



**ANNUAL CORPORATE GOVERNANCE REPORT
FINANCIAL YEAR 2005**

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SAFILO GROUP S.P.A.

ANNUAL CORPORATE GOVERNANCE REPORT FINANCIAL YEAR 2005

During the financial year 2005 and in relation to the admission of the Company's ordinary shares for trading at the Italian Stock Market, organized and managed by Borsa Italiana Spa, concluded with the listing of the Company on December 9th 2005, the Board of Directors of Safilo Group S.p.A (the "Company") aligned its System of Corporate Governance with the recommendations of the Self Disciplinary Code (the "Self Disciplinary Code"), as laid out by the Committee for the Corporate Governance of Listed Companies in the revised version dated 2002, and in consideration also of the document "Guide to the compiling of the Corporate Governance Report" drawn up by Assonime and Emittenti Titoli S.p.A. (February 2004).

The model of Corporate Governance adopted by the Company is fully illustrated in the following paragraphs.

BOARD OF DIRECTORS

Role of the Board of Directors

In accordance with article 1.1 of the Self-Disciplinary Code, the Company is governed by a Board of Directors which occupies a central role in the system of Corporate Governance of Safilo Group S.p.A; it occupies, in particular, a central role in organising, directing and managing the company with the aim of pursuing the business purpose, maximising the company's value for the shareholders and ensuring that the expectations of the other stakeholders are respected.

As stated in article 17 of the Articles of Association of the Company, the Board of Directors meets whenever the Chairman deems it necessary, or whenever requested by at least two of its members, or by the Chief Executive Officer, or by the Board of Statutory Auditors.

The meetings of the Board of Directors are held at least four times a year, at intervals of no more than three months, and at any such time when the Chairman deems it necessary or it has been requested in accordance with the terms described above.

As stated in article 20 of the Articles of Association, the Board of Directors is vested with powers for the ordinary and extraordinary management of the Company, without any

limitations, except when such powers are conferred to the Shareholders Meeting under existing legislation. In addition it is the duty of the Board of Directors to make decisions regarding mergers in the situations described in articles 2505 and 2505 *bis* of the Italian civil code (the “Civil Code”), division as described in article 2505 *bis* of the Civil Code and referred to in article 2506 *ter* of the Civil Code, the institution or liquidation of secondary offices, reduction of capital in the event of the withdrawal of a shareholder, amendments to the Articles of Association following legal provisions as well as the transfer of the registered office of the Company within the national territory.

In addition, in accordance with article 1.2 of the Self-Disciplinary Code, the Board of Directors:

- (1) examines and approves the strategic, industrial and financial plans of the Company;
- (2) supervises the general performance of the management and examines its principal actions;
- (3) examines and approves the acquisition and divestment of shareholdings and assets as well as acting upon acquisitions and divestments of directly and indirectly controlled companies;
- (4) verifies the suitability of the administration and organisation of the Company and the Group as arranged by the directors with operational powers;
- (5) grants and revokes the powers of directors and defines the limits of these powers and the manner in which they may be exercised;
- (6) provides reports of the activities and of the most significant operations to the Board of Statutory Auditors at least every quarter;
- (7) determines the remuneration of the directors with operational powers and the directors who hold specific functions, after consulting the designated committee and the Board of Statutory Auditors.

Composition of the Board of Directors

In accordance with article 2.1 of the Self-Disciplinary Code, the Board of Directors of the Company is made up of executive directors and non-executive directors who possess the necessary professional requirements and experience to carry out their role. In particular, the Company is governed by a Board of Directors that is made up of seven to fifteen members, who do not necessarily have to be shareholders.

On October 24th 2005, the Shareholders Meeting of the Company resolved to increase the number of members of the Board of Directors from 9 to 11, in order to include two additional independent directors, and appointed a new Board of Directors, which became effective on

December 6th 2005 – date of the admission, by Borsa Italiana Spa, for the trading of the ordinary shares of the Company on the Italian Stock Market -, for the financial years 2005, 2006 e 2007 and in particular up until the date of the Shareholders Meeting called for the approval of the Company’s Financial Statement at 31st December 2007.

At December 31st 2005, the composition of the Board of Directors is as follows:

Office	Full Name	Place and Date of Birth	Date of appointment
Chairman	Vittorio Tabacchi	Belluno 26 October 1939	24 October 2005
Vice Chairman	Giannino Lorenzon	Villorba (TV) 26 September 1939	24 October 2005
Chief Executive Officer	Roberto Vedovotto	Bassano del Grappa (VI) 30 September 1965	24 October 2005
Director	Massimiliano Tabacchi	Padova 10 October 1970	24 October 2005
Independent Director	Carlo Gilardi	Spoletto (PG) 17 November 1942	24 October 2005
Director	Charles Paul Pieper ¹	Boston (USA) 6 October 1946	24 October 2005
Director	Julian Masters ¹	Hythe, Kent (Great Britain) 30 July 1973	24 October 2005
Director	Colin Taylor ¹	Montreal (Canada) 11 September 1962	24 October 2005
Director	Thompson Dean ¹	China 2 April 1958	24 October 2005
Independent Director	Ennio Doris	Tombolo (PD) 3 September 1940	24 October 2005
Independent Director	Riccardo Ruggiero	Naples 26 August 1960	24 October 2005

¹ These Directors, on February 15th 2006, resigned from their offices; in accordance with the agreements relating to the Company’s shareholders’ agreement, and stipulated by its shareholders Only 3T. S.p.A., on one side, and SunlightLuxco A S.à.r.l. and SunlightLuxco III S.à.r.l., on the other (hereonin the “*Agreement*”), on October 25th 2005 and which came into effect between the above mentioned shareholders on December 9th 2005 and was dissolved following the occurrence of the resolution condition as set down in Article 7.3 of the Agreement, that is to say the reduction of the total equity of the shareholders SunlightLuxco A S.à.r.l. and SunlightLuxco III S.à.r.l. to less than 10% of the total capital of SAFILO GROUP S.p.A.. Consequently, and in pursuance of and as set down by Article 7.4 of the Agreement, the Board Members Colin Taylor, Julian Masters, Charles Paul Pieper and Thompson Dean, previously appointed by the above mentioned shareholders SunlightLuxco A S.à.r.l. and SunlightLuxco III S.à.r.l., and as mentioned above resigned from the offices held within the Company.



The following list details the offices held by the directors in other listed companies, in companies within the finance, banking or insurance sectors, or in other large companies:

Carlo Gilardi

Director and member of the executive committee of Banca di Treviso; director of Vegagest S.g.r. S.p.A, of P&G S.g.r. S.p.A and Beni Stabili Gestioni S.g.r. S.p.A..

Charles Paul Pieper²

Executive director and deputy chairman of Alternative Capital Division – Gruppo CSFB.

Colin Taylor²

Executive director of DLJ Merchant Banking Partners – CSFB Group.

Thompson Dean²

Director of Avista Capital Partners, Merrill Corporation, Nycomed and NextPharma; chairman of DeCrane Aircraft and Mueller Group Inc.

Ennio Doris

Chairman of Banca Mediolanum S.p.A.; executive director of Mediolanum S.p.A; director of Banca Esperia S.p.A.; director of Mediolanum Assicurazioni S.p.A. and Mediobanca S.p.A.

Riccardo Ruggiero

Chief Executive Officer and Managing Director of Telecom Italia S.p.A

Executive Directors

With the aim of improving management efficiency, the Board of Directors has resolved to grant the executive directors appropriate powers on an organisational level, and the executive directors shall regularly report on the actions undertaken through exercising such powers.

With reference to article 1.4 of the Self-Disciplinary Code, in the meeting held on September 14th 2005, the Board of Directors established that:

- (1) The Chief Executive Officer reports on recent and significant changes in legislation and regulations that concern the Company and its governing bodies, with particular attention to any changes affecting the exercising of the function of Director, and, if necessary, shall draw up an appropriate written report to illustrate the aforementioned changes; and
- (2) the report referred to in point (1) shall be distributed during the first meeting following the date in which the Chief Executive Officer learned of the aforementioned changes.

On October 24th 2005, the Board of Directors granted the following powers to the directors, with effect from the date of the admission by Borsa Italiana S.p.A. for the trading of the Company's ordinary shares on the MTA, assigning in particular:

² Please refer to note 1.

- (1) to the Chairman, Vittorio Tabacchi, the managerial functions described below together with the relative decisional powers, to be exercised within the limits in substance and value of matters reserved to the Board of Directors:
 - (i) the function to define the strategic plans of the Company and Group to be placed before the Board of Directors;
 - (ii) the function to adopt a policy of joint management of the Group in terms of the organisational, commercial, industrial and marketing aspects, in order to reach the financial objectives;
- (2) to the Vice Chairman, Giannino Lorenzon, the managerial functions described below along with the relative decisional powers, to be exercised within the limits in substance and value of matters reserved to the Board of Directors:
 - (i) the function to coordinate the management of activities related to: industrial relations with trade unions and employees representatives at a national and territorial level; conflicts and legal proceedings relating to civil law (including employment related proceedings) and criminal law, and relating to administrative and fiscal issues of the Company and Group, excluding credit recovery; development and updating of the IT and telecommunication systems of the Company and Group; monitoring activities regarding the correct information and application of the principal legislation relating to employment;
 - (ii) the function to coordinate the management of activities related to the internal control of the Company and Group;
 - (iii) the function to manage, as “employer”, independently and with the broadest decisional and spending powers pursuant to and for the purposes of Legislative Decree no. 626 of the 19 September 1994, all aspects and duties relating to all present and future obligations regarding: (a) hygiene and safety in the workplace, (b) accident prevention and (c) protection of the environment;
 - (iv) the function to guarantee that the personal details of all subjects – both physical and judicial persons – that exist in the data bank of the Group are handled correctly pursuant to Legislative Decree no. 196 of the 30 June 2003;
- (3) to the Chief Executive Officer, Roberto Vedovotto, the managerial functions described below along with the relative decisional powers, to be exercised within the limits in substance and value of matters reserved to the Board of Directors:
 - (i) the function to coordinate the management, direction and control of Company and Group activities related to the following areas; Commercial, Marketing, Licensing, Business Development, Strategic Planning, Finance, Treasury and Credits, Administration and Management Control, Legal and Corporate Affairs, Policy and Administration of Personnel, Organisation;
 - (ii) the function to research, evaluate, develop and implement new business ideas and thereto related medium and long term plans;
 - (iii) the function to develop and implement proposals relating to corporate finance operations, undertaking all such actions as may be appropriate - including but not limited to, the appointment of legal and/or financial consultants, the stipulation of contracts and the assignment of mandates – and, following the approval of the

Board of Directors, which could be in general terms, to conclude, manage and implement such operations;

- (iv) the function to verify, using also the available economic indicators, the coherence of the activities of the operational functions (including those in the creative, industrial and commercial areas) with the budget approved by the competent corporate bodies, and define and implement the measures requested in order to maintain this level of coherence;
 - (v) the function to exercise the coordination and the control of all functions reported, guaranteeing the suitability of resources depending on the necessities, hiring and dismissing managers, employees and collaborators and determining the levels of remuneration;
- (4) to the board member, Massimiliano Tabacchi, the position of Chief Operating Officer and the function of the direction and coordination of the current management of the activities of the following areas: industrial; product; outsourcing, planning and distribution logistics; information technology.

Independent Directors

In order to guarantee that the composition of the Board of Directors remains balanced, on October 24th 2005, the Shareholders Meeting renewed the Board of Directors and appointed, with effect from December 6th 2005 - date of the admission, by Borsa Italiana Spa, for the trading of the ordinary shares of the Company on the Italian Stock Market - two additional non-executive directors, Riccardo Ruggiero and Ennio Doris, who will join the current non-executive member, Carlo Gilardi.

All the above-mentioned non-executive directors of the Company will qualify as “independent” in accordance with article 3 of the Self-Disciplinary Code.

The presence of three independent and non-executive directors in the governing body of the Company is given with a view to securing the widest protection of “good corporate governance” to be realised through discussion among all the directors.

The contribution of the independent directors will allow the Board to verify that incidents of potential conflict of interest of the Company and the controlling Shareholders are evaluated with a sufficient level of independent judgement.

In accordance with the procedure suggested by Borsa Italiana S.p.A, and with the resolution of the Board of Directors Meeting held on December 6th 2005, the Company has introduced the figure of “Lead Independent Director”, appointing to this role Mr Carlo Gilardi with the aim of increasing the importance of the role of the independent directors.

The Lead Independent Director will be called upon to act as a point of reference and coordination of the requests and contributions of the independent directors, with the guarantee of the broadest independent judgement of the latter in relation to the actions of the management.

The Lead Independent Director will be granted the power to convene autonomously or upon the request of other Board Members, appropriate meetings of the independent directors to



discuss matters considered to be of interest for the correct running of the Board of Directors or for the management activities (with the possibility to request the participation of members of the management in order to discuss with them directly).

The Chairman of the Board of Directors

Article 17 of the Articles of Association of the Company, in accordance with article 4.1 of the Self-Disciplinary Code, states that the Chairman of the Board of Directors shall convene the Board meetings.

Furthermore, in accordance with the above-mentioned article 4.1 of the Self-Disciplinary Code, the Chairman, or in his stead the Chief Executive Officer, will ensure that all documentation and information necessary to enable the Board to have full understanding of all matters placed before it for examination and approval, is sent out to the Board Members in good time before the date of the meeting, unless it is acknowledged that there are reasons of necessity or urgency in terms of (a) the nature of the decisions and/or (b) the need for confidentiality and/or (c) the timeliness with which the Board must make its decisions.

In accordance with article 4.2 of the Self-Disciplinary Code, the Chairman will coordinate and preside over the activities of the Board of directors throughout its meetings.

Pursuant to Article 22 of the Articles of Association of the Company, the Chairman of the Board of Directors has the power of representation and the power to sign on behalf of the Company, with the exception of those responsibilities conferred to other directors. Such powers apply also to each of the Chief Executives Officers, if appointed, even in a separate manner, in accordance with the resolution of the Board of Directors that appoints them and determines their powers and their qualities. The signature of the Chief Executives Officer certifies the absence or impediment of the Chairman.

In accordance with article 4.3 of the Self-Disciplinary Code, after granting the Chairman his powers, the Board of Directors will, in its report, provide sufficient information regarding the competencies attributed following such organisational decisions.

Information to the Board of Directors

In order to guarantee the principle of absolute transparency and fullness of reports towards the Company and regarding the activities carried out by directors with operational powers, and in accordance with article 5 of the Self-Disciplinary Code, the directors granted operational powers will report all activities carried out as well as any operations of significant economic importance, and in particular they must report any operations that may imply potential conflicts of interest to the Board of Directors and to the Board of Statutory Auditors in a timely manner, and in any case, every quarter.

Appointment of Directors

The Articles of Association of the company do not prescribe a particular procedure for the appointment of directors, but simply confer the power of appointment to the Shareholders Meeting (article 14).

The Company does not have a Committee for proposals of appointment to the position of Director. The most efficient appointment procedure has in fact been chosen by the Company.

Remuneration of Directors

On October 24th 2005, the Shareholders Meeting of the Company resolved to set the remuneration for each member of the Board of Directors for each financial year at 10,000.00 euro, in addition to the reimbursement of any expenses incurred for reasons relating to their office.

In accordance with article 8.1 of the Self-Disciplinary Code, on the 24th of October 2005 the Board of Directors of the Company appointed the members of the Remuneration Committee, which had been previously constituted by resolution of the Board on September 14th 2005. The members are the Chief Executive Officer, Roberto Vedovotto and the two non-executive independent directors Carlo Gilardi and Riccardo Ruggiero.

The Remuneration Committee will submit proposals to the Board regarding: (1) the remuneration of directors who hold certain positions, pursuant to article 2389 of the civil code, provided that the Chief Executive Officer will abstain from taking part in the discussions regarding the determination of his compensation and refrain from the relevant deliberation, as well as (2) the determination of the criteria for the remuneration of the top management of the Company. In order to carry out its duties, the Remuneration Committee may consult external consultants at the Company's cost.

The constitution of this Committee will guarantee the maximum levels of information and transparency regarding the compensation paid to directors who hold certain positions, as well as the respective determination procedures.

In accordance with article 2389 third subsection of the Italian Civil Code, the Remuneration Committee will provide a solely propositional function, while the power to determine the remuneration of directors holding certain positions will remain in all cases the responsibility of the Board of Directors.

THE INTERNAL CONTROL SYSTEM

In accordance with article 9.1 of the Self-Disciplinary Code the Board of Directors, during the meeting held on September 14th 2005, conferred to the Chief Executive Officer the duty of ensuring the functionality and suitability of the Internal Control system, by defining the appropriate procedures of its operation.

Furthermore, the Board of Directors has appointed the Vice Chairman as responsible for the Internal Control, with the task of ensuring that the operational and administrative internal procedures are respected. These procedures have been adopted in order to guarantee sound and efficient management. The Vice Chairman shall identify, prevent and manage, as far as possible, risks of a financial and operational nature, and fraud that may cause damages to the Company, and for these purposes the Vice Chairman shall report to an Internal Control Committee and the Board of Statutory Auditors.

In accordance with article 9.4 of the Self-Disciplinary Code, the person designated to the internal control function will not depend hierarchically on the head of any operational areas and shall report on his activities to the Vice Chairman, to the Internal Control Committee and to the Statutory Auditors.

The role of the Internal Control is to satisfy the need to guarantee sound and efficient management, and to identify, prevent and manage risks of a financial and operational nature, and fraud that may cause damage to the Company.

Internal Control Committee

In accordance with article 10.1 of the Self-Disciplinary Code, on October 24th 2005 the Board of Directors appointed the members of the Internal Control Committee, which had been previously constituted by resolution of the Board on September 14th 2005. The members are the three non-executive and independent directors Carlo Gilardi, Riccardo Ruggiero and Ennio Doris.

In accordance with article 10.2 of the Self-Disciplinary Code, the Internal Control Committee shall perform the following functions:

- (1) evaluate the suitability of the internal control system;
- (2) evaluate the work plan prepared by the persons responsible for internal control and receive regular reports from them;
- (3) evaluate, together with the Company's administrative heads and auditors, the suitability of the accounting principles used and their uniformity in order to prepare the consolidated financial statements;

- (4) evaluate the proposals from the auditing company regarding its appointment as the Company's auditor, as well as the work plan prepared for the audit and the results presented in the auditor's report and proposal letter;
- (5) supervise the compliance with and the regular updating of the corporate governance regulations adopted by the Company;
- (6) report to the Board of Directors at least once every six months, on the occasion of the approval of the financial statements and the half-year report, regarding the activities carried out and the suitability of the internal control system; and
- (7) carry out such other tasks of consultancy and/or advisory nature as may be given by the Board, in particular with regard to the relations with the auditing company.

The Chairman of the Board of Statutory Auditors, or any other member of the Board of Statutory Auditors designated by its Chairman, may attend the meetings of the Internal Control Committee.

Statutory Auditors

The Board of Statutory Auditors oversees the correct observance of the law and the Company Statute, the respect of the principles regarding correct management, the suitability of the company's organizational structure for the areas which are of its competency, the system of internal control and the financial and accounting system as well as the reliability of these to correctly represent operational items.

The Statutory Auditors will express their opinion regarding the appointment to the auditing company of the auditing mandate by the Board of Shareholders prior to the appointment being made.

The Board of Statutory Auditors was appointed by the Shareholders Meeting held on the 29th April 2005 and will remain in office for three financial years, until the date of the Shareholders Meeting that will be convened for the approval of the annual balance sheet of the financial year ending on 31st of December 2007. The details of the members of the Board of Statutory Auditors, domiciled for this purpose at the registered office of the Company, are listed in the table below:

Office	Name and surname	Date and place of birth	Date of appointment
Chairman	Franco Corgnati	Milan 10 July 1942	29 April 2005
Statutory Auditor	Paolo Mazzi	Isola d'Istria 10 October 1946	29 April 2005



Statutory Auditor	Nicola Gianese	Padua 9 July 1962	29 April 2005
Alternate auditor	Giampietro Sala	Vicenza 17 February 1938	29 April 2005
Alternate auditor	Ornella Rossi	Villasanta (MI) 20 January 1946	29 April 2005

According to article 24 of the Articles of Association of the Company and to the procedure described therein, the appointment of the Statutory Auditors shall be made on the basis of lists submitted by the shareholders, in order to ensure that the minority shareholders are entitled to appoint one Statutory Auditor and one Alternate Auditor.

In accordance with article 14.1 of the Self-Disciplinary Code, the shareholders that intend to propose candidates for the appointment of Statutory Auditors, must submit the list to the registered office of the Company at least ten days prior to the date of the Shareholders Meeting in the first call.

Within the same deadline, each individual candidate must submit a declaration accepting their candidature and stating that no reasons exist due to which they may not be elected or due to which they are incompatible under the provisions of the law, and attesting also the existence of the statutory requisites of professionalism and honour for the members of the Board of Statutory Auditors.

Pursuant to article 14.2 of the Self-Disciplinary Code, the Statutory Auditors will act autonomously and independently. Therefore they shall not be considered “representatives” for the majority or minority shareholders that have proposed or elected them.

In accordance with article 14.3 of the Self-Disciplinary Code, the Statutory Auditors shall consider all documents and information that may come into their possession for the purposes of their role to be of the utmost confidentiality and they shall respect the procedures adopted for external communications regarding the Company.

Audit

The activity of auditing has been assigned to PricewaterhouseCoopers S.p.A., an auditing company listed in the register of auditing companies, following its appointment by the Shareholders Meeting held on September 14th 2005 for the years 2005, 2006 and 2007.

RELATED PARTIES

Transactions with related parties are in respect of essential and procedural correctness criteria.

The Board of Directors pays particular attention to these transactions and the directors involved abstain from any related discussions and the vote.

Should the nature, value or particular characteristics of the transaction require it, the Board of Directors will make use of the aid of independent experts.



RELATIONS WITH INSTITUTIONAL INVESTORS AND OTHER SHAREHOLDERS

In compliance with Article 12 of the Self Disciplinary Code, the Company's Board of Directors has appointed a person responsible for managing the relations with Institutional Investors and other shareholders.

The possibility to inform investors of important facts before their communication to the market at large is however excluded.

All documents relating to Corporate Governance are available on the web site www.safilo.com.

SHAREHOLDERS MEETINGS

In accordance with article 13.2 of the Self-Disciplinary Code all the Directors will, as a rule, participate at the Shareholders Meetings.

The Shareholders meeting held on September 14th 2005 approved Regulations which regulate the carrying out of the Shareholders Meeting, as laid out in Article 13.4 of the Self-Disciplinary Code.

Such Regulations guarantee that the Shareholders Meetings are carried out in an ordered and functional manner, and ensure each shareholder's right to intervene on all subjects discussed.

CODES OF CONDUCT

The Group's Governance System is founded on suitable procedures which regulate internal behaviour, and which are consistent with the principles of correctness, ethicality and transparency and with the provisions foreseen by the Legislative Decree 231/2001.

Code of Behaviour

The Company's code of behaviour regarding internal dealing, adopted by the Board of Directors during the meeting held on September 14th 2005, and updated by the Board of Directors on [March 28th 2006] in order to incorporate the amendments introduced in our legal system by the EEC rules on market abuse and the indications of Articles 152-*sexies* to 152-*octies* of Consob's Resolution n. 11971/1999, regulates the behavioural and informative obligations regarding transactions carried out with the financial instruments issued by companies belonging to the Group and carried out by those persons, by virtue of the positions held within the company, who have access to privileged information (*i.e.* relating to facts



which may cause significant variations in the economic, financial and patrimonial prospects of the companies of the Group and capable, if made public, of considerably influencing the price of the related listed financial instruments).

Organisational Structure and Code of Ethics

During the Board of Directors meeting held on March 28th 2006 the Group's Code of Ethics was adopted.

Processing of Reserved Information – Register ex article 115 bis TUF

The Chief Executive Officer of the company is responsible for the management of reserved information and has proposed to the Board of Directors, in compliance with Article 6.1 of the Self-Disciplinary Code, the adoption of a procedure for the internal management and external communication of documents and information regarding the Company, with particular attention to price sensitive information.

The Company, in accordance with the Law, will take the necessary measures in order to draw up a register of those people who have access to reserved information pursuant to article 115 bis TUF

[•] March 2006

SAFILO GROUP S.p.A.

The Chairman

Vittorio Tabacchi



**APPENDIX TO THE ANNUAL CORPORATE GOVERNANCE REPORT
FINANCIAL YEAR 2005**

From December 9th 2005 - the date in which the ordinary shares of the company were admitted for trading at the Italian Stock Exchange organized and managed by Borsa Italiana Spa – to the close of the financial year on 31st December the Company's Boards did not assemble.

Indicated below is the data relating to the Company's Board Meetings held during the period from 1.1.2006 to the date in which this report was drawn up by the Board of Directors and which would however be excluded from the year of reference (the Board of Directors Meeting held on March 28th 2006 and during which this report was approved is not included).

Table 1: Structure of the Board of Directors and Internal Committees

Board of Directors						Internal Control Committee		Remuneration Committee		
Office	Components	Executive	Non Executive	Independent	(****)	Number of other offices (**)	(***)	(****)	(***)	(****)
Chairman	Vittorio Tabacchi	X			100%	-				
Vice Chairman	Giannino Lorenzon	X			100%	-				
Chief Executive Officer	Roberto Vedovotto	X			100%	-			X	100%
Director	Massimiliano Tabacchi	X			100%	-				100%
Director	Carlo Gilardi		X	X	100%	4	X	[100%]	X	100%
Director	Ennio Doris		X	X	0%	5	X			
Director	Riccardo Ruggiero		X	X	0%	1	X	[100%]	X	
Number of meetings held		Board of Directors: 1			Internal Control Committee: 0			Remuneration Committee: 1		

NOTE:

(**) The column indicates the number of offices held as directors or auditors by the interested party in other companies listed on regulated markets, even overseas, in financial, banking or insurance companies or of significant dimensions. The appointments are indicated in full in the Corporate Governance Report

(***) In this column an X denotes the inclusion of the Board Member in the Committee.

(****) This column indicates the percentage participation of the Board Members at the Board Meetings and Committee respectively.

Table 2: Board of Auditors

Office	Components	Percentage Participation at the Meetings	Number of other Offices held (**)
Chairman	Franco Corgnati	100%	-
Statutory Auditor	Paolo Mazzi	100%	-
Statutory Auditor	Nicola Gianese	100%	-
Alternate Auditor	Giampietro Sala		-
Alternate Auditor	Ornella Rossi		-

Number of Meetings held: 1

NOTE:

(**) The column indicates the number of appointments held as directors or auditors by the interested party in other companies listed in Italian regulated markets.