

Board of Statutory Auditors' Report

(Art. 153 – Legislative Decree No. 58 of February 24, 1998)

BOARD OF STATUTORY AUDITORS' REPORT
to the Shareholders' Meeting of ZIGNAGO VETRO SpA
on the year 2016
prepared pursuant to Article 153 of Legislative Decree No. 58/1998

Dear Shareholders,

during the year ended 31 December 2016, the Board of Statutory Auditors of Zignago Vetro S.p.A. have performed the supervisory activities required by law, in accordance with the conduct principles for Boards of Statutory Auditors of listed companies, recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and in accordance with the recommendations of Consob communication No. 1025564 of 6 April 2001 and subsequent modifications in relation to corporate controls and Board of Statutory Auditor activities. In relation to the activities undertaken by the Board of Statutory Auditors, we report that we have:

- verified compliance with applicable law and the By-Laws;
- attended the Shareholders' Meetings and all Board of Directors meetings held during the year and obtained regular information, at least quarterly, from the Directors regarding the activities performed and the major transactions approved and executed by the Company and its subsidiaries and established that the above-stated operations comply with the resolutions undertaken and the principles of correct administration;
- acquired information and supervised, in relation to our duties, on the effectiveness of the company's organisational structure, the adherence to principles of best practice and on the organisational development of the Group;
- reviewed the functioning and adequacy of the administrative/accounting system for operational needs and the reliability in reporting upon operational events. In this activity, we have been supported by information supplied by the Executive Director in charge of the Internal Control and Risk Management System, the Internal Audit Manager and by information obtained in the periodic meetings with the Independent Auditors' in relation to the systematic controls and the proper application of accounting procedures.
- oversaw the audit of the annual accounts and the consolidated accounts and liaised with the independent audit company to assess the work plan prepared, its implementation and the results of the audit process;
- verified the financial disclosure processes;
- verified – with the audit not being within our remit - the proper compilation of the financial statements, of the consolidated financial statements and the directors' report as per Article 40, paragraph 2/bis of Legs. Decree No. 127/91 reported in a single document, in addition to their compliance with law, through direct verifications and the information obtained from the Audit Firm;
- verified the carrying out of the impairment tests relating to intangible asset accounts in the consolidated financial statements.
- supervised, as per Article 149, paragraph 1, letter c-bis of Legs. Decree 58/98, the means for the introduction of that established by the current Self-Governance Code in force. The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members,

in addition to the independence of the individual members of the Board of Statutory Auditors, as established by the Code.

We report that:

- as far as we are aware, the Directors, in the report on the financial statements, did not make recourse to any exceptions as permitted by article 2423, paragraph 4 of the civil code;
- we verified that the Company, following the adoption of its “Internal Dealing Code” prepared specific operational and management procedures for communications by “relevant” persons;
- we verified that the Company has implemented, in accordance with the provisions of Legislative Decree No. 231 of June 8, 2001, an Organisational, Management and Control Model in accordance with the guidelines of Confindustria, based on the requisites of the above-mentioned legislative decree, adopted the Ethics Code and set up a Supervision Board which reported to the Internal Control Committee and the Board of Directors on the activities carried out. The necessary actions and measures have been undertaken to maintain and update the organisational model in line with its functions and applicable law;
- the Independent Audit Firm KPMG on 30 March 2017 presented the Report as per Article 19 of Legs. Decree No. 39/2010 indicating that no significant deficiencies arose in the audit in the internal control system in relation to financial disclosure;
- Zignago Vetro SpA is controlled by Zignago Holding S.p.A., which holds 65% of the share capital. The corporate governance and shareholder report illustrates the reasons for which Zignago Vetro SpA is considered not to be subject to the direction or management of Zignago Holding SpA;

In addition, in compliance with the above-mentioned communications of Consob, we report the following information:

1. The main economic, financial and investment transactions performed by the Company and its subsidiaries were carried out in accordance with legal requirements and the Company By-Laws. Based on the information acquired we have verified that there were no instances of imprudence, recklessness, conflict of interest or in any case acts such as to compromise the integrity of the company’s assets: all transactions were undertaken within the course of normal operations and were generally regulated at market conditions - under the same conditions that would be applied between independent parties for transactions of a similar nature.
2. We verified that there were no atypical or unusual operations as defined by Consob communication DEM/6064293 of July 28, 2006, either intercompany or with related or third parties, and confirmed by information obtained from the Board of Directors, the Independent Audit Firm and the internal control manager.
From the currently available information, no operations in potential conflict of interest with the company were undertaken at the Board of Directors’ meetings.
We have also noted that standard operating procedures currently implemented within the Group ensure that the transparency and substantial and procedural correctness are such as to ensure that the terms of all related-party transactions respect current market conditions.
The Notes to the Financial Statements highlight the inter-company and related party exchange of goods and services and report the reciprocal payables and receivables at year-end.
3. We consider that the information provided in the Directors’ Report to the parent company and consolidated financial statements and the notes on the operations as per point 2 are adequate.

4. The reports of the Independent Auditors KPMG SpA. issued on 30 March 2017 regarding the separate and consolidated financial statements for the financial year ending 31 December 2016 of Zignago Vetro SpA do not contain any exceptions or draw attention to any issues. The Audit Firm issued its opinion on the consistency of the Directors' Report and of some information contained in the Corporate Governance and Ownership Report with the financial statements without noting irregularities and/or exceptions.
5. During the year, no presentations were made to the Board of Statutory Auditors, nor petitions as per Article 2408 of the Civil Code.
6. The audit firm KPMG spA and entities belonging to the network KPMG SpA, in addition to the duties carried out in accordance with the regulations for listed companies, as reported in the Notes to the financial statements, received other non-audit assignments for Euro 22,000 compatible with Article 17 of Leg. Decree 39/2010. The Board of Statutory Auditors, taking into account the above, do not consider these aspects critical in the independence of KPMG SpA.
7. No further assignments of an ongoing nature were awarded to parties related to the Independent Audit Firm either by Zignago Vetro SpA or its Subsidiaries.
8. In 2016, the Board of Statutory Auditors provided its opinion where required by current regulations and verified the standing and independence requirements of its members after appointment and the end of the financial year.
9. The Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Director to evaluate the independence of its members.
10. Attached to the present report is the list of offices held at the date of publication by members of the Board of Statutory Auditors, prepared according to table 4 of attachment 5 bis of the Issuers' Regulation.
11. In 2016, the Board of Statutory Auditors held 7 meetings and also attended meetings of the Board of Directors and of the Control and Risks Committee.
12. Through the information received from the managers of the administrative department and the meetings with the Independent Audit Firm, we believe that the principles of correct administration were consistently observed.
13. Based on the analyses carried out and the information obtained from various meetings with the Executive Director responsible for the internal control and risk management system, with the Internal Control Manager and with the Executive Responsible for the preparation of the corporate accounting documents and attendance at the Control & Risks Committee and Supervisory Board meetings of Zignago Vetro SpA the adequacy and reliability of the internal control and risk management system was established.
14. We verified the adequacy with which instructions were given by the parent company to the principal subsidiary companies for the transmission of the necessary information to ensure compliance with law.
15. Following scheduled meetings between the Statutory Board of Auditors and the Independent Auditors pursuant to section 150, paragraph 2 of Legislative Decree No. 58/1998 there are no significant matters to report.
16. The report as per Article 84-*quater* of the Regulation (Consob Resolution 11971/1999 and subsequent amendments) contains the information and was prepared in compliance with that established by the Regulation.

17. The “2016 Corporate governance and ownership structure report” prepared by the Board of Directors includes a description on the terms of governance of the Company and of the Group and is in line with the principles of the Self-Governance Code and the regulation issued by Consob (resolution 17221/2010) concerning related party transactions. This Report also contains the necessary information concerning the shareholder ownership in accordance with Article 123 *bis* of the CFA. The Board supervised the correct application of the regulations in the corporate governance report which appear in line with the model adopted by the company.
18. The Chief Executive Officer and the Executive responsible for the preparation of the corporate accounting documents provided the declarations as per article 154 *bis*, paragraph 5, on the separate and consolidated financial statements based on the models at attachment 3c-ter of the Issuers’ Regulation.
19. We report that from the verifications undertaken, no omissions, issues or irregularities arose which should be reported to the Control Authorities or reported to the Shareholders.

Finally, and to the extent of our authority, we confirm our approval of the 2016 Financial Statements along with the Directors’ Report to the Separate and Consolidated Financial Statements as submitted by the Board of Directors and the proposal by the Board for the allocation of net profit.

Fossalta di Portogruaro, 30 March 2017

THE BOARD OF STATUTORY AUDITORS

Ms.	Alberta Gervasio	Chairman
Mr.	Stefano Meneghini	Statutory Auditor
Mr.	Carlo Pesce	Statutory Auditor

**Attachment to the
REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING
OF 27 APRIL 2017**

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

Ms. Alberta Gervasio

List of offices held:

1. Chairman of the Board of Statutory Auditors of Zignago Vetro SpA until approval of the financial statements at 31/12/2018
2. Statutory Auditor of Snaidero Rino Spa until approval of the financial statements at 31/12/2018

Board of Directors Appointments:

3. Director of Bluenergy Group Spa until approval of financial statements at 30/06/2019
4. Sole Director of Bluenergy Home Service Srl with expiry on revocation
5. Vice Chairman and Chief Executive Officer of Rettagliata Gas e Luce Spa until approval of financial statements at 30/09/2019
6. Executive Director of Bluenergy Assistance Srl with expiry on revocation
7. Sole Director of Idronika Srl with expiry on revocation
8. Executive Director of C.I.EL. Impianti Srl with expiry on revocation

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

- Number of offices held in Italian companies with shares listed on Italian regulated markets or of other European Union countries and with companies issuing financial instruments to the public in a significant degree in accordance with Article 116 of Legislative Decree No. 58/98:
1
- Total number of offices held: 8

Mr. Stefano Meneghini

List of offices held:

1. Office of Statutory Auditor of Multitecno Srl until approval of the financial statements at 31/12/2017;
2. Office of Statutory Auditor of Vetri Speciali SpA until approval of the financial statements at 31/12/2016;
3. Office of Chairman of the Board of Statutory Auditors of SVIR SpA– Trust and Audit Company until approval of the financial statements at 31/12/2017;

Board of Directors Appointments:

4. Office of Sole Director of Comast S.rl until approval of the financial statements at 31/12/2017.

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

- Number of offices held in Italian companies with shares listed on Italian regulated markets or of other European Union countries and with companies issuing financial instruments to the public in a significant degree in accordance with article 116 of Legislative Decree No. 58/98:
1.
- Total number of offices held: 4.

Mr. Carlo Pesce

List of offices held:

1. Office of Chairman of the Board of Statutory Auditors of Zignago Holding SpA until approval of the financial statements at 31/12/2017;
2. Office of Alternate Auditor of the Board of Statutory Auditors of Zignago Vetro SpA until approval of the financial statements at 31/12/2018;
3. Chairman of the Board of Statutory Auditors of Banca di Credito Cooperativo di Venezia Padova Rovigo – Banca Annia Società Cooperativa until approval of Financial Statements at 31/12/2019;
4. Office of Chairman of the Board of Statutory Auditors of NICE Group SpA until approval of the financial statements at 31/12/2017;
5. Office of Chairman of the Board of Statutory Auditors of BLM SpA until approval of the financial statements at 31/12/2016;
6. Office of Statutory Auditor of Adige SpA until approval of the financial statements at 31/12/2017;
7. Office of Alternate Auditor of the Board of Statutory Auditors of Santa Margherita e Kettmeir e Cantine Torreselle SpA until approval of the financial statements at 31/12/2017;
8. Office of Chairman of the Board of Statutory Auditors of Vetri Speciali SpA until approval of the financial statements at 31/12/2016;
9. Office of Chairman of the Board of Statutory Auditors of IP Cleaning SpA until approval of the financial statements at 31/12/2016;
10. Office of Chairman of the Board of Statutory Auditors of Eurospital SpA until approval of the financial statements at 31/12/2018;
11. Office of Chairman of the Board of Statutory Auditors of IPC Tools SpA until approval of the financial statements at 31/12/2016;

12. Office of Statutory Auditor of H-Farm Ventures S.p.A. until approval of the financial statements at 31/12/2017;
13. Office of Statutory Auditor of Polymnia Venezia Srl until approval of the financial statements at 31/12/2018;
14. Office of Statutory Auditor of CEU SpA until approval of the financial statements at 31/12/2016;
15. Office of Statutory Auditor of Probest Service SpA until approval of the financial statements at 31/12/2016;
16. Office of Statutory Auditor of Adige-Sys SpA until approval of the financial statements at 31/12/2018;
17. Office of Statutory Auditor of Multitecno Srl until approval of the financial statements at 31/12/2017;
18. Office of Statutory Auditor of S.M. Tenimenti Pile e Lamole e Vistarenni e San Disdagio Srl – Agricultural company until approval of the financial statements at 31/12/2017;
19. Office of Chairman of the Board of Statutory Auditors of Finkappa Srl until approval of the financial statements at 31/12/2016;
20. Office of Statutory Auditor of BGS Srl until approval of the financial statements at 31/12/2016;
21. Member of the Board of Auditors of the Fondazione di Venezia;
22. Member of the Supervisory Board of Huta Szkła “Czechy” S.A.;
23. Member of the Supervisory Board of ACB Group SpA.

Board of Directors Appointments:

24. Office of Sole Director of Immobiliare Tre B Srl until revocation;
25. Director of ACB Group SpA.

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

- Number of offices held in Italian companies with shares listed on Italian regulated markets or of other European Union countries and with companies issuing financial instruments to the public in a significant degree in accordance with article 116 of Legislative Decree No. 58/98: 1.
- Total number of offices held: 25.

Fossalta di Portogruaro, 30 March 2017

THE BOARD OF STATUTORY AUDITORS

Ms. Alberta Gervasio
Mr. Stefano Meneghini
Mr. Carlo Pesce

Chairman
Statutory Auditor
Statutory Auditor



ZIGNAGO VETRO SpA
Sede: Fossalta di Portogruaro (VE), Via Ita Marzotto n. 8