



**REPORT OF THE DIRECTORS FOR THE ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING OF SAFILO GROUP S.p.A.
CALLED ON APRIL 24, 2018, IN SINGLE CALL**

ITEM NO. 3 ON THE AGENDA – ORDINARY SESSION
(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 - 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 24, 2018, at 10:00 am, in single call.

3. Appointment of the Board of Directors, with the previous determination of the number of members; Determination of their remunerations for the entire term of their office; related and consequent resolutions

Dear Shareholders,

with the approval of the financial statements as of December 31, 2017 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 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.

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) the balanced representation of genders (masculine or feminine) within the Board of Directors, so that the underrepresented gender (masculine or feminine) shall obtain at least one third of the elected Directors.

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 March 30, 2018).

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 3, 2018).

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 www.safilogroup.com (section Investor Relations) 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 3, 2018).

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 equal to, at least, one third of the elected Directors.

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

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 current legislation on gender quotas. 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 compliance with the current legislation on gender quotas is guaranteed.

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 compliance with the current legislation on gender quotas.

It is specified that the Board of Directors held on March 13, 2018, taking into account the outcomes of the self-evaluation process carried out as well as of the recommendations of the Remuneration and Nomination Committee, has evaluated the following:

- *with reference to the number of directors*, it has been deemed appropriate to increase the number of directors in compliance with and pursuant to the diversity practise applied by listed companies size-wise comparable to Safilo;
- *with reference to the professional profiles*, the current composition has been deemed adequate and shall continue to work in order to enhance the existing competences with particular reference to areas such as e-commerce and digital.

Given the above, we invite you to submit your own list of candidates in compliance with the above and, based on the lists proposed, to vote for:

- the election of Directors, before determining the number of members of the Board, for a period of three financial years, with expiry on the date of the shareholders' meeting called to approve the financial statements for the year ended December 31, 2020;
- the determination of the remuneration to be attributed to the members of the Board of Directors for the entire term of their office.

Padua, March 15, 2018

for the Board of Directors
Eugenio Razelli
Chairman