

Guala Closures S.p.A.**Report of the Board of Directors to the shareholders pursuant to article 125-ter of Legislative Decree 58 of 24 February 1998 (the "TUF") on the proposal to adjust the fees of the auditing company**

Shareholders,

the Board of Directors has convened the shareholders' meeting in ordinary session to deliberate, inter alia, on the proposed adjustment of the fees of the auditing company for the following reasons.

By means of resolution adopted by the ordinary Shareholders' Meeting of the Company, on September 26, 2017, the activities relating to the statutory audit, the limited audit of the condensed half-year financial statements, as well as the verification of the correct keeping of the company accounts and correct accounting for management facts in the Company's records, pursuant to Legislative Decree 39/2010, have been granted to KPMG SpA ("KPMG"), for nine years, from 2017 to 2025, for an annual fee of € 16,000.

We remind you that with the effectiveness of the merger by incorporation of the former "Guala Closures S.p.A." into the Company completed on August 6, 2018, the Company's structure has changed, since it became the parent company of the Guala Closures Group and, therefore, the audit services require additional activities compared to those initially contemplated. As a result of the increase in the activities to be carried out, KPMG, with letter dated 29.10.2018, represented the need to revise the fees for its audit activities starting from the financial year 2018, for a total of € 328,000 for financial year 2018 and for € 258,000 yearly for the following financial years starting from 2019.

Such reasons have been evaluated by the Board of Statutory Auditors which - in compliance with the provisions of art. 13, paragraph 1, of Legislative Decree no. 39/2010 - has formulated its motivated proposal for the adjustment of the fees, which is attached to this report and which is submitted to the approval of the ordinary Shareholders' Meeting.

Alexandria, 15 January 2019

On behalf of the Board of Directors



The Chairman of the Board of Directors
and Chief Executive Officer
(Cav. Ing. Marco Giovannini)