

ENGLISH TRANSLATION FOR CONVENIENCE PURPOSES ONLY

Report of the Directors pursuant to article 3 of the Ministerial Decree no. 437 of November 5, 1998 and article 72 of the Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended)



**BOARD OF DIRECTORS' REPORT CONCERNING THE AMENDMENTS TO THE BYLAWS OF
THE COMPANY**

Drafted pursuant to article 3 of the Ministerial Decree no. 437 of November 5, 1998 and article 72 of the Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 (as subsequently amended) – as well as in compliance with Annex 3A, layout no. 3 of same Consob Regulation

TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

called on November 4, 5 and 8, 2010

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Foreword

Dear Shareholders,

The Board of Directors of Safilo Group S.p.A. (the "**Company**") held on October 4, 2010, resolved to submit to the Ordinary and Extraordinary Shareholders' Meeting of the Company, called – as far as the Ordinary and Extraordinary session is concerned – at the secondary office of the Company, in Padua, Settima Strada no. 15, on November 4, 2010, at 10.00 a.m., on first call, and on November 5, 2010, same time and place, on second call, and – as far as the Extraordinary session only is concerned – also on November 8, 2010, same time and place, on its possible third call, the items set forth under the following

AGENDA

Ordinary Session

(i) *Omissis*

[Please refer (i) to the separate report drafted by the Board of Directors pursuant to article 3 of the D.M. no. 437 of November 5, 1998 and article 114-bis of the Legislative Decree No. 58/1998 and (ii) to the attached informative document prepared according to article 84-bis of the Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 - as well as in compliance with Annex 3A, layout no. 7 of same Consob Regulation]

Extraordinary Session

(i) Amendments to articles 9, 10, 14 and 23 and introduction of new articles 24, 25 and 26 of the Company's Bylaws with consequent re-numbering of the following articles of the current Bylaws; pertinent and consequent resolutions

(ii) *Omissis*

[Please refer to the separate report drafted by the Board of Directors pursuant to article 3 of the D.M. no. 437 of November 5, 1998 and article 72 of the Consob Regulation adopted by means of resolution no. 11971 of May 14, 1999 - as well as in compliance with Annex 3A, layout no. 2 of same Consob Regulation]

This report (the "**Report**"), drafted pursuant to article 3 of the Ministerial Decree no. 437 of November 5, 1998 and section 72 of the Consob Regulation, the so-called "*Regolamento Emittenti*", adopted by means of resolution no. 11971 of May 14, 1999, (as subsequently amended) as well as in compliance with Annex 3A, layout no. 3, to the above mentioned Consob Regulation, is aimed at providing the necessary information on the items of the agenda to be discussed upon by the Extraordinary Shareholders' Meeting called to resolve on certain amendments required to make the Company's Bylaws consistent with the provisions introduced

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(i) by the Legislative Decree no. 27 of January 27, 2010 (the "**Shareholders' Rights Decree**") of "Acknowledgment of the EU directive no. 2007/36/CE, relating to the exercise of certain rights of the shareholders of listed companies, pursuant to the delegation given by article 31 of Law no. 88 of July 7, 2009", and (ii) of the Consob Regulation containing provisions on related-parties transactions, adopted by same Consob with resolution no. 17721 of March 12, 2010, as subsequently amended with resolution no. 17389 of June 23, 2010 (the "**Consob Regulation on Related-Parties Transactions**").

This Report shall be read together with: (i) the separate report concerning the proposals relating to the items of the agenda of the Ordinary Shareholders' Meeting drafted pursuant to article 3 of Ministerial Decree no. 437 of November 5, 1998 and article 84-*bis* - as well as in compliance with Annex 3A, layout no. 7 - of the Consob Regulation, and (ii) the report concerning the proposals relating to the other items of the agenda of the Extraordinary Shareholders' Meeting drafted pursuant to article 3 of Ministerial Decree no. 437 of November 5, 1998 and article 72 - as well as in compliance with Annex 3A, layout no. 2 - of the Consob Regulation.

* * *

Part I - Amendments to articles 9, 10, 14 and 23 and introduction of new articles 24, 25 and 26 of the Company's Bylaws with consequent re-numbering of the following articles of the current Bylaws; pertinent and consequent resolutions.

Dear Shareholders,

In the meeting held on October 4 of this year the Board of Directors resolved to convene the Shareholders' Meeting also in extraordinary session in order to submit to the attention of the shareholders, *inter alia*, the proposals of amendment and integration of certain articles of the Company's Bylaws in light of acknowledging and complying with certain provisions of the Shareholders' Rights Decree and the Consob Regulation on Related-Parties Transactions.

Reasons of the suggested amendments to the Bylaws

The new discipline introduced by the above mentioned Shareholders' Rights Decree makes it necessary to introduce certain statutory amendments of a mandatory nature, functional to assure consistency of the bylaws of listed companies with the newly introduced regulation, and certain other amendments of an optional nature, submitted to the discretionary assessment by the shareholders' meeting. The new legislation concerning the statutory amendments will become applicable starting from the shareholders' meetings called after October 31, 2010.

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The statutory changes having a mandatory nature have already been made directly by the Board of Directors pursuant to article 2365, paragraph 2 of the Italian Civil Code and on the basis of the competence granted to same Board by article 20 of the company's Bylaws.

Furthermore, the Consob Regulation on Related-Parties Transactions provides for the possibility of the bylaws of listed companies to introduce certain faculties which allow to derogate from certain procedural provisions on related-parties transactions. The Board of Directors, in the context of a preliminary review of the draft procedures concerning related-parties transactions, has identified - with the prior approval of Messrs. Giovanni Ciserani, Marco Jesi and Eugenio Razelli, in their capacity as independent directors and members of the Internal Control Committee, which has been vested by the Board with the power to make its assessment on the Procedures (as defined below) in order to issue the opinion required by the Consob Regulation on Related-Parties Transactions - which are the amendments to the Company's Bylaws to be submitted to the decision of the Shareholders' Meeting, as better illustrated herein below.

In consideration of the above, the Board of Directors proposes to the Shareholders' Meeting the following amendments/integrations.

1 Proposals of amendments to the Company's Bylaws and related motivations

1.1 Calling of the annual Ordinary Shareholders' Meeting within 180 days from the end of the fiscal year – Article 9 of the Bylaws

By virtue of articles 154-ter of the Legislative Decree no.58 of February 24, 1998 (as amended by article 3, paragraph 23, of the Shareholders' Rights Decree) and 2364, paragraph 2, of the Italian Civil Code, listed companies are again allowed – to the extent the law requirements are met (i.e., *"in case of companies obliged to draft the consolidated financial statements or when particular requirements relating to the structuring and the corporate purpose of the company subsist"*) – to avail themselves of the possibility to call the shareholders' meeting for the approval of the annual financial statements within the broader term of 180 days from the end of the fiscal year, without prejudice to the obligation concerning the publishing, within 120 days from the end of the fiscal year, of the draft financial statements approved by the Board of Directors, along with the annual financial report. Indeed, such possibility, already set forth, on a general basis, by article 2364, paragraph 2, of the Italian Civil Code, became inapplicable to listed companies following the coming into force of the Legislative Decree no. 195 of November 2007 acknowledging the EU legislation on companies' transparency, which introduced the former version of article 154-ter of the Legislative Decree no.58 of February 24, 1998

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thus imposing the approval of the annual financial statements by listed companies within 120 days from the end of the fiscal year.

The Board deemed thus advisable to introduce again the above mentioned possibility (of which the Company has initially availed itself) in the Bylaws because it allows a greater flexibility without prejudicing the interest of the shareholders and the public to a prompt disclosure of the annual results of the Company.

Therefore the Board of Directors proposes to introduce in the Bylaws the possibility to postpone the calling of the annual ordinary shareholders' meeting up to 180 days from the end of the fiscal year, if law requirements are met.

1.2 Shareholders' Meeting convened in a single call – Article 9 of the Bylaws

The Shareholders' Rights Decree has amended article 2369 of the Italian Civil Code by setting forth the possibility of the bylaws of listed companies to exclude multiple calls of the shareholders' meeting and by stating that to the ordinary session of the shareholders' meeting convened in single call the majorities currently provided for the second call apply (i.e., the majorities set forth in article 2369, paragraphs 3 and 4, and article 2368, paragraph 1, second sentence, of the Italian Civil Code) and to the extraordinary session of the shareholders' meeting convened in single call the majorities currently provided for the third and any subsequent calls apply (i.e., the majorities set forth in article 2369, paragraph 7, of the Italian Civil Code).

In relation to such provision of the Shareholders' Rights Decree, also taking into consideration the current ownership structure of the Company, the modalities with which the Shareholders' Meetings have been held in so far and the advantages of the single call in terms of certainty of the date of the meeting for the shareholders and reduction of the costs associated to the organization and holding of same meeting, the Board of Directors proposes to amend the Company's Bylaws providing for the holding of the Shareholders' Meeting in one single call, as a general rule, without prejudice, however, for the possibility of the Board, if deemed advisable, to fix also a date for the second and, if any, for the third call of the Shareholders' Meeting by informing the shareholders of this circumstance in the relevant notice of call.

1.3 Representative of the shareholders – exclusion- Article 10 of the Bylaws

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By introducing the new article 135-undecies of the Legislative Decree no.58 of February 24, 1998, the Shareholders' Rights Decree institutes the new figure of the "representative designated by listed companies", i.e., an individual whom, unless otherwise provided for by the relevant bylaws, listed companies appoint and identify in the notice of call of each shareholders' meeting for the purpose of allowing the shareholders to grant him, at cost of the Company, a proxy to participate to such shareholders' meeting and related voting instructions on all or some of the items on the agenda thereof. The listed companies are free to provide in their bylaws for the exclusion of such a figure.

In consideration of the dimensions of the Company, its ownership structure, the modalities with which the Shareholders' Meetings have been held in so far and the fact that it is deemed preferable to leave to each single shareholder the choice of its representative, consistently with the past practice, the Board deems appropriate to avail of the possibility set forth by the above mentioned article of the Legislative Decree no.58 thus introducing in the Bylaws an apposite provision whereby the Company, availing itself of the possibility granted by the law, does not appoint the representative provided for under article 135-undecies of the Legislative Decree no.58 of February 24, 1998.

1.4 Remuneration of the Directors; Competence of the Shareholders' Meeting pursuant to article 2389, comma 3, of the Italian Civil Code – Article 23 of the Bylaws

Article 2389, paragraph 3, second sentence, of the Italian Civil Code provides for the possibility of the shareholders' meeting, if so allowed by the company's bylaws, to determine the overall remuneration to be granted to the directors, including those with executive powers.

The Board proposes to amend the Bylaws of the Company to the effect of providing for the possibility to submit to the competence of the Shareholders' Meeting the determination of the overall remuneration of the Directors; this with the aim at fixing, if deemed appropriate, a maximum amount within which the management body will be able to determine the compensation of each single Director.

Furthermore, article 13 of the Consob Regulation on Related-Parties Transactions establishes that the discipline contained in same regulation does not apply, *inter alia*, to the resolutions of the Board setting forth the remuneration of the executive directors if such remuneration is comprised within the limits of the overall amount previously determined by the Shareholders' Meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code.

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Therefore the amendment to the Company's Bylaws would also allow the Company to benefit from the above mentioned exemption from the application of the Consob Regulation on Related-Parties Transactions.

The Board, therefore, proposes to amend article 23 of the Bylaws to such effect. As a matter of fact, by making such amendment, all Board resolutions setting forth the remuneration of executive directors, to the extent falling within the overall amount already determined by the Shareholders' Meeting of the company, would be exempted from the application of the discipline on related-parties transactions.

Finally, it is worth mentioning that, with reference to the above mentioned statutory amendment, the Board has previously obtained the favorable opinion of Messrs. Ciserani, Jesi and Razelli, in their capacity as independent directors and members of the Internal Control Committee, which has been vested by the Board with the power to make its assessment on the Procedures (as defined below) in order to issue the opinion required by the Consob Regulation on Related-Parties Transactions.

1.5 Related-party Transactions – New Articles 24, 25 and 26

Article 4 of the Consob Regulation on Related-Parties Transactions provides that, in defining the internal procedures applicable to related-parties transactions (the "**Procedures**"), the Boards of Directors of listed companies **(i)** identify which rules require an amendment of the bylaws and **(ii)** approve the resolutions concerning the proposals of amendment to the bylaws which will then be submitted to decision of the shareholders' meeting with the same modalities with which the procedures concerning related-parties transactions are approved by same boards of directors (i.e., with the prior approval of a committee, also purposely established, exclusively composed by independent directors or, should the independent directors sitting in the board be less than three, with the prior approval by the independent directors actually in office or, in the total absence of any independent director, with the prior non binding advice of an independent expert).

It is hereby reminded that the Consob Regulation on Related-Parties Transactions provides for the obligation of listed companies to adopt the Procedures within December 1, 2010.

In order to mitigate certain rigidities of the Procedures, articles 8, paragraph 2, and 11, paragraphs 3 and 5, as well as article 13, paragraph 6, of the Consob Regulation on Related-Parties Transactions allow to derogate to certain rules contained in the

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Procedures to the extent that the relevant bylaws contain certain statutory provisions required by law. In particular:

- (A)** pursuant to articles 8, paragraph 2, and 11, paragraph 3, of the Consob Regulation on Related-Parties Transactions the Procedures can provide for the possibility of the board of directors to approve the transactions of a major size notwithstanding an advice of the independent directors to the contrary, to the extent that the implementation of each such transaction is previously authorized, pursuant to article 2364, paragraph 1, no.5), of the Italian civil Code, by the shareholders' meeting which resolves in such a way that, should the majority of the non-related shareholders with the voting right in the relevant shareholders' meeting votes against the concerned transaction, its implementation is prevented. The Procedures may also provide that the implementation of the transaction is prevented only if the non-related shareholders in attendance to the meeting represent at least a certain percentage (not higher than 10%) of the shares with voting right.

Also in relation to transactions submitted to the competence of the shareholders' meeting it is provided that, should the proposal of resolution to be submitted to same shareholders' meeting be approved with the advice of the independent directors to the contrary, the Procedures, without prejudice to articles 2368, 2369 and 2373 of the Italian Civil Code and to the statutory provisions required by law, contain rules aimed at preventing the perfection of the relevant transaction if the majority of the non-related shareholders votes against such transaction. Also in these circumstances, the Procedures may provide that the perfection of the transaction does not take place only if the non-related shareholders in attendance to the meeting represent at least a certain percentage (not higher than 10%) of the shares of the company with voting right.

- (B)** Articles 11, paragraph 5, and 13, paragraph 6, of the Consob Regulation on Related-Parties Transactions further provide that the Procedures adopted by listed companies may exempt certain transactions, including the urgent ones, from the application of same Consob Regulation (without prejudice of certain mandatory disclosure obligations). In order to exempt the urgent transactions from the application of the Consob Regulation on Related-Parties Transactions, an apposite statutory provision and the occurrence of a number of specific conditions, partially diversified depending on the fact that a certain transaction shall be approved by the shareholders' meeting or by the Board of Directors, are required.

As a matter of fact, if the approval of an urgent transaction is not submitted to the competence of the shareholders' meeting, nor such transaction needs to be previously authorized by the shareholders' meeting, without prejudice to the

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disclosure obligations set forth in the Consob Regulation on Related-Parties Transactions, the exemption operates upon occurrence of the following conditions:

- (i)** when the competence to carry out the transaction is vested with a duly empowered person, the chairman of the board of directors shall be informed of the urgency reasons before the transaction being actually perfected;
- (ii)** without prejudice to its effectiveness, the transaction shall be subject to a non binding resolution of the next ordinary shareholders' meeting;
- (iii)** the corporate body in charge of calling the shareholders' meeting which will resolve in accordance with point (ii) above shall prepare a report containing an adequate motivation of the urgency reasons;
- (iv)** the controlling body shall refer to the shareholders' meeting on its own assessments concerning the actual existence of the urgency reasons;
- (v)** the report and the assessments referred to in points (iii) and (iv) above shall be made available to the public (at least 21 days before the date of the shareholders' meeting referred to in point (ii) above);
- (vi)** within the day following the shareholders' meeting referred to in point (ii) above, all information on the results of the vote, with special reference to the number of votes expressed by the non-related shareholders on an aggregate basis, shall be disclosed to the public.

If the approval of an urgent transaction is submitted to the competence of the shareholders' meeting, or such transaction needs to be previously authorized by the shareholders' meeting, without prejudice to the disclosure obligations set forth in the Consob Regulation on Related-Parties Transactions, the exemption operates upon occurrence of the following conditions:

- (i)** the occurrence of urgency circumstances relating to situations of business disruption;
- (ii)** the corporate body in charge of calling the shareholders' meeting shall prepare a report containing an adequate motivation of the urgency reasons;
- (iii)** the controlling body shall refer to the shareholders' meeting on its own assessments concerning the actual existence of the urgency reasons;
- (iv)** the report and the assessments referred to in points (ii) and (iii) above shall be made available to the public (at least 21 days before the date of the shareholders' meeting);

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- (v) if the assessments of the controlling body referred to in point (ii) above are negative, the shareholders' meeting shall resolve on the basis of the mechanism outlined under letter (A) above;
- (vi) if the assessments of the controlling body referred to in point (ii) above are positive, within the day following the shareholders' meeting, all information on the results of the vote, with special reference to the number of votes expressed by the non-related shareholders on an aggregate basis, shall be disclosed to the public.

In consideration of the above mentioned provisions of the Consob Regulation on Related-Parties Transactions, the Board proposes (a) to adopt those amendments to the Bylaws which will allow the Procedures, once finalized by the Board of Directors within the deadline of December 1, 2010, to avail themselves of the above illustrated exemptions and, to such effect, (b) to insert in the Company's Bylaws a new Session, named "*Related-Parties Transactions*" (with the consequent re-numbering of the following articles of the current Bylaws), comprising of the following articles:

- article 24 of the Bylaws which has an introductive nature by providing for the obligation of the Company to approve any related-parties transaction in accordance with the law and regulatory provisions in force from time to time, as well as with the provisions of its Bylaws and the Procedures adopted by the Company in connection therewith;
- article 25 of the Bylaws which allows the Procedures to provide that the Board of Directors approves each transaction of a major size notwithstanding the advice of the independent directors to the contrary, to the extent that the implementation of each such transaction is previously authorized, pursuant to article 2364, paragraph 1, no.5), of the Italian civil Code, by the Shareholders' Meeting. Under such circumstance, as well as every time that the Board submit to the Shareholders' Meeting a proposal of resolution on a transaction of a major size and such proposal of resolution has been approved by the Board notwithstanding the advice of the independent directors to the contrary, the Shareholders' Meeting resolves on the authorization to such transaction with the majorities set forth by law, unless, should the non-related shareholders in attendance to the meeting represent at least 10% of the share capital with voting right, the majority of the non-related shareholders voting at such meeting expresses its vote against the transaction;
- article 26 of the Bylaws which allows the Procedures to provide for the exemption of the urgent transactions, including the urgent transactions for

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which the Shareholders' Meeting is competent, from the applicability of same Procedures, within the limits set forth by the applicable law/regulatory provisions.

As far as the procedure followed for the approval of the proposal of resolution to be submitted to the Shareholders' Meeting in relation to the above mentioned amendments to the Bylaws concerning related-parties transactions (or to those further amendments otherwise connected to the introduction in the Bylaws of the discipline on related-parties transactions) is concerned, it is hereby pointed out that on October 4, 2010 the Board of Directors met to preliminarily discuss on the adoption of the Procedures set forth by the Consob Regulation on Related-Parties Transactions and, in the context of the relevant review and discussion, obtained the prior approval by Messrs. Ciserani, Jesi and Razelli, in their capacity as independent Directors and members of the Internal Control Committee – which has been vested by the Board with the power to make its assessment on the Procedures in order to issue the opinion required by the Consob Regulation on Related-Parties Transactions – and resolved to propose to the Shareholders' Meeting the statutory amendments illustrated above.

1.6 Amendments and/or re-numbering of the articles of the current Bylaws in consequence of the above mentioned amendments

The amendment to article 9 of the Bylaws, as outlined in paragraph 1.2 above, which provides for the holding of the Shareholders' Meeting, both in ordinary and extraordinary session, in one single call, unless the Board resolves to convene a specific Shareholders' meeting in multiple calls, implies that the single call rule is preliminarily inserted in any article of the Bylaws which makes reference to the call of the Shareholders' meeting in multiple dates. Articles 10, 14 and 27 (as re-numbered) of the Bylaws are therefore integrated to such effect, and for completeness are included in the synoptic table in paragraph 2 below.

Moreover, the introduction of the new articles 24, 25 and 26 has determined the re-numbering of the following articles of the current Bylaws; therefore the previous articles 24, 25, 26, 27, 28 and 29 have been re-numbered respectively in the new articles 27, 28, 29, 30, 31 and 32, which remain unchanged in the relevant language, apart from what is indicated above for article 27 which has been integrated.

* * *

All amendments to the Bylaws on which the Shareholders' Meeting will resolve become applicable starting from the Shareholders' Meetings the notice of call of which is published

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after October 31, 2010; until such date, therefore, the amended/deleted statutory provisions will continue to apply.

The proposed statutory amendments do not entitle the shareholders not concurring to the approval thereof to withdraw from the Company, because, as provided by article 7 of the Bylaws, none of such amendments falls within any of the withdrawing events contemplated by article 2347 of the Italian Civil Code.

2 Synoptical display of the articles of the Company's Bylaws to be amended, in both the current and the amended version

Please find herein below the proposed amendments.

Current Version	Proposed Amended Version
Article no. 9	Article no. 9
<p>Shareholders' Meetings can be held in either ordinary or extraordinary session. An Ordinary Shareholders' Meeting must be called at least once a year within 120 days of the end of the Company's financial year.</p> <p>Shareholders' Meetings may also be convened in third call, in the manner and terms established for the second call.</p> <p>Shareholders who, alone or jointly with others, represent at least 2.5% (two point five percent) of share capital may request in writing, within 10 (ten) days of publication of the notice convening the Shareholders' Meeting, or the different term set forth by law within the limits and in accordance with the modalities provided by applicable law</p>	<p>Shareholders' Meetings can be held in either ordinary or extraordinary session. An Ordinary Shareholders' Meeting must be called at least once a year within 120 days of the end of the Company's financial year. <u>When so entitled by law, the annual Shareholders' Meeting can be convened within 180 days of the end of the Company's financial year; in this case the Directors outline the reasons of the delay in the directors' report accompanying the annual financial statements.</u></p> <p>Shareholders' Meetings are may also be convened <u>in one single call, unless, with respect to a specific Shareholders' Meeting, the Board of Directors has resolved to fix a date for the second and, eventually, the third call, informing the shareholders of such circumstance in the relevant notice of call.</u> third call, in the manner and terms established for the second call.</p> <p>Shareholders who, alone or jointly with others, represent at least 2.5% (two point five percent) of share capital may request in writing, within 10 (ten) days of publication of the notice convening the Shareholders' Meeting, or the different term set forth by law within the limits and in accordance with the modalities provided by applicable law</p>

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Current Version	Proposed Amended Version
<p>and regulations, that additional items be placed on the agenda, specifying in such request the additional proposed topics for discussion. Any additions to the meeting's agenda following requests of this kind shall be published in the manner and terms established by the applicable law.</p> <p>Within the deadline for the presentation of their request to integrate the items on the agenda, the requesting shareholders submit to the Board of Directors a report on such additional items. The Board of Directors makes available to the public the aforesaid report along with its own evaluations thereon simultaneously with the notice of integration of the agenda through the above mentioned modalities.</p> <p>No integrations to the Shareholders' Meetings' agenda are permitted with respect to those items on which, by operation of law, same Shareholders' Meetings are 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 of the agenda.</p>	<p>and regulations, that additional items be placed on the agenda, specifying in such request the additional proposed topics for discussion. Any additions to the meeting's agenda following requests of this kind shall be published in the manner and terms established by the applicable law.</p> <p>Within the deadline for the presentation of their request to integrate the items on the agenda, the requesting shareholders submit to the Board of Directors a report on such additional items. The Board of Directors makes available to the public the aforesaid report along with its own evaluations thereon simultaneously with the notice of integration of the agenda through the above mentioned modalities.</p> <p>No integrations to the Shareholders' Meetings' agenda are permitted with respect to those items on which, by operation of law, same Shareholders' Meetings are 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 of the agenda.</p>
Article no.10	Article no. 10
<p>Each share carries the right to one vote.</p> <p>The entitlement to attend and vote at the Shareholders' Meetings is attested by an apposite certificate delivered to the Company by an authorized intermediary in accordance with its accounting books and issued in favour of the individual/entity which is entitled to vote on the basis of the participation owned by his/her/it at the end of the seventh trading day preceding the date of first call of the concerned Shareholders' Meeting or at the different term set forth by applicable law or regulations.</p> <p>The above mentioned certificates shall be delivered to the Company by the authorized intermediary within the deadlines set forth by law.</p> <p>The individuals/entities entitled to vote may be represented in the relevant Shareholders' Meetings by written proxy, in the cases and</p>	<p>Each share carries the right to one vote.</p> <p>The entitlement to attend and vote at the Shareholders' Meetings is attested by an apposite certificate delivered to the Company by an authorized intermediary in accordance with its accounting books and, issued in favour of the individual/entity which is entitled to vote on the basis of the participation owned by his/her/it at the end of the seventh trading day preceding the date of <u>single call or</u> first call of the concerned Shareholders' Meeting or at the different term set forth by applicable law or regulations.</p> <p>The above mentioned certificate shall be delivered to the Company by the authorized intermediary within the deadlines set forth by law.</p> <p>The individuals/entities entitled to vote may be represented in the relevant Shareholders' Meetings by written proxy, in the cases and</p>

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<p>to the extent allowed by applicable law and regulation. The proxy may be submitted to the Company in electronic way, through a certified email account (PEC) or any other technical modalities which may be contemplated by applicable law or regulations.</p>	<p>to the extent allowed by applicable law and regulations. The proxy may be submitted to the Company in an electronic way, through a certified email account (PEC) or any other technical modalities which may be contemplated by applicable law or regulations.</p> <p><u>The Company, availing itself of the possibility set forth by law, elects not to appoint the representative provided for by article 135-undecies of the legislative Decree no. 58/1998.</u></p>
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 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>A) Presentation of lists</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, consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth</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>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.</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>A) Presentation of lists</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, consisting of shares with voting rights at Ordinary Shareholders' Meetings, set forth</p>

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<p>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.</p> <p>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 first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force form 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 force form 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</p>	<p>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.</p> <p>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 <u>single call or</u> first call of the Shareholders' Meeting or within the different deadline set forth by applicable law in force form 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 force form 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</p>

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<p>and/or ineligibility contained in law. Candidates for whom the above rules are not observed are disqualified. 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 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. Shareholders presenting a list of candidates must also provide the Company within the deadline for presentation of the list 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 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 list, 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. 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. Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p>	<p>and/or ineligibility contained in law. Candidates for whom the above rules are not observed are disqualified. 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. 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 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. 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. Lists for which the above provisions are not observed shall be treated as if they had not been presented.</p>

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<p>B) Voting</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 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>If no list is presented at all, the</p>	<p>B) Voting</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 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>If no list is presented at all, the</p>

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Shareholders' Meeting shall appoint the Board of Directors, voting with the majorities required by law.	Shareholders' Meeting shall appoint the Board of Directors, voting with the majorities required by law.
Article no. 23	<u>Article no. 23</u>
<p>The directors and the members of the executive committee shall receive such remuneration as determined by the Shareholders' Meeting.</p> <p>Directors invested with special office will also receive the remuneration established by the Board of Directors, with the approval of the Board of Statutory Auditors.</p>	<p>The directors and the members of the executive committee shall receive such remuneration as determined by the Shareholders' Meeting.</p> <p>Directors invested with special office will also receive the remuneration established by the Board of Directors, with the approval of the Board of Statutory Auditors.</p> <p><u>Alternatively, the Shareholders' Meeting may determine a global amount for the remuneration of all Directors, including the executive ones, to be allocated to each single Director through a resolution to be taken by the Board of Directors after having consulted the Board of Statutory Auditors.</u></p>
Old Section <u>BOARD OF STATUTORY AUDITORS - AUDIT OF ACCOUNTS</u>	<u>New Section RELATED-PARTY TRANSACTIONS</u>
Article no.24	New Article no.24
<p>The previous article no. 24 becomes the new article no. 27</p>	<p style="text-align: center;"><u>Article 24)</u></p> <p><u>The Company approves any related-party transactions in accordance with the provisions of law or regulations in force from time to time, as well as pursuant to the provisions of these by-laws and the internal procedures and rules adopted by the Company in connection therewith.</u></p>
Article no.25	New Article no.25
<p>The previous article 25 becomes the new article no. 28</p>	<p style="text-align: center;"><u>Article 25)</u></p> <p><u>The internal procedures adopted by the Company on related-party transactions can provide for the possibility of the Board of Directors to approve related-party transactions of major relevance notwithstanding the advice of the independent directors to the contrary, provided that the implementation of such transactions is previously authorized by the Shareholders' Meeting pursuant to article 2364, paragraph 1, number 5), of the Italian Civil Code.</u></p> <p><u>In the above circumstance the Shareholders' Meeting resolves may give its authorization to the transaction resolving with the</u></p>

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	<u>majorities set forth by law, unless, should the non-related shareholders in attendance to the meeting represent at least 10% of the share capital with voting right, the majority of the non-related shareholders voting at such meeting expresses its vote against the transaction.</u>
Article no.26	New Article no.26
<p>The previous article 26 becomes the new article no. 29</p>	<p style="text-align: center;"><u>Article 26)</u> <u>Within the limits set forth by applicable provisions of law and regulations, the internal procedures adopted by the Company on related-party transactions can provide for an exemption to their application in relation to urgent transactions, even if such transactions should be submitted to the competence of the Shareholders' Meeting.</u></p>
<u>BOARD OF STATUTORY AUDITORS - AUDIT OF ACCOUNTS</u>	<u>BOARD OF STATUTORY AUDITORS - AUDIT OF ACCOUNTS</u>
Previous article no. 24	New Article 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 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</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 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</p>

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<p>members up for election. Each candidate shall be listed with a sequential number. No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p>A) Presentation of lists</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 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 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 shareholders who have presented the lists,</p>	<p>members up for election. Each candidate shall be listed with a sequential number. No candidate may appear in more than one list, otherwise they will be disqualified.</p> <p>A) Presentation of lists</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 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 shareholders who have presented the lists,</p>

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<p>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 list, 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 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 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. Lists for which the above provisions are not observed shall be treated as if they had not</p>	<p>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 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. Lists for which the above provisions are not observed shall be treated as if they had not</p>

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<p>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 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>B) Voting</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 are not associated with the majority shareholders as defined by para. 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.</p> <p>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</p>	<p>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 <u>single call or</u> 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>B) Voting</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 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.</p> <p>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</p>

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

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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. Meetings of the Board of Statutory Auditors may be held via teleconference or videoconference, in accordance with the terms stated in article 17.	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. Meetings of the Board of Statutory Auditors may be held via teleconference or videoconference, in accordance with the terms stated in article 17.

As specified above in paragraph 1.6, articles 25, 26, 27, 28 and 29 remain unchanged in the language and are only re-numbered, respectively, in the new articles 28, 29, 30, 31 and 32.

It is hereby specified lastly, that articles 9,10,14 and 24 indicated in the "current version" have been thus modified by the minutes of the Board of Directors meeting held on 4th October 2010, whose deed was drawn up by Notary Carlo Alberto Busi from Padova, no. 19.057 rep. and no. 10.196 racc. (deposited at the Company Registry at the Belluno Chamber of Commerce on 11th October 2010 and registered on 11th October 2010), and apply to Shareholders' Meetings for which the call is published after 31st October 2010.

3 Proposal of resolution

The above being states, the following proposal of resolution is submitted to the shareholders:

"The Extraordinary Shareholders' Meeting of Safilo Group S.p.A., called at the secondary office of the Company, in Padua, Settima Strada no. 15, on November 4, 5 and 8, 2010, respectively in first, second and third call, after having examined the report of the Board of Directors and the related proposals illustrated thereto,

RESOLVES

- (i) *to amend articles 9, 10, and 23 and to introduce the new articles 24, 25 and 26 of the Company's Bylaws with consequent re-numbering of the following articles, and the adjustment of the articles 14 e 27 in the Bylaws consequent to the amendment of article no. 9 and the introduction of the single call, as proposed by the Board of Directors, adopting the new version of the Company's Bylaws attached hereto;*
- (ii) *to grant the Board of Directors with the power in order to fully implement all of the above, granting, moreover, the Managing Director in charge 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*

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- *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 Bylaws 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 Managing Director (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 Bylaws with the amendments carried out pursuant to the resolutions above."*

Padua, October 4, 2010

For the Board of Directors

Melchert Frans Groot
Chairman