

# **Corporate Governance and Ownership Structure Report**

pursuant to article 123 of the Consolidated Finance Act

(traditional administration and control model)

Issuer: **Zignago Vetro S.p.A.**

Website: [www.gruppozignagovetro.com](http://www.gruppozignagovetro.com)

Financial Period of Report: year ended December 31, 2018

Date of approval of Report: March 13, 2019

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## GLOSSARY

**Italian Stock Exchange:** Borsa Italiana S.p.A.

**Code/Self-Governance Code:** the Self-Governance Code of listed companies approved in March 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available to the public on the Borsa Italiana website [www.borsaitaliana.it](http://www.borsaitaliana.it).

**Civil code:** the civil code.

**Board of Statutory Auditors:** the Board of Statutory Auditors of the Issuer.

**Board:** The Board of Directors of the Issuer.

**Issuer or Zignago Vetro or the Company:** Zignago Vetro S.p.A.

**Year:** financial year 2018, to which the Report refers, therefore the year ending December 31, 2018.

**Regulation Instructions:** the Instructions to the Regulations for Markets organised and managed by Borsa Italiana S.p.A..

**Stock Exchange Regulation:** the Regulation for Markets organised and managed by Borsa Italiana S.p.A..

**Issuers` Regulation:** the Issuers` Regulation issued by Consob resolution No. 11971 of 1999 (as subsequently amended), concerning the governance of the issuer.

**Market Regulations:** the Market Regulations issued by Consob resolution No. 16191 of 2007 (as subsequently amended), concerning the governance of the markets.

**Report:** the corporate governance and ownership structure report which the company must prepare as per Art. 123-*bis* CFA.

**By-Laws:** the By-Laws of the Company in force at the date of the Report.

**CFA:** Legislative Decree of February 24, 1998, No. 58 and subsequent amendments and additions.

## 1. PROFILE OF THE ISSUER

The present Report, (hereafter the “**Report**”), prepared in compliance with the obligations for listed companies on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A. (hereafter “**Borsa Italiana**”), illustrates the corporate governance system of Zignago Vetro S.p.A. (hereafter “**Zignago Vetro**” or the “**Company**” or the “**Issuer**”), whose general guidelines are the subject of the present Section 1.

The corporate governance structure of Zignago Vetro is a traditional system comprising of a Board of Directors and a Board of Statutory Auditors; an audit is undertaken by an independent audit company in accordance with law. The Company, as much as possible in line with the recent regulations introduced and with the principles contained in the Self-Governance Code, has adopted the following governance structure:

- Shareholders’ Meeting;
- Board of Directors;
- Control and Risks Committee;
- Appointments and Remuneration Committee;
- Committee for Transactions with Related Parties
- Lead Independent Director;
- Board of Statutory Auditors;
- Independent Auditors;
- Supervisory Board;
- Executive responsible for the preparation of the corporate accounting documents;
- Internal Audit Manager;
- Director in charge of the Internal Control and Risk Management System.

### Shareholders’ Meetings

The Shareholders’ Meeting represents all of the shareholders and is called in accordance with the provisions of law and regulations for companies with listed shares to pass motions reserved for them by law or by the Company By-Laws.

### Board of Directors

The central role in planning the strategy of the Company is attributed to the Board of Directors which, in accordance with article 15 of the By-Laws is composed of between 5 and 15 members. The Shareholders’ Meeting decides the number of members on the Board of Directors, their appointments within the above-mentioned limits and the duration of office, which cannot be more than 3 years. The offices held by the directors appointed conclude on the date of the Shareholders’ Meeting called for the approval of the financial statements of the final year of office and they may be re-elected.

The appointment of the Board of Directors must occur through the voting of slates, which allows the minority shareholders to elect at least one director. The minimum shareholding required for the presentation of the slate of candidates is 2.5% of the ordinary shares, or where otherwise established by Consob with regulations taking into consideration the capitalisation of the share float and of the share ownership of listed companies. Each slate must indicate at least one independent candidate in possession of the necessary legal requisites, or 2 in the case of a Board of Directors which is composed of more than 7 members.

The Board of Directors, in accordance with Article 17 of the By-Laws, on March 22, 2007, set up a Control and Risks Committee (previously called the Internal Control Committee) and on March 15, 2018 set up an Appointments and Remuneration Committee (previously called the Remuneration Committee).

#### Control and Risks Committee

The Control and Risks Committee is composed of three non-executive directors, with sufficient accounting, financial and risk management experience, of which two are independent and have the duty, among others, to identify and evaluate the business issues and risks and carry out the consultative and propositional functions required by the Self-Governance Code.

#### Appointments and Remuneration Committee.

The Appointments and Remuneration Committee is composed of three non-executive Directors, with an adequate knowledge and experience of finance and remuneration policies, of which two independent and has the duty to formulate proposals regarding the identification of the professionalism and competences of the directors, particularly on the appointment of the Board, in order to streamline and improve the functioning of the Board and in addition, with regards to the remuneration of the executive directors and senior executives, oversee the correct application of the relative criteria applied, taking account also of the information provided by the chief executive officers and draws up for the Board of Directors general recommendations in this regard.

#### Lead Independent Director

As per Article 2 of the Self-Governance Code, the Company has designated a lead independent director. The other non-executive directors, and in particular the independent directors, report to the lead independent director, for a better contribution to the activities and the functioning of the Board of Directors.

#### Board of Statutory Auditors

The Board of the Statutory Auditors verifies, among other issues (i) compliance with law and the By-Laws, (ii) respect of the principles of correct administration and in particular on the adequacy of the organisational structure of the Company, of the internal control system as well as the administration and accounting structure and its ability to correctly represent the operational events

and (iii) the method for establishing corporate governance regulations which the company declares it is in observance of.

The functions in accordance with law are reserved to the Statutory Auditors. In accordance with article 20 of the By-Laws, the Board of Statutory Auditors consists of three Statutory Auditors and two alternate auditors, shareholders or non-shareholders. Each of the members of the Board of Statutory Auditors must possess the honourability and professionalism requisites and be independent in accordance with law.

The appointment of a Statutory Auditor and an Alternate Auditor, in accordance with the By-laws (Article 20), is reserved for the minority slate of Shareholders with a minimum holding of at least 2.5% of ordinary shares or an alternative amount established by Consob, taking account of the capitalisation and Shareholder structure of listed companies. The statutory auditor elected by the minority slate is elected the Chairman of the Board of Statutory Auditors.

#### Independent Auditors

The legally-required audit is carried out by an independent audit firm in accordance with applicable regulations, appointed by the Shareholders` Meeting on the reasoned proposal of the Board of Statutory Auditors. The independent auditors who carry out the audit of Zignago Vetro also carry out the audit of the subsidiary companies.

#### Supervisory Board

The Supervisory Board, appointed by the Board of Directors, has the responsibility to ensure the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 is adequate and efficient, effective and updated.

#### Executive responsible for the preparation of the corporate accounting documents

The executive officer for the financial reporting, among other matters, has the responsibility to implement adequate administrative and accounting procedures for the preparation of the parent company accounts, the consolidated financial statements and all other financial documents, certifying, together with the appointed boards, the adequacy and application of these procedures and that the accounting information including interim reports correspond to the underlying accounting documents, records and accounting entries.

#### Internal Audit Manager

The Internal Audit Manager is charged with, among other issues, establishing that the Internal Control and Risk Management System is functional and adequate, in addition to verifying the functionality and appropriateness of the Internal Control and Risk Management System.

Director in charge of the Internal Control and Risk Management System (previously called the Executive responsible to oversee the Internal Control System).

The Director in charge of the Internal Control and Risk Management System ensures the correct functioning of the internal control system, and among other matters, proposes to the Board of Directors the appointment and revocation of the Internal Audit Manager position, identifying the principal company risks and implementing the guidelines outlined by the Board of Directors. He/she may also request the Internal Audit Manager to carry out verifications on the specific operating areas and on compliance with the internal rules and procedures and reports promptly to the Control and Risks Committee (or the Board of Directors) in relation to problem issues emerging in the course of their activities or which they have however become aware of in carrying out their duties.

The present Report and all related documents may be downloaded from the Company website at [www.gruppozignagovetro.com](http://www.gruppozignagovetro.com), “Investors” section.

## **2. DISCLOSURES ON SHAREHOLDERS (ARTICLE 123, PARAGRAPH 1 OF THE CONSOLIDATED FINANCE ACT)**

The present Section 2 is also prepared in accordance with article 123-*bis* of the Finance Act. We report that: (a) the disclosures required by Article 123-*bis* paragraph 1, letter i) of the CFA are illustrated in the section of the Report concerning Directors’ remuneration (section 9); (b) the disclosures required by Article 123-*bis* paragraph 1, letter l) of the CFA are illustrated in the section concerning the Board of Directors (section 4.1); (c) the disclosure required by the above provision and not reported upon in the present Section 2 are not applicable to the Company.

### **a) Shareholders (as per Article 123-*bis*, paragraph 1, letter a), CFA)**

The share capital is Euro 8,800,000, entirely subscribed and paid in, and is composed of 88,000,000 ordinary shares having a nominal value of 0.10 Euro each.

As illustrated in the following table, at the Reporting date no special classes of share had been issued, such as shares without voting rights or limited voting rights, nor other financial instruments which attribute the right to undertake newly issued shares.

<b>SHARE CAPITAL STRUCTURE</b>				
	No. of shares	% of share capital	Listed	Rights and obligations
Ordinary shares	88,000,000	100%	35% MTA market - STAR	-
Shares with multiple votes	-	-	-	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-

Other	-	-	-	-
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No financial instruments allocating the right to subscribe to newly issued shares, such as convertible bonds and/or warrants have been issued.

**b) Restriction on the transfer of shares (as per article 123-bis, paragraph 1, letter b), CFA)**

At the date of the present Report, the shares of the Company are freely transferable by a deed between individuals or by succession following death and are subject to the rules for shares issued by listed companies in Italy.

**c) Significant holdings (as per article 123-bis, paragraph 1, letter c), CFA)**

At the date of the present Report, and based on the results of the Shareholders' Register and communications received in accordance with Article 120 of the Finance Act, the following parties hold at least 5% of the share capital, directly or indirectly:

Shareholder	Direct shareholder	Number of ordinary shares held	% of share capital	% of voting capital
Zignago Holding SpA	Zignago Holding SpA	57,200,000	65.0%	65.0%

**d) Shares which confer special rights (as per article 123-bis, paragraph 1, letter d), CFA)**

At the date of the present Report, all of the Company's shares are nominative, freely transferable and indivisible and each - except where indicated below - has a right to one vote at the ordinary and extraordinary Shareholders' Meeting of the Company, as well as other equity and other administrative rights, in accordance with law and the applicable By-Laws.

On April 28, 2015, the Shareholders' Meeting of Zignago Vetro amended Article 7 of the Company's By-Laws in order to provide for shares with increased voting rights (loyalty shares), as established and governed by Article 20, first paragraph of Legislative Decree No. 91 of June 24, 2014, converted into Law No. 116 of August 11, 2014), whereby against enrolment of the shareholder in the register kept by the Company in relation to a certain number of shares, and following the conclusion of the maintenance of these shares for a period of 24 months, the shareholder has double voting rights for all such shares..

In the subsequent meeting of July 30, 2015, the Board of Directors approved the Regulation concerning shares with increased voting rights, which governs, among other matters, the manner of requesting enrolment in the special list established under Article 127-*quinquies*, paragraph 2 of the CFA. Further details are available on the Company website [www.gruppozignagovetro.it/Investors](http://www.gruppozignagovetro.it/Investors) section/Increased Voting Rights.



At the Reporting date, there were 88,000,000 Zignago Vetro shares, corresponding therefore to 88,000,000 voting rights at Ordinary and Extraordinary Shareholders' Meetings of the Company.

In addition to that indicated above in relation to majority voting, the Company has also not issued shares with special rights, privileges or restrictions at the date of the present report and has not issued securities which confer special control rights.

**e) Employee shareholdings: voting mechanism (as per Article 123-bis, paragraph 1, letter f), CFA)**

At the date of the present Report, there are no shareholding agreements with employees in relation to the share capital of the company.

**f) Voting restrictions (as per article 123-bis, paragraph 1, letter f), CFA)**

At the date of the present report, there are no restrictions on voting rights.

**g) Shareholder agreements (as per article 123-bis, paragraph 1, letter g), CFA)**

At the date of the present Report, the share capital of Zignago Vetro is held 65% by Zignago Holding S.p.A. (hereafter "**Zignago Holding**"), with the current shareholders of Zignago Holding having signed a shareholder Agreement (the "**Agreement**").

The parties subject to the Agreement are the shareholders of Zignago Holding: GA.MA. S.r.l. ("**GA.MA.**"), MARVIT S.r.l. ("**MARVIT**"), LIBRA S.r.l. ("**LIBRA**"), LUMAR S.r.l. ("**LUMAR**") and Koris Italia S.r.l. ("**Koris**") (jointly the "**Zignago Holding shareholders**"), in addition to Gaetano Marzotto, Stefano Marzotto, Nicolò Marzotto and Luca Marzotto (hereafter, together with the shareholders of Zignago Holding, the "**Parties**").

The financial instruments of Zignago Holding held by shareholders of Zignago Holding are as follows:

<b>Shareholder</b>	<b>Zignago Holding Share</b>
GA.MA (1)	19484%
MARVIT (2)	23.512%
LUMAR (3)	24.569%
LIBRA (4)	23.765%
Koris (5)	8.670%
Total	<b>100.00%</b>

(1) The share capital of GA.MA. S.r.l. of Euro 10,383.36 is 49% held by Gaetano Marzotto and for the remaining 51%, jointly and in equal co-ownership, by Lavinia Marzotto, Matilde Marzotto and Giacomo Marzotto.

(2) The share capital of MARVIT S.r.l. of Euro 98,641.92 is held 25% by Stefano Marzotto and for the remaining 75% by Vittorio Emanuele Marzotto, Alessandro Marzotto and Sebastiano Marzotto, jointly and in equal shares.

(3) The share capital of LUMAR S.r.l. of Euro 10,400.00 is held for a nominal amount of Euro 10,296.00 by Luca Marzotto and for a nominal amount of Euro 104.00 by Nicolò Marzotto.

(4) The share capital of LIBRA S.r.l. of Euro 11,000.00 is held for a nominal amount of Euro 10,890.00 by Nicolò Marzotto and for a nominal amount of Euro 110.00 by Luca Marzotto.

(5) The share capital of Koris Italia S.r.l. of Euro 93,600.00 is held for a nominal Euro 31,200.00 by Cristina Marzotto, for a nominal Euro 31,200.00 by Margherita Marzotto and for a nominal Euro 31,200.00 by Maria Rosaria Marzotto.

The Agreement, originally signed on July 11, 2006 and subsequently amended on December 19, 2008 and renewed tacitly on July 11, 2009, July 11, 2012 and latterly renewed on July 11, 2015, was undertaken between, among others, FIMIZ S.r.l. (“**FIMIZ**”) and the shareholders of FIMIZ and concerned, among other issues, the conduct rules and regulations which govern the transactions between the shareholders of FIMIZ, as well as the Corporate Governance regulations of FIMIZ, and through this company of Zignago Holding (whose share capital, at the date of first signing, was entirely held by FIMIZ).

On December 17, 2009, the reverse merger deed (the “**Merger**”), under which FIMIZ was incorporated into Zignago Holding, with effectiveness from December 31, 2009, whose share capital before the Merger was entirely held by FIMIZ (and which post-Merger was held by the former shareholders of FIMIZ based on the shareholdings indicated in the table above).

Therefore on December 21, 2009, the shareholders of FIMIZ signed a private contract establishing that the shareholder agreements contained in the Agreement relating to the corporate governance of FIMIZ must concur with the corporate governance of Zignago Holding (due to the discontinuation of FIMIZ as a result of the Merger), for the entire duration of the Agreement. Except for that relating to the Merger, the Agreement remains in force and fully effective without amendment of any of the conditions contained therein.

The Agreement became effective on July 11, 2006 with an original duration of three years. Upon expiry, the Agreement renews automatically for three years with the exception of the case in which one of the Parties revokes the renewal through sending a written communication to the other Parties at least six months before the expiry of the relative term. On first expiry on July 11, 2009, the agreement was tacitly renewed for a period of three years; this period was then tacitly extended on July 11, 2012 for a further period of three years, on July 11, 2015 for a further 3 years and latterly on July 11, 2018 for a further 3 years.

**h) Change of control clause (as per article 123-bis, paragraph 1, letter h), CFA)**

The Company or its subsidiaries have not stipulated significant agreements that are effective or would be modified or discharged in the case of a change in control of the Issuer.

**i) Power to increase the share capital and authorisation to purchase treasury shares (as per Article 123-bis, paragraph 1, letter a), CFA)**

The Company By-Laws do not permit the Board of Directors to increase the share capital in accordance with Article 2443 of the civil code.

The Shareholders' Meeting of April 27, 2018 authorised, following revocation of the motion passed by the Meeting of April 27, 2017 for the part not executed, the Board of Directors of the Issuer, and on its behalf the Chairman including proxies nominated by him, pursuant to Article 2357 of the Civil Code, to acquire 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;
- the maximum number of shares purchased cannot have a nominal value, including any shares held by Subsidiary companies, exceeding one-tenth of the share capital;
- the purchase of shares must be made in compliance with the current regulations for listed companies and thus in accordance with article 144 - *bis* of Issuers' Regulation, article 132 of the CFA and the Stock Exchange Regulations and any other regulation applicable including those of the EU Directive 2003/6 of January 28, 2003 and relative European Union and National legislation and EU Regulation No. 2273/2003 of December 22, 2003,

The same Shareholders' Meeting of Zignago Vetro, in ordinary session, also decided, among other matters, to:

- a) authorise the Board of Directors, in accordance with article 2357-ter, first paragraph of the Civil Code, to utilise all or part, without time limits, of the shares acquired also before exhausting the purchases; the shares may be transferred in one or more tranches, including through a public offer and/or to the shareholders, on regulated markets and/or non-regulated markets, or outside of the stock exchange, also through a public offer and/or an offer to shareholders, on regulated and/or unregulated markets, or outside the stock

exchange, on regulated and/or unregulated markets, institutional placement, placement of warrants, or as payment for acquisition or of public exchange offer, at a price not higher than 20% above the share price recorded on the trading day preceding each operation; however these price limits will not be applied where the sale of the shares is to employees, including management, executive directors, and consultants of Zignago Vetro and its subsidiaries in relation to Incentive Stock Option plans;

- b) authorise the Board of Directors, in accordance with article 2357-ter, third paragraph of the Civil Code, to carry out all accounting registrations considered necessary or appropriate, in relation to the treasury shares operations, in accordance with that required by law and the applicable accounting principles; in addition to
- c) confer to the Board of Directors, and on its behalf to the Chairman, all powers necessary to undertake the purchases and in any case to implement the above motions, including through attorneys where necessarily appointed, complying with any requests by the relevant authorities.

In accordance with article 144-bis of the Issuers' regulation, the Company, on April 28, 2016, communicated to the public the details of its buy-back programme.

At December 31, 2018, the Company held in portfolio 308,975 ordinary shares for a total investment of Euro 1.09 million.

The Board of Directors, in the meeting of March 13, 2019, decided to propose to the Shareholders' Meeting the renewal of the authorisation to purchase and utilise the treasury shares at the same terms and conditions as that decided by the previous Shareholders' Meeting.

#### **l) Direction and co-ordination activities (as per Article 2497 of the Civil Code)**

Zignago Vetro is not subject to direction or control by Zignago Holding and operates autonomously and with entrepreneurial independence of its holding company Zignago Holding. Zignago Vetro avails of some services supplied by Zignago Holding and of its subsidiary companies, at market conditions and for reasons of technical, economic and commercial benefit.

\* \* \*

The information required by Article 123-bis, first paragraph, letter i) of the CFA (indemnities of directors in the case of dismissal and termination of employment following a public purchase offer) are set out in the section of the report concerning director's remuneration.

The information required by article 123-bis, first paragraph, letter l) of the CFA (appointment and replacement of directors and amendments to the by-laws) is illustrated in the section of the Report dedicated to the Board of Directors.

### **3. COMPLIANCE**

The Company adopts the Self-Governance Code in substantial compliance with the applicable regulations.

The sections below disclose procedures implemented by the Company or the amendments which the Company is currently implementing in relation to the Organisational Model outlined in the Self-Governance Code, accessible on the website [www.borsaitaliana.it](http://www.borsaitaliana.it), or the reasons for which the Company has adopted differing solutions.

The present Report and all related documents may be downloaded from the Company website at [www.gruppozignagovetro.com](http://www.gruppozignagovetro.com) "Investors" section.

The Issuer and its strategic subsidiaries are not subject to laws in force outside Italy which affect the corporate governance structures of the Issuer.

### **4. BOARD OF DIRECTORS**

#### **4.1. APPOINTMENT AND REPLACEMENT (as per Article 123-bis, paragraph 1, letter l), CFA)**

The Board of Directors, in accordance with Article 15 of the By-Laws is composed of between 5 and 15 members, including the Chairman, with the number of members of the under-represented gender matching at least the regulatory required minimum in force.

The Shareholders' Meeting decides the number of members on the Board of Directors, their appointments within the above-mentioned limits and the duration of office which cannot be more than 3 years. The offices held by the directors appointed conclude on the date of the Shareholders' Meeting called for the approval of the financial statements of the final year of office and they may be re-elected. The Shareholders' Meeting can change the number of directors during the course of its mandate, within the limits set out above and in the manner that is described as follows; the mandate of these directors ceases with that of the other directors previously appointed.

Article 15 of the By-Laws of the Issuer, in relation to the appointment and replacement of the Board, and/or its members, establishes that the election of members takes place on the basis of slates of

candidates in the manner outlined below, in order to ensure that minority shareholders may elect at least one Director and in compliance with the applicable regulations in relation to gender balance. Shareholders who represent at least 2.5% of the paid-in and subscribed share capital at the date of the presentation of the slate can present a slate of candidates with no more candidates than those to be elected, progressively numbered. This quota is in line with that established by Article 144 quarter of the Issuer Regulations. The call notice will indicate the holding required to present slates.

Each shareholder may present or be a candidate on only one slate; in case of breach, they are excluded from all slates. Shareholders belonging to the same shareholder agreement as per Article 122 of the CFA and subsequent modifications and additions, the parent company, subsidiary companies and those subject to the common control, also in the case in which they act through nominees or trust companies, may present and vote on only one slate. The votes in breach of this are not attributed to any slate. Each candidate can be presented only on one slate at the risk of being declared ineligible.

The slates shall be filed at the Company's registered office at least 25 (twenty-five) days prior to the date established for the Shareholders' Meeting in first call or within a differing minimum timeframe established by applicable regulation. The call notice will indicate at least one means of distance communication of the filing of slates which enables the identification of those presenting or involved in the presentation of slates. Ownership of the minimum shareholding necessary to present a slate must be declared in the manner and under the terms and conditions established by the existing law and regulations.

Together with each slate, within the terms indicated above, the following must be filed (i) information relating to the identity of the shareholders presenting the slate and their shareholding; (ii) declarations that the individual candidates accept their candidature and attest to the inexistence of causes of ineligibility and of incompatibility and the existence of the requisites required by regulations in force for the assumption of office, including any possible declarations of independence required in accordance with the Self-Governance Code and regulations in force, and (iii) the curriculum vitae of each candidate, with indication of offices held.

Each slate must contain and expressly indicate the candidature of at least one party, or two in the case of a Board of Directors composed of more than seven members, being independent in accordance with article 148, paragraph 3, of the Finance Act and with article 147-ter, paragraph 4, of the Finance Act (hereafter "**Independent Directors ex article 147-ter**").

Each slate presenting a number of candidates equal to or above three must present a number of candidates from the underrepresented gender which ensures, within the slate itself, compliance with the regulatory gender quota in force.

The candidates elected shall be those on the two slates that have obtained the higher number of votes, with the following criteria:

- a) From the slate which obtained the highest number of votes (hereafter the “**Majority Slate**”) all of the members of the Board of Directors are elected except one, as established by the Shareholders’ Meeting; the candidates are elected, up to the number required from the slate;
- b) From the slate which obtained the second highest number of votes and not connected in any way, even indirectly, with the shareholders who presented or voted on the majority slate (hereafter the “**Minority Slate**”), one director is elected, who is the candidate indicated in the first position on the same slate; however, when from the Majority Slate one or two Independent Directors in accordance with article 147-ter cannot be elected, the first person on the Minority Slate, (or the first two, in the case of a Board of Directors composed of more than seven members) is elected as an Independent Director in accordance with article 147-ter indicated in the Minority Slate.

The candidate listed in first position on the Majority Slate is elected as Chairman of Board of Directors.

When two slates obtain an equal amount of votes, a new vote is taken by the Shareholders’ Meeting, considering only the leading two slates. The same rule will apply in the case of parity between the slates with the second highest number of votes.

If under the above procedure the composition of the Board of Directors does not permit compliance with the gender balance regulation, the quota of votes to be attributed to each candidate which would result in election on the various slates, divided by the number of votes, must be calculated. Obtained from each slate for the ordering of each of the above stated candidates. The results thus attained are listed in decreasing order. The candidate of the over-represented gender with the lowest quota among the candidates which will be elected is replaced by the first unelected candidate, belonging to the under-represented gender indicated on the same slate of the replaced candidate, in compliance with the minimum number of Independent Directors. In the case in which candidates from other slates have obtained the same quota, the candidate of the slate with the highest number of Directors is replaced. If the replacement of the candidate of the over-represented gender with the lower number of votes on the slate does not allow the reaching of the minimum threshold established by the Gender Balance Regulation, the replacement operation indicated above is carried out also in relation to the candidate of the over-represented gender with the penultimate number of votes and thereafter proceeding, where necessary, to the candidate above. In all cases in which the above-stated procedure is not applicable, the replacement is carried out by the Shareholders’ Meeting based on statutory majority.

Should only one slate be presented, the Shareholders’ Meeting shall vote on it and should this slate obtain the statutory majority, the candidates listed in progressive order up to the number fixed by the Shareholders’ Meeting shall be elected as Directors, and however in compliance with the

applicable regulation concerning gender balance and the required number of Independent Directors. The candidate listed in the first position is elected as the Chairman of the Board of Directors. For the inclusion of the Directors to be elected, consideration is not taken of the slates which have not obtained at least half of the votes required by the By-Laws for the presentation of the slates.

In the case of no slates being presented, the Shareholders' Meeting appoints the Board of Directors by statutory majority.

The Independent Directors in accordance with article 147-ter of the CFA who, after their appointment, are no longer independent, immediately must communicate such to the Board of Directors and, in every case, relinquish office.

In the case of the termination of office, for any reason, of one or more Directors, the replacement is made in accordance with law, without the necessity to appoint a Director from the slate of the Director that resigned from the majority slate or from the minority slate, ensuring the presence on the Board of Directors of the required number of members considered independent in accordance with the applicable regulations, in addition to compliance with that established and in force in relation to gender balance, considering that if the majority of the members of the Board of Directors for any reason is not in place, the entire Board is considered lapsed, the Shareholders' Meeting must be called without delay by the remaining Directors in office to reincorporate the Board.

The Board of Directors, in consideration of the structure and the size of the Group, has not adopted retirement plans for Executive Directors, considering the methods for replacement adapted appropriate to ensure continuity and certainty in operational management.

Currently, the Company has not set up an Appointment Committee as the Board of Directors considers that such committee is substantially not necessary for considering the Company's profile. The Board of Directors periodically reviews this choice.

The table attached to the present Report sub 1 indicates the Independent directors in accordance with article 147-ter of the CFA and those also considered independent in accordance with article 3 of the Self-Governance Code.

#### **4.2. COMPOSITION (as per article 123-bis, paragraph 2, letter h), CFA)**

Article 15 of the By-Laws establishes that the Company is governed by a Board of Directors composed of a minimum of 5 and a maximum of 15 members, including the Chairman, with members of the under-represented gender holding at least the minimum number required by applicable law and regulations. At least one of the members of the Board of Directors, or two if the Board of Directors comprises of more than seven members, must be considered independent in accordance with Article 148, paragraph 3 of the CFA.



The Shareholders' Meeting of April 28, 2016 appointed the Board of Directors, establishing the number of members at 12, who will remain in office until the approval of the financial statements at December 31, 2018. All of the members were elected from the only slate presented by the majority shareholder Zignago Holding S.p.A..

This slate included the following candidates:

- Paolo Giacobbo, born in Vicenza on April 21, 1949;
- Gaetano Marzotto, born in Valdagno (VI) on 21 December 1952;
- Stefano Marzotto, born in Valdagno (VI) on April 24, 1955;
- Nicolò Marzotto, born in Rome on September 28, 1968;
- Luca Marzotto, born in Rome on January 9, 1971;
- Ferdinando Businaro, born in Padova on February 26, 1965;
- Alessia Antonelli, born in Rome on May 22, 1971;
- Giorgia Gallo, born in Turin on April 2, 1960;
- Daniela Manzoni, born in Udine on February 8, 1969;
- Manuela Romei, born in Ancona on February 15, 1943;
- Franco Grisan, born in Pola on June 24, 1942;
- Franco Moschetti, born in Tarquinia on October 9, 1951.

All of the candidates on the only slate presented were elected by a majority of those present. In particular, the candidates were elected with 61,689,504 favourable votes, comprising 99.79% of votes cast, with 131,494 opposing shares, comprising 0.21% of votes cast. The share capital present with voting rights totalled 71.97% of the entire share capital.

Of the 12 directors appointed, 5 are independent. The Board evaluates annually the independence of the Directors, based on the information provided by the parties. The presence of five independent directors has the objective of achieving the greatest possible “best governance” through debate and dialogue between all of the Directors. The contribution of the independent directors in addition permits the Board of Directors to verify whether adequate independent opinion exists in cases of potential conflicts of interest of the Company with the controlling shareholder.

The composition of the Board of Directors and of the Committees is reported in Table 1 at Attachment 1, along with the number of meetings and attendances, while Attachment 2 contains the profile of each director. The offices held by each Director at December 31, 2018 on Boards of Directors or Boards of Statutory Auditors of listed and non-listed companies are reported in Attachment 2.

The Board of Directors has not defined the general criteria relating to the maximum number of offices of administration and control in other companies that may be considered compatible with the proper carrying out of their duties as directors of the Issuer as no circumstances have arisen which necessitates such a requirement.

In order to remain fully briefed on the sector in which the company operates, the Board periodically receives information and updates from the Issuer, on the principles of correct management of the risks and on sector regulations also through material prepared by the company. In the meetings of the Board of Directors the directors have undertaken detailed discussions on significant matters, such as performances on the various markets in which the Company and Group operates, including through meetings with the participation of some senior management.

The composition of the Board of Directors of the Company has not changed since year-end.

It should be noted that the company has not yet adopted specific diversity policies on the composition of the administrative and management bodies. The company considers that the Board of Directors' current composition broadly reflects criteria aimed at meeting diversity requirements, both in terms of gender and age, but also as regards directors' professionalism.

In consideration of the upcoming conclusion of mandate of the current directors, in accordance with Application criterion 1.C.1, letter *h*) of the Code, the Board, taking account of the outcome of the self-assessment undertaken at the Board meeting of March 13, 2019, expressed to Shareholders - within the Illustrative Report on the agenda prepared as per Article 125-ter of the CFA - its opinion on the managerial and professional roles whose presence on the Board of Directors is considered beneficial, recommending to include in the slates:

- (i) candidates with adequate experience - including managerial - and expertise regarding economic, accounting, legal, financial, risk management and/or remuneration policy matters;
- (ii) an adequate number of candidates considered independent, so as that at least one-third of its members are Independent Directors, in addition to
- (iii) with reference to the slates containing a number of candidates equal to or greater than three, candidates belonging to both genders, so that the composition of the Board of Directors ensures gender equality in the proportion established by Article 2 Law No. 120/11.

#### **4.3. ROLE OF THE BOARD OF DIRECTORS (as per article 123-bis, paragraph 2, letter d), CFA)**

Article 16 of the By-Laws provides that the Board of Directors is convened in the place indicated on the convocation notice, even if a place differing from the registered office, but in Italy or in another European Union country, whenever the Chairman or the Vice-Chairman if nominated, or the Chief Executive Officer if nominated, considers it necessary or when it is requested in written form by at least three of its members. The Board of Directors can be convened by the Board of Statutory Auditors, also individually, in accordance with article 151 of the Finance Act.

In accordance with the same article, the convocation of the meetings can be through telegram, telefax, or electronic message sent to each member of the Board of Directors and each member of the Board of Statutory Auditors at least three calendar days before the meeting. In cases of urgency,

the By-Laws establish that the convening can be carried out, in the same manner, with notice of at least one day. In any case, also if the above-stated formalities are not observed, the Board of Directors is considered validly constituted when all of the Directors and all of the Statutory Auditor.

The third paragraph of the same article provides moreover for the possibility that the meetings of the Board of Directors are held by teleconference or video-conference and is permitted on condition that all of the participants can be identified and that they can follow the discussions and intervene in real time in relation to the subject matters under discussion.

A meeting of the Board of Directors shall be validly constituted when the majority of its members in office are present. Resolutions shall be adopted by a majority of Directors present; in case of a tie, the vote of the person chairing the meeting shall be decisive.

The meetings are chaired by the Chairman or, in his absence or impediment, by the Vice Chairman if appointed. In the case of absence or impediment of the Vice Chairman, the meetings are chaired by the most senior director or by seniority established by age.

The minutes of the Board meetings are prepared by the secretary of the Board of Directors and signed by the Chairman of the meeting and by the secretary.

The Board of Directors must be convened at least four times during the year on the occasion of the preparation of the accounting results for the period. In 2018, the Board of Directors held 6 meetings with a duration of between twenty minutes and five hours and twenty minutes.

Five meetings are scheduled for the current year.

In relation to the board meetings, the Chairman organises the duties of the Board of Directors. For this reason, the Board of Directors and Board of Statutory Auditors, in a timely and adequate manner, are provided the documentation and the information necessary to ensure a correct and full evaluation of the facts to be examined by the Board, to enable them to express with full disclosure and knowledge, opinions on the matters provided for their examination upon which decisions are made and ensures that the matters on the Agenda are allocated the time necessary for a constructive debate. For these reasons, the necessary information, as well as that relating to the principal regulatory and legislative developments and updates regarding the Company and the corporate boards, are issued to the directors in a timely manner before the meeting, except in the case where other requirements limit the information provided (in particular urgent cases and for reasons of extreme confidentiality). During the year, information was provided in relation to all of the significant matters on the Agendas of the board meetings.

It is underlined that the Chief Executive Officer, in accordance with the consolidated practices of the Company, report extensively to the Board of Directors on the principal operations having a significant economic, equity and financial impact.

Parties other than board members may attend Board of Director meetings if invited. In particular, management of the Issuer and of the Group participate, whose presence assists greater understanding of the matters on the Agenda. A number of executives of the Issuer and of Zignago Holding attended the meetings held in 2018.

In relation to the role of the Board of Directors, the powers of the Board of Directors, in accordance with article 17 of the By-Laws and with that established by the Self-Governance Code, relate to the ordinary and extraordinary management of the Company, extending to all acts which the Board considers necessary for the reaching of the corporate objectives, excluding only that which is reserved by law to the Shareholders' Meeting.

The matters at point 1.C.1 of the Self-Governance Code, not having been delegated to the CEO, are reserved for consideration by the Board of Directors. In particular, in accordance with the Self-Governance Code, the examination and approval of the strategic, industrial and financial plans of the Issuer and of the Group, the nature and levels of risk compatible with the strategic objectives of the Group, the Corporate Governance System of the Issuer, the adequacy of the organisational structure of the Company and of the structure of the Group which the Issuer heads, are reserved to the Board of Directors.

In accordance with Article 17, the Board of Directors is attributed the powers to: (i) deliberate on mergers in accordance with Articles 2505 and 2505 *bis* of the Civil Code; (ii) the establishment and closing of secondary offices; (iii) the reduction of share capital in the case of a decrease in the number of shareholders; (iv) the amendment of the by-laws in accordance with regulations; (v) attributing the right of representation of the Company to directors; (vi) the appointment of executives responsible for the preparation of the corporate accounting documents; (vii) the transfer of the registered office within the national territory.

Wherever reasons of urgency exist in relation to transactions with related parties not within the ambit of the shareholders' meetings or which must not be authorised by the meeting, the Board of Directors may approve these transactions with related parties, which may be carried out also through subsidiary companies, in place of the normal procedures established in the internal procedure for transactions with related parties adopted by the company, although in compliance with and under the terms and conditions established by the same procedure.

The following areas are also reserved for the exclusive competence of the Board of Directors: (i) the appointment and revocation of office of the executive responsible for the preparation of the corporate accounting documents; and (ii) the verification that the executive responsible for the preparation of the corporate accounting documents may avail of sufficient powers and means for the exercise of duties attributed by law, as well as full conformity with the administrative and accounting procedures.

The Board of Directors, after examining the proposals by the relevant committee and the Board of Statutory Auditors, set the remuneration of the Chief Executive Officer.

In addition, the Board of Directors assesses the adequacy of the organisational, administration and general accounting system of the Issuer and of the subsidiaries with strategic relevance, prepared by the Chief Executive Officers, with particular reference to the internal control and risk management system and the management of conflicts of interest. In relation to the management of conflict of interests, the CEO, at least quarterly reports to the Board of Directors on operations in which the directors are found to be in a situation of potential conflict of interest.

In accordance with Article 1 and the relative Self-Governance Code criteria, the Board of Directors approved the governance system of the Company, resulting in, in particular, the delegation of powers and functions, including the establishment of internal and related committees to the Board, in addition to the internal procedural regulations relating to operations with related parties and in which a director has an interest.

The Board of Directors monitors the general performance of operations, taking into account, in particular, the information received from the executive directors, as well as periodically comparing the results with the budgets.

During the year no operations having significant strategic, economic and equity importance for the Issuer or its subsidiaries were undertaken.

The Board of Directors, as part of the self-assessment, considered the size and composition of the Board as adequate, considering its number appropriate in view of the operational structure of the company and in addition considered the expertise and availability of the Non-executive Directors and of the Independent Directors as adequate.

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The directors are subject to the curtailment under Article 2390 of the civil code, except in the case where they are exonerated by the Shareholders' Meeting. At the date of the present report, the Shareholders' Meeting has not authorised exceptions to the competition prohibition.

#### **4.4. EXECUTIVE BODIES**

In accordance with Article 18 of the By-Laws, the representation of the Company in relation to judicial or administrative authorities and with third parties, as well as the corporate signature, lies with the Chairman of the Board of Directors as well as the Vice Chairman, and in a residual manner, to the Directors and the legal representatives to which the Board of Directors has delegated powers, within the limits of those delegations.

The Vice-Chairman Nicolò Marzotto exercises the function of Chairman in the case of the absence or impediment of this latter (appointed in the person of Paolo Giacobbo).

In accordance with article 17 of this By-Law, the Board of Directors' can delegate part of its responsibilities and powers, with the right of sub-delegation, including signature powers, to one or more of its members, determining the responsibilities and remuneration. The office of Chairman and Chief Executive Officer may be unified. The Board of Directors may also (i) institute an Executive Committee composed of members chosen from the Board including the Chairman, (ii) incorporate committees, comprised of members of the Board, of a consultative and/or propositional nature, (iii) appoint general directors, agents, attorneys and proxies in general for certain deeds or category of deeds chosen from among the employees of the Company or third parties.

As set out above, the By-Laws provide that the Board of Directors can establish committees, from members of the same Board, of a consultative and/or proposing nature, determining the number of members of these committees and the functions attributed to them, in accordance with regulations in force in relation to companies with shares listed on the regular markets.

The Board of Directors has set up a Control and Risks Committee, a Remuneration and Appointments Committee and a Related Party Transactions Committee.

The Board of Directors' meeting of March 15, 2018 conferred to the Chairman Mr. Paolo Giacobbo the following duties and responsibilities:

- to call the meetings of the Board of Directors and ensure that the members are provided, within a reasonable period in advance of the meeting (except in the cases of necessity and urgency), the necessary documentation and information to discuss the matters submitted for examination and approval;
- to coordinate the activities of the Board of Directors and direct the meetings of the board;
- to express to the Board of Directors his opinion in relation to the objectives, policies and strategic organisational decisions (key roles and positions) of the Companies of the Group;
- within the strategies approved, to implement and supervise the introduction of new development initiatives of the Group, utilising for these purposes the organisational structures of the Company and external organisations within an approved budget;
- to represent the Company, where this power has not been conferred by the Board of Directors, at the Industry Confederation, with the Industrial Unions and the Chambers of Commerce and with local interest groups and organisations, participating at meetings and with the power to sign agreements;
- to oversee the implementation of the resolutions approved by the Board of Directors;
- to co-ordinate the financial communication activities of the Company;

The same Board of Directors' meeting of March 15, 2018 conferred to Mr. Paolo Giacobbo, as Chief Executive Officer, the following duties and responsibilities:

- to report to the Board of Directors on the management, operations and development of the Company and of the Group. Specifically, he is responsible for the results based on the objectives, strategies and policies approved;
- to ensure the timely and valid drawing up, for the purposes of the decisions of the Board of Directors, of strategic objectives (of portfolio, business etc.) and policies (human resources, financial resources etc.) for the management, operations and development of the Group;

The Chief Executive Officer Mr. Paolo Giacobbo was independently allocated following powers:

- purchase, sell or exchange, utilising the annual budget, by individual investment, approved by the Board of Directors, machinery and other mobile vehicles in general, purchase and sell vehicles establishing the conditions and the prices;
- purchase, sell or exchange, for investments not within the annual budget approved by the Board of Directors, machinery and other mobile vehicles in general, purchase and sell vehicles establishing the conditions and the prices for values not exceeding Euro 1.5 million for each investment project, and with subsequent disclosure to the Board of Directors;
- purchase of raw materials, services and stock, agreeing prices and purchase conditions and within the annual budget approved;
- sign agreements and orders for the supply of energy and other utilities, and agreeing upon prices and purchasing terms and conditions;
- implement, within the scope and limits of the approved annual budget, all the company's real estate interventions by entering into and concluding the necessary contracts;
- implement all the company's real estate interventions by entering into and concluding all the necessary contracts, even if not expressly provided for in the annual budget approved by the Board of Directors. However, each investment project will not exceed values of Euro 5 million and with subsequent disclosure to the Board of Directors;
- establish servitudes of passage on real estate in favour of third parties;
- sell company products, establishing the prices and sales conditions;
- acquire, sale or exchange shares, holdings, bonds as well as holdings in Consortiums in companies and/or non-commercial entities, with exclusion of holdings in subsidiary or associated companies, comprising fixed assets, for amounts not above Euro 500 thousand;
- cancel judicial and/or voluntary mortgages registered or to be registered in favour of the Company, against creditor positions of the same Company;
- to issue letters of patronage or other forms of guarantee in favour of its subsidiaries and/or associate companies, within the limits of a maximum of Euro 5 million;
- sign sureties or other forms of guarantee in favour of third parties, for amounts not exceeding Euro 1 million;

- represent, with power to sub-delegate, the Company at the Shareholders' Meetings of the subsidiary Vetri Speciali SpA, including the exercise of all relative rights, powers or faculties of the Company, informing the Board of Directors of such at the first possible meeting;
- represent, with power to sub-delegate, the Company at the Shareholders' Meetings of the subsidiary Vetreco Srl, including the exercise of all relative rights, powers or faculties of the Company, informing the Board of Directors of such at the first possible meeting;
- represent, with power to sub-delegate, the Company at the Shareholders' Meetings of the subsidiary Vetro Revet Srl, including the exercise of all relative rights, powers or faculties of the Company, informing the Board of Directors of such at the first possible meeting.
- represent, with power to sub-delegate, the Company in the Shareholders' Meetings of companies in which a holding exists, with power to exercise all the Company's rights and faculties, with prior approval of the Board of Directors;
- represent the Company at civil authorities or entities, administrative or legal of any level, as well as at the Revenue Office and every other Tax Office and in front of the Tax and Administrative Commissions of any type or level, presenting petitions, records, proceedings, declarations; propose and accept transactions (however within a limit of Euro 500 thousand per individual transaction), initiate proceedings, convened or appealed, proposing all of the deeds deemed necessary and represent the Company at creditor meetings, make proposals or approve debts in bankruptcies, approve agreements and request relative amounts, settle any amount or claim (although within a limit of Euro 500 thousand for individual transaction or claim), compromising arbitration (although within the limit of Euro 500 thousand for individual arbitration), also friendly, also in a non-appealable manner, administer the execution of rulings, defer, refer, accept legal decisions, petition seizures or sequestrations or other acts from debtors or third parties and the revocation, appointment of attorneys, lawyers and experts, and revoking, substituting and electing such persons;
- to represent the Company at the Regional Tax Offices and the central and local offices of the Cassa Depositi e Prestiti;
- sign ordinary correspondence;
- sign with all appropriate clauses, including arbitration clauses, amend or settle contracts for the rental, transport, tender, granting of a loan, administration, or operation and concerning the presentation of services in general, mediation, commission, sending, agency and concession of sale and filing with the State administration, with public and private entities and in particular with the Railway Administration;
- undertake the necessary deeds for trade patents such as, for example purposes, the corrections, amendments, extension of confidentiality, divisions, proposed or resisted by opposing administrations, interferences, appeals and to complete any other necessary deed useful to seek, obtain or maintain trademarks, sign all necessary deeds for fulfilling that conferred above, appoint trade patent agents in Italy and abroad, conferring their relative powers;
- complete with the public administration, entities and public offices, all of the deeds and necessary operations to obtain concessions, licences and authorisations in general, signing, and settling as far as possible based on the applicable regulations, conventions, deeds and any other preliminary deeds of the above-mentioned provisions;



- fulfil obligations, including those related to production and consumption taxes and revenue and monopoly duties;
- sign all documentation relating to import and export operations;
- receive from post, telegraph, custom, rail, transport and shipping companies, and in general any public office, or any company or factory, money orders, packages, letters, including registered, and insured with declarations of value, goods, money, etc., issuing acknowledgments for that received;
- pay or receive sums, receivables, interests, dividends, cheques and payment mandates from whoever issues them in favour of the Company;
- receive any types of grants from Ministries, Regions, Provinces and other national public bodies and European Union bodies;
- authorise persons to use vehicles owned by the company in Italy and abroad and in any European State, in compliance also with applicable laws;
- administrate the property of the Company signing and settling rental contracts;
- sign and settle contracts concerning the rental of property, within the operational requirements of the Company;
- deposit and withdraw amounts from banks, credit issuing institutions, also through third party cheques for liquidity and related needs and utilisation of credit lines granted to the Company, acquire or sell currencies relating to significant import or export operations, with total value not above Euro 2,500,000 thousand for each operation or a set of similar operations;
- sign and transfer amounts, receipts and transfers to banks for deposit in current accounts of the Company;
- sign loan agreements, including non-interest-bearing loans, directly or indirectly with associate and subsidiary companies, for an individual principal amount not exceeding Euro 1 million;
- disburse cash advances and short-term loans, including non-interest-bearing loans, directly or indirectly to associate companies and subsidiaries, with the right to revoke them;
- disburse and accept bills of exchange, in Euro or in foreign currency to suppliers for payment of raw materials, machinery, inventories and auxiliary materials in general to satisfy company requirements;
- make any types of deposits and withdrawals from post offices, banks, credit institutions, Regional Tax Offices, at the central and local offices of the Cassa Depositi e Prestiti, customs, transport and shipping companies etc.;
- stipulate and resolve insurance contracts of any type, signing the relative policies with power also to settle and request, in the case of a claim, the relative indemnity, issuing acknowledgments to the competent authorities, settling any other indemnity due to third parties for any type of claim;
- agree, within the budget, outsourcing contracts;
- agree, within the budget, temporary and fixed term contracts;
- sign agreements with the trade union representatives and the workers' unions, as well as agreements with trade union management;
- provide for the recruitment and dismissal of executives, managers, employees and workers with indefinite or fixed-term contracts;

- source staff and maintain relations with the district employment division;
- ensure the constant and rigorous observance of the laws and, in general, of regulations relating to labour relations, the recruitment and dismissal of workers and to implement any requirements imposed on such matters by the responsible institutions;
- ensure the constant and rigorous observance of the laws and, in general, of regulations on social insurance and compulsory social security for workers;
- as a withholding agent, ensure the accuracy of all payments to which the company is liable for social security and tax purposes in respect of employees;
- sign the company's correspondence concerning relations with staff, sales agents and with all social security, welfare and trade union organisations or, in any case, connected to staff issues;
- represent the company with labour offices, trade unions, trade union representatives and any other trade bodies;
- represent the company in conciliation and arbitration proceedings concerning employment relations or other relations referred to in Art. 409 of the Code of Civil Procedure, both before Conciliation and Arbitration Committees set up at the Provincial Labour Offices and in trade union offices or before colleges provided for by collective agreements or economic agreements, with the right to examine the related documents, to settle and reconcile, waive rights and accept the waiver in these cases, however, within the limits of Euro 250,000 (two hundred and fifty thousand) for each transaction or waiver;
- limited to the judgments referred to in Art. 409 of the Code of Civil Procedure, to examine the case file pertaining to legal action by and against the company, to respond to informal or formal questioning, to give, administer and refer oaths of any kind and nature, to settle and reconcile disputes, to waive the right of action and ascertain the waiver (in any case, within the limits of Euro 250,000 (two hundred and fifty thousand) for each transaction or waiver), to assist in the procurement of evidence and the hearings of the case and represent the company before any Judicial Authority of the Italian Republic in any state and degree of judgment, to appoint attorneys-of-record, lawyers and experts, and to revoke them, replace them and elect domicile;
- place and withdraw sums from banks, issuing and credit institutions, including by means of cheques to the order of third parties to be financed through cash and overdraft credit facilities granted to the companies to be used for staff commitments or for institutions and entities howsoever relating to the employment relationship;
- confer and revoke by single act or category including those above, procure from third parties also from non-employees of the company.

The Chief Executive Officer Mr. Paolo Giacobbo also has the following powers, to be exercised with joint signature:

- purchase, sell or exchange shares, quotas, bonds and financial instruments in general, not comprising fixed assets, with joint signature of the Chief Financial Officer Mr. Roberto Celot and with the Legal Representative Mr. Alberto Faggion;
- purchase, sell or exchange shares, quotas, bonds as well as holdings in Consortium companies and/or non-commercial Entities, with the exclusion of shareholdings in subsidiary and associated companies, including fixed assets, in the case in which prior approval is given by the Corporate Boards, for values above Euro 500 thousand, with joint signature with the Chief Financial Officer Mr. Roberto Celot or the Legal Representative Mr. Alberto Faggion;
- represent the Company at civil authorities or entities, administrative or legal of any level, as well as at the Revenue Office and every other Tax Office and in front of the Tax and Administrative Commissions of any type or level, presenting petitions, records, proceedings, declarations; propose and accept transactions, for amounts above Euro 500 thousand, per individual transaction, with joint signature of the Chief Financial Officer Roberto Celot or the legal representative Alberto Faggion, initiate proceedings, convened or appealed, proposing all of the deeds deemed necessary and represent the Company at creditor meetings, make proposals or approve debts in bankruptcies, approve agreements and request relative amounts, settle any amount or claim, for amounts above Euro 500 thousand, per individual transaction or case, with joint signature of the Chief Financial Officer Roberto Celot or the legal representative Alberto Faggion, compromising arbitration, for amounts above Euro 500 thousand, per individual transaction, with joint signature of the Chief Financial Officer Roberto Celot or the legal representative Alberto Faggion, also friendly, also in a non-appealable manner, administer the execution of rulings, defer, refer, accept legal decisions, petition seizures or sequestrations or other acts from debtors or third parties and the revocation, appointment of attorneys, lawyers and experts, and revoking, substituting and electing domicile relating to the operations above with joint signature of the Chief Financial Officer Roberto Celot or the legal representative Alberto Faggion;
- request from banking institutes and sign current accounts and loans of any type, also bills for any amount, within with joint signature of the Chief Financial Officer Mr. Roberto Celot or the Legal Representative Mr. Alberto Faggion;
- deposit and withdraw amounts from banks, credit issuing institutions, also through third party cheques for liquidity and related needs and utilisation of credit lines granted to the Company, acquire or sell currencies relating to significant import or export operations, with total value above Euro 2,500,000 thousand for each operation or a set of similar operations, with joint signature of the Chief Financial Officer Mr. Roberto Celot or the Legal Representative Mr. Alberto Faggion;
- sign loan agreements, including non-interest-bearing loans, with the Chief Financial Officer Roberto Celot, or with the legal representative Alberto Faggion directly and indirectly with

associate companies and subsidiaries for an individual principal amount exceeding Euro 1 million.

The Chief Executive Officer Mr. Paolo Giacobbo may, in exercising the above stated powers, utilise qualified partners, whom however he must oversee.

Considering the powers delegated by the Board of Directors, the Chief Executive Officer, Mr. Paolo Giacobbo, qualifies as the person in charge of Company operations. Mr. Paolo Giacobbo is not subjected to any interlocking situations.

The Board has also delegated to the Chairman and Chief Executive Officer the functions of:

- manage, address and organise security aspects and workplace health, in all of the productive units and in the other work areas of the Company, and to attribute him the position of employer in accordance with Legislative Decree 81/2008 and subsequent amendments and additions, with mandate to put in place every act and function necessary to comply with applicable regulations;
- manage, address and organise all aspects in relation to environmental protection, with mandate to carry out every necessary act for the compliance with applicable regulations;
- manage, address and organise all aspects in relation to the protection of personal data held by the Company, with mandate to carry out every necessary act for the compliance with applicable regulations.

#### **Disclosure to the Board of Statutory Auditors**

The directors report to the Board of Statutory Auditors in a timely manner, and at least quarterly at the meetings of the Board of Directors, or also through written communication to the Chairman of the Board of Statutory Auditors on the activities carried out and on the most significant economic, financial and balance sheet operations carried out by the Company and by the subsidiary companies, in order to enable the Board of Statutory Auditors to evaluate if the operations decided upon and implemented conform with law and the By-Laws and are not broadly imprudent or in conflict with the motions undertaken by the Shareholders' Meeting or such as to compromise the value of the company. In particular, the Directors report on operations in which they have an interest, either on their own behalf or on behalf of third parties, or that are affected by any individual who directs and coordinates the operation.

At the date of the present Report, the Company has not set up an Executive Committee.

#### **4.5. OTHER EXECUTIVE DIRECTORS**

On April 28, 2016, the Board of Directors conferred to Mr. Stefano Marzotto the power to represent, with faculty to sub-delegate, the Company at the shareholders' meeting of the subsidiary Vetri Speciali S.p.A., including all related powers exercised by the Company, with prior approval of the Board of Directors.

#### **4.6. INDEPENDENT DIRECTORS**

The Board of Directors in the meeting of March 15, 2018 considered, based on the available information and taking account of the parameters established by the Self-Governance Code and the Stock Exchange Regulation Instructions, the Directors Daniela Manzoni, Manuela Romei, Alessia Antonelli, Giorgina Gallo and Franco Moschetti as independent. The number of independent Directors in comparison with the total number of Board members is in line with that established by the CFA and the Stock Market Regulation Instructions (Article 1.A.2.10.6). The review of independent standing was announced in the press release of March 15, 2018.

The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

During the year the independent directors held one meeting in the absence of the other directors. As far as the Issuer is aware, the Independent Directors, which within the slates for their appointment to the Board of Directors indicated their independence, are committed to maintain such independence throughout the Board mandate.

#### **4.7. LEAD INDEPENDENT DIRECTOR**

The Board of Directors, in accordance with that suggested by criterion 2.C.4 of the Self-Governance Code, considering that the Chairman of the Board of Directors Mr. Paolo Giacobbo, is principally responsible for the issuer's management (CEO), complied with the recommendation contained in criterion 2.C.4 stated above, appointing a Lead Independent Director and appointed on April 28, 2016 Mr. Franco Moschetti as Lead Independent Director, who is a non-executive director, and in particular one of the independent directors, which allows a greater contribution to the activities and the functioning of the Board of Directors.

In fact, the Self-Governance Code recommends establishing this figure to ensure a balanced situation within the Board: the Lead Independent Director will be called upon to collaborate with the Chairman to ensure that Directors receive complete and timely flows of information. The Lead Independent Director consults with the Non-Executive Directors, and particularly the Independent Directors for a better contribution to the activities and the functioning of the Board.

The Lead Independent Director provides a point of reference and coordination for the petitions and contributions of non-executive Directors, improving the functioning of the Board of Directors, working together with the Chairman of the Board of Directors in order to ensure that Directors receive complete and timely information and has the power to call meetings of the independent Directors to discuss issues considered of interest in relation to the functioning of the Board and the management of the company.

During the year the Lead Independent Director, Mr. Franco Moscetti, coordinated where necessary and also opportune, the requests and the contributions of the non-executive directors and in particular the independent directors.

## **5. PROCESSING OF CORPORATE INFORMATION**

In accordance with the principles contained in the Self-Governance Code, the Board of Directors of the Company adopted regulations for the handling of corporate information and the setting up of the relative register (so-called Insider Register and RIL), which regulates internal management procedures and the manner for the communication externally of documents and disclosure relating to the Company and its subsidiaries, with particular regard to confidential information. This regulation concerns: (i) preserve the secrecy of the confidential information, ensuring at the same time that the information provided to the market of the corporate data is correct, complete, adequate, timely and non-selective; and (ii) regulate, as per Regulation (EC) No. 569/2014, the enacting and execution Regulations, and also in light of the Consob Guidelines 1/2017 - October 2017, a procedure for the management of the registers or information reported to anyone who, for working or professional reasons or in the ambit of the functions carried out by the Company, regularly or occasionally accesses inside information or relevant information.

The Board of Directors on December 22, 2006 appointed Mr. Roberto Celot as the person responsible for the above-mentioned register. With regards to this, the person responsible reports to the Chairman of the Board of Directors with regard to the updating of the register and the criteria adopted for the management and research of the data which it contains.

In accordance with that contained in the Self-Governance Code, the Board of Directors of the Company adopted a regulation (Internal Dealing Code), which governs the information to be made public relating to the operations undertaken and the financial instruments issued by the Company by relevant parties and parties to them in accordance with Article 19 of EU Regulation 596/2014 and subsequent of the Issuers' Regulations. This regulation provides for the so-called "black out period". The company also adopted a regulation governing disclosure to be announced to the market for parties controlling the company or possessing more than 10% of the share capital, as set out under Article 114, paragraph 7 of the Consolidated Finance Act and Article 152-*sexies* of the Consob Issuers' Regulation.

We report that, in accordance with the provisions of Executive Regulation (EU) 2016/347 of the Commission of March 10, 2016, which enacted (EU) Regulation 596/2014 of the European Parliament and Council of April 16, 2014 relating to market abuse, the company enacted the provisions introduced by the above-mentioned regulation, with prior illustration to the Board of the principal provisions introduced. The Board of Directors, on March 15, 2018, updated and supplemented the procedure in view of new issues emerging, in particular, the Consob Guidelines for the management of Inside Information.

During the year the company published 20 press releases in relation to internal dealing, and available on the company's website [www.gruppozignagovetro.com](http://www.gruppozignagovetro.com), section "Investors", having received such communications in accordance with due procedure on the significant operations pursuant to Article 19-of EU Regulation No. 596/2014.

## **6. INTERNAL COMMITTEES TO THE BOARD (as per Article 123-bis, paragraph 2, letter d) CFA)**

The Board of Directors, in accordance with Article 17 of the By-Laws, on March 22, 2007, incorporated a Control and Risks Committee (previously the Internal Control Committee), which has the duty, among others, to identify and evaluate the business issues and risks and carry out the consultative and proposal functions required by the Self-Governance Code, and a Remuneration Committee, with the duty to formulate proposals regarding the remuneration of executive directors and those holding certain positions.

For further information in relation to the Remuneration and Appointments Committee and the Control and Risks Committee, reference is made to the subsequent sections 7 and 9.

The Board of Directors of the Company, in the meeting of November 26, 2010, created a Committee for Transactions with Related Parties, with a significant role in the evaluation of the Transactions with Related Parties and in compliance with the above-stated procedure. This Committee has the duty to guarantee substantial correctness of the transactions with related parties, through the issue of an opinion on the interest of the company served through the specific transaction as well as the suitability and correctness of the conditions. For further information on the Committee for Transactions with Related Parties, reference should be made to section 11.

No further committees were constituted or committees which carry out the functions of 2 or more committees.

## **7. APPOINTMENTS AND REMUNERATION COMMITTEE**

It should be noted that the disclosures in the present section relating to the functions of the Remuneration Committee are made in Section 1, paragraph "**Remuneration Committee**" of the Remuneration Report published in accordance with Article 123-ter of the Finance Act. As already described in the previous paragraph, on March 15, 2018 the Remuneration Committee now includes also the functions of the Appointments Committee.

The Committee was appointed with Board motion of March 22, 2007. The Board of Directors' meeting of April 28, 2016 re-elected the members of the Committee, whose mandate expired, in the persons of Franco Modcetti (Non-Executive and Independent Director), Stefano Marzotto (Non-Executive Director) and Daniela Manzoni (Non-Executive and Independent Director). The Remuneration and Appointments Committee appointed Mr. Franco Moschetti as the Chairman of the

Committee. The Board of Directors, at the time of appointments, evaluated and considered adequate the financial and accounting qualifications of the members of the Committee, in addition to their knowledge and experience in terms of remuneration policies.

During the year, the Committee met twice. The average duration of meetings was approximately two hours.

In table 1 attached to the present Report the number of meetings of the Committee in 2018 is reported along with the relative attendances.

Considering the type of activities carried out by the Committee, the Company did not consider it necessary to provide the above stated Committee with a pre-established budget, establishing periodically the funding requirements necessary.

At least three Appointment and Remuneration Committee meetings are scheduled for 2019 and at the date of the present Report the Committee has met once. The Chairman of the Committee informed the next Board of Directors' Meeting held.

The Directors abstained from participating in drawing up proposals for the Board of Directors regarding their remuneration. No parties attended the Committee meetings who are not members.

## **8. REMUNERATION OF DIRECTORS**

It should be noted that the disclosures in the present section relating to the general remuneration policy, the share-based incentive plans, the remuneration of executive directors, of the executives with strategic responsibilities and non-executive directors, are reported through reference to Section I of the Remuneration Report issued in accordance with Article 123-ter of the Finance Act.

No agreements have been signed between the Parent Company and the directors which provide indemnity in the case of resignation or dismissal/revocation of office without just cause or termination of employment following a public purchase offer.

## **9. CONTROL AND RISKS COMMITTEE**

The Control and Risks Committee was appointed with Board of Directors' Resolution of March 22, 2007 and confirmed subsequently with Board of Directors' Resolution which provides for the change in name and duties attributable, in line with the amendments to the Self-Governance Code. At the date of the present Report, the Control and Risks Committee is composed of Ms. Giorgina Gallo (independent non-executive director), Luca Marzotto (non-executive director pursuant to Article 2 of the Self-Governance Code) and Alessia Antonelli (independent non-executive director). These directors, all non-executive and two of which independent, were conferred the task to identify



and evaluate the problems and risks concerning company operations. At the date of the present Report the director Alessia Antonelli is also the Chair of the Committee.

The Control and Risks Committee, in compliance with the Self-Governance Code, in relation to identification and evaluation of risks substantially carries out a role of a consultative and proposing nature for the Board of Directors, working together with the existing Committees. The proposal duties which the Committee is required to discharge concern certain matters identified by the Self-Governance Code, although not considered compulsory.

The Board of Directors, at the time of the appointment, evaluated and considered adequate the financial, accounting and risk management expertise of the members of the Control and Risks Committee.

The Control and Risks Committee meets at least quarterly and outlines its activities at least half-yearly.

In 2018, the Control and Risks Committee met on 4 occasions. Minutes are kept of the Committee meetings. The Chairman of the Control and Risks Committee informed the next Board of Directors' Meeting held. The average duration of meetings was approximately two hours.

At least six Control and Risks Committee meetings are scheduled for 2019 and at the date of the present Report the Committee has met three times.

The Chairman of the Statutory Auditors or another standing statutory auditor designated by him/her attends the meetings.

In table 1 attached to the present Report at Attachment 1 the number of meetings of the Committee in 2018 is reported along with the relative attendances.

The Control and Risks Committee has the consultative and proposal functions listed in Article 7 of the Self-Governance Code.

In the undertaking of their functions, the Control and Risks Committee may access all information and departments necessary for the undertaking of their duties, as well as utilising external consultants, within the terms established by the Board of Directors.

Considering the type of activities carried out by the Control and Risks Committee, the Company did not consider it necessary to provide the above stated Committee with a pre-established budget, establishing periodically the funding requirements necessary.

## **10. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The internal control and risk management system concerns the set of rules, procedures and organisational structures which enable the identification, measurement, management and monitoring of the principal risks.

Zignago Vetro S.p.A. has adopted an Internal Control and Risk Management System (hereafter “ICRMS”) which ensures an adequate management of the company’s risk exposure, not just ensuring correct management of the business, but also the achievement of the strategic objectives identified.

In particular the “ICRMS”, integrated into the more general organisational and corporate governance structures adopted by the Company, oversees the propriety of corporate operations, promoting efficiency and efficacy of processes, the reliability of financial information, compliance with law and regulations, in addition to the by-laws and the internal procedures, and guarantees and safeguards the capital base and the value generated by operations.

On the basis of these principles, the Board of Directors, also to incorporate the amendments introduced by the 2011 Self-Governance Code and to update its model to changing operating conditions and to the altered external environment, approved, with the support of the Control and Risks Committee and the Director in charge of the internal control and risk management system, the “ICRMS” Guidelines.

In relation to the various actors involved in the control’s mechanism, the “ICRMS” guidelines describe in detail the respective duties and responsibilities. In particular, the set of skills and relative functions is based on the profiling of the following bodies/parties:

- The Board of Directors, which directs and assesses of the System’s adequacy;
- The Director in charge of the Internal Control and Risk Management System, who oversees the functioning and adequacy of the System, identifies and manages the principal corporate risks and taking account of the characteristics of the activities carried out by the Company implements guidelines drawn up by the Board of Directors, overseeing the design, implementation and management of the SCI and verifying its adequacy and efficacy on an ongoing basis;
- The Control and Risks Committee, with the duty to support the assessments and the decisions of the Board of Directors concerning the Internal Control and Risk Management System;
- The Internal Audit Manager, appointed to verify that the Internal Control and Risk Management System is adequate and operational;
- the Board of Statutory Auditors, which oversees the efficacy of the Internal Control and Risk Management System;
- The Supervisory Board, which guarantees the adequacy of the Organisation and Management Model as per Legislative Decree 231/2001, oversees its observance, promotes

initiatives for the formation and circulation of the model and periodically informs the Control and Risks Committee and the Board of Directors upon any issues encountered, identifying the corrective actions to be undertaken.

In relation to the involvement of the boards and employees in the organisation of the “ICRMS”, duties and responsibilities are segregated among the separate organisational units or within them, with a distinct separation between the roles of risk management, allocated to the Risk Owners of the various departmental units, and those of risk controllers. In particular, the monitoring of the correct and effective functioning of the internal control system and the follow up actions required is based on three levels of control:

- first level controls: directed to ensure the correct management of corporate processes. In this regard, the operating units identify and evaluate risks and define specific mitigation actions.
- second-level controls: directed to verify that the first level controls are operative and appropriate to prevent risks. In relation to these categories, the functions proposed for the control of risks define methods and instruments for the management of risks (recording, assessment and monitoring of risks);
- third-level controls: comprises verifications carried out on the design and functioning of the internal control and risk management system and on the monitoring of the execution of the improvement plans drawn up by management. This category of controls was undertaken by an independent corporate department.

The “ICRMS” structure defined through these guidelines is structured on the major international models, in particular those established in accordance with Enterprise Risk Management (ERM) and according to a structured analysis and prioritisation of principal risks in the areas of greatest exposure, identified as the strategic, operative, financial and regulatory compliance level and seeks to ensure a unified approach and in line with the operating strategies.

This approach, which further identifies and evaluates risks, the control measures and the relative action plans, was undertaken on the basis of the professional experience developed over the years by individuals involved in corporate risk management and however considering the following aspects:

- the nature and level of risk compatible with the strategic objectives of the Company;
- the organisational structure in place;
- the mapping of the risk areas as per Legislative Decree 231/2001;
- The analysis of significant processes in relation to control risks and objectives related to administrative-financial disclosure in accordance with Law 262/2005.

In relation to the method to identify and measure risks, the process was developed considering the organisational structure and the businesses of the company and classifying the risks relating to each, thereafter assessing them through combining the parameters concerning frequency/probability and the gravity of consequences.

The risk evaluation analysis and the relative measurement was preliminarily focused on the potential exposure to risk in the absence of any mitigation action and subsequently focused on the level of “residual” risk, considering the existing controls to subsequently draw up any improvement actions.

The principal elements upon which the internal control system of the Company is based are as follows:

**The Ethics Code** – in February 2008, the Company adopted an Ethics Code, in line with best international practice, which sets out the principles and founding ethical values of the company, as well as the conduct regulations and legislation. The Ethics Code, which is an integral part of the organisational, management and control model as per Legislative Decree 231/01, is binding for the conduct of directors, employees and all collaborators of the company. A specific procedure for the recording of potential violations of the Ethics Code and Model 231 was set up.

**Organisational structure** – The general organisational structure and the appointment of senior managers and of their principal operating roles was drawn up by the Chief Executive Officer. The Board of Directors is systematically informed in relation to principal organisational amendments.

**Powers and delegations** – the Board of Directors on April 28, 2016 (and through subsequent amendments and additions) attribute the powers of management.

The principal conditions adopted for achieving the strategic and operational objectives, as well as the monitoring of the efficacy and efficiency of the activities and the safeguarding of the company’s assets, are as follows:

**Drawing up of objectives, budgets, reporting and management control** – the Company operates a structured system for the definition of corporate objectives (strategic and operational), for the development of annual budgets, of their interim review, of the monitoring and analysis of the variance between objectives and performance, through a structured system of management control and reporting.

**Internal communication** – A system of internal communication which is structured to facilitate and promote the communication of significant information to specific parties within the Company and the Group is operational.

**System of operational procedures** – For the correct application of corporate directives and the reduction of risks related to the reaching of corporate objectives, the Company has put in place an ISO procedure which regulates internal processes, governing both the activities carried out within departments and relations with other entities.

**Information Systems** – Almost all of the corporate information processes, both operational and accounting and financial, are facilitated by an IT system, based on highly integrated software packages.

The use of the systems is governed by internal procedures which guarantee security, privacy and correct utilisation by users.

The availability of data when required is guaranteed by an abundant hardware and software infrastructure.

Confidentiality of data and information is guaranteed principally through a system of segregation, principally based on user authorisation profile.

Security is guaranteed by a hardware and software infrastructure designed with the necessary remit in mind and subject to constant maintenance and undergoing periodic tests.

The platforms and the applications utilised are integrated in order to minimise the introduction of multiple data sets and to render automatic the process flows. The services are supplied by outsourcers.

The principal guides for the achievement of conformity with law and applicable regulations (compliance) and for correct and transparent disclosure to the market are the following:

**Organisational model as per legislative decree 231/01** – in March 2008 the Company approved the Organisational model in accordance with legislative decree 231/01, in order to avoid the possibility of the commission of significant offences under the decree and consequently by the administrative of the Company. The Model adopted provides for an organisational structure, a system of procedures and delegations, general principles, rules of conduct, instruments of control and organisational procedure, as well as training activity and information and a disciplinary system, drawn up in order to ensure the prevention of the commission of offences. The Board of Directors appointed a Supervisory Board, which was entrusted with the duties of monitoring the correct functioning of the Model and its development and reports to the Board of Directors and Board of Statutory Auditors on a half-yearly basis.

The model is continually updated, with the most recent version 6.0 of March 11, 2016, 2016 approved by the Board of Directors on March 11, 2016. For further information, reference should be made to section 10.3.

**Model of accounting control as per law 262/2005 in relation to financial disclosure** – In compliance with the above-stated law on the protection of savings, the Company adopted a model for the management of administrative and accounting procedures, for the drawing up of financial and accounting control communications, as well as management regulations, periodic verification and the declaration of adequacy of the model, attributing the responsibility within the organisation in particular to the Executive Responsible for the preparation of the corporate accounting documents. In particular, the model seeks to provide the reasonable certainty that accounting disclosure is provided to users with a true and correct representation of the facts, and corresponding to the documented results, the books and accounting entries and communications of the company provided to the market.

**Security, environment and quality** – the Company has adopted a system of organisational structures and procedures dedicated to the management of security of data (which also fulfils the Privacy regulation), the protection of the environment, security of plant and personnel and the quality of service provided. The Evaluation Document of Risks is constantly monitored and updated.

**Confidential information** – The Company has adopted a procedural system for internal management and external communication of confidential information, in conformity with the requirements introduced by the EU directive in relation to market abuse. For further information, reference should be made to section 5.

Considering the activities carried out by the Control and Risks Committee, by the Supervisory Board, the contribution of the Board of Statutory Auditors, management, the Executive Director appointed to oversee the internal control system, the Internal Audit Manager and the Executive appointed for the preparation of the accounting and corporate documents, the Board of Directors considers the system of internal control adequate and effective.

#### **10.1. DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

In order to implement a rigorous internal control system, the Board of Directors, on the proposal of the Chair of the Control and Risks Committee, Ms. Antonelli, appointed Paolo Giacobbo as Executive Director in Charge of the internal control system. The Board of Directors has assigned functions indicated by the Self-Governance Code to the Director in charge of the internal control and risk management system.

The Director in charge of the Internal Control and Risk Management System: (a) identifies the principal corporate risks, considering the principal features of the activities carried out by the Issuer and its subsidiary, and periodically submit them for the review of the Board of Directors; (b) implements the guidelines established by the Board of Directors, designing, implementing and managing the internal control and risk management system and verifying its adequacy and efficacy on an ongoing basis; (c) adopts the system to operating conditions and the legislative and regulatory framework; (d) may request the internal audit department to carry out checks on specific operating areas and compliance with the internal rules and the procedures in the execution of company operations, contemporaneously communicating to the Chairman of the Board of Directors, the Chairman of the Control and Risks Committee and the Chairman of the Board of Statutory Auditors; (e) reports in a timely manner to the Control and Risks Committee (or to the Board of Directors) in relation to problems and issues which have emerged during the course of their activity or of which they have become aware, so that the Committee (or the Board) can take necessary action.

## **10.2. INTERNAL AUDIT MANAGER**

Since December 2014, the Internal Audit Department has outsourced to Mr. Alessandro Bentsik, previously Chairman of the Supervisory Board, the verification, on an ongoing basis and in relation to the specific requirements, the operational viability and suitability of the internal control and risk management system, through an audit plan, approved by the Board of Directors, with the prior approval of the Control and Risks Committee and the Board of Statutory Auditors.

The audit plan constitutes a defined operating instrument, although not of a rigid nature, verifying that the internal control and risk management system of the Company is functional and adequate, in accordance with application criteria 7.C.5 of the Self-Governance Code. Its flexibility guarantees the appropriateness of the Plan to quickly incorporate any amendments considered necessary during the year.

The appointment was made on the proposal of the Director in charge of the internal control and risk management system, with the prior approval of the Control and Risks Committee and the Board of Statutory Auditors.

The Internal Audit Manager reports to the Control and Risks Committee, to the Board of Statutory Auditors and to the Director in charge of the internal control and risk management system. He is not responsible for any operational area of the Issuer. In carrying out his/her duties, he/she has direct access to all useful information for the discharge of office and reports exclusively to the Control and Risks Committee.

In 2018, the previously appointed Internal Audit Department Manager reported periodically on activities to the Control and Risks Committee, to the Chairman of the Board of Statutory Auditors, to the Chairman of the Board of Directors and to the Director in charge of the internal control and risk management system.

During the year, the Internal Audit Manager supported the activities of the Control and Risks Committee.

## **10.3. ORGANISATION MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001**

The Board of Directors of the Company, in the meeting of March 14, 2008, in relation to Legislative Decree No. 231 of June 8, 2001 (and successive modifications and integrations), which introduced a specific code of responsibility for companies for any type of offence established by the regulations of Borsa Italiana for listing on the STAR segment, adopted the “Model of organisation, management and control in accordance with Legislative Decree 231/2001”, addressing the requirements of the same Legislative Decree and prepared in accordance with the guidelines issued by Confindustria. At the reporting date, the Board of Directors have not considered the allocation of supervisory board duties to the Board of Statutory Auditors.

The adoption and efficient implementation of the organisational, management and control model is appropriate to prevent offences under the Legislative Decree; the Company may be exonerated from the responsibility consequent of offences made by “applicable” parties and by persons subject to their supervision and direction.

The Model provides for a series of regulations on conduct, procedures and control activities, as well as a system of powers and delegations, in order to prevent the above responsibility arising. Moreover, a disciplinary system was introduced which is applied in the cases in which the above model is not complied with.

To implement the model set out by Legs. Decree 231/2001, a Supervisory Board (“**SB**”), appointed by the Board of Directors, was created, which has the responsibility to ensure the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 is adequate and efficient, effective and updated.

The Supervisory Board is currently comprised of:

<b>Office</b>	<b>Name</b>
Chairman of the Supervisory Board	Alessandro Bentsik
Member	Massimiliano Agnetti
Member	Nicola Campana

For the carrying out of the duties, the Supervisory Board is allocated its own budget.

Also at the meeting of March 14, 2008, the Board of Directors approved the By-Laws of the Supervisory Board, establishing the method for its appointment and composition, as well as its functions and powers.

The Supervisory Board (SB) in the year carried out monitoring of the functioning, efficacy and compliance with the model as well as the recording of significant updates of the model and of the corporate procedures and protocols. In this remit, the SB coordinated with the Control and Risks Committee, reporting on the results of the verification and the modifications to the model following changes in the internal organisation, in the corporate activities and in the relevant regulatory provisions, particularly in relation to the updates to Legislative Decree 231/201, with the addition of new types of offences.

The Supervisory Board, through the Control and Risks Committee, communicates to the Board of Directors, half-yearly, a written report on the Organisational, Management and Control Model.

The implementation of the detailed aspects of the activities contained in the Model has been substantially completed. The Model has been communicated to all personnel and third-party consultants, clients, suppliers and partners, where deemed suitable and necessary.



Also in relation to the activities carried out and implemented by the Organisational and Management Model in accordance with Legislative Decree 231/2001, the Board of Directors on March 14, 2008 adopted the Ethics Code of the Company. In fact, as evidenced in the Guidelines for the construction of the models in accordance with Legislative Decree 231/2001, issued by Confindustria, the adoption of the relative ethics principles in order to prevent offences constitute an essential element of the preventative control system. In particular, the Ethics Code identifies the corporate values, together with the rights and the responsibilities of its subject, and applies sanctions in the case of breaches of the principles expressed in the same Code.

In 2018, the Supervisory Board met eight times.

#### **10.4. INDEPENDENT AUDIT COMPANY**

The legally-required audit is carried out by an independent audit company in accordance with applicable regulations. The Independent Audit Firm is appointed by the Shareholders' Meeting, with prior consultation of the Board of Statutory Auditors

The auditor of the consolidated and separate financial statements of Zignago Vetro for the years 2016-2024, of the limited audit of the half-year consolidated reports for the same period, as well as the verification and control of the accounting and the correct recording of the operational events in the accounting records of the above-mentioned years was conferred, in accordance with article 159 of the Finance Act, to KPMG SpA by the ordinary Shareholders' Meeting of April 28, 2016, in accordance with the modifications introduced by Legislative Decree 303/2006 published in the Official Gazette on January 10, 2007.

The independent auditors who carry out the audit of Zignago Vetro also carry out the audit of the subsidiary companies.

#### **10.5. EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS**

The executive officer for financial reporting has the responsibility to implement adequate administrative and accounting procedures for the preparation of the parent company accounts, the consolidated financial statements and all other financial documents, certifying their application, and that accounting information including interim reports correspond to the underlying accounting documents, records and accounting entries.

In accordance with article 23 of the By-Laws and in conformity with the regulations currently in force, the Board of Directors, in the meeting of July 30, 2007, appointed Mr. Roberto Celot, Administration, Finance and Control Director of the Issuer, as executive responsible for the preparation of the corporate accounting documents in accordance with article 154 *bis* of the Finance

Act, considering satisfactory his appointment criteria and in particular his proven accounting and financial experience.

#### **10.6. Coordination of the parties involved in the Internal Control and Risk Management System.**

In accordance with Principle 7.P.3 of the Self-Governance Code and in order to ensure a responsive system, the guidelines established, in addition, the means for the coordination and collaboration between parties involved in the “ICRMS”.

In order to ensure an efficient Corporate Governance structure, the re-consideration of the functional and operating connections between the various parties involved in the “ICRMS” allows, on the one hand, informational synergies and on the other ensures these risk areas are appropriately overseen and that there is no duplication of controls in the activities of the various control bodies.

In particular, communication flows and processes are provided for, in addition to periodic meetings, to be held jointly, between the various bodies involved in internal control and risk management (Control and Risks Committee, the Board of Statutory Auditors, the Supervisory Board and the Internal Audit department). In particular:

- The meetings of the Control and Risks Committee are attended also by the Director in charge of the “ICRMS”, by the Chairman of the Board of Statutory Auditors and, upon their unavailability, by a statutory auditor nominated by this latter, while the other statutory auditors may also attend, in addition to the Internal Audit Manager in order to ensure they are fully informed.
- The appointed Director and the Internal Audit Manager meet on a monthly basis to review their respective activities in progress and to establish any lesser significant actions, in relation to which it is not considered appropriate to inform the Board of Directors upon.
- The appointed Director and the Internal Audit Manager compare, before approval by the Board of Directors, their annual activity plans in order that inappropriate overlapping does not occur between the development and assessment actions.

It is in addition established that the Internal Audit Manager must communicate periodically prepared reports or respond to specific requests of the Chairman of the Board of Statutory Auditors, of the Control and Risks Committee and of the Board of Directors, in addition to the Director in charge of the Internal Control and Risk Management System and, where required in relation to events subject to review, also the Supervisory Board.

Finally, it is established that at least annually the Independent Audit Company meets jointly with the Control and Risks Committee, the Board of Statutory Auditors and the Executive Responsible for the preparation of corporate accounting documents in order to, among other issues, assess the correct use of the accounting policies and their consistency in the preparation of the consolidated financial statements.

## 11. TRANSACTIONS WITH RELATED PARTIES

In accordance with the Self-Governance Code, in addition to the regulation issued by Consob through resolution No.17221 of March 12, 2010 and subsequent interpretations, the Board of Directors of the Company in the meeting of November 26, 2010 approved a new procedure for transactions with related parties, in compliance with the new regulatory provisions introduced by the Commission with the above-stated Consob regulation and in line with the recommendations of the Commission in relation to Interpretative Communications.

The most significant aspects of the new procedure include:

- (i) “transactions with related parties” are classified as transactions of significant value (concerning transactions exceeding thresholds established by Consob), of insignificant value (those of a value which prima facia do not pose significant risk for investor interests and therefore excluded from the application of the new procedure) and those of intermediate value (a residual category comprising transactions with related parties not covered by the first two categories);
- (ii) the transparency and market communication regulations are more stringent in relation to transactions of significant value, requiring publication of a disclosure document;
- (iii) the procedural regulations which establish the involvement of the Committee for Transactions with Related Parties for the transaction approval procedure.

The Board of Directors of the Company, in the meeting of November 26, 2010, created a Committee for Transactions with Related Parties, with a significant role in the evaluation of the Transactions with Related Parties and in compliance with the above-stated procedure. This Committee in fact has the duty to guarantee substantial correctness of the transactions with related parties, through the issue of an opinion on the interest of the company served through the specific transaction as well as the suitability and correctness of the conditions.

The Committee comprises non-executive directors, two of which considered independent, in accordance with the Self-Governance Code.

As established by Consob regulation No.17221 of March 12, 2010 and subsequent interpretations, the Committee for Transactions with Related Parties preliminarily approved the procedure for transactions with related parties, establishing compliance with the regulatory provisions.

At the date of the present Report, the Committee is composed of three directors in the persons of Ms. Manuela Romei (independent non-executive director), Mr. Ferdinando Businaro (non-executive director) and Ms. Alessia Antonelli (independent non-executive director).

Considering that from adoption of the procedure which governs transactions with related parties, no significant events or changes to the shareholder structure took place and that the procedure has been demonstrated as effective, no changes have been made by the Company to the procedure.

## **12. APPOINTMENT OF STATUTORY AUDITORS**

The appointment of the Statutory Auditors is carried out based on slates presented to the shareholders according to the procedure set out by article 20 of the By-Laws, reported below, in order to ensure that the minority slate appoints a Statutory Auditor holding the position of the Chairman and an alternate Auditor.

In relation to this, slates are presented in which the candidates are listed by progressive numbering. The slates comprise two sections: one for candidates for the office of Standing Auditor and the other for candidates for the office of Alternate Auditor.

Only shareholders who together or with others represent at least 2.5% of the subscribed and paid-in share capital at the moment of presentation of the slate or another limit established by Consob with regulations taking account of the floating capital and the ownership of the listed companies have the right to present slates. The call notice indicates the holding required to present slates.

Each shareholder may present only one slate; in case of breach, they are excluded from all slates. Shareholders belonging to the same shareholder agreement as per Article 122 of the CFA and subsequent modifications and additions, the parent company, the subsidiary companies and those subject to the common control, may present and vote on only one slate. The votes in breach of this are not attributed to any slate.

The slates shall be filed at the Company's registered office at least 25 (twenty-five) days prior to the date established for the Shareholders' Meeting in first call or within a differing minimum time frame established by applicable laws or regulations. The call notice will indicate at least one means of distance communication of the filing of slates which enables the identification of those presenting or involved in the presentation of slates. Each slate presenting a number of candidates equal to or above three must present a number of candidates from the underrepresented gender which ensures, within the slate itself, compliance with the regulatory gender quota in force. Ownership of the minimum shareholding necessary to present a slate must be declared in the manner and under the terms and conditions established by the existing law and regulations. In the case where only one slate is filed at the expiry date of the term for presentation of the slates, or slates are only presented by related shareholders pursuant to the applicable directives, slates can be presented up to the third day subsequent to such date. In this case, the threshold established for the presentation of the slate is reduced by half.

Together with each slate, within the terms indicated above, the following must be filed (i) information relating to the identity of the shareholders presenting the slate and their shareholding; (ii) declarations that the individual candidates accept their candidature and declare to the inexistence of causes of ineligibility and of incompatibility and the existence of the requisites required by regulations in force for the assumption of office, (iii) the curriculum vitae of each candidate, with indication of offices held. In addition to that established by the previous points, in the case of the presentation of a slate by shareholders other than those who hold, also jointly, a controlling or majority holding of the share capital of the Company, such slates must be accompanied by a

declaration of the shareholders presenting, declaring the absence of association with one or more of the main shareholders, as defined by existing regulations.

Slates presented that do not comply with all of the above formalities are considered as not presented.

All those entitled to vote shall vote for only one slate. The selection of the Statutory Auditor is as follows: (a) from the slate that has obtained the higher number of votes, based on the progressive order with which they are shown on the slate, two statutory auditors and an alternate auditor (hereafter the “**Majority slate**”) are elected; (b) from the slate that has obtained the second highest number of votes and that is not associated, even indirectly, with the shareholders who have presented or voted on the Majority slate, based on the progressive order with which they are shown on the slate, the remaining statutory auditor and other alternate auditor are elected (the “**Minority slate**”).

When the first two slates obtain an equal number of votes, a new vote is taken by the Shareholders’ Meeting, putting only the first two slates concerned to the meeting. The same rule will apply in the case of parity between the slates with the second highest number of votes.

The Chairman of the Board of Statutory Auditors shall be the first candidate on the Minority Slate. In the case in which the minimum established requirement for the underrepresented gender of Standing or Alternate Auditors is not elected, within the slate which attracted the highest number of votes the necessary substitutions of candidates elected to the roles of Standing or Alternate Auditor is made, according to the progressive order in which the candidates were elected. In the absence of candidates from the underrepresented gender within the relevant section of the majority slate of a sufficient number to proceed with replacement, the Shareholders’ Meeting appoints the Standing or Alternate Members required through statutory majority, ensuring compliance with the requirements. Where his/her legal requisites no longer exist, the statutory auditor must leave office.

In the case of the substitution of a Statutory Auditor until the next Shareholders’ Meeting, the Alternate Auditor is taken from the same list as the auditor vacating office. If the replacement as indicated above does not allow compliance with the applicable Gender Balance Regulation, the Shareholders’ Meetings must be called at the earliest opportunity to ensure compliance with the regulation.

When a Statutory Auditor vacates office, including the chairman of the Board of Statutory Auditors, the chair is assumed until the next Shareholders’ Meeting by the alternate member of the same slate from which the Chairman was elected.

If the alternate auditor cannot complete the Board of Statutory Auditors, a Shareholders’ Meeting is convened to elect the Statutory Auditors and chose, where the statutory auditors may still be elected, from among the candidates on the slate from which the vacating statutory auditor was a member. In all of the cases in which it is not possible to form the Board of Statutory Auditors by that set out above, the provisions of law are applied.

In the case in which only one slate is presented or in the case in which no slate is presented, the Shareholders’ Meeting votes by statutory majority and in compliance with the regulation concerning gender balance.

### **13. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (as per Article 123-bis, paragraph 2, letter d) CFA)**

The Board of the Statutory Auditors verifies compliance with law and the By-Laws, in respect of the principles of correct administration and in particular the adequacy of the internal control system, as well as of the organisation, administration and accounting structure and its functioning, in addition to the method for establishing corporate governance regulations which the company declares it is in observance of.

In accordance with Article 20 of the By-laws, the Board of Statutory Auditors is composed of three Standing Members and two Ultimate Members, Shareholders and Non-Shareholders, with the underrepresented gender complying with the applicable regulation, and appointed by the Shareholders' Meeting, which determines their annual remuneration and the duration of office. The attributes, duties and duration of the Board of Statutory Auditors are based on that required by law. In accordance with law, the outgoing statutory auditors may be re-elected. Each of the members of the Board of Statutory Auditors must possess the honourability requisites and be independent in accordance with law.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of April 28, 2016 and will remain in office until the approval of the 2018 Annual Accounts.

<b>Name</b>	<b>Office</b>
Alberta Gervasio	Chairman
Stefano Meneghini	Statutory Auditor
Carlo Pesce	Statutory Auditor
Chiara Bedei	Alternate Auditor
Cesare Conti	Alternate Auditor

The Chairman of the Board of Statutory Auditors, and an alternative auditor, were elected by a slate presented by the minority shareholders Anima SGR S.p.A., Arca SGR S.p.A., Eurizon Capital SGR S.p.A., Fideuram Investimenti SGR S.p.A., Fideuram Asset Management (Ireland), Interfund Sicav, Medolanum Gestione Fondi SGRPA and Mediolanum Gestion Fondi SGRPA. All of the members were elected from the slate presented by the majority shareholder Zignago Holding S.p.A..

The slate presented by the majority shareholder included the following candidates:

Statutory Auditors:

- Carlo Pesce, born in San Martin (Argentina) on March 8, 1951;
- Stefano Meneghini, born in Vicenza on June 2, 1966;
- Carmen Pezzuto, born in Sacile (PN) on November 22, 1967;

Alternate Auditors:

- Chiara Bedei, born in Padova on February 8, 1969;
- Alessandro Bentsik, born in Venice on February 13, 1962.

The slate presented by the minority shareholder included the following candidates:

Statutory Auditors:

- Alberta Gervasio, born in Udine on September 13, 1965;

Alternate Auditors:

- Cesare Conti, born at Bergamo on March 16, 1963.

The candidates of the slate presented by the majority shareholder were elected with the favourable votes of 57,212,046, while the candidates of the slate presented jointly by the minority shareholders were elected by the favourable vote of 6,125,610 shares. With reference to the slates proposed a total of 756 votes were contrary. The share capital present with voting rights totalled 71.98% of the entire share capital.

In table 2 attached to the present report sub 2 the number of meetings of the Board of Statutory Auditors during the year is reported along with the relative attendances.

In Attachment 2 a brief description of the personal profiles and professional characteristics of each of the members of the Board of Statutory Auditors is provided, while the offices held at December 31, 2015 by each statutory auditor are reported as an attachment to the Report in accordance with Article 148-*bis* of the CFA.

Following the Shareholders' Meeting resolution of April 28, 2016 for the appointment of the new Board of Statutory Auditors in replacement of the Board concluding their mandate with the approval of the 2015 Annual Accounts, during the year Ms Carmen Pezzuto and Mr. Alessandro Bentsik ceased to be statutory auditors of the company on the expiry of their mandate.

The composition of the Board of Statutory Auditors has not changed since the beginning of the year.

During the year the Statutory Auditors met at least quarterly for a total of seven meetings, whose average duration was approx. 2 hours. The Board of Statutory Auditors also attended regularly the meetings of the Control and Risks Committee.

In order to remain fully briefed on the sector in which the company operates, the Board periodically receives information and updates from the Issuer, on the principles of correct management of the risks and on sector regulations also through material prepared by the company.

Five meetings are scheduled for the current year.

The Board of Statutory Auditors assessed during the year and in any case in the first occasion possible after their nomination the continuance of the independence of their members. In the assessment of these requirements all the criteria established by the Self-Governance Code were applied with reference to their independence and the results of this verification were communicated to the Board of Directors.

The statutory auditor who, on his/her own behalf or that of third parties, has an interest in a determined transaction of the issuer informs the other statutory auditors and the chairman of the Board, in a timely and comprehensive manner, regarding the nature, terms, origin and extent of his/her interest.

The Board of Statutory Auditors reviewed the independence of the independent audit firm, ensuring compliance with regulatory provisions, and the nature and extent of the various services provided to the Company and its subsidiaries by the independent audit firm and its network of firms. The remuneration of the statutory auditors takes account of the commitment required, the importance of the role, in addition to the size and business sector.

The Board of Statutory Auditors, in discharging its duties, coordinated with the Control and Risks Committee, the Supervisory Board and the Internal Audit department.

It should be noted that the company has not yet adopted specific diversity policies on the composition of control bodies, since it considers that the current composition of the Board of Statutory Auditors broadly reflects criteria aimed at meeting diversity requirements, both in terms of gender and age, but also in terms of Statutory Auditors' career and professional experience. However, this area could be the subject of future intervention, in particular in relation to the approaching expiry of the current Board of Statutory Auditors' mandate.

The Board of Statutory Auditors carried out the procedures to verify the independence of its members. No irregularities emerged from these verifications.

#### **14. RELATIONS WITH SHAREHOLDERS**

In order to maintain a constant dialogue with the shareholders and the financial world in general, the Company has created an "Investors" function.

On December 22, 2006, the Board of Directors appointed an Investor Relator, in the person of Mr. Roberto Celot, responsible for the relations with the institutional investors and others shareholders; the Investor Relator also maintains the Insider register.



In 2018, the Company regularly held meetings with the financial community, some of which were open to all operators within the sector, and the financial press.

For the publication of information to the public, the Company adheres to the principles contained in the “Market Information Guide” and the Regulations and Communications of Consob.

Particular attention is paid to the Company Internet site ([www.gruppozignagovetro.com](http://www.gruppozignagovetro.com)), in which in the “Investors” section, it is possible to view the corporate accounting documents (financial statements, half-yearly statements and quarterly reports etc.), in both Italian and English, as well as other corporate documents addressed to the market (presentations, press releases, financial notices etc.).

#### **15. SHAREHOLDER MEETINGS (as per Article 123-bis, paragraph 2, letter c), CFA)**

The Shareholders’ Meeting represents all of the shareholders and is called in accordance with the provisions of law and regulations for companies with listed shares to pass motions reserved for them by law or by the Company By-Laws.

The Shareholders’ Meetings’ provide periodic opportunities to meet and communicate with the shareholders. The Ordinary and Extraordinary Shareholders’ Meetings are validly constituted through statutory majority.

In the case in which the Shareholders’ Meeting is called to approve matters in accordance with law, or to authorise in accordance with the By-Law, a transaction with related parties qualifying as significant in accordance with the internal procedure for transactions with related parties adopted by the Company and the committee for transactions with related parties has expressed a negative opinion in relation to the proposal submitted for approval to the Shareholders’ Meeting, the Shareholders’ Meeting may approve or authorise this transaction resolving, in addition to the statutory majority required by law, also the favourable vote of the majority of non-related shareholders attending the Shareholders’ Meeting, if at the time of the vote such shareholders represent at least 10% of the share capital with voting rights of the Company. Where the non-related shareholders present at the Shareholders’ Meeting do not represent the voting capital percentage required, for the approval of the transaction, the reaching of statutory majority will be sufficient. A relevant motion by the Company in accordance with the preceding provisions will also be necessary in the case of significant transactions with related parties approved by the Shareholders’ Meeting in relation to which the Committee for Transactions with Related Parties has expressed a negative opinion.

In accordance with law and Article 11 of the By-Laws, the Shareholders’ Meetings, both Ordinary and Extraordinary, of the Company are called by the Board of Directors, and may be called in a place other than the registered office although in Italy or in another member state of the European Union, through a notice to be published on the internet site of the Company as well as through the other means established by law and applicable regulations.

The Shareholders' Meeting can be called by the Board of Directors on the request of shareholders holding at least one-twentieth of the share capital, within that provided by Article 2367, final paragraph, of the civil code, or by the Board of Statutory Auditors or by at least 2 of its members. The shareholders which, including jointly, represent at least one-fortieth of the share capital may request supplementation of the matters on the Agenda, or present proposals on matters already on the Agenda, within the limits and manner established by law. The addition of the matters to the Agenda is not permitted for those matters on which the Shareholders' Meeting passes motions, as prescribed by law, on proposals of the Board of Directors or in relation to a project or report prepared by the Board, other than the Report on the Agenda as per Article 125-ter, paragraph 1 of the CFA. The call notice must indicate the day, hour and place for the meeting, the agenda of the meeting and any other information required by current legislation and regulations.

Article 13 of the by-laws state: all those with voting rights may attend the Shareholders' Meeting, on the provision that such right is declared according to the manner and within the time periods established by the legislation and regulations in force. Each shareholder who has the right to attend the Shareholders' AGM may be represented by others, through written proxy, in accordance with law. Proxy may be granted through a computer-generated document signed in electronic form in accordance with Article 21, paragraph 2 of Legislative Decree No. 82 of March 7, 2005. Electronic notification of proxy to the company may be carried out through e-mail to the certified e-mail address of the company indicated in the call notice. The Company does not appoint an agent for the conferment of proxy by the shareholders. The Chairman of the meeting shall verify the propriety of the proxies and announce the results of the voting.

Those with voting rights may draw up questions on the matters on the agenda, in accordance with the law. The Company has not adopted a shareholders' meeting regulation as it is considered that the statutory powers attributed to the Chairman of the Shareholders' Meeting, who oversees the workings of the meeting, including the determination of the agenda and the voting system, allows them to undertake a correct functioning of the shareholders' meeting, avoiding therefore the risks and the inconvenience which could derive from non-compliance, by the Shareholders' Meeting, of the regulatory provisions.

The Board of Directors reported to the Shareholders' Meeting on the activities carried out and planned at the Shareholders' Meetings and endeavour to ensure shareholders had all necessary information so that they could take, with sufficient knowledge, the decisions within the authority of a Shareholders' Meeting. All directors and statutory auditors attended the Shareholders' Meeting of April 28, 2016, with the exception of the directors Chiara Mio and Giovanni Tamburi, who were justifiably absent.

During the year, the majority Shareholder did not submit to the Shareholders' Meeting any further matters than those proposed by the Board of Directors.

In the year there were no significant changes in the market capitalisation of the shares of Zignago Vetro or in the composition of its shareholders, and therefore the Board does not consider it necessary to evaluate the possibility to propose to the Shareholders' Meeting changes to the by-laws

in relation to the percentages established for the exercise of the shares and of the protection of minority shareholders.

## **16. CHANGES SUBSEQUENT TO THE YEAR-END**

There were no further changes to the corporate governance structure subsequent to year-end.

## **17. CONSIDERATIONS ON THE LETTER OF DECEMBER 21, 2018 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

It should be noted that the recommendations formulated in the aforementioned letter were brought to the attention of the members of the Board of Directors and of the Board of Statutory Auditors in relation to their remit on December 28, 2018 and, also on the same date, to the attention of the Remuneration Committee, the Control and Risks Committee, the Appointments Committee and the Lead Independent Director.

The recommendations drawn up in the stated letter were examined by the Control and Risks Committee at the meeting of February 12, 2019 and by the Appointments and Remunerations Committee at the meeting of March 12, 2019, within their respective scopes.

On March 13, 2019, the same recommendations were considered, even during the self-assessment, in order to identify possible governance developments.

**TABLE 1: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES**

Office	Members	Date of birth	In office from	In office until	Date of first appointment	Slate (M/m) (A)	Exec.	Non-Exec.	Ind. as per Code	Ind CFA	% (B)	No. of other offices (C)	Control and Risks Committee		Appointments and Remuneration Committee		Related Party Transactions Committee	
													(D)	(B)	(D)	(B)	(D)	(B)
Chairman & Chief Executive Officer	Paolo Giacobbo	1949	28/04/2016	Approv. 2018 Accounts	29/04/2010	M	X				100%	2 of which: 2						
Vice Chairman	Nicolò Marzotto	1968	28/04/2016	Approv. 2018 Accounts	30/09/2005	M	X				100%	4 of which:						
Director	Alessia Antonelli	1971	28/04/2016	Approv. 2018 Accounts	28/04/2016	M		X	X	X	100%		X	100%			X	100%
Director	Ferdinando Businaro	1965	28/04/2016	Approv. 2018 Accounts	22/03/2007	M		X			100%	2 of which: 2					X	100%
Director	Giorgina Gallo	1960	28/04/2016	Approv. 2018 Accounts	28/04/2016	M		X	X	X	100%	1	X	100%				
Director	Franco Grisan	1942	28/04/2016	Approv. 2018 Accounts	08/03/1993	M		X			100%	2 of which: 2						
Director	Daniela Manzoni	1969	28/04/2016	Approv. 2018 Accounts	29/04/2013	M		X	X	X	100%				X	100%		
Director	Gaetano Marzotto	1952	28/04/2016	Approv. 2018 Accounts	22/03/2007	M		X			100%	4 of which: 2						
Director	Luca Marzotto	1971	28/04/2016	Approv. 2018 Accounts	22/03/2007	M		X			100%	5 of which: 4	X	80%				
Director	Stefano Marzotto	1955	28/04/2016	Approv. 2018 Accounts	22/03/2007	M	X				100%	5 of which: 5			X	100%		
Director	Manuela Romei	1943	28/04/2016	Approv. 2018 Accounts	29/04/2013	M		X	X	X	100%	1					X	100%

Director Lead Independent Director	Franco Moscetti	1951	28/04/2016	Approv. 2018 Accounts	28/04/2016	M		X	X	X	100%	4			X	100%			
		<b>Quorum required for the presentation of slates for last appointment: 2.5%</b>																	
		<b>Number of meetings held in the year:</b>										BOD: 5		CRC: 4		ARC: 2		RPTC: 4	

**NOTE**

- (A) In this column M/m is indicated according to whether the director was elected by the majority (M) or minority (m) slate.
- (B) This column indicates the attendance of Directors respectively at Board of Directors and Committee meetings (no. of attendances/no. of meetings held during the effective term of office).
- (C) This column indicates the number of offices a Director or Statutory Auditor holds in other companies listed on regulated markets, including foreign markets, in holding, banking or insurance companies or large enterprises, indicating whether the company in which the office is held is part of a Group containing the Issuer (also as Parent Company). This is stated after "of which:".
- (D) This column indicates with an "X" whether the member of the BoD is a member of the Committee.

**TABLE 2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

<b>Board of Statutory Auditors</b>									
<b>Office</b>	<b>Date of birth</b>	<b>Date of first appointment</b>	<b>Members</b>	<b>In office from</b>	<b>In office until</b>	<b>Slate (M/m) *</b>	<b>Ind. as per Code</b>	<b>% (**)</b>	<b>Other Office held (***)</b>
Chair. Board of Statutory Auditors	1965	28/04/2016	Alberta Gervasio	28/04/2016	Approv. 2018 Accounts	m	X	83%	1
Statutory Auditor	1951	22/03/2007	Carlo Pesce	28/04/2016	Approv. 2018 Accounts	M	X	83%	1
Statutory Auditor	1966	08/05/2012	Stefano Meneghini	28/04/2016	Approv. 2018 Accounts	M	X	100%	1
Alternate Auditor	1969	29/04/2013	Chiara Bedei	28/04/2016	Approv. 2018 Accounts	M	X		
Alternate Auditor	1963	28/04/2016	Cesare Conti	28/04/2016	Approv. 2018 Accounts	m	X		1
			<b>Quorum required for the presentation of slates for last appointment: 2.5%</b>						
			<b>Number of meetings held during the year: 7</b>						

**NOTE**

- \* In this column M/m is indicated according to whether the director was elected by the majority (M) or minority (m) slate.
- \*\* In this column the attendance percentage of the statutory auditors at the meetings of the Board is indicated (No. of attendances/No. of meetings carried out during the effective period of office of the statutory auditor).
- \*\*\* This column indicates the number of offices of director or statutory auditor in accordance with article 148-bis of the CFA. The complete list of offices held is published by Consob on its website pursuant to Article 144- quinquiesdecies of the Consob Issuers' Regulations.

## Attachment 1 - Summary of the curriculum vitae of the members of the Board of Directors

A brief curriculum vitae of the members of the Board of Directors is provided:

**Paolo Giacobbo.** He graduated in Engineering from the University of Padua in 1972, completing his military service as an officer in the Alpine division and began working in the hollow glass industry in 1974 (Vetriere Italiane) as a production engineer. Subsequently he became a production manager and factory director, and as part of the St. Gobain Group carried out roles in general management, direction, coordination and company restructuring in various countries. Subsequently he became a production manager and factory director, and as part of the St. Gobain Group carried out roles in general management, direction, coordination and company restructuring in various countries. His last role with this company was as Senior Corporate Executive VP for investment, production, quality, technology, engineering and R&D. Between June 2009 and June 2014 he was president of the European Glass Industry Confederation, Glass Alliance Europe, in Brussels, of which he is still a Director. He is also the Chairman of Verreries Brosse SAS and Huta Szkła Czechy SA.

**Nicolò Marzotto.** Graduated in Economics and Commerce and gained experience, in the following sectors: commercial policies and structures, asset management and trading on currencies and securities, valuation of credit risk, financial and tax product studies, financial consultancy and economic-financial analysis of businesses and groups in specific sectors and marketing techniques. Since 2000, he has been a member of the Board of Directors of various companies controlled by the Marzotto family. He is a member of the Board of Directors of Huta Szkła "Czechy" S.A. He is directly involved in entrepreneurial initiatives in the area of distribution.

**Alessia Antonelli.** Graduated in Law at the Bologna University in 1995.

In 1998 passed the bar exams at the Ancona Appeals Court. In the following year she was appointed Senior Associate in the law firm Grimaldi & Clifford Chance in Milan, initially in the Project Financing sector and subsequently in M&A. Since 2000 she has gained significant experience in corporate governance and corporate law at Tod's S.p.A., company listed on the Milan Stock Exchange, where she is currently the head of the Corporate Affairs and Governance Office. This activity includes, among others, the coordination and assistance for the corporate boards in setting the governance structure and regarding compliance problems from the preparation and updating of procedures and regulations (internal dealing, inside information, related party transaction etc.), the preparation and maintenance of inter-company contracts. It supports, in addition, the company in dealings with the oversight authorities, preparing the documentation required by the applicable regulation (corporate governance report, remuneration reports, disclosure documents, 120 models, filing models etc.).

Between 1995 and 2000 she collaborated in Commercial and Civil Law, firstly as the Chair of Civil Rights at the Bologna University, and subsequently as the Chair of Private Law at the State University and at the Bocconi University in Milan.

**Ferdinando Businaro.** Graduated in Political Science, following which he completed a Masters in International Economics and Management from the SDA Bocconi of Milan. He has worked in major Italian and foreign businesses, principally in the area of management and market development. He is member of the Board of Directors of various companies including Zignago Holding SpA, Zignago Immobiliare Srl, Santa Margherita SpA, Santex Rimar Group Srl, Santex Rimar A.G. CH, M31 SpA, M31 Srl, Centervue SpA and Chairman of Smit Srl, Sole Director of Koris Italia Srl and CEO of Associazione Progetto Marzotto and Fondazione Progetto Marzotto.

**Giorgina Gallo.** Graduated in Company Administration at Turin University, and completed her managerial training at Cedep de l'Insead at Fontainebleau (Paris).

She pursued her career in the multinational company L'Oréal where she covered increasingly important managerial roles until becoming CEO and General Director of L'Oréal Saipo in 2001, head of two of the largest business units and of the production facilities.

From 2008 to 2013 she was appointed Chair and CEO of L'Oréal Italia, sector leader in Italy, which covered all the activities in the country (approx. 2,000 employees and Euro 1 billion revenues).

She has held numerous positions in various associations, among which: Vice Chairman of Cosmetica Italia, Vice Chairman of CentroMarca, member of the Council and Board of: Federchimica, Assolombarda, Unione Industriale Torino, GS1-ECR, Upa, Auditel. She has received important institutional recognition for her achievements obtaining, in 2015, the title of "Grande Officiale della Repubblica Italiana" and in 2006 "Chevalier de l'Ordre National du Mérite della Repubblica Francese" and in 2012, the "Premio Bellisario".

Since 2014 she undertakes strategic consultancy for businesses and retail. From 2014 to 2017 she was an independent director of Telecom Italia and Autogrill and since 2016 of Intesa – S. Paolo.

**Franco Grisan** Graduated in Mechanical Engineering, and after working in the commercial and technical sectors with a major Italian oil group, in 1979 joined the Holding company of the Zignago Group as Director of Development Activities. He joined Zignago Vetro SpA in 1984 as the Commercial Director. In 1992, he was appointed the General Manager. He was Chief Executive Officer between 2000 and 2011 and Chairman from 2003 to 2016. Currently he is a Director of Zignago Vetro S.p.A., of Huta Szkła "Czechy" S.A. and of Verrerries Brosse SAS, Chairman of Co.Re.Ve., Director of CONAI and member of the General Council of Confindustria Venezia.

**Daniela Manzoni Suppiej** She graduated in Corporate Economics from the Cà Foscari University in 1995.

Between 1995 and 1996 she carried out her Accountancy and Corporate Consultancy apprenticeship at the Michelutti firm of Udine, undertaking a masters at IAL FVG of Pordenone on the international expansion of SME's.

Between 1997 and 2012, she worked for the Coin S.p.A. Group as store manager, buyer and finally product manager, coordinating Fragrances and Cosmetics purchasing and positioning.

Since 2012 she carries out strategic, marketing and development consultancy for companies within the cosmetics and accessories sector.

**Gaetano Marzotto.** Graduated in Business Economics from the Bocconi University of Milan and carried out professional duties in various companies (Deloitte, Olivetti and Necchi), developing a great deal of experience in the sectors of business finance, management and control. In 1980, he joined the Marzotto Group, where he remained until becoming Vice-Chairman. He was the Chairman of Pitti Immagine and a board member of GGDB Holding SpA.

Between 2000 and the current date he has been Vice Chairman of J.Hirsch & Co Management & Consulting Srl, Chairman of Gruppo Vini Santa Margherita and a Director of Zignago Holding SpA, Hugo Boss AG., and Tipo SpA.

Since 2016 he is Chairman of Style Capital Sgr SpA.

**Luca Marzotto.** He graduated in Law from the "La Sapienza" University in Rome in 1995 and worked at the Marzotto Group since 1995.

In 1997, he assumed responsibility for sales in Asian markets for the Marzotto Textile Division, after a training course that spanned the entire production process of the textile-clothing supply chain: from production to management control, to marketing.



In 1998, he was Assistant to the Chief Executive Officer of Guabello S.p.A., a company specialised in the production of the highest quality wool and cashmere fabrics.

In 2000, he was in Tokyo as a Director of Marzotto Japan.

In 2002, he was appointed General Manager of Marzotto Trading Hong Kong, with control over all Marzotto S.p.A.'s activities in Asian markets.

In 2003, he was appointed Director of the Marlboro Classics Division, the sportswear division of Valentino Fashion Group S.p.A.

From September 27, 2005 to April 3, 2007 he held the office of Chief Executive Officer of Industrie Zignago Santa Margherita S.p.A. and was appointed Chief Executive Officer of Zignago Holding S.p.A. on May 10, 2007. On September 30, 2007, he was appointed Chief Executive Officer and Vice Chairman of Santa Margherita S.p.A.; he also became a Board member of the listed company Zignago Vetro SpA in this year.

He was a Board member of the Banca Popolare Friuladria S.p.A between 2007 and 2012, a Board member of the Valentino Fashion Group until November 2012 and is a Board member of Hugo Boss AG, as well as a member of the Working Committee and the Staff Committee of Hugo Boss AG.

He was a Board member of H-Farm Ventures S.p.A, Golden Goose SpA and GGDB Holding SpA and was an Independent Board Member of Telecom Italia from 2014 till 2017.

Since May 2017, he in addition has been a Director of Forte\_Forte Srl and since May 2018 of Isotex Engineering Srl, Sperotto Rimar Srl, Solwa Srl, Santex Rimar Group Srl and Smit Srl.

He has been the Chief Executive Officer of Cà del Bosco Srl – Società Agricola since June 2018 and the Sole Director of Lupo Srl - Società Agricola and Corte Servizi Srl since December 2018.

**Stefano Marzotto.** Graduated in Business Economics at the Ca' Foscari University of Venice and has held many professional positions or management roles with Italian businesses. Since 1980 he has been Responsible for Marketing at Gresicotto SpA, a company operating in the construction sector; from 1984 to 1991, he was the Purchasing Office Manager and Director of the Hotel Supply Centre of Jolly Hotel SpA.

He was the Chief Executive Officer of Margraf Industria Marmi Vicentini SpA between 1992 and 1996. Since 1988, he has held, and holds, the office of Director in some of the companies belonging to the Marzotto family, among which: Marzotto SpA, Gresicotto SpA, Zignago Vetro SpA, Santa Margherita SpA, Cà del Bosco Srl –agriculture company, S.M. Tenimenti Pile e Lamole e Vistarenni e San Disdagio Srl – Società Agricola, Zignago Power Srl and Villanova Servizi Srl. Since 2005 he has been the Chairman of Zignago Holding SpA and of Zignago Immobiliare Srl.

Since March 24, 2017 he has been Chairman of Vetri Speciali SpA, following the position of Vice Chairman from April 28, 2014. He is currently also Chairman of Tenute Santa Margherita Srl – Società Agricola, of Cantina Mesa Srl – Società Agricola, Chairman and since January 2019 of Cà Maiol Srl – Società Agricola.

Since September 2017, he has been the Chairman of Gest Hotel Immobiliare Srl and since November of the same year Chief Executive Officer.

**Franco Moschetti.** Born in Tarquinia (VT) in 1951, he began his career at the Air Liquide Group in 1973. After various experiences, in 1989 he was appointed General Director of Vitalaire Italia, a company specialised in home assistance services, with head office in Rome. In 1992 he transferred to Milan and in 1995 was appointed General Director and CEO of Air Liquide Sanità, sub-holding which covers all the health activities of the Group in Italy. In 1999, he was appointed CEO of the parent company Air Liquide Italia. While maintaining his responsibilities in Italy, in 2001 he transferred to Paris where he was head of the Hospital Division at international level and simultaneously, *Président-Directeur Général* of Air Liquide Santé France, which is the most important subsidiary of the AL Group in the sector. He is a member of the Board of Directors of the most important international branches of the Group.

He received the “Oscar di Bilancio” (non-listed business category) in December 2000 by the then Treasury Minister Vincenzo Visco. In 2002, he was also honoured with the “Stella al merito del Lavoro” and the title “Maestro del lavoro” by the President of the Italian Republic Azeglio Ciampi. In June 2003, he received the “Ambrogino d’Oro” by the Mayor of Milan Gabriele Albertini and on December 5, 2013 with Presidential Decree of the French Republic was appointed “*Officier de l’Ordre National du Mérite*”.

From December 2004 until October 2015 he was General Director and CEO of the Amplifon Group, listed on the Milan Stock Exchange and global leader in the “personal hearing solutions” sector and between November 2016 and June 2018 Chief Executive Officer of 24 Ore Group. He is currently the Sole Director of Axel Global Business S.r.l., company which he founded, and is also a member of the Board of Directors of Fideuram Investimenti SGR (as Vice Chairperson), of Diasorin S.p.A. and of SIAS Group (of which he is the Vice Chairman).

Holding a Doctorate in Industrial Sciences, with an Economic - Commercial focus, from the Akademie Herisau AR (CH), he is also a Senior Advisor at UBI Banca and Chairman of the Advisory Board of the “Life Care Capital” SPAC.

**Manuela Romei Pasetti** she Graduated in Jurisprudence from the University of Padova in 1965.

Between 1965 and 1969 she worked as a lawyer in relation to arbitration, tenders and public works; between 1970 and 1978 she was a Magistrate in Bassano del Grappa and between 1978 and 1987 she was a Magistrate in Venice.

She sat on the Court of Appeal of Venice until 1990, handling many processes, a number of which with important consequences in relation to the issues of drugs and kidnapping.

Between 1990 and 1998 she was the Vice General Prosecutor of Venice, handling preventative measures for the seizure of assets and collaborating – as a member of the commission of Prof. Gallo – on the Law Reform Bill.

Between 1998 and 2002 she acted as a member of the High Court, subsequently from 2002 to 2008 as a General Lawyer of the Milan Prosecutors Office.

Between March 2008 and February 2012, she was the first woman to act as the Chair of the Venice Court of Appeal.

On February 2, 2012, she was appointed as Head of the Department of Juvenile Justice of the Ministry of Justice, with the duty to re-organise the Department, a role which she held until March 31, 2012.

In June 2009 she was awarded the Marisa Bellisario Award “Women for Real Justice”;

Between April 1, 2012 and February 25, 2013 (resignation) she was a member of the Supervisory Board of Finmeccanica. Since October 1, 2012 she has been a member of Board of Directors of Banca Nuova. She resigned on December 2, 2016.

**Attachment 2 – List of offices held by each director in other listed companies including overseas, in financial, banking and insurance companies or of significant size.**

In the table below, the offices held on Board of Directors' or Board of Statutory Auditors' in quoted or non-quoted companies by members of the Board of Directors of the Company at December 31, 2018 are reported:

Name	Company		Office	
Paolo Giacobbo	Verreries Brosse SAS	*	Chairman	**
<u>Huta Szkła Czechy S.A.</u>		*	Chairman	**
Nicolò Marzotto	Zignago Holding SpA	*	Director	**
	Santa Margherita SpA	*	Director	**
	Verreries Brosse SAS	*	Director	**
	Huta Szkła Czechy S.A.	*	Director	**
	Retail Food Srl		Chairman & Chief Executive Officer	
	<u>Rome Innovation Hub</u>		Chairman	
<u>Alessia Antonelli</u>	--		--	
Ferdinando Businaro	Santex Rimar Group Srl		Chairman	
	Santex Rimar A.G. CH		Director	
	Zignago Holding SpA	*	Director	**
	M31 SpA		Director	
	Centervue SpA		Director	
	Koris Italia Srl		Sole Director	
	Santa Margherita SpA	*	Director	**
	Zignago Immobiliare Srl	*	Director	
	Adant Srl		Director	
	M31 Italia Srl		Director	
	Associazione Progetto Marzotto		Executive Director	
	Fondazione Progetto Marzotto		Executive Director	
	Smit Srl		Chairman	
	<u>Isotex Engineering Srl</u>		Director	
Giorgina Gallo	Intesa S. Paolo SpA		Director	**
	<u>Giga 14 Sas</u>		Sole Director	
Franco Grisan	Huta Szkła "Czechy" S.A.	*	Director	**
	Verreries Brosse SAS	*	Director	**
	Co.Re.Ve		Chairman	
	CONAI		Director	
	<u>Confindustria Venezia</u>		Member of the General Council	
<u>Daniela Manzoni</u>	--		--	
Gaetano Marzotto	J. Hirsch & Co. Management & Consulting Srl		Vice Chairman	
	Zignago Holding SpA	*	Director	**
	Santa Margherita SpA	*	Chairman	**
	Hugo Boss AG		Director on Supervisory Board	**
	Tipo SpA		Director	

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	<u>Style Capital sgr SpA</u>		<u>Chairman</u>	<u>**</u>	
Luca Marzotto	Zignago Holding SpA	*	Chief Executive Officer	**	
	Santa Margherita SpA	*	Vice chairman	**	
	Ca' del Bosco Srl - Società Agricola	*	Chief Executive Officer	**	
	Lupo Srl – Società Agricola	*	Sole Director	**	
	Corte Servizi Srl	*	Sole Director	**	
	S.M. Tenimenti Pile e Lamole e Vistarenni e San Disdagio Srl - Società Agricola	*	Chairman		
	Vetri Speciali SpA	*	Director	**	
	Zignago Power Srl	*	Chairman		
	Zignago Servizi Srl	*	Sole Director		
	Multitecno Srl	*	Director		
	Villanova Servizi Srl	*	Chairman		
	Villanova Energia Srl		Chairman		
	Hugo Boss AG		Director and member Working Personnel Committee	**	
	Centervue SpA		Chairman		
	Forte_Forte Srl		Director		
	Isotex Engineering Srl		Director		
	Sperotto Rimar Srl		Director		
	Solwa Srl		Director		
	Santex Rimar Group Srl		Director		
	<u>Smit Srl</u>		<u>Director</u>		
	Stefano Marzotto	Zignago Holding SpA	*	Chairman	**
		Santa Margherita SpA	*	Director	**
		Ca' del Bosco Srl. - Società Agricola	*	Director	**
S.M. Tenimenti Pile e Lamole e Vistarenni e San Disdagio Srl - Società Agricola		*	Vice Chairman		
Tenute Santa Margherita Srl – Società Agricola		*	Chairman		
Cantina Mesa Srl – Società Agricola		*	Chairman		
Cà Maiol Srl – Società Agricola		*	Vice Chairman		
Vetri Speciali SpA		*	Chairman	**	
Huta Szklá Czechy S.A.		*	Director	**	
Zignago Power Srl		*	Director		
Zignago Immobiliare Srl		*	Chairman		
Multitecno Srl		*	Chairman		
Villanova Servizi Srl		*	Director		
<u>Gest Hotel Immobiliare Srl</u>		*	<u>Chairman and CEO</u>		
Franco Moschetti		Axel Glocal Business Srl		Sole Director	
		Diasorin SpA		Director	**
	Fideuram Investimenti Sgr		Director (Vice Chairman)	**	
	Il Sole 24 Ore SpA		Chief Executive Officer (departing in June)**		

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	<u>SIAS Group</u>	<u>Director (since November - Vice Chairman</u>	<u>**</u>
<u>Romei Manuela</u>	<u>Banca Nuova</u>	<u>Director</u>	

\* related company

\*\* Disclosure pursuant to article 144 of the Consob Issuer's Regulation

### **Attachment 3 – curriculum vitae of the members of the Board of Statutory Auditors**

**Alberta Gervasio.** She graduated in Economic Sciences and Banking at Udine University and received an Executive Master for Board of Directors and Statutory Auditors of public and private companies at the Business School II Sole24Ore. Enrolled in the Auditors' Register since 1999.

She has been a member of Nedcommunity, an association of non-executive and independent directors, since 2015.

After a decade of experience in the auditing sector within the Group Ernst & Young she was appointed Administration and Finance Director of Snaidero Rino Spa.

In 2012, she joined the Bluenergy Group Spa where she is the General Director.

She is the Chairman of the Board of Statutory Auditors of Zignago Vetro Spa since April 28, 2016.

**Stefano Meneghini.** Graduated in Economics and Commerce from the University of Studies of Venice "Ca' Foscari". He is a member of the Accountants' Register and of the Auditors' Register and since 1994 has provided tax and corporate consultancy services to companies.

He has been a statutory auditor with Zignago Vetro SpA since May 2012.

**Carlo Pesce.** Graduated in Economics and Commerce from the University of Studies of Venice "Ca' Foscari". He is a member of the Accountants' Register of Venice and of the Auditors' Register. He is involved in tax, corporate and financial statements consultancy with businesses.

He is a founding partner of Studio Grimani & Pesce, Certified Accountants, with head offices in Venice Mestre.

He is a member of the Board of Statutory Auditors of various Italian companies, Chairman of the Board of Statutory Auditors of the co-operative credit institution, a member of the Supervisory Board of foreign companies and member of the Credit Union Audit Board. He is an expert in business and corporate evaluations.

He has been a statutory auditor with Zignago Vetro SpA since March 22, 2007.

**Chiara Bedei.** Graduated in Economics and Commerce from the University of Studies of Venice "Ca' Foscari" in 1994. Member of the Accountants Register of Padova since 1998 and of the Auditors Register since 1999. In 1996 she became a Professional Consultant at the Studio Associato di Consulenza Tributaria of Padova, becoming an Associate in 2007.

He has been a Partner of the firm since January 2012.

He has been an alternate auditor with Zignago Vetro SpA since April 29, 2013.

**Cesare Conti.** He is an Associate Professor of Business Finance in the Finance Department of the Bocconi University in Milan, where he teaches "Business Finance", "Financial Management & Markets" and "Financial Risk Management in Companies", for undergraduate, graduate and Master courses in Italian and in English. He is author of numerous publications in: 1) company finance and business valuations; 2) management of business risk and financial risks; 3) governance, management, reporting, valuations and reporting in financial statements of derivative products.

He is an independent consultant on business evaluations, company finance and financial risk management, with particular reference to operations of new funding, refinancing, debt restructuring and settlement/restructuring, closure of derivative products.

He has been an alternate auditor with Zignago Vetro SpA since April 28, 2016.



ZIGNAGO VETRO S.p.A.

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