

*ENGLISH TRANSLATION FOR CONVENIENCE PURPOSES ONLY
[PRELIMINARY DRAFT SUBJECT TO REVIEW AND COMMENTS]*

Report of the Directors pursuant to Section 125-ter of the Legislative Decree no. 58 of February 24, 1998 ("T.U.F."), and Section 84-ter 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 OCTOBER 5, 2011, ON SINGLE CALL**

(Report drafted pursuant to Section 125-ter T.U.F. and Section 84-ter of the Consob Regulation)

**SHAREHOLDERS' MEETING
October 5, 2011**

Index

NOTICE OF CALL OF THE SHAREHOLDERS' MEETING

REPORT OF THE DIRECTORS

- **FIRST ITEM ON THE AGENDA** **7**
- **SECOND ITEM ON THE AGENDA** **9**

NOTICE OF CALL OF THE ORDINARY SHAREHOLDERS' MEETING

The shareholders are hereby invited to attend the ordinary shareholders' Meeting of Safilo Group S.p.A. (hereinafter, the "**Company**") at its secondary office, located in Padua, at Settima Strada no. 15, to be held on October 5, 2011, at 11:00 am, in single call, to discuss and resolve upon the following:

AGENDA

- 1. Proposal to increase the number of the members of the Board of Directors from seven to eight; appointment of a new director; determination of the relevant remuneration; pertinent and consequent resolutions***
- 2. Appointment of the Chairman of the Board of Directors; pertinent and consequent resolutions***

Share capital and voting rights

The share capital of the Company is divided into no. 56,821,965 ordinary shares having a nominal value of Euro 5.00 each; every share gives the right to express one vote in the ordinary and extraordinary shareholders' Meetings of the Company.

Attendance to the Meeting

Pursuant to the provisions of law and article 10 of the Articles of Association, the entitlement to attend the Meeting and to exercise the voting right is certified by an apposite notice to be delivered to the Company, in accordance with applicable law, by an authorized intermediary, on the basis of the evidence coming from its accounting books and records, in favour of the individual/entity who/which results to be entitled to vote as at the end of the seventh trading day prior to the date of the convened Meeting, *i.e.* September 26, 2011.

The individuals/entities who/which result as the owners of the shares after the above mentioned deadline shall not be entitled to attend and vote at the Meeting. Therefore, all crediting and debiting entries made on the accounts after the aforesaid deadline shall have no relevance for the purpose of the entitlement to the voting right at the Meeting.

In order to facilitate the verification on the entitlement, the concerned individuals/entities who/which have a copy of the notice delivered to the Company by their authorized intermediaries are invited to show such copy before the beginning of the Meeting.

The above mentioned notices shall be received by the Company from the authorized intermediary within the terms set forth by applicable law, *i.e.*, by the end of the third trading day prior to the date of the convened Meeting. The entitlement to attend and vote at the Meeting is however not prejudiced if and to the extent that the notices are received by the Company after the above mentioned deadline, but still before the actual beginning of the Meeting.

The attendance to the Meeting is governed by the provisions of law and applicable regulations, as well as by the provisions of the “Rules for the conduct of the shareholders’ Meetings” currently in force and available on the following website www.safilo.com/investors-eng.html.

The individuals/entities entitled to vote can be represented at the Meeting through a written proxy, in the cases and within the limits set forth by applicable law and regulations. A form for the proxy is also available on the Company’s website at the following address www.safilo.com/investors-eng.html as well as at the registered and secondary offices. The proxy can be delivered to the Company, at its registered office, by means of registered letter or by certified email (*posta elettronica certificata* - PEC) to be sent to the following email address: safilogroupspa@legalmail.it.

Please be informed that the Company, availing itself of the faculty granted by law and in accordance with article 10 of the Articles of Association, does not appoint a representative for the purposes of section 135-*undecies* of Italian Financial Act (“**T.U.F.**”).

Pursuant to article 127-*ter* of T.U.F., the shareholders can submit questions on the items on the agenda, also before the day of the Meeting, by serving such questions through registered letter to the registered office of the Company or by email at the following email address safilogroupspa@legalmail.it; the questions submitted before the Meeting will be answered during the Meeting at latest. The Company can give a sole answer to questions having the same content.

Integration of the agenda

Pursuant to section 126-*bis* of T.U.F., shareholders which, also jointly among them, represent at least 2.5% of the share capital may request in writing, within 10 days from the publication of this notice of call, an integration of the items to be discussed at the Meeting, specifying in the request the additional proposed topics for discussion. Within the deadline for the presentation of their request to integrate the items on the agenda, the requesting shareholders shall submit to the Board of Directors a report on such additional items. No integrations to the agenda are permitted with respect to those items on which, by operation of law, same Meeting is called to resolve by the Board of Directors or on the basis of a plan or

report prepared by same Board of Directors, other than the reports which are ordinarily prepared by the Board on the items on the agenda.

With reference to the right of the shareholders to integrate the items on the agenda, reference is made, in any case, to the provisions of article 9 of the Articles of Association, available on the Company's website www.safilo.com/investors-en.html, and of applicable laws and regulations.

Proposal to increase the number of members of the Board of Directors from seven to eight and appointment of a new director.

With reference to the first item on the agenda, reference is made to what is illustrated under the directors' report on the items of the agenda, which will be made available to the public simultaneously with the publication of this notice of call.

It is specified, in particular, that, in relation to the appointment of only one member of the Board of the Directors, the "voting list" mechanism set forth in article 14 of the Company's Articles of Association shall not be applicable, and, therefore, the appointment of such additional member will take place through a resolution adopted in accordance with the majorities set forth by the law.

The shareholders that intend to submit proposals relating to the appointment of an additional member of the Board of Directors are invited to submit the relevant candidacies along with: (i) the professional *curricula* of the candidates, (ii) the statements whereby the single candidates accept their candidacy and attest, under their own responsibility, that there is no cause of non-eligibility and/or incompatibility set forth by the law, as well as the possession of the requirements set forth by the law and regulations for the members of the Board of Directors, including the specification of the possible suitability of the same to be qualified as independent pursuant to article 3 of the Corporate Governance Code, as well as article 148 paragraph 3 of T.U.F., and (iii) adequate documentation that attests the entitlement to submit the candidacy.

The abovementioned shareholders are invited to deposit possible candidacy proposals, along with the abovementioned ancillary documentation, (i) by means of registered letter to SAFILO GROUP S.p.A. - Legal and Corporate Department – Settima Strada n. 15, 35129 Padova, or (ii) certified email (PEC) to be sent to the following email address safilogroupspa@legalmail.it possibly within the [tenth] day prior to the date of the Meeting, in order to allow the Company to make available to the public the abovementioned documentation.

Appointment of the Chairman of the Board of Directors.

With reference to the second item on the agenda, reference is made to what is illustrated under the directors' report on the items on the agenda, which will be made available to the public, simultaneously with the publication of this notice of call.

It is specified, in particular: (i) that, the current Chairman of the Board of Directors has resigned from his office, with no prejudice to his office as member of the Board of Directors of the Company, with effect starting from the date of his own possible replacement; and (ii) that the appointment of the new Chairman will take place in accordance with the majorities provided by the law, also because in relation to the appointment of the Chairman the voting list mechanism under article 14 of the Articles of Association is not applicable.

Documentation

The Articles of Association of the Company and the "Rules for the conduct of the shareholders' Meetings", which are available for the shareholders at the registered office of the Company, are also published on the following website www.safilo.com/investors-en.html. On the same website the documents and information referred to under section 125-*quarter* of T.U.F. are also published.

The documentation relating to the convened Meeting, including the documentation referred to under 125-*ter* of T.U.F. (the report on the items on the agenda), will be made available to the public, simultaneously with the publication of this notice of call, at the registered and secondary offices of the Company and at Borsa Italiana S.p.A., as well as on the Company's website at the following web address www.safilo.com/investors-en.html. The shareholders are entitled to obtain a copy thereof.

Padua, August 4th, 2011

For the Board of Directors
Melchert Frans Groot
Chairman

This notice of call is also published by the Company, on the daily newspaper "La Repubblica" of August, 4th, 2011.

REPORT

Dear Shareholders,

we make available for you, at the registered office and at the secondary office of the Company, as well as at Borsa Italiana S.p.A., pursuant to Section 125-ter T.U.F. and Section 84-ter of the Consob Regulation, a report relating to the proposals concerning the following items on the agenda of the Ordinary Shareholders' Meeting, which you are called to take part in, at the secondary office of the Company, in Padua, Zona Industriale, Settima Strada no. 15, on October 5, 2011, at 11:00 am, on single call:

1. ***Proposal to increase the number of the members of the Board of Directors from seven to eight; appointment of a new director; determination of the relevant remuneration; pertinent and consequent resolutions***
2. ***Appointment of the Chairman of the Board of Directors; pertinent and consequent resolutions***

First item on the agenda

Dear Shareholders,

You have been called to this Ordinary Shareholders' Meeting in order to examine and resolve upon the proposal to increase the number of the members of the Board of Directors, from the current number of seven members to eight members, and, should such increase be approved, to simultaneously appoint a new director and determine his remuneration.

Such proposal has been put forward by the Board of Directors since it has deemed appropriate, also considering the changed corporate structure of the Group, to extend the skills and to increase the debate within the administrative body, by inserting a new member with a broad experience and qualified skills in the luxury market.

In such respect, it is deemed appropriate to specify:

- i) that, after the increase of the number of directors, the presence of an even number of directors will not interfere at all with, nor will it slow down, the normal activities of the Board and the timeliness of its resolutions, because article 19 of the Articles of Association of the Company provides for the so-called casting vote of the Chairman, *i.e.* the prevailing vote of the Chairman in case of an equal number of votes; this provision shall be deemed *per se* sufficient in order to ensure that no deadlock situations will be possible within the administrative body;

- ii) that in this case, since only one additional member of the Board of Directors is to be appointed, the “listing vote” mechanism set forth in article 14 of the Articles of Association of the Company shall not be applicable and, therefore, the appointment of the additional director shall occur by means of a resolution adopted with the applicable majorities set forth by the law;
- iii) the new director, where appointed, shall remain in office until the expiration of the office of the current Board of Directors, *i.e.* until the shareholders’ Meeting called in order to approve the financial statements as of December 31, 2012;
- iv) the new director, where appointed, shall be granted a remuneration equal to Euro 50,000, for each fiscal year, *pro rata temporis*, besides the reimbursement of the expenses incurred by reason of his office, in line with what was already resolved by the shareholders’ Meeting held on March 29, 2010, in relation to the other members of the Board of Directors.

The Board of Directors, after a close analysis of different profiles within the international business and high management world, that possess the characteristics and requirements necessary in order to hold the office of directors of listed companies and to satisfy, in the meantime, the aforementioned competence, experience and good reputation requirements, and in agreement with the majority shareholder, Multibrands Italy B.V., the results of its scouting activity, identified Mr. Robert Polet as the ideal candidate to integrate the current skills of the Board of Directors. Indeed, Mr. Robert Polet, having held, *inter alia*, the offices of Managing Director and Chairman of the Gucci Group from 2004 to 2011, holds a significant expertise in the luxury market and a material experience in the strengthening of international groups.

The presence of the new director within the Board of Directors of Safilo Group S.p.A. can only strengthen the reputation and the image that the Company and the Group already have in their reference market.

In any case, shareholders who intend to submit other and different proposals for the appointment of the additional member of the Board of Directors are invited to present the relevant candidacies, along with: (i) the professional *curricula* of the candidates, (ii) the statements whereby the candidates accept their candidacy and attest, under their own responsibility, that there is no cause of non-eligibility and/or incompatibility set forth by the law, as well as the possession of the requirements set forth by the law and regulations for the members of the Board of Directors, including the specification of the possible suitability of the same to be qualified as independent pursuant to article 3 of the Corporate Governance Code, as well as article 148 paragraph 3 of T.U.F., and (iii) adequate documentation that attests the entitlement to submit the candidacy.

In accordance with Principle 6.P.1 of the Corporate Governance Code published by Borsa Italiana S.p.A. on March 14, 2006, under which the directors shall be appointed in accordance with a transparent procedure, which ensures timeliness and adequate information on the personal and professional characteristics of the candidates:

- (i) we invite you, with reference to Mr. Robert Polet, to examine his *curriculum vitae*, published on the web site of the Company at the following address www.safilo.com/investors-it.com, attached hereto as Annex 1) to this Report, together with the statements provided by the applicable laws;
- (ii) those who intend to submit further proposals are invited to deposit them, along with the above indicated documentation, possibly within 10 days prior to the shareholders' Meeting in order to allow the Company to make them available to the public and to allow the participants in the shareholders' Meeting to consciously exercise their voting right.

Therefore, the Board of Directors submits to the shareholders' Meeting the following

Proposal of Resolution

The shareholders' Meeting of Safilo Group S.p.A. resolves to:

- increase the number of the members of the Board of Directors from the current number of seven to eight members, for the above illustrated reasons;
- appoint a new director, Mr. Robert Polet, who will remain in office until the expiration of the office of the current Board of Directors, *i.e.* until the shareholders' Meeting called for the approval of the financial statements as of December 31, 2012;
- grant to the new director a remuneration equal to Euro 50,000, *pro rata temporis*, for each fiscal year, besides the reimbursement of the expenses incurred by reason of his office, in line with what was already resolved by the shareholders' Meeting held on March 29, 2010, in relation to the other members of the Board of Directors.

Second item on the agenda

With reference to the second item on the agenda, as per the price sensitive press release of August 2, 2011, it is pointed out that, on that date, the Chairman of the Board of Directors, Mr. Melchert Frans Groot, deemed it appropriate to hand over his office of Chairman of the Board of Directors (with no prejudice to his office of non-executive member of the Board of Directors of the Company) with effect starting from the date of his possible replacement, after his evaluation that the proposed candidate for the office of new and additional member of the Board of Directors is the most suitable, for the above mentioned reasons, to hold the office of Chairman of the Board of Directors of the Company.

Since the listing vote mechanism does not apply in this circumstance either, for the above mentioned reasons, article 14 of the Company's Articles of Association will not be applicable to the appointment of the new Chairman as well; therefore, the appointment shall be resolved by the shareholders' Meeting with the majorities set forth by applicable law.

The Board of Directors remits to the shareholders' Meeting every decision regarding the replacement of the current Chairman, Mr. Melchert Frans Groot, with Mr. Robert Polet – with the prior appointment of the latter as additional member of the Board of Directors – and, therefore, submits to the shareholders' Meeting the following

Proposal of Resolution

The shareholders' Meeting of Safilo Group S.p.A. resolves to:

- appoint Mr. Robert Polet as new Chairman of the Board of Directors of the Company, who shall remain in office until the expiration of the office of the current Board of Directors, *i.e.* until the shareholders' Meeting called for the approval of the financial statements as of December 31, 2012.

Padua, August 4th, 2011

For the Board of Directors

Melchert Frans Groot
Chairman

Robert Polet

To:
SAFILO GROUP S.p.A.
Registered Office - Piazza Tiziano n. 8
32044 Pieve di Cadore (BL)

To the kind attention of the Chairman of the Board of Directors

Milan, August 2nd, 2011

Dear Sirs,

Object: Ordinary shareholders' meeting of SAFILO GROUP S.p.A.

I Robert Polet, the undersigned, born in Kuala Lumpur (Malaysia), on 25.07.1955,
Robert Polet citizen, taking note that:

- the Board of Directors of SAFILO GROUP S.p.A. (hereinafter, the "Company"), called on 2nd August 2011, has pointed out the possibility to increase the number of its members from seven to eight and the Board has resolved to submit the relevant proposal to the shareholders;
- the Ordinary Shareholders' Meeting has been therefore called, at the secondary office of the Company located in Padova, Settima Strada, no. 15, on October 5th, 2011 at 11.00 am, in first call, to discuss and resolve upon the following items on the agenda: 1. "Proposal to increase the number of the members of the Board of Directors from seven to eight; appointment of a new director: determination of the relevant remuneration; pertinent and consequent resolutions"; 2. "Appointment of the Chairman of the Board of Directors; pertinent and consequent resolutions" (hereinafter, the "**Ordinary Shareholders' Meeting**");
- the undersigned has been identified as a candidate for the office of new director of the Board of Directors;
- with reference to the possible appointment of the undersigned, the current Chairman of the Board of Directors, Mr Melchert Frans Groot, has evaluated the possibility to resign from the office of Chairman, and will hand over his position as non executive member of the Board of Directors;

declare

1. to accept his nomination as Director of the Board of Directors of the Company;
2. to accept the office as Director of the Board of Directors of the Company, in the event of the appointment by the Ordinary Shareholders' Meeting, with effect from the date of said appointments;
3. where appointed Chairman of the Board of Directors by means of resolution of the Ordinary Shareholders' Meeting, to accept his nomination.

Under my responsibility for the following statements, I, the undersigned also

attests

1. that there are no reasons for ineligibility, forfeiture and/or incompatibility provided for by the

law or by the Articles of Association;

2. to meet the requirements of integrity and professionalism required by the current law and by the Corporate Governance Code approved by Borsa Italiana S.p.A. for the acceptance of the position as a member of the Board of Directors of a listed company;
3. not to hold any interest in an unlimited basis in any company carrying out competing activity vis-à-vis the Company, not to conduct, for my own account or on behalf third parties, any competitive activity to those carried out by the Company nor to have been appointed director or general manager of companies carrying out competitive activities vis-à-vis the Company.

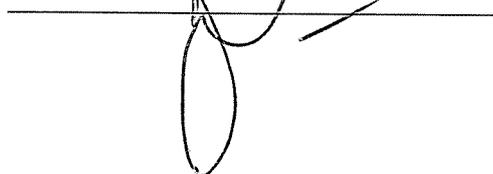
Curriculum vitae is herein attached providing also for a list of the offices held in other companies.

I undertake to promptly inform the Company of any changes in circumstance that modify the above information and statements.

I, the undersigned, am aware that, pursuant to article 13 of the Legislative Decree no. 196/2003, the personal data shall be processed, even by means of electronic devices, exclusively within the framework of the activity for which the herein declaration has been submitted.

In witness whereof

Robert Polet

A handwritten signature in black ink is written over a solid horizontal line. The signature is cursive and stylized, starting with a large loop on the left and ending with a sharp hook on the right.

Robert Polet

Born in Kuala Lumpur (Malaysia) in 1955, Mr. Polet has been, from 2004 to 2011, President, Chief Executive Officer and Chairman of the Management Board of the Gucci Group contributing to the successful consolidation and growth of the Group and its brands. He previously spent 26 years in the Unilever Group where he was President of Unilever's Worldwide Ice Cream and Frozen Foods division, a \$ 7.8 billion business consisting of over 40 operating companies.

Prior to that position, Mr. Polet worked in a variety of executive roles within Unilever, including Chairman of Unilever Malaysia, Chairman of Van den Bergh's and Executive Vice President of Unilever's European Home and Personal Care division. Mr. Polet is also a non executive Director of Reed Elsevier and serves on the Board of Wilderness Safaris in Botswana and South Africa.