

ZIGNAGO VETRO



Board of Statutory Auditors' Report

(Article 153 of Legislative Decree No. 58/1998 and Article 2429 of the Civil Code)

BOARD OF STATUTORY AUDITORS' REPORT
to the Shareholders' Meeting of ZIGNAGO VETRO SpA
on the year 2019
in accordance with Article 153 of Legislative Decree 58/1998 and Article 2429 of the Civil
Code

Dear Shareholders,

this report concerns the activities carried out by the Board of Statutory Auditors of Zignago Vetro Spa (hereafter the "Company" and together with its subsidiaries, the "Group") in the financial year ending 31 December 2019 (hereafter the "Financial Year").

1.- In carrying out its activities of supervision and control, the Board of Statutory Auditors communicates that it:

- oversaw compliance with law, the By-Laws and with the principles of correct administration, in compliance with the applicable regulation, taking account of the conduct principles issued by the Italian Accounting Profession (Consiglio nazionale dei Dottori Commercialisti ed Esperti Contabili);
- participated at the Shareholders' Meeting, the meetings of the Board of Directors, the Related Parties Committee, the Appointments and Remuneration Committee and the Control and Risks Committee and received from the Directors periodic information on the general operating performance, on the outlook, on the major transactions with economic, financial and equity impact approved and implemented during the financial year by the company and by the group companies, also in compliance with Article 150, paragraph 1 of Legislative Decree No. 58 of 24 February 1998 ("C.F.A.2"). This information is adequately presented in the Directors' Report, to which reference should be made.

The Board can reasonably assure that the actions deliberated and taken are in conformity with law and the By-Laws of the company and were not imprudent, risk related, in potential conflict of interest or contrary to the deliberations taken by the Shareholders' Meeting or such as to compromise the integrity of the company assets; The motions of the Board of Directors are executed by management and by the organisation while ensuring maximum compliance;

- verified the absence of atypical or unusual operations as defined by Consob communication DEM/6064293 of 28 July 2006, both with regards to the Group companies and the related parties or third parties, while not receiving indications in this regard from the Board of Directors, from the independent audit firm, in addition to the director in charge of the internal control and risk management system.
- noted that standard operating procedures currently implemented within the Group ensure that the transparency and substantial and procedural correctness are such as to ensure that the terms of all related party transactions respect current market conditions. With regards to inter-company and related party transactions, the notes to the financial statements provide adequate disclosure with regards to the features of the transactions and the relative financial statement effects. Their review did not highlight any critical issues concerning their appropriateness and responsiveness to the company and Group interest. In this regard, the Board of Statutory Auditors indicates that the company has adopted related party transaction

procedures in compliance with Consob Regulation No. 17221 of 12 March 2010 and Consob Communication of 24 September 2010. The Board of Statutory Auditors verified compliance of the procedures adopted with the principles of the Regulation, in addition to their observance;

- acquired information and supervised, in relation to our duties, on the effectiveness of the company's organisational structure, the adherence to principles of best practice and on the organisational development of the Group through the collation of information from the managers of the relevant company departments and through meetings with the independent audit firm, also for the exchange of relevant information and data. These activities did not highlight any irregularities;
- oversaw and verified, to the extent of its responsibility, the adequacy of the administrative-accounting system, in addition to its reliability to correctly represent operating events
Based on the analyses carried out and the information obtained from various meetings with the Executive Director responsible for the internal control and risk management system, with the Internal Control Manager, with the Executive Responsible for Financial Reporting and with the Internal Audit Manager, and through attendance at the Control & Risks Committee and Supervisory Board meetings of Zignago Vetro SpA, the adequacy and reliability of the internal control and risk management system was established.
- met with the representatives of the independent audit firm appointed to execute the legally-required audit, for the exchange of significant data and information, to be informed on the main risks to which the company is exposed and upon the relative mitigation measures implemented, in addition to checks on the proper keeping of the accounting records and the recording of operating events. No significant observations emerged from the meetings, neither on their part or on our part;
- oversaw, according to the means for concrete implementation of that established in the Self-Governance Code of listed companies adopted by the company, according to the terms outlined in the corporate governance and ownership structure report, approved by the Board of Directors of 13 March 2020. The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members, in addition to the independence and good standing of the individual members of the Board of Statutory Auditors, as established by the Code.
- established that the company has implemented the necessary actions and measures to maintain and update the Organisational Model as per Legislative Decree No. 231 of 8/6/2001 in line with its functions and applicable law. The Supervisory Board reported to the Internal Control Committee and the Board of Directors upon its activities and did not communicate any significant matters
- verified the adequacy with which instructions were given by the parent to the principal subsidiary companies for the transmission of the necessary information to ensure compliance with law and the correct implementation of the financial disclosure process.

As the Internal Control and Audit Committee, in accordance with Article 19 of Legislative Decree No. 39 of 27 January 2010, as amended by Legislative Decree No. 135 of 17 July 2016, in implementation of directive 2014/56/EC, the Board of Statutory Auditors during the year:

- a) monitored the financial disclosure process, which was considered appropriate in terms of its integrity;

- b) monitored the legally-required audit of the statutory and consolidated financial statements and liaised with the independent audit company to assess the work plan prepared, its implementation and the results of the audit process;
- c) verified the proper compilation of the financial statements, of the consolidated financial statements and the directors' report as per Article 40, paragraph 2/bis of Legs. Decree No. 127/91 reported in a single document, in addition to their compliance with law, through direct verifications and the information obtained from the Independent Audit Firm;
- d) executed the supervisory functions set out under Article 19 of Legislative Decree 39/2010 and informed the Board of Directors, as per Article 19, paragraph 1, of the above-mentioned decree, on the outcome of the legally-required audit;
- e) verified and monitored the independence of the Independent Audit Firm as required by statutory law and, in particular, with regards to the adequacy of their non-audit services, as per Article 5 of Regulation (EC) No. 537/2014.

In 2019, the Board of Statutory Auditors met on 7 occasions, while attending also the meetings of the Board of Directors, the Control and Risks Committee, the Appointments and Remuneration Committee and the Related Parties Committee.

Taking account of the information acquired, the Board of Statutory Auditors considers that operations were carried out in accordance with the principles of correct administration and that the organisational structure, the internal controls system and the administrative-accounting system are overall adequate to company needs.

2.- With regards to relations with the Independent Audit Firm, KPMG Spa, the Board of Statutory Auditors, as Internal Control and Audit Committee reports:

- a) The reports of the Independent Audit Firm, KPMG SpA, issued on 27 March 2020, on the statutory and consolidated financial statements at 31 December 2019 of Zignago Vetro SpA, prepared in accordance with Article 14 of Legislative Decree No. 39/2010 and Article 10 of Regulation EC 537/2014 express an opinion without exceptions.
- b) the Independent Audit Firm, KPMG SpA, also on 27 March 2020 sent to the Board of Statutory Auditors, in its role of Internal Control and Audit Committee, the additional report as per Article 11, paragraph 1 of Regulation EC 537/2014. This report shall be sent to the Board of Directors as provided for in the applicable regulation
- c) the independent audit firm, KPMG SpA in addition issued on 27 March 2020, the report on the Consolidated non-financial report at 31 December 2019, prepared in accordance with Legislative Decree No. 254/2016 and Article 5 of Consob Regulation No. 20267 of 18 January 2018, with which it states that elements have not come to its attention indicating that the Non-financial report of the Zignago Vetro Group, relating to the year ending 31 December 2019 has not been prepared, for all significant aspects, in compliance with Articles 3 and 4 of this Decree.
- d) the Independent Audit Firm, KPMG SpA, also issued on 27 March 2020 the statement regarding its independence, as required by Article 6 of Regulation (EC) 537/2014, indicating no situations which may compromise such independence. Finally, the Board notes that the Transparency report prepared by the independent audit firm and published on its website in accordance with Article 18 of Legislative Decree 39/2010.
- e) the Independent Audit Firm, KPMG SpA, and the companies belonging to the KPMG SpA network, in addition to the duties established by the regulation for listed companies, as indicated

in the Notes to the consolidated financial statements, received additional assignments for other audit services, whose fees are reported as an annex to the financial statements, as required by Article 149-*duodecies* of the Issuers' Regulation. Services other than auditing are approved in advance by the Board of Statutory Auditors, which assesses their appropriateness and benefit in accordance with the criteria of Regulation EC 537/2014.

Noting the statement of independence issued by KPMG SpA and the transparency report produced, in addition to the appointments assigned other than the audit, the Board of Statutory Auditors considers that no critical aspects exist in terms of KPMG SpA's independence.

3. - The Board of Statutory Auditors is not aware of any events or notices which require reporting to the Shareholders' Meeting. In the course of the activities carried out and based on the information obtained, no omissions, matters, irregularities or circumstances that would require reporting to the Supervisory Authority or mention in the present report were noted.

4.- The Board of Directors communicated in a timely manner to the Board of Statutory Auditors the financial statements and the Directors' Report. To the extent of its remit, the Board of Statutory Auditors notes that the formats adopted are legally compliant, in line with the accounting standards adopted, described in the notes, are adequate in relation to the activities and transactions carried out by the company and report that the financial statements correspond to the events and information which the Board of Statutory Auditors has become aware during its attendance at the meetings of the corporate boards and in the course of its oversight activities.

5.- The Board of Statutory Auditors has expressed its favourable opinion on the proposals of the Appointments and Remuneration Committee regarding the determination of the remuneration of Senior Directors.

6.- The Board of Statutory Auditors indicates that Zignago Vetro SpA is controlled by Zignago Holding S.p.A., which holds 65% of the share capital. The corporate governance and ownership structure report illustrates the reasons for which Zignago Vetro SpA is considered not to be subject to the direction or management of Zignago Holding SpA.

The Board of Statutory Auditors, taking account of the results of the specific duties carried out by the independent audit firm with regards to accounting controls and the reliability of the statutory financial statements, in addition to the oversight activities carried out, expresses a favourable opinion on the approval of the statutory financial statements at 31 December 2019.

Fossalta di Portogruaro, 28 March 2020

THE BOARD OF STATUTORY AUDITORS

Ms.	Alberta Gervasio	Chairman
Mr.	Andrea Manetti	Statutory Auditor
Mr.	Carlo Pesce	Statutory Auditor

**Attachment to the
REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING
OF 28 APRIL 2020**

In accordance with article 144.5 of the Issuers' Regulations (Consob Regulation enacted through Legislative Decree 58/98) the list of offices that each of the members of the Board of Statutory Auditors hold, at the date of publication of the supervisory activities report prepared in accordance with article 153, paragraph 1 of Legislative Decree No. 58/98, in companies under Book V, Chapter V, Heading V, VI and VII of the civil code, are listed.

Ms. Alberta Gervasio

List of offices held:

1. Chairman of the Board of Statutory Auditors of Zignago Vetro SpA until approval of the financial statements at 31/12/2021;

Board of Directors Appointments:

2. Chief Executive Officer of Bluenergy Group Spa, until approval of the financial statements at 30/06/2022;
3. Sole Director of Bluenergy Home Service Srl with expiry on revocation;
4. Executive Director of Bluenergy Assistance Srl with expiry on revocation;
5. Chief Executive Officer of Rettagliata Tech Srl, until approval of the financial statements at 30/06/2022;
6. Executive Director of C.I.E.L. Impianti Srl with expiry on revocation;
7. Director of Banca di Udine Credito Cooperativo Soc. Coop., part of the Bancario cooperativo Iccrea Group, until approval of the financial statements at 31/12/2019

No offices concluded in the last five-year period are reported nor those of alternate auditor.

- Number of offices held in Italian companies with shares listed on Italian regulated markets or of other European Union countries and with companies issuing financial instruments to the public in a significant degree in accordance with Article 116 of Legislative Decree No. 58/98:
1

Total number of offices held: 8

Mr. Andrea Manetti

List of offices held:

1. Chairman of the Board of Statutory Auditors of SM Tenimenti Pile e Lamole e Vistarenni e San Disdagio Srl – Agricultural company until approval of the financial statements at 31/12/2019;
2. Statutory Auditor of Cà del Bosco Srl – Agricultural Company until approval of the financial statements at 31/12/2019;
3. Statutory Auditor of Cà del Bosco Hospitality Srl until approval of the financial statements at 31/12/2019;
4. Statutory Auditor of SVIR SpA until approval of the financial statements at 31/12/2020;
5. Statutory Auditor of Investinfood SpA until approval of the financial statements at 31/12/2013;
6. Statutory Auditor of Cantina Mesa Srl – Agricultural Company until approval of the financial statements at 31/12/2019;
7. Statutory Auditor of Vetro Revet Srl until approval of the financial statements at 31/12/2019;
8. Statutory Auditor of Julia Vitrum until approval of the financial statements at 31/12/2021;
9. Statutory Auditor of Zignago Vetro SpA until approval of the financial statements at 31/12/2021;
10. Statutory Auditor of Santa Margherita SpA until approval of the financial statements at 31/12/2019;
11. Statutory Auditor of Multitecno Srl until approval of the financial statements at 31/12/2020;
12. Statutory Auditor of Ca' Maiol Srl Società – Agricultural Company until approval of the financial statements at 31/12/2020;
13. Statutory Auditor of Zignago Holding SpA until approval of the financial statements at 31/12/2020;

Board of Directors Appointments:

14. Sole Director of 10 Dicembre Srl with expiry on revocation;
15. Sole Director of REM Srl with expiry on revocation;
16. Sole Director of Italian Glass Moulds Srl with expiry on revocation;
17. Sole Director of Arche Srl with expiry on revocation;
18. Sole Director of Stellin Srl with expiry on revocation
19. Managing partner of the Montecchio Bardi Sas di Manetti Andrea & C.

No offices concluded in the last five-year period are reported nor those of alternate auditor.

Number of offices held in Italian companies with shares listed on Italian regulated markets or of other European Union countries and with companies issuing financial instruments to the public in a significant degree in accordance with article 116 of Legislative Decree No. 58/98: 1.

Total number of offices held: 19.

Mr. Carlo Pesce

List of offices held:

1. Chairman of the Board of Statutory Auditors of Zignago Holding SpA, until approval of the financial statements at 31/12/2020;
2. Statutory Auditor of Zignago Vetro SpA until approval of the financial statements at 31/12/2021;
3. Chairman of the Board of Statutory Auditors of Carraro SpA until approval of the financial statements at 31 December 2020;
4. Chairman of the Board of Statutory Auditors of Banca di Credito Cooperativo di Venezia Padova Rovigo – Banca Annia until approval of Financial Statements at 31/12/2019;
5. Chairman of the Board of Statutory Auditors of NICE Group SpA, until approval of the financial statements at 31/12/2020;
6. Statutory Auditor of the Board of Statutory Auditors of Santa Margherita e Kettmeir e Cantine Torreselle SpA until approval of the financial statements at 31/12/2020;
7. Statutory Auditor of Vetri Speciali SpA until approval of the financial statements at 31/12/2019;
8. Chairman of the Board of Statutory Auditors of Eurospital SpA until approval of the financial statements at 31/12/2018 (*in prorogatio*);
9. Statutory Auditor of CEU SpA until approval of the financial statements at 31/12/2019;
10. Statutory Auditor of Probest Service SpA until approval of the financial statements at 31/12/2019;
11. Statutory Auditor of Multitecno Srl until approval of the financial statements at 31/12/2020;
12. Statutory Auditor of S.M. Tenimenti Pile e Lamole e Vistarenni e San Disdagio Srl – Agricultural company until approval of the financial statements at 31/12/2020;
13. Chairman of the Board of Statutory Auditors of Cantina Mesa S.r.l. Società Agricola until approval of the financial statements at 31/12/2020;
14. Chairman of the Board of Statutory Auditors of Finkappa Srl until approval of the financial statements at 31/12/2019;
15. Statutory Auditor of Zignago Servizi Srl until approval of the financial statements at 31/12/2021;
16. Statutory Auditor of Ca' Maiol Srl Società – Agricultural Company until approval of the financial statements at 31/12/2020;
17. Statutory Auditor of Pometon S.p.A. until approval of the financial statements at 31/12/2021;
18. Chairman of the Board of Auditors of the Fondazione di Venezia until 29/09/2020¹;
19. Member of the Supervisory Board of Zignago Vetro Polska S.A.;

Board of Directors Appointments:

20. Chairman of the Board of Directors of BLM S.p.A. until approval of the financial statements at 31 December 2020;
21. Chairman of the Board of Directors of Adige S.p.A. until approval of the financial statements at 31 December 2020;
22. Chairman of the Board of Directors of Adige-Sys S.p.A. until approval of the financial statements at 31 December 2020;

¹ (the Chair rotates – Mr. Pesce's term as Chair concluded on 30/09/2017)

23. Sole Director of Immobiliare Tre B Srl until revocation;
24. Director of ACB Group SpA, until approval of the financial statements at 31 December 2019.

No offices concluded in the last five-year period are reported nor those of alternate auditor.

- Number of offices held in Italian companies with shares listed on Italian regulated markets or of other European Union countries and with companies issuing financial instruments to the public in a significant degree in accordance with art 116 of Legislative Decree No. 58/98: 2.
- Total number of offices held: 24.

Fossalta di Portogruaro, 28 March 2020

THE BOARD OF STATUTORY AUDITORS

Ms. Alberta Gervasio
Mr. Andrea Manetti
Mr. Carlo Pesce

Chairman
Statutory Auditor
Statutory Auditor



ZIGNAGO VETRO SpA
Registered office: Fossalta di Portogruaro (VE), Via Ita Marzotto 8