Remuneration Report

pursuant to art. 123-Ter of the Consolidate Law and art. 84-*quater* of the Issuers' Regulation

Traditional management and control model

Guala Closures S.p.A.

www.gualaclosures.com

Text approved by the Board of Directors on 27 March 2019

Introduction and law references

This remuneration report (" **Report** ") has been prepared pursuant to article 123- *ter* of the TUF and art. 84- *quater* of the Issuers Regulation, according to Scheme 7- *bis of* Annex 3A of the same Issuers Regulation, as well as in compliance with the recommendations of art. 6 of the Corporate Governance Code.

The Report is divided into two sections:

- Section I illustrates, pursuant to Article 123- *ter* , third paragraph, of the TUF, the policy adopted by Guala Closures SpA (" **Guala Closures** " or the " **Company** ") and applied to the companies controlled by it with regard to remuneration:

  (a) of the members of the Board of Directors, distinguishing between executive directors and non-executive directors (the " **Directors** "), and

  (b) Executives with strategic responsibilities

  with reference to the financial year ending on 31 December 2019, as well as the procedures used for the adoption and implementation of this policy (" **Remuneration Policy** ").

- in Section II are represented, in accordance with Article *123-ter,* paragraph four of the TUF, the individual items making up the remuneration of Directors and Auditors of the Company, as well as a representation of the compensation paid for any reason and in any form, by the Company and its subsidiaries, as well as by associated companies, during the year ended on 31 December 2018. Section II also provides information regarding the remuneration of Executives with Strategic Responsibilities.

This Report: (i) pursuant to art. 84- *quater* , fourth paragraph, of the Issuers Regulation, reports the data relating to the investments held directly or indirectly - in the Company and in its subsidiaries - by the Directors, the Auditors and the Managers with Strategic Responsibilities (as well as by subjects closely associated with them, meaning the spouse not legally separated and minor children).

The Remuneration Policy set forth below was approved by the Board of Directors on 27 March 2019, on the proposal of the Remuneration Committee, and will be submitted to the advisory vote of the Shareholders' Meeting of 30 April 2019.

Contents

DEFINITIONS

GLOSSARY The following is a list of the main definitions and terms used in this Report.

Directors	The members of the Board of Directors of the Company.
Executive Directors	The directors who have been assigned operational or managerial powers and who have been assigned special duties by the Board of Directors.
Non-executive directors	The directors who have not been assigned operational or managerial powers or particular duties by the Board of Directors.
Independent directors	Directors meeting the requirements of independence prescribed by the Consolidate Law on Finance (Testo Unico Finanziario, TUF) and the Corporate Governance Code.
Shareholders' meeting	The Shareholders' Meeting of the Company
Italian Stock Exchange	Borsa Italiana S.p.A., the Italian Stock Exchange, with registered offices in Milan, Piazza degli Affari, n. 6.
Benefit	The elements included in the non-monetary component of remuneration intended to increase the individual and family well-being of workers in economic and social terms. This category includes all the resources intended to meet social security and welfare needs (complementary social security, health insurance, insurance coverage) but also the so-called perquisites, which consist of goods and services that Guala Closures makes available to its employees.
Claw-back	Contractual agreements that allow the company to request the return, in whole or in part, of the variable incentives paid and determined on the basis of data that have subsequently proved to be manifestly incorrect or distorted or in the case of unlawful, malicious or gross negligence by a beneficiary.
Corporate Governance Code	The Corporate Governance Code of listed companies approved by the Corporate Governance Committee of Borsa Italiana, available on Borsa Italiana Website at www.borsaitaliana.it.
Board of Statutory Auditors	The Board of Statutory Auditors of the Company.
Audit and Risk Committee	Tthe internal committee of the Board of Directors established in compliance with principle 7.P.4 of the Corporate Governance Code.
Remuneration Committee	The internal committee of the Board of Directors established in compliance with principle 6.P.3 of the Corporate Governance Code.
Board of Directors	The Board of Directors of the Company.
Executives with strategic responsibilities	Subjects who directly or indirectly have the power and responsibility of planning, management and control of the Company's activities, including directors (executive or non-executive) and statutory auditors of the company, based on the definition provided in Attachment 1 to the Consob regulations on transactions with related parties adopted with resolution 17221 of 12 March 2010.

EBITDA (Earnings before interest, tax, depreciation and amortization)	Also called "gross operating margin" or "MOL" is a profitability indicator that shows the company's income deriving only from its characteristic management, gross, therefore, of interests (financial management), taxes (tax management), depreciation of assets and amortisations.
Free Cash Flow	Indicates the (cash) cash flow generated by the operating and non-operational management.
Short-term variable incentive (or MBO)	Short-term variable incentives (or Management by Objectives): a plan that entitles the parties involved to receive an annual cash bonus based on the results achieved, in the previous year, with respect to the defined objectives.
Long-term variable incentives (LTI or ILT)	Three-year monetary variable incentive: a plan that entitles the subjects involved to receive a bonus in cash, at the end of the three-year period, based on the results achieved in the three years of vesting.
End-of-mandate (or office) indemnity	End-of-mandate indemnity (or office): monetary amount to be paid to the director upon termination of the management relationship.
Threshold level	It represents the minimum level to be reached below which the plan does not provide for the payment of any incentive.
Target level	It represents the standard level of achievement of the objective which gives the right to obtain 100% of the incentive.
Median	Statistical point value below and above which there are 50% of the observations.
Company or **Guala Closures**	Guala Closures SpA, with registered office in Alessandria (frazione Spinetta Marengo), Via Rana n. 12.
Guala Closures Group	Collectively, the Company and the companies directly or indirectly controlled by it which fall within its scope of consolidation, pursuant to Article 2359 of the Civil Code and Article 93 of the TUF.
Non Competition Agreements	According to the art. 2125 of the Civil Code is the "agreement according to which the worker's activity is limited, for the period following the termination of the contract".
Remuneration policy	The Company's remuneration policy approved by the Board of Directors on 27 March 2019, at the proposal of the Remuneration Committee.
Net financial position (NFP)	Difference between financial debts, short-term financial assets and cash and cash equivalents. Value reported in the Consolidated Financial Statements of the Company
Target Annual Direct Salary	(Individual) sum of the guaranteed fixed gross annual remuneration, of the amount of the short-term variable remuneration upon achieving the target and of the variable long-term remuneration on an annual basis upon reaching the targets.
Issuers' Rules	The regulations approved by Consob with resolution no. 11971 on 14 May 1999 and subsequent amendments and additions.
Fixed Remuneration or Gross Annual Remuneration (RAL)	It includes the entire annual fixed remuneration, including taxes and social security charges for the part charged to the employee, therefore not including annual bonuses, other bonuses, indemnities, fringe benefits, expense reimbursements, and any other form of remuneration of variable or occasional nature.
Variable remuneration	Variable remuneration: consists of short-term variable incentives and long-term incentives.

Target Bonus	Monetary value of the bonus recognized if objectives are achieved at the target level.
Statutory Auditors	The members of the Board of Statutory Auditors of the Company.
TUF	Legislative Decree No. 58 dated 24 February 1998 and further amendments and integrations thereof.
Vesting (vesting period)	Period between the assignment and completion of title to the right to receive the bonus.

ANALYTICAL INDEX BY SUBJECTS
(Consob resolution no. 18049 SECTION I)

CONSOB resolutions	Requested information	Reference
A	Bodies or parties involved in the preparation and approval of the remuneration policy, specifying the respective roles, as well as the bodies or individuals responsible for the correct implementation of such policy	1.1
B	Possible intervention of a remuneration committee or other committee competent in the field, describing its composition (with the distinction between non-executive and independent directors), the competences and operating methods;	1.2
C	The name of any independent experts involved in the preparation of the remuneration policy;	1.3
D	The aims pursued with the remuneration policy, the principles underlying it and any changes in the remuneration policy compared to the previous financial year;	2.1
AND	Description of the policies regarding fixed and variable remuneration components, with particular regard to the indication of the relevant weight in the context of the overall remuneration distinguishing between short and medium-long term variable components;	2.2 2.3 2.4 2.5
F	The policy applied with reference to non-cash benefits.	2.8
G	With reference to the variable components, a description of the performance objectives on the basis of which they are assigned, distinguishing between short and medium-long term variable components, and information on the link between the change in results and the change in remuneration;	2.4 2.5
(h)	The criteria used for assessing the performance objectives underlying the assignment of shares, options, other financial instruments or other variable remuneration components;	2.4 2.5
I	information aimed at highlighting the consistency of the remuneration policy with the pursuit of the long-term interests of the company and with the risk management policy, if established;	2.1 2.4 2.5
J	the terms of accrual of rights (the so called *vesting period*), any deferred payment systems, with indication of the deferral periods and the criteria used to determine these periods and, if provided, the ex-post correction mechanisms;	2.5
K	information on the possible provision of clauses for retention of financial instruments in the portfolio after their acquisition, with indication of the maintenance periods and the criteria used to determine these periods;	na
L	the policy relating to the processing that will take place in the event of termination of office or termination of the employment relationship, specifying which circumstances determine the onset of the right and any link between these treatments and the performance of the company	2.6 2.7
M	information on any insurance coverage, or social security or pension, other than mandatory ones	2.1 2.8
N (i)	the remuneration policy applied if any, with reference to independent directors	2.2.1
N (ii)	the remuneration policy applied if any, with reference to activity of participation in committees	2.2

N (iii)	the remuneration policy applied if any, with reference to the performance of particular tasks (chairman, vice president, etc.)	2.2
O	Information on the use of other companies' remuneration policies as a reference, and if so, the criteria used for choosing these companies.	2.2.2 2.3

SECTION I - 2019 Remuneration Policy

Foreword

For the purposes of this Report, it is reminded that on 6 August 2018 (the " **Merger Effective Date** ") the merger by incorporation of the *target company* identified by the Company took effect *(i.e.* "Guala Closures SpA", tax code and registration number in the Alessandria Business Register 13201120154, the " ***ex-* Guala** ") in the Company, following which the Company changed its name to "Guala Closures".

On 2 July 2018 and 17 July 2018, the Company's Board of Directors approved the guidelines concerning: (a) the incentive mechanisms for Executive Directors and Managers with Strategic Responsibilities of the Company (starting from the Merger Effective Date), and established that these incentive mechanisms (i) provide for pre-established maximum limits and are balanced, taking into account the fixed component, based on the Company's strategic objectives and risk management policy (starting from the Merger Effective Date); and (ii) are based on equity and/or cash instruments, with a three-year *vesting* period with operating conditions linked to the achievement of certain objectives - measurable and previously approved by the Board of Directors - linked to the *performance* of the group headed by to the Company (as of the Effective Date of the Merger) (the " **Guala Closures Group** ") with a view to creating value for the shareholders of the Company in the medium-long term and (b) the remuneration of the non-executive Directors, ensuring that it is in line with the commitment required by each one of them and is not, except for a non-significant part, linked to the financial results of the Company (starting from the Effective Date of the Merger).

In consideration of the above, the Remuneration Policy is defined in accordance with the recommendations of the Corporate Governance Code, to which the Company has resolved to adhere, which has been prepared with the support of Korn Ferry, *leading* advisers on capital development and organization.

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1. Governance of the remuneration process

1.1. Bodies, parties involved and process for the definition and approval of the policy

The Remuneration Policy is defined through a process that involves the Board of Directors (the " **Board of Directors** "), the Remuneration Committee (the " **Remuneration Committee** ") and the ordinary Shareholders' Meeting of the Company (the " **Shareholders' Meeting** "). The Board of Directors, based on the proposal formulated by the Remuneration Committee established within it, defines the general policy for the remuneration of Directors and Executives with Strategic Responsibilities.

The Board of Directors annually prepares and approves the remuneration report required by art. 123- *ter* of the TUF and by art. 84- *quater* of the Issuer Regulation. Pursuant to art. 123- *ter* , paragraph 6, of the TUF, upon approval of the financial statements, the Shareholders' Meeting is also called to resolve in favor or against on Section I of the remuneration report prepared by the Board of Directors.

The Board of Directors then implements the Remuneration Policy, and determines coherently with it, the remuneration of Directors vested with particular offices, upon proposal of the Remuneration Committee and having heard the Board of Statutory Auditors pursuant to art. 15 of the Articles of Association. The Remuneration Committee, in accordance with the recommendations contained in art. 6 of the Corporate Governance Code, has the task of assisting the Board of Directors, with proposing and consultative functions, in assessments and decisions relating to the composition of the Board of Directors and the remuneration of Directors and Executives with Strategic Responsibilities. The composition and duties of the Remuneration Committee are described in detail in the following paragraph.

1.2. Remuneration Committee

On 2 July 2018, the Board of Directors, in compliance with the *corporate governance recommendations* contained in the *Corporate Governance* Code, resolved, with effect from the Effective Date of the Merger, to establish a Remuneration Committee and approved the operating regulation of the committee itself.

1.2.1 Members of the Remuneration Committee

The Remuneration Committee members are: Messrs. Luisa Maria Virginia Collina (independent director) (Chairman), dott. Francesco Caio (independent director) and dott. Edoardo Carlo Maria Subert (Non-executive Vice-President).

1.2.2 Skills and operating methods of the Remuneration Committee

The functioning of the Remuneration Committee is governed by the Regulation approved by the Board of Directors on 2 July 2018, of which the most important provisions are reported below.

Regarding remuneration, in accordance with the recommendations contained in art. 6 of the Corporate Governance Code, the following tasks are assigned to the Remuneration Committee:

(i) To express proposals to the Board of Directors for the definition of the policy for the fixed and variable remuneration of Directors and Executives with Strategic Responsibilities of the Company, making use of the information provided by the Chief Executive Officer;

(ii) To periodically assesses, at least annually, the adequacy, overall consistency and actual application of the remuneration policy to Directors and Executives with Strategic Responsibilities mentioned, making use of the information provided by the Chief Executive Officer; to formulates proposals to the Board of Directors on the subject;

(iii) submits proposals or expresses opinions to the Board of Directors on the remuneration of executive Directors and other Directors who hold particular offices as well as on the setting of *performance* objectives related to the variable component of such remuneration, monitoring the application of the decisions adopted by the Board of Directors itself and the actual achievement of *performance* objectives.

Moreover, the Remuneration Committee will:

(i) with reference to Managers with Strategic Responsibilities, to verify the consistency of their remuneration with the fixed and variable remuneration policy and expresses an opinion on them;

(ii) assists the Board of Directors in examining the proposals to the Shareholders' Meeting on the adoption of compensation plans based on financial instruments;

(iii) To examine and submit to the Board of Directors the annual report on remuneration which, individually for the members of the administrative and control bodies, and in aggregate form for Managers with Strategic Responsibilities:

- provides an adequate representation of each of the items making up the remuneration; and
- analytically illustrates the remuneration paid in the reference year for any reason and in any form by the Company and its subsidiaries.

The Remuneration Committee, in the performance of its functions, has the possibility of accessing the information and corporate functions necessary for the performance of its tasks as well as to use of external consultants, in the terms established by the Board of Directors, in accordance with the provisions of application criterion 4.C.1, lett. e) of the Corporate Governance Code.

In compliance with the provisions of application criterion 6.C.6 of the Corporate Governance Code, no director shall participate in the meetings of the Remuneration Committee in which proposals are made to the Board of Directors relating to their own remuneration, except in the case of proposals concerning the generality of the members of the committees set up within the Board of Directors.

The Chairman provides information on the activities carried out by the Remuneration Committee, on the first useful Board of Directors.

1.3. Possible intervention of independent experts in the preparation of the Remuneration Policy

Following the Effective Date of the Merger - which substantially changed the *business* and structure of the Company and of Guala Closures Group - the Company availed itself of the consultancy of independent expert Korn Ferry, a *leading* company in development consulting and organization of human assets.

In particular, this expert conducted market comparisons on the remuneration levels of the Chairman of the Board of Directors and Chief Executive Officer, using data on the remuneration policies of Italian companies listed on the Mercato Telematico Azionario - STAR segment, dimensionally comparable to Guala Closures. The remuneration levels of the Executives with Strategic Responsibilities were compared on the basis of the weight assigned to the position with data from the KF executive market in Italy and Luxembourg. This expert also assisted the company in drawing up the essential elements of the new long-term incentive plan of the Guala Closures Group, which are an integral part of the Remuneration Policy.

2. Information on the company's remuneration policy

2.1 Principles and purposes of the Remuneration Policy

As mentioned in the introduction to Section I, the merger by incorporation of *former* Guala into the Company, took place on 6 August 2018 following which the Company changed its name to "Guala Closures".

The Remuneration Policy described below takes into account the changed corporate structure as a result of which the Company has gone from being a so called SPAC - *special purpose acquisition company* listed on the MIV - Professional Segment to be the *holding company* of an industrial group (*ie* the Guala Closures Group), whose shares are listed on the Mercato Telematico Azionario (MTA) - STAR segment, organized and managed by Borsa Italiana.

The Remuneration Policy purpose - also in compliance with the Corporate Governance Code - is mainly to:

(i) attract, motivate and retain adequate resources and professionalism to successfully pursue the Company's objectives;

(ii) align the interests of management with those of the Company and shareholders; and

(i) align the interests of directors and employees with those of shareholders, pursuing the primary objective of creating sustainable value in the medium - long term through the implementation of a strong link between remuneration, on the one hand and individual *performance* and the Group Guala Closures, on the other. In particular, the mechanisms by which the remuneration is determined create an overall balanced remuneration structure, through an adequate balancing between the fixed and variable parts, avoiding imbalances that could lead to a behaviour not in line with the requirements of sustainability of results and propensity to company risk;

The Remuneration Policy is compliant, as indicated by the Corporate Governance Code, with the following criteria:

(i) the fixed component and the variable component are adequately balanced according to the Company's strategic objectives and risk management policy;

(ii) maximum limits are envisaged for the variable components of remuneration;

(iii) the fixed component is sufficient to remunerate the performance of the director in the event that the variable component, due to the failure to achieve the *performance* objectives, is not paid;

(iv) adoption, through a specific regulation of the LTI plan, of claw-back mechanisms that allow for the repayment of the bonus paid, if any.

In pursuit of these objectives, the Remuneration Policy provides that the compensation of the Directors and Executives with Strategic Responsibilities is determined on the basis of the following components:

(ii) a fixed annual component, in line with the position and commitment required;

(iii) a variable annual monetary component (see MBO), based on the performance of the Company, function and individual in the form of incentive plans;

(iv) a long-term monetary variable component (*see* Long Term Incentive plan), based on the Company's three-year performance;

(v) other forms of discretionary, occasional and non-recurring remuneration attributed in the form of *bonuses* and one-off payments that reward results of particular strategic significance, not already included in the variable component of remuneration;

(vi) non-monetary benefits (fringe benefits), such as the assignment of telephone, computer, company vehicles as well as adherence to pension and insurance plans that reflect,

   a. with regard to the Company's employees, the ordinary protection in social security and welfare matters (as required by the applicable National Collective Labour Agreement) and the accident insurance protection against the risk of death, permanent disability and temporary disability;

   b. as regards the Directors, an insurance protection in relation to the offices held in the Board of Directors;

(vii) allowances payable in relation to the non-competition provisions that may have been agreed with Executives with Strategic Responsibilities.

2.2 Remuneration of the members of the administrative bodies

All Directors are entitled to a fixed amount of compensation that guarantees adequate remuneration for the activity and commitment given by Directors to the Company.

The Shareholders' Meeting held on 28 May 2018 resolved, among other things, to set a total of Euro 500,000 a year for the fee of the Board of Directors that took office on the Merger Effective Date, to be distributed among its members in compliance with the resolutions that would have been taken by the Company's Board of Directors starting from the Merger Effective Date. During the same meeting, the Shareholders' Meeting also determined that the remuneration of Directors vested with special duties would be established by the same Board of Directors of the Company, having heard the opinion of the Board of Statutory Auditors, pursuant to art. 2389, paragraph 3, of the Italian Civil Code.

In compliance with the above, the Board of Directors held on 11 September 2018 established to pay each Director a gross annual compensation of 40,000 euros. The Chairman of the Board of Directors was granted an additional fee of Euro 70,000 gross per year.

The aforementioned Board of Directors also proposed to assign to the members of the existing board committees (Control and Risk Committee and Remuneration Committee) a compensation for their respective Chairmen equal to Euro 15,000 gross per year (additional to that of the members) and for the other members, 10,000 euros each.

2.2.1 Remuneration of non-executive and independent Directors

As of the date of this Report, non-executive Directors are the dott. Edoardo Carlo Maria Subert (non-executive Vice-President) and dr. Nicola Colavito, while the non-executive and independent Directors are dott. Francesco Caio (*lead indepenent director*), Dr. Luisa Maria Virginia Collina and Prof. Lucrezia Reichlin.

In accordance with the principles laid down in the Corporate Governance Code and, in particular, with application criterion 6.C.4, the annual gross remuneration of non-executive directors and independent directors is not linked to Company's achievement of financial results, but is in line with the commitment required by each one of them to perform their role.

In particular, non-executive Directors (whether or not independent Directors) are paid a fixed remuneration established in its overall amount by the Shareholders' Meeting and distributed on an individual basis by the Board of Directors pursuant to art. 2389 civil code.

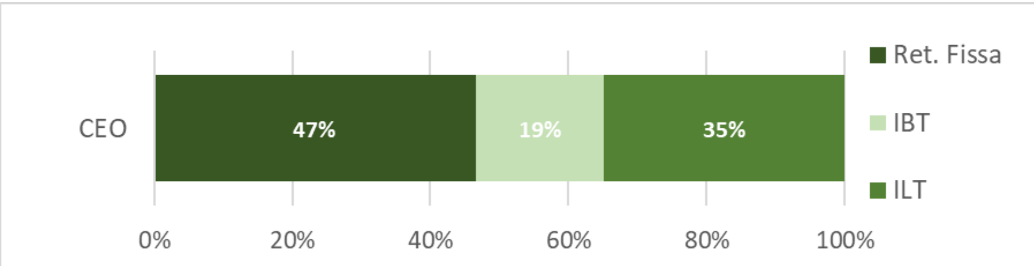
Non-cash bonuses generally include the D&O insurance policy for non-executive directors.

2.2.2 Remuneration of the Chairman of the Board of Directors and Chief Executive Officer

In defining the remuneration policy for the Chairman of the Board of Directors and Chief Executive Officer, the Board of Directors has applied the following indicative criteria:

- the fixed component is commensurate with the specific responsibilities and characteristics of the role. Compensation levels are reviewed annually by the Remuneration Committee and are defined on the basis of a specific comparison with Italian companies listed on the Mercato Telematico Azionario - STAR segment of the Italian Stock Exchange, which can be compared in size with Guala Closures;
- the annual short-term target incentive is equal to a predetermined amount, with a *target* weight of 40% of the fixed remuneration and a maximum of 60%;
- the long-term incentive on an annual basis on *target* corresponds to 75% of the fixed remuneration with a maximum of 113%;
- the benefits package includes some *fringe benefits* which consist in the use of the company car, *computer*, in the payment by the Guala Closures Group of the costs of cell phone calls and the taking up of insurance policies. In addition, Guala Closures Group is expected to pay dwelling expenses.

The following is the *target paymix* or the percentage weight of the various components with respect to the annual direct pay on target (RDA which excludes the benefit component).



2.2.3 Remuneration of the Board of Statutory Auditors

Fixed Remuneration

With reference to the Statutory Auditors in office until 10 September 2018 (date of the Shareholders' Meeting that appointed the Board of Statutory Auditors in office at the date of this Report), it should be noted that on 16 November 2017, the Shareholders' Meeting of the Company resolved to change the remuneration to be paid to the members of the Board of Statutory Auditors starting from the listing date of the Company on the MIV - Professional Segment, attributing to them for the entire duration of the office a gross annual compensation, on an annual basis, *pro rata temporis* , equal to € 25,000.00 for the Chairman of the Board of Statutory Auditors and a gross annual remuneration of € 17,000.00 for each standing auditor.

After 10 September 2018, the Shareholders' Meeting of the Company resolved to attribute to the members of the Board of Statutory Auditors appointed on that date a gross annual compensation, on an annual basis, *pro rata temporis* , equal to Euro 50,000.00 for the Chairman of the Board of Statutory Auditors and a gross annual fee of € 35,000.00 for each standing auditor.

Variable remuneration and non-monetary benefits

The remuneration of the members of the Board of Statutory Auditors is in no way linked to the financial results of the Company and does not include variable components or monetary incentives; no supplementary remuneration is provided for in the event of termination of office prior to the natural expiry of the mandate and no non-monetary benefits are envisaged (vehicles and / or insurance coverage in addition to the third-party liability policy of the corporate bodies in the performance of their duties).

2.3 Executives with strategic responsibilities

At the date of this Report, the Company has identified four Executives with Strategic Responsibilities among the subjects who, in the opinion of the Company, directly or indirectly have the power and responsibility for the planning, management and control of the activities of Guala Closures.

These are the executives who currently hold the positions of Chairman of the Board of Directors and Chief Executive Officer (see the relevant paragraph above), the *Chief Financial Officer* , the *Chief Operating Officer* and the *Chief Marketing Officer and M&A Director* .

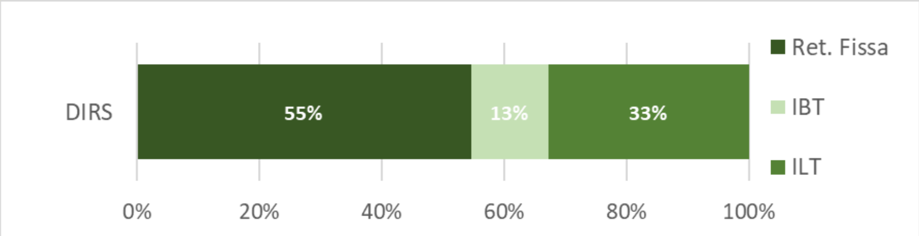
In defining the remuneration policy for Executives with Strategic Responsibilities it was considered that these were recipients of a policy in which part of the remuneration was linked to the achievement of specific *performance* objectives, including those of a non-economic nature, established according to the guidelines of the general remuneration policy defined by the Board of Directors. Remuneration levels are reviewed annually by the Remuneration Committee and are defined in line with the weight (defined based on the Korn Ferry Hay method) assigned to each position, by means of market comparisons that use the data for executive *remuneration survey* of Korn Ferry Italy and Luxembourg.

In determining the remuneration of Executives with Strategic Responsibilities, Guala Closures takes into account the following criteria:

- the fixed component generally has a weight not less than 50% of the direct annual remuneration on target (excluding the benefit component);
- the MBO (Annual) incentive paid represents on average a percentage of 23% on *target* and 34.5% maximum of the fixed component;

- the annual incentive on *target of the* long-term component corresponds to 60% of the fixed component and 90% as a maximum;
- the Board of Directors, based on the *performance* obtained, reserves the right to recognize other *bonuses*, or *bonuses* for the year not explicitly included in plans defined *ex ante* (e.g. *one-off*);
- To recognize a *benefits* package with some *fringe benefits* which consist in the use of the company car, computer, in the payment by the Guala Closures Group of the costs of cellular telephony and in the stipulation of insurance policies. In addition, the Guala Closures Group will pay dwelling expenses to Executives with Strategic Responsibilities residing abroad.
- The use of non-competition agreements where required.

The following is the *target paymix* or the percentage weight of the various components with respect to the annual direct pay on target (RDA which excludes the benefit component).



2.4 Variable remuneration MBO for Executives with Strategic Responsibilities and for the Chairman of the Board of Directors and Chief Executive Officer

The policies on the remuneration of Directors and Executives with Strategic Responsibilities are adequately balanced in order to ensure consistency between short-term development objectives and the sustainability of value creation for the Company and shareholders in the medium-long term.

The variable remuneration and the annual fixed component are modulated differently in relation to the characteristics of the position held in the company and the responsibilities assigned in order to ensure the sustainability of company and the creation of value in the medium-long term for the shareholders.

As regards executives with Strategic Responsibilities, in defining the related remuneration policy, the Board of Directors started from assessing the current remuneration contractually agreed with each Executive with Strategic Responsibilities which provides, among other things, the recognition of *benefits* and a short-term variable remuneration (MBO) linked to the achievement of individual and corporate performance objectives defined in relation to each year and whose disbursement is subject to the stay in service for the reference period.

The variable short-term part of the remuneration is, therefore, determined in order to:

– take into account the requirement that a significant part of the remuneration of executive Directors and of other Executives with Strategic Responsibilities must be linked to the financial results achieved by the Company and/or the achievement of objectives previously indicated by the Board of Directors;

– Ensure the alignment of the interests of executive Directors and of other Executives with Strategic Responsibilities with the pursuit of the priority objective of creating value for the Company and for shareholders in a medium-long term time frame;

- and retain and motivate people with the qualities required to successfully manage the Company, including by providing *retention* conditions.

The objectives are defined on the basis of indicators of company performance on an annual basis. For all roles, group objectives are used for the achievement of the annual EBITDA target (with a weight of 65%) and Net Financial Position (with a weight of 35%). A linear incentive curve is applied with a maximum payment of 150% of the target bonus.

2.5 Variable remuneration LTI

On 27 March 2019 the Board of Directors approved the essential elements of the long-term incentive plan "LTI plan 2019 - 2021" described in this report and whose final approval, in full consistency with the Remuneration Policy described herein, will take place downstream of the shareholders' meeting called to approve this report.

The plan, consistent with the founding principles of the Remuneration Policy, is aimed at:

- allowing the correlation between the creation of value for shareholders and for the *management* ;
- focus the *management* on achieving the Company's three-year objectives;
- ensure the motivation and *retention* of the Chairman of the Board of Directors and Chief Executive Officer and of Executives with Strategic Responsibilities, by linking the economic incentive of the plan to the continuation of the employment relationship with the Company;

The recipients of the plan are the Chairman of the Board of Directors and Chief Executive Officer and Executives with Strategic Responsibilities. The plan will recognize a cash bonus based on the achievement of the company's long-term *performance* objectives in the three-year period 2019 - 2021 (three-year *vesting*) in the context of the employment relationship.

The identification of *performance* objectives and *targets* is carried out by the Board of Directors, upon proposal of the Remuneration Committee.

The *performance* indicators to which the payment of the bonus is subjected will be the following:

- Adjusted EBITDA (three-year cumulative value) with a weight of 40%;
- Net Financial Position (achievement of the value set in the plan at the end of the year 2021) with a weight of 40%;
- Average annual growth rate of Group revenues in the three-year period of 20%;

For the measurement of the aforementioned objectives (carried out at constant *budget* and exchange rates), the values reported in the annual consolidated financial statements for the financial years 2019, 2020 and 2021 will be considered. In the spring of 2022, following the approval of the consolidated financial statements for the year 2021, the results achieved and the monetary bonuses accrued will be calculated.

Each indicator is applied a linear curve incentive that recognizes to the threshold (set to 80% of achievement of the *performance target)* a 50% multiplier of the bonus due (in line with the weight of each target), on *target* (100 % of performance), 100% of the bonus and to the maximum (as 120% of the *performance*) a multiplier of 150% of the bonus.

For the Net Financial Position (NFP) objective the performance scale is inverted (minimum 120% of the *target* and maximum placed at 80% of the *target*).

There are no bonuses nor are they possible, that can be greater that the maximum 150% of the individual bonus *target* . For each objective there are minimum thresholds below which payment of a bonus will not occur.

The plan provides for an access gate to the bonus: the *adjusted* EBITDA value of 2021 calculated at current exchange rates must not be lower than the *adjusted* EBITDA value of 2018 calculated in 2019. This condition operates as an *on / off* mechanism that will or will not give access to the bonus.

At the end of the three-year vesting period, the plan provides for the immediate recognition of 60% of the bonus accrued and the deferral of the remaining portion of 40% to 12 months after the end of the tax year of performance measurement (January 2023).

The plan includes clauses that allow the Company to request the participants to return the variable components of the remuneration paid or to withhold the sums subject to deferment, determined on the basis of data that have subsequently proved to be manifestly incorrect or based on malicious behaviour (the so-called . *Claw-back*).

2.6 Compensation in the event of resignation, dismissal or termination of the relationship

As of the date of this Report, no employment contract or other contract is in place that provides for compensation in the event of termination of office or termination of the employment relationship between the Company and its Directors, except as indicated below.

Dott. Francesco Bove - Member of the Board of Directors and Manager with Strategic Responsibilities - has a subordinate employment relationship (as a manager) with the Company. This contract does not provide for termination indemnities in the event of resignation or dismissal without just cause. It should be noted that this contract does not provide for the payment of additional indemnities in addition to the provisions of the National Collective Labour Contract in force on the date of this Report.

In addition to the above, dr. Anibal Diaz Diaz - Member of the Board of Directors and Executive with Strategic Responsibilities - and Ing. Paolo Ferrari - Executive with Strategic Responsibilities - have existing employment relationships (as a manager) with GCL International S.à.r.l. These contracts provide that in the event of their termination by GCL International S.à.r.l due to circumstances other than the just cause, a termination indemnity will be recognized to the manager according to the length of service accrued.

2.7 Non Competition Agreements

A non-compete agreement to protect the corporate interest pursuant to art. 2125 of the Civil Code has been prepared for Executives with Strategic Responsibilities, excluding the Chairman of the Board of Directors and Chief Executive Officer. As regards the obligation undertaken by the person concerned not to carry out for any period of five years after the termination of the employment relationship, any kind of activity that may be in competition with the one carried out by Guala Closures, he/she will receive a payment only based on 27 monthly salary.

2.8 Policy for non-monetary benefits

The purpose of recognizing non-monetary benefits is to keep the remuneration package competitive and is carried out in accordance with market practices.

The assignment of non-monetary benefits defined in line with the practice and in a manner consistent with the position and role held has been envisaged. In this regard, a D&O policy is in fact applied to all Directors.

As regards the Executives with Strategic Responsibilities, a number of *fringe benefits* are in place, that typically consist in the use of the company car, in the payment by the Guala Closures Group of mobile phone costs and in the stipulation of insurance policies in favour of Executives with Strategic Responsibilities and/or their respective family members. In addition, for certain Executives with Strategic Responsibilities who work for Guala Closures Group companies outside Italy, the Guala Closures Group is expected to pay dwelling expenses.

SECTION II

First part

This section describes the compensation paid in the financial year ended 31 December 2018 to Directors, Statutory Auditors and Executives with Strategic Responsibilities.

Remuneration to the Chairman of the Board of Directors

Fixed Remuneration

With reference to the Directors in office until the Merger Effective Date, it should be noted that on 26 September 2017, the extraordinary shareholders' meeting of the Company, resolved *inter alia* to effectively increase from the listing date of the Company on the MIV - Professional Segment, the number of members of the Board of Directors of the Company, originally composed of three directors, by appointing the two independent directors Francesca Prandstraller and dott.ssa Margherita Zambon and attributing them a gross annual fee of 12,000.00 euros. On 16 November 2017, the Shareholders' Meeting of the Company resolved to appoint, again with effect from the listing date of the Company on the MIV - Professional Segment, independent director Francesco Caio and to modify the remuneration assigned to the three independent directors, determining the allocation of a gross annual *pro rata temporis* fee of Euro 20,000.00 for each independent director. None of the other Directors in office until the Merger Effective Date (*i.e.* dott. Roberto Italia, dott. Carlo Pagliani and the dott. Edoardo Carlo Maria Subert) received remuneration in relation to the role held up to that date.

After the Merger Effective Date, the Directors have received the fixed remuneration determined by the Shareholders' Meeting of the Company and by the Board of Directors itself, also taking into account that:

- The Shareholders' Meeting held on 28 May 2018 resolved, among other things, to set a total of Euro 500,000 per year for the fee of the Board of Directors that took office on the Merger Effective Date, to be distributed among its members in compliance with the resolutions that would have been taken by the Company's Board of Directors starting from the Merger Effective Date. During the same meeting, the Shareholders' Meeting also determined that the remuneration of Directors vested with special duties would be established by the same Board of Directors of the Company, having heard the opinion of the Board of Statutory Auditors, pursuant to art. 2389, paragraph 3, of the Italian Civil Code.
- In compliance with the above, the Board of Directors held on 11 September 2018 established to pay each Director a gross annual compensation of 40,000 euros. The Chairman of the Board of Directors was granted an additional fee of Euro 70,000 gross per year.
- The aforementioned Board of Directors also proposed to assign to the members of the existing board committees (Control and Risk Committee and Remuneration Committee) a compensation for their respective Chairmen equal to Euro 15,000 gross per year (additional to that of the members) and for the other members, 10,000 euros each.

Variable remuneration

The members of the Board of Directors, with the exception of the Chairman of the Board of Directors and Chief Executive Officer and Directors, do not participate in the annual variable incentive plans or in the medium to long term.

The Chairman of the Board of Directors and Chief Executive Officer will participate in the short and long-term variable incentive plans (only starting from 2019).

Executives with strategic responsibilities

Fixed Remuneration

The General Manager and the Executives with Strategic Responsibilities received a fixed portion of the remuneration determined by the respective employment contracts, including the emoluments due pursuant to the applicable law and contract provisions (holidays, travel compensation, etc.).

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Second part

The following tables show analytically any remuneration paid for any reason and in any form by the Company or by companies controlled by or associated with the Company, in the financial year ended on 31 December 2018.

To this regard it is specified that the following tables include the compensation paid to Dr. Francesca Prandstraller and Dr. Margherita Zambon, who held the office of Company Directors until the Merger Effective Date, as well as the fees paid to Mr. Pier Luca Mazza (President), dott. Marco Giuliani and Dr. Virginia Marini, standing statutory auditors of the Company until 10 September 2018, date of the Shareholders' Meeting that appointed the Board of Statutory Auditors in office at the date of this Report. The following tables do not contain the names of dott. Roberto Italia and of dr. Carlo Pagliani, respectively Chairman of the Board of Directors and Chief Executive Officer of the Company until the Merger Effective Date since they did not receive any compensation for the offices held.

This Report also includes the tables provided for in Annex 3A, Scheme 7- *ter* , of the Issuers Regulation, which show the investments held in the Company and its subsidiaries, by the Directors, the Statutory Auditors and the Managers with Strategic Responsibilities, in compliance with art. 84- *quater* , paragraph 4, of the Issuers Regulation.

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TABLE 1 Fees paid to the members of the administrative and control bodies, to the general managers and to the other Executives with Strategic Responsibilities.

(A)	(B)	(C)	(D)	(1).	(2).	(3).		(4).	(5).	(6).	(7).	(8).
Name and Surname	**Position**	**Period for which the office was held**	**Expiration of office**	**Fixed remuneration**	**Remuneration for participation in committees**	**Variable non-equity compensation**		**Non-monetary benefits**	**Other compensation**	**Total**	**Fair Value of equity compensation**	**Indemnity for termination of office or termination of employment**
						Bonuses and other incentives	**Profit sharing**					
Marco Giovannini	The Chairman of the Board of Directors and Chief Executive Officer	From 06.08.2018 to 31.12.2018	2020 financial statements approval									
(I) Remuneration in the company that prepares the financial statements				€ 45,000.00						€ 45,000.00		
(II) Compensation from subsidiaries and associates				€ 546,390.80				€ 73,018.30		€ 619,409.10		
(III) Total				€ 591,390.80 ([1])				€ 73,018.30		€ 664,409.10		
Francesco Bove	Director and *Chief Operating Officer*	From 06.08.2018 to 31.12.2018										
(I) Remuneration in the company that prepares the financial statements				€ 155,297.86				€ 24,802.98		€ 180,100.84		€ 84.990,60 (in addition, € 263.125.99 Previndai Fund)
(II) Compensation from subsidiaries and associates				€ 42,170.00						€ 42,170.00		
(III) Total				€ 197,467.86 ([2])				€ 24,802.98		€ 222,270.84		€ 84,990.60

(A)	(B)	(C)	(D)	(1).	(2).	(3).	(4).	(5).	(6).	(7).	(8).
Anibal Diaz Diaz	Director and *Chief Financial Officer*	From 06.08.2018 to 31.12.2018									
(I) Remuneration in the company that prepares the financial statements				€ 16,500.00					€ 16,500.00		
(II) Compensation from subsidiaries and associates				€ 212,520.30			€ 40,325.81		€ 252,846.11		
(III) Total				€ 229,020.30 ([3])			€ 40,325.81		€ 269,346.11		
Filippo Giovannini	Director	From 06.08.2018 to 31.12.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 16,500.00					€ 16,500.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 16,500.00					€ 16,500.00		
Edward Subert	Vice President	From 01.01.2018 to 06.08.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 16,500.00	€ 3,100.00				€ 19,600.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 16,500.00	€ 3,100.00				€ 19,600.00		
Nicola Colavito	Director	From 06.08.2018 to 31.12.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 16,500.00	€ 3,100.00				€ 19,600.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 16,500.00	€ 3,100.00				€ 19,600.00		
Francesco Caio	Director	From 01.01.2018 to 06.08.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 28,389.00	€ 4,700.00				€ 33,089.00		

(A)	(B)	(C)	(D)	(1).	(2).	(3).	(4).	(5).	(6).	(7).	(8).
(II) Compensation from subsidiaries and associates											
(III) Total				€ 28,389.00	€ 4,700.00				€ 33,089.00		
Luisa Maria Virginia Collina	Director	From 06.08.2018 to 31.12.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 16,500.00	€ 6,200.00				€ 22,700.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 16,500.00	€ 6,200.00				€ 22,700.00		
Lucrezia Reichlin	Director	From 06.08.2018 to 31.12.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 16,500.00	€ 4,700.00				€ 21,200.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 16,500.00	€ 4,700.00				€ 21,200.00		
Francesca Prandstraller (*) (**)	Director	From 01.01.2018 to 06.08.18	06/08/2018								
(I) Remuneration in the company that prepares the financial statements				€ 11,889.00					€ 11,889.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 11,889.00					€ 11,889.00		
Margherita Zambon	Director	From 01.01.2018 to 06.08.18	06/08/2018								
(I) Remuneration in the company that prepares the financial statements				€ 11,889.00					€ 11,889.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 11,889.00					€ 11,889.00		
Benedetta Navarra	Chairman of the Board of Statutory Auditors	From 11.09.18 to 31.12.2018	2020 financial statements approval								

(A)	(B)	(C)	(D)	(1).	(2).	(3).	(4).	(5).	(6).	(7).	(8).
(I) Remuneration in the company that prepares the financial statements				€ 16,100.00					€ 16,100.00		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 16,100.00					€ 16,100.00		
Franco Abbate	Standing Auditor	From 11.09.18 to 31.12.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 11,169.32					€ 11,169.32		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 11,169.32					€ 11,169.32		
Piergiorgio Valente	Standing Auditor	From 11.09.18 to 31.12.2018	2020 financial statements approval								
(I) Remuneration in the company that prepares the financial statements				€ 11,169.32					€ 11,169.32		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 11,169.32					€ 11,169.32		
Pier Luca Mazza	Chairman of the Board of Statutory Auditors (**)	From 01.01.2018 to 10.09.2018	10.09.2018								
(I) Remuneration in the company that prepares the financial statements				€ 15,639.88					€ 15,639.88		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 15,639.88					€ 15,639.88		
Marco Giuliani	Standing Auditor(**)	From 01.01.2018 to 10.09.2018	10.09.2018								
(I) Remuneration in the company that prepares the financial statements				€ 10,583.78					€ 10,583.78		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 10,583.78					€ 10,583.78		

(A)	(B)	(C)	(D)	(1).	(2).	(3).	(4).	(5).	(6).	(7).	(8).
Virginia Marini	Standing Auditor(**)	From 01.01.2018 to 10.09.2018	10.09.2018								
(I) Remuneration in the company that prepares the financial statements				€ 10,583.78					€ 10,583.78		
(II) Compensation from subsidiaries and associates											
(III) Total				€ 10,583.78					€ 10,583.78		
Paolo Ferrari	*Group M&A Director and Marketing Director*	From 06.08.2018 to 31.12.2018									
(I) Remuneration in the company that prepares the financial statements											
(II) Compensation from subsidiaries and associates				€ 143,468.40			€ 36,062.16		€ 179,530.56		
(III) Total				€ 143,468.40 ([4])			€ 36,062.16		€ 179,530.56		

([1]) The remuneration of Marco Giovannini consists of € 16,500.00 paid for the office of Director, € 28,500.00 paid for the office of Chief Executive Officer and € 546,398.80 for the position of Managing Director of the company. he controls GCL International S.à r.l.

([2]) The remuneration of Francesco Bove consists of Euro 16.500,00 paid for the office of Director and Euro 155,297.86 paid as manager of the Company and € 42,170.00 as director of other group companies

([3]) The remuneration of Anibal Diaz Diaz consists of € 16,500.00 paid for the office of Director and € 160,220.30 paid as manager of GCL International S.à.r.l., a company controlled by the Company, and € 52,300.00 as a director of other group companies

([4]) Paolo Ferrari's remuneration consists of € 125,418.40 paid as manager of GCL International S.à r.l., a company controlled by the Company, and € 18,050 as director of other group companies

(*) Director of the Company, at the time of the office called "Space4 SpA", up to the Effective Date of the Merger.

(**) Statutory Auditor of the Company, at the time of the post named "Space4 SpA", until 10 September 2018, date of the meeting that appointed the Board of Statutory Auditors in office at the date of this report.

In " **Fixed remuneration**" are indicated separately (when necessary a note has been added) and according to a competence criterion : (i) the remuneration for office approved by the shareholders' meeting, even if not paid; (ii) attendance fees; (iii) flat-rate expense reimbursements; (iv) the compensation received for the performance of particular duties, pursuant to article 2389, paragraph 3, of the civil code (for example, chairman, vice-chairman); (v) fixed remuneration for employment, gross of social security and tax charges payable by the employee, excluding collective mandatory social security charges to be paid by the company and severance pay provisions. The other components of any remuneration due to employees (bonuses, other compensation, non-monetary benefits, etc.) must be indicated in the relative columns, specifying in a note the amount paid by virtue of the administration relationship and the part paid pursuant to the employee relationship .

TABLE 2 Equity investments of the members of the administrative and control bodies and of the general managers and of the managers with strategic responsibilities

SURNAME AND NAME	POSITION	PARTICIPATED COMPANY	NO. OF SHARES HELD AT 31.12.2017	NUMBER OF PURCHASED SHARES	NUMBER OF SHARES SOLD	NO. OF SHARES HELD AT 31.12.2018
Marco Giovannini	The Chairman of the Board of Directors and Chief Executive Officer	Guala Closures S.p.A.	-	- 5,244,208 ordinary shares through the GCL Holdings SCA - 4.322.438 B shares with multiple votes through GCL Holdings Sca - 100,000 ordinary shares	-	- 49,700 ordinary shares
Francesco Bove	Director and *Chief Operating Officer*	Guala Closures S.p.A.	-	- - 70,000 ordinary shares	-	- 50,000 ordinary shares
Anibal Diaz Diaz	Director and *Chief Financial Officer*	Guala Closures S.p.A.	-	- 20,000 ordinary shares	-	- 20,000 ordinary shares
Paolo Ferrari	Group M&A Director and Marketing Director (Executive with Strategic Responsibilities)	Guala Closures S.p.A.	-	- 10,000 ordinary shares	-	-7,500 ordinary shares