



DIRECTORS' REPORT

in accordance with Article 125-ter of Legislative Decree 58/1998 and Articles 84-ter and 73 of the regulation adopted with Consob motion No. 11971 of 1999

Shareholders' Meeting of 29 April 2019 (first call)

and of 2 May 2019 (second call)

Issuer: Zignago Vetro S.p.A.

Website: www.gruppozignagovetro.com

*ZIGNAGO VETRO S.p.A.
Registered office Fossalta di Portogruaro (VE) Via Ita Marzotto, 8
Share capital 8,800,000.00 fully subscribed and paid-in
Tax and Venice Companies Registration Office No.: 00717800247*

Proposals to the Shareholders' Meeting

The Shareholders' Meeting of Zignago Vetro S.p.A. is to be held at the Company's registered office in Fossalta di Portogruaro (VE), via Ita Marzotto No.8, on 29 April 2019, at the time of 11 AM in first call and, on 2 May 2018 in second call, at the same location and time.

(Directors' Report prepared in accordance with Article 125-ter of Legislative Decree 58/1998 and Articles 84-ter and 73 of the regulation adopted with Consob motion No. 11971 of 1999)

3) Authorisation for the purchase and utilisation of treasury shares, with prior revocation, where not utilised, of the previous Shareholders' Meeting motion of 27 April 2018.

(Report as per article 73 and Attachment 3A of Consob Resolution No. 11971 of 14 May 1999 and subsequent modifications and integrations)

Dear Shareholders,

the Shareholders' Meeting of 27 April 2018 authorised the Company to purchase treasury shares for a period of 18 months from the date of the motion, as well as to hold such shares without time limit.

At 13 March 2019, the company held 308,975 treasury shares in portfolio (0.35% of the share capital), whose purchase price is Euro 1.09 million.

With the validity of the above authorisation expiring on 28 October 2019, in order to avoid calling a specific shareholders' meeting on the expiry of the authorisation and given that this proposal is in line with the practices undertaken by the majority of listed companies, we consider it appropriate to propose a new authorisation for the purchase and utilisation of treasury shares pursuant to Articles 2357 and thereafter of the civil code, and the revocation of the previous authorisation approved by the Shareholders' Meeting.

The reasons and procedures for the purchase and utilisation of treasury shares for which the authorisation is requested are outlined below.

(A) Reasons for the authorisation to purchase and utilise treasury shares

The authorisation is requested as the Board of Directors considers that the purchase of treasury shares may represent a good investment opportunity and/or improve the financial structure of the Company.

The authorisation is also requested to effect, in compliance with current regulations, a stabilisation of share price movements against market anomalies, improving the liquidity of the shares.

The authorisation is also requested for the possible utilisation of treasury shares for stock option plans for executive directors, employees, including senior managers, and advisors of the Company and of subsidiary companies, including the stock option plan approved by the Board of Directors on March 19, 2019, which is submitted for your approval at point 6 below, or in relation to acquisitions or the issue of convertible bonds into shares of the Company. The purchase of treasury shares may also represent an efficient use of company liquidity.

It is also proposed to the Shareholders' Meeting to simultaneously authorise the Board of Directors to utilise shares which may be acquired, in addition to the shares already held in portfolio considering that this provides an important instrument of management and strategic flexibility.

(B) Maximum number and nominal value of the shares relating to the authorisation

At the date of the present Report, the share capital of the Company is Euro 8,800,000, represented by 88,000,000 subscribed and fully-paid ordinary shares, with a nominal value of Euro 0.10 each.

At the same date, the Company holds 308,975 treasury shares, equal to 0.35% of the share capital. The subsidiary companies do not hold shares in the Company.

The purchases for which authorisation is requested, pursuant to Article 2357, third paragraph, of the civil code, may not have a total nominal value, including any shares held at the current date by the Company and its subsidiaries, exceeding 20% of the entire share capital. The subsidiaries of Zignago Vetro will be informed promptly of any purchases of Zignago Vetro shares in order to ensure compliance with the limits and conditions as per Article 2359 *bis* of the Civil Code.

The amount paid or received for the sales/purchase operations of the treasury shares will be recorded directly in Net Equity on the basis of International Accounting Standard "IAS 32" and, in any case, they will be recorded in accordance with applicable legislation.

(C) Duration of authorisation

The proposal provides that the shares may be acquired within a period of 18 months from the date of the Shareholders' Meeting motion, while the authorisation to utilise such shares is without time limit.

(D) Procedures for the purchase and sale of shares

The purchase price of shares may not be 20% above or below the share price recorded on the Stock Exchange in the trading day prior to each purchase and however may not be in excess of the higher between the price of the last independent transaction price and the highest independent current purchase offer price during the trading session in which the purchase is made, including where shares are traded on differing markets. The sales price of shares may not be 20% above or below the share price recorded on the Stock Exchange in the trading day prior to each operation. These price limits will not be applied where the sale of shares is to employees, including senior managers, executive directors and consultants of Zignago Vetro and its subsidiaries in relation to incentive stock option plans, including the stock option plan approved by the Board of Directors on March 19, 2019, which is submitted for your approval at point 6 below.

(E) Method for the purchase and sale of shares

The purchase of shares will be made in compliance with the current regulations for listed companies and thus in accordance with Article 5, Regulation EC 96/2014, Article 3 of the Delegated Regulation (EC) 2016/1052, Article 132 of Legs. Decree No. 58/98 and successive amendments and supplements ("C.F.A.") and Article 144-bis of the Issuers' Regulation, in addition to the relative regulation.

The treasury shares may be sold, even before the completion of purchases, in one or more tranches, on regulated and/or non regulated markets, or outside the market, or through an offer to the public and/or to shareholders, institutional placement, a placement of warrants, or for consideration in acquisitions and share exchange offers or as part of incentive stock option plans for employees, including executives, senior managers and advisors of the company and its subsidiaries, including the stock option plan approved by the Board of Directors on March 19, 2019, which is submitted for your approval at point 6 below.

From the date of the shareholders' meeting motion, the previous authorisation by the Shareholders' Meeting of 27 April 2018 for the purchase and utilisation of treasury shares shall be considered revoked for the part not utilised.

Considering that stated above, we present for your approval the following

motion

"The Shareholders' Meeting of Zignago Vetro S.p.A., noting the proposal of the Board of Directors and in accordance with Articles 2357 and 2357-ter of the civil code,

approves

- (1) to revoke from the date of the current shareholders' meeting motion, for the part not subscribed to, the authorisation for the purchase and utilisation of treasury shares approved by the Shareholders' Meeting of 27 April 2018;
- (2) to authorise the Board of Directors, as per Article 2357 of the civil code, to purchase treasury shares of the Company for the amount, price and terms and conditions as illustrated below:
 - the purchases may be made on one or more occasions, within 18 months from the date of the Shareholders' Meeting resolution and within the limits of the available reserves and distributable profits from the last approved financial statements and will be accounted in accordance with the provisions of law and applicable accounting principles;
 - the purchase price of each share may not be 20% above or below the share price recorded on the Stock Exchange in the trading day prior to each operation and however may not be in excess of the higher between the price of the last independent transaction price and the highest independent current purchase offer price during the trading session in which the purchase is made, including where shares are traded on differing markets;
 - the maximum number of shares purchased, including any shares held by subsidiary companies, may not exceed one-fifth of the nominal share capital;
 - the purchase of shares will be made in compliance with the current regulations for listed companies and thus in accordance with Article 5, Regulation EC 596/2014, Article 3 of the Delegated Regulation (EC) 2016/1052, Article 132 of Legs. Decree No. 58/98 and successive amendments and supplements and Article 144-bis of the Issuers' Regulation, in addition to the relative regulation;
- (3) to authorise the Board of Directors to undertake, in accordance with Article 2357-ter, third paragraph of the Civil Code, to carry out every accounting registration considered necessary or appropriate, in relation to the treasury shares operations, in accordance with that required by law and the applicable accounting principles;
- (4) to authorise the placement by the Board of Directors, pursuant to Article 2357 ter, first paragraph, of the civil code, of all or part of the treasury shares acquired, without time limit, even before the completion of purchases; the shares

may be sold on one or more occasions, even through a public offer and/or to the shareholders, in regulated and/or non-regulated markets, or outside the market, including through a public offer and/or to the shareholders, as an institutional placement, a placement of warrants, or as consideration for acquisitions or public exchange offers, or as part of incentive stock option plans for employees, including executives, senior managers and advisors of Zignago Vetro S.p.A. and its subsidiaries, including the stock option plan approved by the Board of Directors on March 19, 2019, at a price which may not be above or below 20% of the share price recorded on the Stock Exchange in the trading day prior to each transaction. These price limits will not be applied where the sale of shares is to employees, including management, executive directors, and consultants of Zignago Vetro and its subsidiaries in relation to incentive stock option plans, including the stock option plan approved by the Board of Directors on March 19, 2019;

(5) to confer to the Board of Directors, and on its behalf to the Chairman and the Chief Executive Officer, individually, all powers necessary to undertake the purchases and sales and in any case to implement the above resolutions, including through legal attorneys where necessarily nominated, complying with any requests by the relevant authorities.”

6) Proposal to authorise a share-based incentive plan concerning the ordinary shares of Zignago Vetro S.p.A. called the “2019-2021 Stock Option Plan”.

Dear Shareholders,

you are called to the Ordinary Shareholders' Meeting to consider, in accordance with Article 114-*bis*, paragraph 1 of Legislative Decree No. 58 of February 24, 1998 (the “CFA”), an incentive plan called the "2019-2021 Stock Option Plan" (the "**Plan**") reserved for the Chairperson and/or Chief Executive Officer of the company, in addition to the Senior Executives on the company's internal Executive Committee, all as identified by the Board of Directors on March 19, 2019, having consulted the Appointments and Remuneration Committee (the "**Beneficiaries**”), conferring to the Board of Directors appropriate powers for its relative execution.

The Plan stipulates the free assignment to Beneficiaries of options for the subscription and/or purchase of a maximum 1,320,000 ordinary shares of the Company, in the ratio of (1) share for each option, according to the terms and conditions of the Plan, to incentivise motivation and foster loyalty towards the company and the Group, aligning their interests with those of the the shareholders.

For a description of the content of the Plan, reference should be made to the disclosure document prepared in accordance with Article 84-*bis* of Annex 3A of the regulation adopted by Consob with Motion No. 11971 of May 14, 1999, as subsequently amended, which shall be published simultaneously to this report also on the company website at www.gruppozignagovetro.com, and on the authorised storage mechanism IInfo at www.linfo.it, together with this report.

In view of that outlined above, and referring you to the Disclosure Document for an analytical overview of the Plan, we submit for your approval the following

motion

"The Ordinary Shareholders' Meeting of Zignago Vetro S.p.A., having reviewed the disclosure documents prepared in accordance with Article 84-*bis* and Annex 3A of the regulation adopted by Consob with motion No. 11971 of May 14, 1999, as subsequently amended (the "**Disclosure Document**"),

approves

- in accordance with Article 114-*bis* of Legislative Decree No. 58 of February 24, 1998, the "2019-2021 Stock Incentive Plan" reserved for the Chairperson and/or Chief Executive Officer of the company, in addition to the Senior Executives on the internal Executive Committee, as better specified in the Disclosure Document.
- the conferment to the Board of Directors, with the faculty to sub-delegate, of all powers necessary and/or beneficial to completely and fully execute the "2019-2021 Stock Option Plan" - utilising, as shares in service of exercising the options: (i) treasury shares in portfolio of the company or to be acquired on the market in accordance with the applicable regulation; and/or (ii) newly issued shares from the share capital increase which the Extraordinary Shareholders' Meeting may be called to consider - in particular, merely for example purposes and not to be considered exhaustive, all powers to prepare and adopt the implementation regulation of the stated plan, in addition to amend and/or supplement it, establish the quantity of options to be assigned to each of the beneficiaries previously identified by the Board of Directors and indicated in the Disclosure Document, proceed with the assignment to the Beneficiaries of the options, prepare and/or finalise all documents

necessary or beneficial for the implementation of the stated Plan, in addition to undertake any act, requirement, formality or communication which may be necessary or opportune for the management and/or implementation of the Plan, with the faculty to delegate its powers, duties and responsibilities with regards to the execution and application of the Plan; and

- the assignment to the Chairperson of the Board of Directors, of all powers, with the faculty to subdelegate, to execute the legislative and regulatory requirements relating to the motions adopted.”

* * *

Fossalta di Portogruaro, 13 March 2019

The Chairman of the Board of Directors

Mr. Paolo Giacobbo