Shareholders' Meeting or within the different deadline set forth by applicable law in force from time to time, without prejudice to any other form of publicity established by applicable legislation. The lists must be accompanied by:</p> <p>(i) information on the identity of the</p>

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<p>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. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time;</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</p>	<p>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. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of first call of the relevant Shareholders' Meeting or within the different deadline provided for by the applicable law in force from time to time;</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</p>

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<p>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>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Statutory Auditors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p><u>B) Voting</u></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 entitled individuals/entities who</p>	<p>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>The lists presented are made available to the public at the Company's office, on its website and through the other modalities provided for by applicable law and regulations, at least 21 (twenty-one) days before the date of single call or first call of the Shareholders' Meeting convened to resolve on the appointment of the Board of Statutory Auditors or within the different deadline provided for by applicable law and regulations in force from time to time.</p> <p><u>B) Voting</u></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 ("<u>Statutory Auditors</u> Majority List") in the sequential order in which they appear on this list.</p> <p>The third standing member and other<u>the second</u> alternate member shall be taken from the list obtaining the second highest number of votes and presented and voted by entitled</p>

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<p>are not associated with the majority shareholders as defined by par. 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. The Shareholders' Meeting shall appoint the standing member elected on the Minority List as the Chairman of the Board of Statutory Auditors.</p> <p>Without prejudice to the above, the provisions of law and regulations in force from time to time apply to the presentation, deposit and publication of the lists, including in the cases where only one list is presented, or the lists are presented by shareholders associated one with the others as per par. 2 of article 148 of Decree 58/1998.</p> <p>In any event, even if 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>individuals/entities who are not associated with the majority shareholders as defined by par. 2, article 148 of Decree 58/1998 ("<u>Statutory Auditors</u> 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. The Shareholders' Meeting shall appoint the standing member elected on the <u>Statutory Auditors</u> Minority List as the Chairman of the Board of Statutory Auditors.</p> <p>Without prejudice to the above, the provisions of law and regulations in force from time to time apply to the presentation, deposit and publication of the lists, including in the cases where only one list is presented, or the lists are presented by shareholders associated one with the others as per par. 2 of article 148 of Decree 58/1998.</p> <p>In any event, even if only one list has been presented or admitted to voting, the candidates on this list shall be appointed as standing <u>statutory auditors, in compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine,</u> and alternate statutory auditors in accordance with the sequential number in which they appear in the respective sections of this list.</p> <p><u>The Statutory Auditors Majority List</u></p>

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<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><u>or the only list (as the case may be) shall ensure compliance with the Full Quota or, where applicable, the Reduced Quota of statutory auditors to be elected. In particular, if the composition of the controlling body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of candidates of the underrepresented gender (masculine or feminine) - taking also into account, in case of the Statutory Auditors Majority List, the gender (masculine or feminine) of the candidate elected by the Statutory Auditors Minority List -, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine), will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the Full Quota, or the Reduced Quota, if applicable, of statutory auditors to be elected has been reached.</u></p> <p>If no lists are<u>list is</u> 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 <u>and ensuring, in any case, the presence of the required number of members belonging to the underrepresented gender (masculine or feminine) between the standing members of the Board of Statutory Auditors, such as to comply with the Full Quota, or, where applicable, the Reduced Quota, of statutory auditors to be elected.</u></p> <p>C) Replacement</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 par. 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 style="text-align: center;">***</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</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: <u>(i) the same list and (ii) if and until it is necessary in order to ensure the proportion between genders (masculine and feminine) within the Board of Statutory Auditors in compliance with the Full Quota or, if applicable, the Reduced Quota, of statutory auditors belonging to the underrepresented gender (masculine or feminine), the same gender as the ceased statutory auditor,</u> 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 par. 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 <u>and, if and until it is necessary, in order to ensure the balance between genders (masculine and feminine) within the Board of Statutory Auditors, in compliance with the Full Quota or, if applicable, the Reduced Quota, of statutory auditors belonging to the underrepresented gender (masculine or feminine).</u></p> <p style="text-align: center;">***</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</p>

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<p>they have received and about general business trends or specific transactions, and may carry out inspections and controls at any time. 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>they have received and about general business trends or specific transactions, and may carry out inspections and controls at any time. 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>

Dear Shareholders,

based on the above, the Board of Directors invites you to adopt the following resolutions:

“The Extraordinary Shareholders’ Meeting of Safilo Group S.p.A., called at the Company’s secondary office in Padua, Seventh Avenue, no.15, on [August 7th, 2012], in single call, after having examined the report of the Board of Directors and the related proposals illustrated thereto,

RESOLVES

- (i) *to amend articles 14, 15 e 27 of the Articles of Association, as proposed by the Board of Directors, adopting the new version of the Company's Articles of Associations attached hereto;*
- (ii) *to grant the Board of Directors with the power in order to fully implement all of the above, granting, moreover, the Chief Executive Officer with any and all powers in order to:*
- *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*
 - *implement within the context of the above resolutions those non-substantial amendments, additions and suppressions that may be possibly useful and/or appropriate in the context of the filing of the Articles of Association with the competent Register of Enterprises, as well as 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 Chief Executive Officer (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 Articles of Association with the amendments carried out pursuant to the resolutions above."*