



**REPORT OF THE DIRECTORS FOR THE ORDINARY
SHAREHOLDERS' MEETING OF SAFILO GROUP S.p.A.
CALLED ON APRIL 29, 2021, IN SINGLE CALL**

ITEM NO. 3 ON THE AGENDA

(Report drafted pursuant to Article 125-ter of the T.U.F. and pursuant to Article 84-ter of the Issuer's Regulation)

Dear Shareholders,

With this report we would like to illustrate item no. 3 on the agenda of the Ordinary Shareholders' Meeting of the Company, called on April 29, 2021, at 10:00 am, in single call.

3. Appointment of the Board of Directors for the 2021-2023 term

3.1 Determination of the number of members of the Board of Directors

3.2 Appointment of directors

3.3. Determination of the annual remuneration of members of the Board of Directors

Dear Shareholders,

with the approval of the financial statements as of December 31, 2020 the mandate of the members of the Board of Directors expires.

You are therefore called to appoint a new Board of Directors in compliance with the provisions of Article 14 of the Company's Articles of Association (published on the Company's web site www.safilogroup.com in the section Investor Relations-Corporate Governance) and with current provisions of law and regulations.

In this regard, we remind you that the Board of Directors consists of between 6 and 15 members, who do not need to be shareholders. Members of the Board of Directors shall remain in office for three financial years and are eligible for re-election. The size of the Board of Directors shall be determined by the Shareholders' Meeting.

The directors must satisfy the requirements of eligibility, experience and integrity established by law and other applicable regulations. At least one of the members of the Board of Directors, or two if the Board has more than seven members, must satisfy the independence requirements applying to statutory auditors under current legislation.

The Board of Directors is appointed on the basis of lists presented by shareholders, in order to ensure (a) that minority shareholders are represented by one member on the Board of Directors, and (b) balance between genders (masculine or feminine) within the Board of Directors in compliance with the applicable pro tempore legislation and regulations in force.

A. Presentation of lists

Lists may be presented only by those shareholders who own, alone or together with others, at the time of presenting the list, at least **4,5%** of share capital, consisting of shares with voting rights at Ordinary Shareholders' Meetings.

No individual/entity attending the meeting, none of the shareholders belonging to a shareholder agreement relating to the Company's shares as defined by Article 122 of T.U.F., nor the parent company, subsidiaries or companies under common control pursuant to Article 93 of T.U.F., may present or vote for more than one list, including through a third party or trust companies.

No candidate may appear in more than one list, otherwise they will be disqualified.

If the above rules are not observed by one or more individuals/entities entitled to attend and vote at the Shareholders' Meetings, their vote for any of the lists presented is discounted.

The lists, containing a maximum of 15 candidates listed with a sequential number, must be filed at the Company's registered office at least 25 (twenty-five) days in advance of the date set for the Shareholders' Meeting (and therefore within April 4, 2021).

Each list, signed by those presenting it, must be accompanied by:

- (i) the professional curricula of the candidates,
- (ii) statements by each of the candidate accepting their candidacy and confirming, under their own responsibility, that they are in possession of the requirements envisaged by prevailing statutory and regulatory provisions for members of the Board of Directors and the absence of any reasons for incompatibility and/or ineligibility contained in law;
- (iii) information concerning their own identity and percentage of shares held. The certificate attesting the ownership of at least the minimum shareholding required to present a list of candidates, determined having regard to the amount of shares registered in favour of the concerned shareholders on the same day when the lists are deposited with the Company, can be delivered to same Company also after the deposit of the lists, provided that such certificate is delivered at least 21 (twenty-one) days before the date of the Shareholders' Meeting (and therefore within April 8, 2021).

Candidates for whom the above rules are not observed are disqualified.

The lists will be made available to the public at the Company's registered office, on the Company's web site <http://investors-it.safilogroup.com/corporate-governance/shareholders-meeting> as well as at the central storage of regulated information www.1info.it, at least 21 (twenty-one) days before the date of the Shareholders' Meeting (and therefore within April 8, 2021).

Each list shall contain one or more candidates - in compliance with the provisions of current legislation - who satisfy the independence requirements for statutory auditors established in Article 148, paragraph 3, of T.U.F., specifying such candidates clearly.

In addition, each list, except for those containing less than three candidates, shall be composed of a number of candidates belonging to the underrepresented gender (masculine or feminine) so that, should such list result as the Directors Majority List (as defined below), from such list a number of Directors belonging to the underrepresented gender are elected in order to ensure balance between genders (masculine or feminine) within the Board of Directors in compliance with the applicable pro tempore legislation and regulations in force. In this regard, it should be noted that the legislation in force as of today requires that the less represented gender obtain at least **two fifths of the members of the board of directors**, with rounding up, in the event of a fractional number, to the higher unit.

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

Shareholders who intend to submit a list for the appointment of the Board of Directors are also invited to refer to the **Diversity Policy** of the Board of Directors, adopted by the Company on December 10, 2018 and available on the Company's website www.safilogroup.com Investor Relations – Corporate Governance section.

B. Voting

The vote of each entitled individual/entity shall refer to the list and hence all the candidates appearing therein, without the possibility of making any changes, additions or exclusions.

Once the Shareholders' Meeting has decided the number of directors to be elected, the procedures are as follows:

- 1) all the Directors requiring election, but one, shall be elected from the list obtaining the highest number of votes ("**Directors Majority List**"), in the sequential order in which they appear on that list;
- 2) one Director shall be elected, in compliance with statutory provisions, from the list obtaining the second highest number of votes ("**Directors Minority List**"), which shall not be associated in any way, even indirectly, with the individuals/entities who presented and/or voted for the Majority List; the Director elected in this case shall be the candidate at the head of this list. However, if not even one independent Director is elected from the Directors Majority List, then the first independent Director appearing on the Directors Minority List shall be elected in place of the candidate at the head of this list.

In the event of a tie, the entire Shareholders' Meeting will vote again until an unequivocal result is achieved.

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

No account is taken of lists that obtain a percentage of votes corresponding to less than half of that required for their presentation.

If only one list is presented, or admitted to voting, the Shareholders' Meeting shall vote on this. If this list obtains the required majority vote, the number of directors established by the Shareholders' Meeting shall be elected from it in the sequential order in which the candidates appear therein and subject to compliance, if and until expressly provided by mandatory law and/or regulatory provisions, with the required balance between genders (masculine or feminine) within the Board of Directors.

The Directors Majority List or the only list (as the case may be) shall ensure compliance with the applicable pro tempore legislation and regulations in force regarding balance between genders. In particular, if the composition of the managing body, determined on the basis of the sequence numbers assigned to the candidates of such list, does not include a sufficient number of components of the underrepresented gender (masculine or feminine), taking also into account, in case of the Directors Majority List, the gender (masculine or feminine) of the candidate elected by the Directors Minority List, candidates having the lowest sequence number, belonging to the mainly represented gender (masculine or feminine) will be automatically replaced by candidates of the underrepresented gender (masculine or feminine) with the highest sequence number, until the minimum quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders has been reached.

If no list is presented or the list(s) presented contain(s) a number of candidates (also in terms of underrepresented gender, masculine or feminine) not sufficient to elect the entire managing body, the Board of Directors or, as appropriate, the additional Directors to be elected in order to reach the number of members of the Board of Directors established by the Shareholders' Meeting, shall be appointed by same Shareholders' Meeting with the voting majorities required by law. In each case, it shall be carefully ensured the presence within the Board of Directors of the necessary number of members having all the requirements set forth by applicable laws and regulations, who shall also be selected in such a way as to ensure the presence in the Board of Directors of the minimum quota required by the applicable pro tempore legislation and regulations in force regarding balance between genders.

C. Guidelines of the outgoing Board of Directors on the new board composition deemed optimal

In compliance with the provisions of the Code of Corporate Governance, the Board of Directors held on March 11, 2021, taking into account the outcomes of the self-evaluation process carried out, the

principles stated in the Diversity Policy for the Board of Directors as well as the recommendations of the Remuneration and Nomination Committee, has elaborated the following guidelines on the board composition deemed optimal, in terms of quality and quantity.

(i) Size of the Board of Directors

Pursuant to Article 14 of the Articles of Association, the Company shall be managed by a Board of Directors consisting of between six and fifteen members, who need not be shareholders. The size of the Board of Directors shall be determined by the Shareholders' Meeting.

The Board of Directors proposes to increment the numbers of the members from the actual 9 to 10. Today's proposal is formulated by the Board of Directors with the aim of allowing a further integration of the competence of the administrative body in line with the constant evolution of the Company, also following the approval of the Group Business Plan 2020-2024. The increase in the size of the Board of Directors through the appointment of 1 new Director is appropriate in order to acquire the contribution of additional required professional skills without giving up those already represented, in light of the operational needs to support the development plans of the Company and the group and the challenges that the new Board of Directors will be asked to address in the next three years.

It is also believed that such number is adequate to maintain a correct balance between executive directors and non-executive and/or independent directors, functional to a fruitful discussion board and to an efficient and effective management of the functioning of the administrative body, as well as to constitution of the internal committees that the new Board of Directors will establish.

(ii) Composition of the Board of Directors

Without prejudice to compliance with the pro tempore legislation in force on gender quotas, in relation to the managerial and professional profiles and to the skills deemed necessary within the Board of Directors, the Board believes, on the one hand, that the professional figures currently present in the Board (economic, financial, accounting, risk management, marketing, legal) remain necessary and in line with business' needs.

On the other hand it however suggests, in view of the presentation of the lists, while confirming professionalism in line with those currently present, to include figures with significant experience in digital innovation or sustainability matters or e-commerce, such as to ensure a mix of different and complementary skills and experiences in line with the Company's strategies.

Taking into account the diversified geographical presence of the Group, the international profile, assessed on the basis of the managerial, professional or institutional activities carried out in an international context by directors (regardless of nationality), has also shown as an important asset. Finally, taking into account the complexity of the eyewear industry and of the different market

needs, the continuity of the office and the specific knowledge acquired has been an important added value.

The Board of Directors therefore recommends maintaining international profiles and directors who have gained experience and knowledge in the Company's sector and business.

The Board of Directors also reminds the need to ensure the presence of an adequate number of independent and/or non-executive members, among other things, for the effective management and organization of internal board committees. In this regard, the Board of Directors reminds that, pursuant to the Corporate Governance Code, it is required that a member of the Remuneration and Nomination Committee has adequate experience in financial matters or remuneration policies and that the Control and Risk Committee has, as a whole, adequate knowledge of the business sector where the Company operates, functional to assess the related risks; at least one member of said Committee must have adequate knowledge and experience in accounting and finance or risk management.

Each candidate is asked to evaluate the compatibility of the office of Director in the Company with any additional offices of Director and Statutory Auditor held in other companies listed on regulated markets, in financial, banking, insurance or large companies.

The Board of Directors requires anyone submitting a list with a number of candidates that is higher than half the number of members to be elected to provide adequate information on the compliance of such list with the above Board of Directors' guidelines.

D. Determination of the annual remuneration of members of the Board of Directors

With regard to the determination of the annual remuneration due to the Board of Directors, the Board of Directors reminds you that, pursuant to Article 2364 bis of the Italian Civil Code, the same must be determined by the Shareholders' Meeting at the time of the appointment for the entire duration of the office. In this regard, it is recalled that the Shareholders' Meeting of 24 April 2018 determined the aforementioned annual remuneration in the amount of Euro 50,000.00 for each director.

In light of the foregoing, the Board of Directors deems it appropriate to recognize as compensation for the office of director the same amount paid during the last mandate, as it is in line with best practice and with the remuneration of comparable companies and adequate to the required commitment.

Given the above, we invite you to submit your own list of candidates in compliance with the above and to vote in favour of the following proposals:

- with reference to the determination of the numbers of members, to establish the number of members of the Board of Directors as 10 members;
- with reference to the appointment of directors, to vote in favour of any of the lists of candidates filed;
- with reference to the determination of the annual remuneration, to set the remuneration of each member of the Board of Directors at Euro 50,000 (fifty thousand) per year, further to the reimbursement of any expense incurred by reason of his/her office, to be paid in quarterly instalments.

Padua, March 19, 2021

**for the Board of Directors
Eugenio Razelli
Chairman**