

ZIGNAGO VETRO S.P.A.



**QUALITATIVE AND QUANTITATIVE CRITERIA FOR ASSESSING INDEPENDENCE
AS PER RECOMMENDATION No. 7, FIRST PARAGRAPH, LETTERS C) AND D),
AND ARTICLE 2 OF THE CORPORATE GOVERNANCE CODE**

Approved by the Board of Directors of Zignago Vetro S.p.A. on 11 March 2022

INTRODUCTION

Recommendation No. 7, first paragraph, of Article 2 of the Corporate Governance Code for listed companies adopted by the Corporate Governance Committee in January 2020 (the "Code"), with which Zignago Vetro S.p.A ("**Zignago Vetro**" or the "**Company**") complies, includes among the circumstances that compromise, or appear to compromise, the independence of a director or statutory auditor the following:

- i *"if, directly or indirectly (for example through subsidiary companies or where they are an Executive Director, or as partner of a professional advisory firm or a consultancy company), has, or has had in the three previous years, a significant commercial, financial or professional relationship:*
 - *with the Company or its subsidiaries, or its Executive Directors or Top Management;*
 - *with a party that, also together with others through a shareholders' agreement, controls the Company; or if the Parent is a company or entity, with the relevant Executive Directors or Top Management (letter c); and*
- ii *"if he/she receives, or has received in the previous three years, from the Company, one of its subsidiaries or the Parent Company, significant additional remuneration with respect to the fixed remuneration for the office and the remuneration provided for participation in the committees recommended by the Code or provided for by the applicable regulations" (letter d).*

In order to apply the aforesaid provisions, Recommendation No. 7, second paragraph, of the Code requires the Board of Directors of the companies applying the Code to define, at least at the beginning of its term of office and, in any case, prior to the assessment of the independence of Directors and Statutory Auditors, the quantitative and qualitative criteria for assessing the significance of the relationships referred to in letters c) and d) of Recommendation No. 7, first paragraph, of the Code.

In order to apply the aforesaid provisions, the Board of Directors of Zignago Vetro, with the support of the Remuneration and Appointments Committee, has established the following quantitative and qualitative criteria for assessing the significance of relationships, including economic ones, that could compromise the independence of its members (the "**Significance Criteria**").

In establishing the Significance Criteria, the Board of Directors has, among other matters, taken into account the recommendations set forth in the Code and the clarifications provided in the "*Q&A supporting the application of the Corporate Governance Code - 2020 edition*" published on the Corporate Governance Committee's website (the "**Q&A**").

It should be noted that the Significance Criteria set out below will be applied starting with the assessment of the independence of the Company's Directors who will be appointed by the Shareholders' Meeting of Zignago Vetro called for the approval of the 2021 Annual Accounts.

1. QUANTITATIVE CRITERIA

1.1. Significance of business, financial, or professional relationships

With particular reference to quantitative criteria, any commercial, financial or professional relationship that the Director - whose independence is subject to assessment - has or has had during the financial year in which the declaration of independence is made, or in the three financial years prior to the date on which the declaration is made (“**Reference Period**”)¹ with the following parties (jointly the “**Relevant Persons**”):

- i the Company, its subsidiaries, the party that controls the Company (including through a shareholders' agreement with others) and the companies subject to joint control;
- ii the relevant Executive Directors or top management.

Executive Directors are defined as (see Code definition):

- i the Chairperson of the Company or of a subsidiary of strategic importance, when he/she is delegated powers in the management or drafting of company strategies;
- ii the Directors who have been delegated management powers and/or hold managerial positions in the Company or in a subsidiary with strategic importance, or in the parent company when the position also concerns the Company;
- iii directors who serve on the Company's executive committee.

Top management is defined as "senior executives who are not members of the board of directors and who have the power and responsibility for planning, directing and controlling the activities of the company and its group" (see Code definition). With regard to Zignago Vetro, this refers to the persons identified as managers with strategic responsibilities pursuant to the regulations in force concerning Related Parties and the Remuneration Policy.

The aforesaid relationships with Relevant Persons shall normally be considered significant - and therefore capable of compromising the Director's independence - if they have earned, individually or cumulatively considered, an annual economic reward that exceeds at least one of the following parameters: (i) 10% of the annual turnover of the subsidiary and/or professional firm/consulting company of which the Director is a partner or executive director; (ii) 20% of the Director's gross annual income.

It should also be noted that, where relations with Relevant Persons are undertaken by the Director indirectly - for example, through subsidiaries or companies of which he/she is an executive director, or as a partner of a professional firm or consultancy firm - existing relations or relations undertaken during the Reference Period should normally be considered significant if they have led, individually or cumulatively considered, to an annual economic reward exceeding at least one of the following parameters: (i) 10% of the annual turnover of the subsidiary and/or of the professional firm/consultancy firm of which the Director is a partner or executive director or partner; (ii) 20% of the Director's gross annual income.

¹ By way of example, consider the case in which the Director makes his declaration of independence on 12 March 2022 and takes office as a Director of Zignago Vetro during April 2022; in that case:

- i for the purposes of assessing the independence of the Director in question, any relations that the Director may have had with Relevant Persons during the financial years 2021, 2020 and 2019, as well as during the period between 1 January 2022 and 12 March 2022, shall be taken into account, in addition to any existing relations;
- ii it is understood that the Director shall promptly inform the Company's Board of Directors of any relations he/she may have with Relevant Persons after the date on which he/she made his/her declaration of independence (in the example in question, 12 March 2022), providing all the necessary elements for a full assessment by the Board.

It is understood that - as an exception to the above - in the event that the relations with the Relevant Persons are undertaken by the Director indirectly through a legal entity which has been set up or used ad hoc to establish the said relations, the quantitative limits set out above applicable in the event of relations undertaken directly by the Director shall apply.

It should be noted that being a close family member of a person who is in one of the aforementioned situations, i.e., but not limited to, parents, children, spouses who are not legally separated and cohabiting partners (each, the "**Close Family Member**"), also constitutes a circumstance that may compromise a Director's independence.

1.2. Significance of additional remuneration

With particular reference to the remuneration received, including during the Reference Period, by the Director, the sum of any additional remuneration paid to the latter by the Company, one of its subsidiaries, and/or the parent company, including indirectly, for professional or consulting services is significant with respect to the fixed remuneration for the office and the remuneration for participation in the committees (or bodies) recommended by the Code or provided for by the regulations in force.

It is understood that for the purposes of the Code:

- a) "fixed remuneration for office" means: (i) the remuneration determined by the Shareholders' Meeting for all Directors or determined by the Board of Directors for all Non-Executive Directors within the total amount approved by the Shareholders' Meeting for the entire Board of Directors; and (ii) any remuneration allocated by reason of the particular office held by the individual non-executive director within the Board of Directors, (chairperson, vice-chairperson, LID), defined according to the best practices set out in Recommendation No. 25 of the Code;
- b) "remuneration for participation on internal committees" means the compensation that an individual Director receives by reason of his or her participation on internal committees provided for in the Code or committees/boards provided for by applicable law, excluding remuneration from participation for any executive committees.

To this end, the remuneration received by Directors in the form of participation in incentive plans linked to company performance is also included.

Additional remuneration is normally to be considered significant - and therefore capable of compromising the independence of the Director concerned - if, individually or cumulatively considered, it amounts in the Reference Period to 80% or more of the total fixed annual remuneration due to the Director in question (i) for the office of Director and (ii) for any participation in the Committees recommended by the Corporate Governance Code.

2. QUALITATIVE CRITERIA

2.1. Professional Relationships

If the Director is also a partner in a professional firm or a consultancy company, the professional relationships - regardless of the quantitative parameters under section 1.1 above - of the firm and/or the consultancy company are considered significant with the Relevant Persons who:

- *"may have an effect on your position and role in the firm or advisory firm, or otherwise relate to significant transactions of the firm and its group, even if the quantitative parameters are not met"* (Code Recommendation No. 7, second paragraph).
- are of strategic importance for the Company and/or its subsidiaries and/or parent company;
- have as their object strategic consulting (in favour of the Company and/or its subsidiaries and/or the parent company) and/or assistance and consulting in connection with a transaction of strategic importance for the Company and/or its subsidiaries and/or the parent company.

2.2. Other relationships

The significance of the above-mentioned relationships is assessed taking into account the overall professional activity normally carried out by the Director, the tasks normally assigned to them, as well as the importance that these relationships may have for the Director in terms of reputation within his own organisation.

For the purposes of assessing the significance of the relationships between the Director and the Relevant Persons, the Board of Directors may, in relation to the specific situations concerning each Director - such as position, individual characteristics and overall professional activity - consider any further element deemed useful and/or appropriate, adopting additional and/or partially different criteria from those set out above that favour substance over form.

In particular, the Board of Directors may, giving adequate reasons for its decision:

- also take into consideration those relations which, although lacking in content and economic nature or economically insignificant, are particularly relevant for the prestige of the Director concerned or capable of concretely affecting his/her independence and autonomous judgement;
- assessing, on the basis of the specific circumstances, the existence and/or maintenance of the independence requirements for a Director despite the presence of one of these Significance Criteria.

In view of the above, shareholders are invited to take into account the Quantitative and Qualitative Criteria when preparing the slates of candidates for the renewal of Zignago Vetro SpA's Board of Directors and Board of Statutory Auditors.