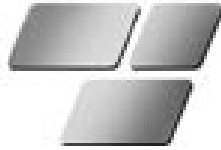


Gruppo  
**Zignago Vetro**



## **DIRECTORS' REPORT**

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

**Shareholders' Meeting of April 27, 2018**

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

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

*The redeposit for correction of material error in the indication of the date of assembly,  
on page 2, called for April 27, 2018.*

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

## **Proposals to the Shareholders' Meeting**

**The Shareholders' Meeting of Zignago Vetro S.p.A. is to be held at the Company's registered office in Fossalta di Portogruaro (VE), via Ita Marzotto No.8, on April 27, 2018, at the time of 11 AM in first call and, if necessary, on April 28, 2018 in second call, at the same location and time.**

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

### **1) Financial statements for the year ended December 31, 2017; Directors' Report; Board of Statutory Auditors' Report; Auditors' Report; resolutions thereon;**

Dear Shareholders,

The financial statements for the year ended December 31, 2017, which we present for your approval, report revenues in 2017 of Euro 192,808,225, up 5.2% on Euro 183,223,242 in 2016.

The profit of Euro 29,657,435.82, permits us to propose the distribution of a dividend of Euro 0.32 for each of the ordinary shares at March 15, 2018 (excluding treasury shares held by Zignago Vetro S.p.A. at March 15, 2018), for a total amount of Euro 27,958,565.44, corresponding to 70.1% of the consolidated profit, with dividend coupon date No. 12 of May 14, 2018 (ex date), record date of May 15, 2018 and pay-out on May 16, 2018. The proposal is therefore in line with the policy to allocate 70% of consolidated profit as dividend in the absence of significant extraordinary operations.

We also present the Consolidated Financial Statements for the year ended December 31, 2017 which, although not requiring approval by the Shareholders' Meeting, comprises additional information to the Financial Statements of Zignago Vetro S.p.A..

In 2017, Beverage and Food glass container demand in Italy and Europe saw the growth begun in the preceding year continue, supported by improving end consumption levels, in particular on segments driven by finished product export demand.

The global Perfumery market again reports a good performance, while on the Cosmetics market the demand for nail varnish containers continued to be impacted by low sell-out levels, particularly in certain regions. The skincare segment continued to grow.

Overall, the Group strongly improved revenues (+7.3%) in the year, driven by volume growth.

The margin grew: Zignago Vetro Group EBITDA totalled Euro 92.3 million - a 26.6% margin and up 14.1% on 2016. The profit was Euro 39.9 million (11.5% margin, +27.8% on 2016).

The financial and capital base is well balanced, with a low risk profile.

In consideration of the results above and the information disclosed in the Financial Statements for the year ended December 31, 2017 which you are called to approve and in the Directors' Report in the Consolidated Financial Statements at December 31, 2017, we present for your approval the following:

#### **motion**

“The Shareholders' Meeting of Zignago Vetro S.p.A., noting the Directors' Report, the Board of Statutory Auditors' Report and the Independent Auditors' Report, and having reviewed the Financial Statements for the year ended December 31, 2017,

#### **resolves**

(1) to approve the Financial Statements for the year ended December 31, 2017 which report a Profit of Euro 29,657,435.82, as presented by the Board of Directors and the related Directors' Report;

(2) to allocate the Profit of Euro 23,543,259, as follows:

- for Euro 27,958,565.44 as dividend, as Euro 0.32 for each of the 87,370,517 ordinary shares (excluding the treasury shares held by Zignago Vetro S.p.A. at March 15, 2018);
- for Euro 1,698,870.38 to “Retained earnings”;

(3) the payment of a dividend of Euro 0.32, before any withholding taxes, for each of the ..... ordinary shares (excluding the treasury shares held by Zignago Vetro S.p.A. at April 26, 2018), with coupon date No. 12 of May 14, 2018 (ex date), record date of May 15, 2018 and pay-out on May 16, 2018. The payment will be made through the authorised intermediaries through which the shares are registered on the Monte Titoli System;

(4) to authorise the Chairman of the Board of Directors, where the number of treasury shares is modified before the dividend coupon date:

- to allocate the amount of the dividend relating to any treasury shares acquired to the Extraordinary Reserve;
- to reduce the Extraordinary Reserve for the amount of dividends on any treasury shares sold.”

**2) Annual Remuneration Report – motions concerning the First Section, in accordance with Article 123-ter of Legislative Decree 58/1998 and Article 84-quater of Consob Regulation 11971/1999**

Dear Shareholders,

We submit for your approval the Remuneration Report in accordance with Article 123-ter of the CFA and Article 84-quater of the Issuers’ Regulation, which will be published in accordance with law. The remuneration report is broken down into two sections, which respectively illustrate: (i) the remuneration policy of the company for members of the Board of Directors and Board of Statutory Auditors, general managers and the senior executives, with regard at least to the subsequent year and the procedures utilised for the adoption and implementation of these policies; and (ii) each of the items which comprise the remuneration of the members of the Board of Directors, Board of Statutory Auditors, the general managers and the senior executives, in addition to the fees paid in any regard in the previous year.

Given that stated previously, and while reference should be made to the remuneration report for further details, we submit, in line with the provisions with Article 123-ter, paragraph 6 of the CFA

For your approval the following

**motion**

“The Shareholders’ Meeting of Zignago Vetro S.p.A.,

- noting the Remuneration Report prepared by the Board of Directors and in accordance with Article 123-ter of the Consolidated Finance Act and Article 84-quater of the Issuers’ Regulation,
- having examined in particular the “first section” concerning the policy of the company in relation to the remuneration of members of the Board of Directors, of General Managers and of Senior Executives and the procedures utilised for the adoption and implementation of this policy,
- considering the Self-Governance Code of listed companies, to which the Company complies,

approves

the first section of the remuneration report prepared in accordance with Articles 123-ter of Legislative Decree 58/1998 (as subsequently amended and supplemented) and 84-quater of the Issuer’s Regulation.”

**3) Authorisation for the purchase and utilisation of treasury shares, with prior revocation, where not utilised, of the previous Shareholders’ motion of April 27, 2017; resolutions thereon.**

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

Dear Shareholders,

the Shareholders’ Meeting of April 27, 2017 authorised the Company to purchase treasury shares for a period of 18 months from the date of the motion, as well as to hold such shares without time limit.

At March 15, 2018, the company held 629,483 treasury shares in portfolio (0.72% of the share capital), whose purchase price is Euro 2.23 million.

With the validity of the above authorisation expiring on October 28, 2018, in order to avoid calling a specific shareholders’ meeting on the expiry of the authorisation and given that this proposal is in line with the practices undertaken by the majority of listed companies, we consider it appropriate to propose a new authorisation for the purchase and utilisation of treasury shares pursuant to Articles 2357 and thereafter of the civil code, and the revocation of the previous authorisation approved by the Shareholders’ Meeting.

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

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

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

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

The authorisation is also requested for the possible utilisation of treasury shares for stock option plans for executive directors, employees, including senior managers, and advisors of the Company and of subsidiary companies or in relation to acquisitions or the issue of convertible bonds into shares of the Company. The purchase of treasury shares may also represent an efficient use of company liquidity.

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

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

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

At the same date, the Company holds 629,483 treasury shares, equal to 0.72% of the share capital. The subsidiary companies do not hold shares in the Company.

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

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

#### **(C) Duration of authorisation**

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

#### **(D) Procedures for the purchase and sale of shares**

The purchase price of shares may not be 20% above or below the share price recorded on the Stock Exchange in the trading day prior to each operation.

The sales price of shares may not be 20% above or below the share price recorded on the Stock Exchange in the trading day prior to each operation. These price limits will not be applied where the sale of shares is to employees, including management, executive directors, and consultants of Zignago Vetro and its subsidiaries in relation to incentive stock option plans.

#### **(E) Method for the purchase and sale of shares**

The purchase of shares will be made in compliance with the current regulations for listed companies and thus in accordance with Article 5, Regulation EC 96/2014, Article 3 of the Delegated Regulation (EC) 2016/1052, Article 132 of Legs. Decree No. 58/98 and successive amendments and supplements ("C.F.A.") and Article 144-bis of the Issuers' Regulation<sup>1</sup>, in addition to the relative regulation.

The shares may be sold, even before the completion of purchases, in one or more tranches, in regulated and/or non regulated markets, or over the counter, or through an offer to the public and/or to shareholders, institutional placement, a placement of warrants, or for consideration in acquisitions and share exchange offers.

From the date of the shareholders' meeting motion, the previous authorisation by the Shareholders' Meeting of April 27, 2017 for the purchase and utilisation of treasury shares shall be considered revoked for the part not utilised.

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

#### **motion**

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

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<sup>1</sup> Article 144-*bis*, Consob Issuers' Regulation is subject to Consob consultation, opened on October 24, 2016 (concluding on November 25, 2016) which proposes, among other matters, the coordination of the Issuers' Regulation provisions governing various aspects of treasury share purchases and stabilisation (Articles 34-*septies*, 87, 87-*bis* and 144-*bis*) against the regulatory provisions of Regulation 596/2014.

approves

- (1) to revoke from the date of the current shareholders' meeting motion, for the part not subscribed to, the authorisation for the purchase and utilisation of treasury shares approved by the Shareholders' Meeting of April 27, 2017;
- (2) to authorise the Board of Directors, as per Article 2357 of the civil code, to purchase treasury shares of the Company for the amount, price and terms and conditions as illustrated below:
  - the purchases may be made on one or more occasions, within 18 months from the date of the Shareholders' Meeting resolution and within the limits of the available reserves and distributable profits from the last approved financial statements and will be accounted in accordance with the provisions of law and applicable accounting principles;
  - the purchase price of each share may not be 20% above or below the share price recorded on the Stock Exchange in the trading day prior to each operation;
  - the maximum number of shares purchased, including any shares held by subsidiary companies, may not exceed one-fifth of the nominal share capital;
  - the purchase of shares will be made in compliance with the current regulations for listed companies and thus in accordance with Article 5, Regulation EC 96/2014, Article 3 of the Delegated Regulation (EC) 2016/1052, Article 132 of Legs. Decree No. 58/98 and successive amendments and supplements ("C.F.A.") and Article 144-bis of the Issuers' Regulation<sup>2</sup>, in addition to the relative regulation;
- (3) in accordance with Article 2357-ter, third paragraph of the Civil Code, to carry out every accounting registration considered necessary or appropriate, in relation to the treasury shares operations, in accordance with that required by law and the applicable accounting principles;
- (4) to authorise the placement by the Board of Directors, pursuant to Article 2357 ter, first paragraph, of the civil code, of all or part of the treasury shares acquired, without time limit, even before the completion of purchases; the shares may be sold on one or more occasions, even through a public offer and/or to the shareholders, in regulated and/or non-regulated markets, or over the counter, including through a public offer and/or to the shareholders, as an institutional placement, a placement of warrants, or as consideration for acquisitions or public exchange offers, at a price which may not be above or below 20% of the share price recorded on the Stock Exchange in the trading day prior to each operation. These price limits will not be applied where the sale of shares is to employees, including management, executive directors, and consultants of Zignago Vetro and its subsidiaries in relation to incentive stock option plans;
- (5) to confer to the Board of Directors, and on its behalf to the Chairman and the Chief Executive Officer, individually, all powers necessary to undertake the purchases and sales and in any case to implement the above resolutions, including through legal attorneys where necessarily nominated, complying with any requests by the relevant authorities."

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Fossalta di Portogruaro, 15 March 2018

The Chairman of the Board of Directors

Mr. Paolo Giacobbo

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<sup>2</sup> Article 144-bis, Consob Issuers' Regulation is subject to Consob consultation, opened on October 24, 2016 (concluding on November 25, 2016) which proposes, among other matters, the coordination of the Issuers' Regulation provisions governing various aspects of treasury share purchases and stabilisation (Articles 34-septies, 87, 87-bis and 144-bis) against the regulatory provisions of Regulation 596/2014.