

Guala Closures S.p.A.

Explanatory report of the Board of Directors to shareholders in accordance with article 125-ter of Legislative Decree no. 58 dated 24 February 1998 (the "TUF") and article 73 of the CONSOB Regulations adopted with resolution no. 11971 of 14 May 1999 (the "Issuers' Regulations")

Shareholders,

the Board of Director has called you to this ordinary session to resolve, among other things, on the proposal to authorise (i) the buy-back of a maximum of 1,861,500 ordinary shares of Guala Closures S.p.A. ("**Guala Closures**" or the "**Company**") (equal to about 3% of ordinary shares outstanding at the date of this report), to be carried out by instalments as well, within 18 (eighteen) months from the authorising resolution of the Shareholders' Meeting and (ii) disposals - also by instalments - of such purchased shares, pursuant to and for the purposes of section 2357 of the Italian Civil Code, article 132 of the TUF and related implementing rules, and section 2357-ter of the Italian Civil Code (the "**Programme**").

We submit to your attention this report, which has been prepared in accordance with and following the structure of Annex 3A, scheme 4 of the Issuers' Regulations.

In accordance with Article 73 of the Issuers' Regulations, this report will be made available to the public at the registered offices and in the manner provided by the law (which requests, among other things, that this report be published on *the Company website*) at least 21 (twenty one) days before the date of the meeting called to resolve on the authorisation to the buy-back and disposition of treasury shares.

1 Reasons for the proposal to authorise the buy-back and disposition

The request to authorise buy-back and disposition of treasury shares is based on the opportunity of vesting the Board of Directors of Guala Closures with the authority to buy-back and sell treasury shares for the following purposes:

- To carry out activities promoting liquidity and manage the volatility of the share price of the Company's ordinary shares and, in particular, to intervene on share performance in relation to contingent market situations, by facilitating share buy-back and sell in times of low market liquidity and by promoting the regular course of trading, within the limits set out by current regulations and regulatory provisions, as well as if necessary, in compliance with the so-called "*Admitted market practice*" set out by article 180, paragraph 1, letter c) of the TUF relating to the activity of supporting market liquidity and in any case, in compliance with European and national laws applicable from time to time
- To create a treasury share *storage* and then assign, dispose of, and/or use such treasury shares, consistently with the strategies the Company intends to pursue as extraordinary transactions, including exchange, trade in, transfer, assignment or other dispositions of treasury shares to purchase

shareholdings or equity packages, for industrial projects or other extraordinary financial transactions involving the assignment or disposition of treasury shares (such as, for example, mergers, demergers, etc.), in any case in compliance with European and national laws applicable from time to time

- To be used for (i) any *stock option* plans that the Company may decide to adopt, or (ii) for any allotment to employees or members of the administrative or control bodies of Guala Closures and its subsidiaries, in compliance with European and national laws applicable from time to time.

2 Maximum number, category and par value of the shares the authorisation refers to

As of the date of this report, the share capital of the Company amounts to 68,906,646 euros and is divided into 67,184,904 shares, of which 62,049,966 ordinary shares, 4,322,438 special shares ("B" shares) and 812,500 special shares ("C" shares), all with no par value.

To this regard, an authorisation is required for the purchase, also by several instalments, of Guala Closures ordinary shares (therefore excluding B Shares and C Shares) up to a maximum amount that, taking into account the Guala Closures ordinary shares held in the Company's portfolio from time to time, is not all together greater than 1,861,500 ordinary shares of Guala Closures (equal to approximately 3% of the ordinary shares outstanding at the date of this report).

The authority to subsequently dispose the shares purchased each time and held in the portfolio is also required, even before the maximum number of shares that can be purchased is used up and if necessary, to buy back such share to the extent that the company's treasury shares do not exceed the limit authorised by the meeting.

Pursuant to section 2357, paragraph 1, of the Italian Civil Code, purchase transactions will be made within the limits of distributable profits and available reserves, resulting from the latest approved financial statements.

3 Useful information for the assessment of compliance with section 2357, paragraph 3, of the Italian Civil Code

As of the date of this report, neither Guala Closures nor its subsidiaries hold shares in the Company.

Furthermore, the purchase for which your authorisation is sought complies with the limits set out by the third paragraph of section 2357 of the Italian Civil Code, since it relates to a number of shares lower than the limit set by such section, which can not exceed the fifth part of the share capital.

4 Duration of authorization

An authorization to buy, also on several occasions, is requested for a period of 18 (eighteen) months from the date of the Shareholders' Meeting approval resolution.

The dispositions of shares purchased as above may be carried out also by instalments and without time limitations.

5 Minimum and maximum compensation

The purchases of the shares in this report must be carried out at a price that should not be higher than 10% and lower than 10% of the reference price reported on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A. (" **MTA** ") in the session preceding each individual transaction.

This range is proposed in compliance with the provisions of the Civil Code which require to set out of the minimum and maximum amount. In any case, the Company will operate in compliance with the additional operational limits set by European and national laws and regulations each time in force and applicable to the relevant purchase.

Sales or other dispositions of treasury shares will be carried out:

- If executed in cash, at a price no lower of more than 10% with respect to the reference price recorded on the MTA in the session preceding each individual transaction
- If carried out as part of extraordinary transactions, including without limitation, exchange, trade in, contribution or any non-cash dispositions, according to the financial terms that will be set out by the Board of Directors, by reason of the nature and the characteristics of the transaction, also considering the performance of the Company's stock
- As regards ordinary shares made available for share incentive plans, according to the terms and conditions specified in the regulations of the plans themselves
- As regards the activities included in the so-called "Admitted *market practice* " provided for by article 180, paragraph 1, letter c) of the TUF relating to the activity of support of market liquidity, in compliance with the criteria set out by CONSOB from time to time

and, in any case, in compliance with any term, condition and requirement set out by European and national laws (including regulations) applicable from time to time.

6 Methods for buy-back and dispositions of treasury shares

Purchase transactions may be carried out in compliance with the provisions of article 132 of the TUF, article 144- *bis* of the Issuers' Regulations and any other applicable European and/or domestic law, including, where appropriate, market practices allowed by CONSOB.

Pursuant to and for the purposes of article 132 of the TUF, buy-back transactions subject to your authorisation will in any case be made (also on several occasions) on the MTA according to operating procedures established in the organization and management rules of the markets managed by Borsa Italiana. S.p.A. (and related instructions), which do not permit the direct matching of buy orders with predetermined sell orders, pursuant to article 144- *bis* , paragraph 1, letter b) of the Issuers' Regulations.

Furthermore, the purchase of shares may also be carried out using the methods provided for in Article 3 of EC Delegation Regulation 2016/1052 of 8 March 2016 in order to benefit, where the conditions exist, from the exemption referred to in Article 5, paragraph 1, of EU Regulation 596/2014.

The disposal of shares can be carried out, in one or several transactions, even before having exhausted the quantity of treasury shares that can be bought back. The sale may be made in the manner deemed most appropriate in the interest of the Company and, in any case, in compliance with applicable laws and, possibly, accepted market practices.

Treasury shares intended for any *stock option* plans will be assigned in the manner and terms indicated in the relevant plans.

It should also be noted that any information regarding the Programme, any changes, buy-back transactions and dispositions, as well as the outcome thereof, will be notified as appropriate to the market and to CONSOB in the manner and within the terms established by law.

7 Share capital reduction

The Board of Directors clarifies that the purchase of treasury shares of this authorization request will not be instrumental to the share capital reduction, therefore the shares purchased will not be cancelled.

For the sake of completeness, it should be noted that any purchase transaction under the Programme will result in an equivalent reduction in equity, by posting a specific item to liabilities.

Now therefore, the Board of Directors hereby invites you to resolve the following:

“The meeting, having acknowledged the proposal of the Board of Directors,

- having examined the explanatory report of the Board of Directors prepared pursuant to section 125-ter of Legislative Decree no. 58 of 24 February 1998 (the "TUF") and article 73 of the CONSOB Regulations adopted with resolution no. 11971 of May 14, 1999 (the "Issuers' Regulations") and in accordance with and following the structure of Annex 3A, scheme no. 4 of the Issuers' Regulations and the proposal contained therein

resolved

1. To authorize the Board of Directors, pursuant to section 2357 and following and of the Italian Civil Code and 132 of the TUF, to carry out buy transactions of ordinary shares of the Company (therefore with the exclusion of B special shares and C special shares), for the purposes set out in the aforementioned explanatory report of the Board of Directors, up to the maximum limit which, taking into account the Guala Closures ordinary shares held by the Company from time to time, in total does not exceed 3% of outstanding ordinary shares as of the date of today's shareholders' meeting (equal to about 1,861,500 ordinary shares), to be carried out, even by instalments, within 18 (eighteen) months as of the date of the approval of the Shareholders' Meeting and according to the methods specified below:

(i) Share purchases must be carried out at a price that should not be higher than 10% and lower than 10% of the reference price reported on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A. ("MTA") in the session preceding each individual transaction. In addition, treasury share purchase shall be carried out in compliance with the additional operational limits set by European and national laws and regulations each time in force and applicable to the relevant purchase.

(ii) Purchase transactions will be carried out in compliance with the provisions of article 132 of the TUF, article 144-bis, paragraph 1, letter b) of the Issuers' Regulation and of any other applicable law, including, where appropriate, market practices allowed by CONSOB

2. To authorise, pursuant to section 2357-ter of the Italian Civil Code, the sell transaction of Guala Closures S.p.A. shares to be purchased based on the resolution referred to in the previous point, according to the methods specified here below:

(i) If executed in cash, at a price no lower of more than 10% with respect to the reference price recorded on the MTA in the session preceding each individual transaction

(ii) If carried out as part of extraordinary transactions, including without limitation, exchange, trade in, contribution or any non-cash dispositions, according to the financial terms that will be determined by the Board of Directors, by reason of the nature and the characteristics of the transaction, also considering the performance of the Company's stock

(iii) As regards ordinary shares made available for share incentive plans, according to the terms and conditions specified in the regulations of the plans themselves

(iv) As regards the activities included in the so-called "Admitted market practice " provided for by article 180, paragraph 1, letter c) of the TUF relating to the activity of support of market liquidity, in compliance with the criteria each time set out by CONSOB

and, in any case, in compliance with any terms, conditions and requirements set out by European and national laws (including regulations) applicable from time to time.

3. To vest the Board of Directors, and /or on its behalf, the Chairman of the Board of Directors and Chief Executive Officer, Cav. Lav. Ing. Marco Giovannini, and Director Dott. Anibal Diaz, with the widest powers, including the power of sub-delegate or that of entrusting the task to external specialists, to be exercised also separately and with the widest discretionary powers, so that they may proceed with the implementation of the Programme and buy-back and dispositions provided therein, in any case in full compliance with the regulations in force and with the limits of your authorization as resolved above . "

Alessandria, 18th January 2019

On behalf of the Board of Directors



The Chairman of the Board of Directors and Chief Executive Officer

(Cav. Lav. Ing. Marco Giovannini)