

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE FOURTH AND  
FIFTH ITEMS ON THE AGENDA OF THE SHAREHOLDERS 'MEETING**

**(CALLED FOR 30 APRIL 2021)**

**Appointment of the Board of Directors, related and consequent resolutions**

**Appointment of the Board of Statutory Auditors, related and consequent  
resolutions**

## INTRODUCTION

As of the date of Guala Closures S.p.A. Board of Directors' meeting ("Guala Closures" or the "Company"), called to approve the financial statements as at 31 December 2020, the three-year mandate received by the members of the Board of Directors ("BoD") and the Board of Statutory Auditors ("BoSA") in office.

The Shareholders' Meeting will therefore be called to resolve on matters relating and consequent to the renewal of the administrative and control body, in compliance with current laws and the Company's Articles of Association.

More specifically, as regards the fourth and fifth items on the Agenda of the meeting called for 30 April 2021, the Meeting will be called to resolve on:

4. Appointment of the Board of Directors, related and consequent resolutions
  - a. Determination of the number of members of the next Board of Directors
  - b. Determination of the term of office of the next Board of Directors
  - c. Appointment of the members of the next Board of Directors
  - d. Determination of the remuneration of the members of the next Board of Directors
5. Appointment of the Board of Statutory Auditors, related and consequent resolutions
  - a. Appointment of three standing auditors and two alternate auditors
  - b. Appointment of the Chairman of the Board of Statutory Auditors
  - c. Determination of the remuneration of the members of the next Board of Statutory Auditors.

Article 125-ter of Legislative Decree no. 58 dated 24 February 1998, as subsequently amended (the "TUF"), provides that, unless already required by other legal provisions, the management body, within the deadline for publication of the notice of meeting, makes available to the public a report on the items on the agenda at the registered office, on the company's website and with the other methods envisaged by Consob by regulation.

With reference to the aforementioned obligation, it should be noted that this report (the "Report") relates to the fourth and fifth items on the agenda of the Shareholders' Meeting and related sub-items, and was approved by the Board of Directors on 10 March 2021. The Report was filed at the registered office and at Borsa Italiana S.p.A. within the term provided for by Article 125-ter of the TUF, with the right for the Shareholders to request a copy, and is also available in the "Investor Relations" section of the Company website ([www.gualaclosures.com](http://www.gualaclosures.com)), as well as at the centralized storage mechanism called "eMarket Storage", managed by Spafid Connect S.p.A., available at <https://www.emarketstorage.com/>

In order to formulate the proposals relating to the decision points illustrated in the Report, Shareholders are invited to take into account the remarks and instructions in the Shareholders' Meeting guidelines on the future size and composition of the Company's management body, as illustrated in the "Guidelines of the outgoing Board of Directors on the qualitative and quantitative composition of the Board of Directors for the three-year period 2021-2023" (hereinafter the "Guidelines"),

approved by the Board of Directors on 10 March 2021 and made available to Shareholders in the "Investor Relations" section of the Company's website ([www.gualaclosures.com](http://www.gualaclosures.com)).

That being said, the Shareholders have the right to express different opinions on the optimum composition of the Board of Directors, without prejudice to the need to justify any deviations from the instructions contained in the Guidelines.

This Report is published within the deadline for publication of the Notice of call of the Shareholders' Meeting ("Notice"), i.e. within the fortieth day prior to the date of the Shareholders' Meeting, in the manner provided for by the regulations in force.

The Notice contains the information required by art. 125-bis, paragraph 4 of the TUF, including the methods and terms for submitting the lists of candidates for the appointment of the members of the Board of Directors and the Board of Statutory Auditors.

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#### **APPOINTMENT OF THE BOARD OF DIRECTORS, RELEVANT AND CONSEQUENT RESOLUTIONS**

- a) Determination of the number of members of the next Board of Directors**
- b) Determination of term of office of the next Board of Directors**

The Company's Board of Directors is composed of a variable number of members from a minimum of 8 (eight) to a maximum of 15 (fifteen) members. The Shareholders' Meeting establishes the number of members of the Board of Directors, a number that shall remain in force until resolved otherwise.

The Board of Directors, referring to the Guidelines on the optimal composition of the Board of Directors, shall request to determine in 9 (nine) members of the Board of Directors, as this number, even in the presence of a *Board Review*, was deemed suitable for ensuring the correct performance of corporate functions.

In accordance with art. 11.16, Directors shall remain in office for a period established by the Shareholders' Meeting, which should not exceed 3 (three) years from the acceptance of the office. Their office shall end on the date of the Shareholder's Meeting is called to approve the financial statements for the last year of their office and may be re-elected.

That being said, the following proposals are submitted to the approval of the Shareholders:

*"The Shareholders' Meeting of Guala Closures S.p.A.:*

- *taking into account the provisions of art. 11 of the Articles of Association on the of members of the Board of Directors;*
- *having examined the explanatory report of the Board of Directors*
- *considering the recommendations of the expiring Board of Directors in the specific instructions contained in the document "Guidelines of the outgoing*

*Board of Directors on the qualitative and quantitative composition of the Board of Directors for the three-year period 2021-2023" and the instructions referred to in the Corporate Governance Code approved by the Corporate Governance Committee,*

*resolved*

1. *to determine in 9 (nine) the number of members of the Board of Directors*

*"The Shareholders' Meeting of Guala Closures S.p.A.:*

- *taking into account the provisions of art. 11 of the Articles of Association on the term of the Board of Directors*
- *having examined the explanatory report of the Board of Directors*
- *considering the recommendations of the expiring Board of Directors in the specific instructions contained in the document "Guidelines of the outgoing Board of Directors on the qualitative and quantitative composition of the Board of Directors for the three-year period 2021-2023" and the instructions referred to in the Corporate Governance Code approved by the Corporate Governance Committee*

*resolved*

2. *to determine the term of office of the Board of Directors for a period of 3 (three) years effective from the acceptance of the office and expiring on the Shareholders' Meeting called to approve the financial statements as at 31 December 2023 "*

### **c) Appointment of the members of the next Board of Directors**

#### Requirements of Directors

The appointment of the Board of Directors is carried out through the list voting procedure, in compliance with the provisions of existing law and with art. 11 of the Articles of Association, to which reference should be made as regards any matter not specified below.

The Board of Directors must be composed according to certain requirements which shall apply to all or some of its members, as summarised below:

All directors must meet the requirements of integrity, professionalism, and independence prescribed by law and other applicable provisions. Furthermore, a number of directors identified according to applicable laws and regulations, also taking into account the listing segment of the shares, must meet the requirements of independence requested therein, as well as the any additional requirement set out in the *Corporate Governance Code*.

All directors must declare that they meet the **integrity** requirements set forth in the combined provisions of art. 147-quinquies and art. 148, paragraph 4, of Legislative Decree 58/1998 (TUF) and art. 2 of the Ministerial Decree of 30 March 2000, n. 162. More specifically:

- a) That he/she is not in one of the conditions of ineligibility or forfeiture provided for by art. 2382 of the Civil Code
- b) That he/she has not been subjected to preventive measures ordered by a judicial authority pursuant to Legislative Decree 6 September 2011 n. 159

- (anti-mafia) and subsequent amendments and additions, without prejudice to the effects of rehabilitation
- c) That he/she has not been finally judged, without prejudice to the effects of rehabilitation, to:
    - i) Detention for one of the offences under the laws governing banking, financial and insurance activities and the laws governing markets and financial instruments, tax matters and payment instruments
    - ii) Detention for one of the offences under Title XI of Book V of the Civil Code and Royal Decree no. 267
    - iii) Detention for six months or more for an offence against public administration, public faith, property, public order, public economy or for a crime in tax matters
    - iv) Detention for a period of one year or more for any offence
  - d) That he/she has not been subjected, at the request of the parties, to one of the punishments provided for by the previous letter. c), except in those cases where the offence is no longer punishable
  - e) That he/she has not been not to have sentenced to a criminal conviction or other punishment in foreign countries for cases corresponding to those that would entail, according to Italian law, the loss of integrity requirements.

Pursuant to art. 11 of the Articles of Association and having regard to the Corporate Governance Code, at least 2 (two) directors must be in possession of the **independence** requirements provided for by Articles 147-ter, paragraph 4, and 148, paragraph 3, of Legislative Decree 58/1998 and by art. 2 of the Corporate Governance Code. It should be noted that the Self-regulatory Code referred to in the Company's Articles of Association has been replaced by the Corporate Governance Code in force from 1 January 2021.

The outgoing Board of Directors, referring to the Guidelines on the appointment of the optimal members of the Board of Directors, invites to establish as 3 (three) the number of members of the Board of Directors as it is deemed suitable to ensure the correct performance of the corporate functions and of the committees to be appointed, in addition to being consistent with the provisions of Borsa Italiana as regards Star issuers.

Art. 147-ter, paragraph 1-ter of the Consolidated Law on Finance, as amended by law no. 160 of 2019, provides that the allocation of directors to be elected is carried out on the basis of a criterion that ensures the **balance between genders**. The less represented gender must obtain at least two fifths of the elected directors and this distribution criterion applies for six consecutive terms.

In order to comply with the above and having regard to art. 11 of the Articles of Association, the lists of candidates for the renewal of the Board of Directors, presented by those entitled to do so, must be composed of candidates belonging to both genders, in order to ensure that at least two fifths belong to the less represented gender (rounded up) among candidates.

With reference to the requirements of professionalism, experience and skills required for the optimal composition of the next BoD, the outgoing Board of

Directors refers to the Guidelines document that all shareholders are invited to read.

*Preparation and filing of the lists*

In accordance with the Articles of Association, the Board of Directors is appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders, according to the procedure set out in the following provisions, unless otherwise or further provided for by laws or regulations.

Shareholders may submit a list for the appointment of directors who, at the time the list is submitted, are holders - alone or together with other presenting shareholders - of a shareholding at least equal to **2.5%** as per Consob decision no. 44 dated 29 January 2021.

The ownership of the minimum shareholding is established having regard to the shares that are registered for the shareholder on the day on which the lists are filed with the issuer. The relevant certification can be issued also after filing, as long as it is within the deadline set for the publication of the lists.

In order to facilitate the compliance with the provisions on the composition of the Board of Directors required by applicable laws, art. 11.6 of the Articles of Association requires the lists to be made up of a number of candidates not less than 6 and not greater than 15, each one associated with a progressive number. Each list must contain and expressly indicate at least 2 directors who meet the independence requirements provided for by the applicable laws and by the Self-regulatory Code. This reference, starting from the current financial year, is to be understood as the Corporate Governance Code.

For sake of clarity and with the spirit of facilitating the presentation of "minority lists", please note that the provisions of the Articles of Association must be interpreted as aimed to admit - and therefore will be admitted - lists composed of a number of candidates of less than 6 – therefore, by way of example only, also lists made up of a single candidate not in possession of the independence requirement – as this complies with the combined provisions of articles 11.3, 11.6 and 11.13 of the Articles of Association, taking into account the provisions of art. 147-ter of Legislative Decree no. 58/1998 (TUF) and the methods for appointing the administrative body set forth by art. 11.9 and following articles of the Articles of Association, according to which from the second list that obtained the highest number of votes and which is not even indirectly linked with the shareholders who submitted, or with those who voted, the Majority List (as defined by the Articles of Association) a director is selected, in the person of the candidate indicated with the first number on the same list. In the event of lists with less than six candidates, the provisions of art. 11.6 of the Articles of Association requiring each list to include and expressly indicate at least 2 directors who meet the requirements of independence provided by the applicable legislation and the Self-regulatory Code, shall not apply.

Considering the provisions under art. 11.6 of the Articles of Association and art. 144-Unidecies.1 of the Issuer Regulations, each list with a number of candidates equal to or higher than three must include a number of candidates of the less represented gender such as to ensure that the composition of the board of



directors complies with the legal and regulatory provisions on gender balance (i.e. two fifths of the elected directors).

Without prejudice to the above, it should be noted that in the guidance expressed by the Board of Directors pursuant to art. 4 of the Corporate Governance Code, the Board of Directors has decided to indicate to the Shareholders' Meeting the adoption of a management body made up of nine members, of which at least three should be independent non-executive directors.

The lists have been deposited at the registered office: (i) by post or by hand delivery to the Company's registered office (Via Rana 12, Spinetta Marengo, Alessandria, 15122), for the attention of the Investor Relator and the Legal and Corporate Affairs Office, during normal business hours, or (ii) by certified e-mail to the address [irgualaclosures@legalmail.it](mailto:irgualaclosures@legalmail.it) in the manner prescribed by the regulations in force, at least 25 (twenty-five) days before (i.e. **by 5 April 2021**) of the day scheduled for Shareholders' Meeting called to resolve on the appointment of directors.

Furthermore, the Company should make the lists available to the public at least 21 (twenty-one) days before the date set for the aforementioned Shareholders' Meeting (i.e. **by 9 April 2021**) in the manner prescribed by the regulations in force.

Under penalty of inadmissibility, to the list must be attached:

- i. Curriculum vitae of the candidates
- ii. Declarations by which each candidate accepts the candidacy and certifies, under his/her own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements prescribed by current laws to cover the position of director of the Company including the declaration about the possible possession of the requirements of independence
- iii. the identity of the shareholders who presented the lists and the overall percentage of shareholding held
- iv. any other additional or different declaration, information and/or document provided for by law and applicable regulations.

Furthermore, pursuant to art. 4 of the Corporate Governance Code, the outgoing Board of Directors requires those presenting a list containing a number of candidates greater than half of the members to be elected to provide, in the documents submitted for filing the list, adequate information on the compliance of the list with the guidance expressed by the Board of Directors, with reference to the diversity criteria set out in the Code as well as to specify their candidate to be appointed as Chairman of the Board of Directors.

Each shareholder, the shareholders belonging to the same corporate group as well as the shareholders adhering to a shareholders' agreement in accordance with Article 122 of the TUF, may not submit or contribute to the submission, even through a third party or trust company, of more than one list nor can they vote different lists; in addition, each candidate may be submit on only one list, under penalty of ineligibility.

It is also reminded that those who submit a "minority list" are recipients of the recommendations formulated by Consob with Communication no. DEM/9017893 of 26 February 2009.

#### Appointment of the Board of Directors

At the end of the vote, the candidates of the two lists who have obtained the highest number of votes will be elected, with the following criteria:

- (i) from the list which has obtained the highest number of votes (the "**Majority List**"), a number of directors equal to the total number of members to be elected, except one, will be taken according to the progressive order of submission and
- (ii) from the second list which obtained the highest number of votes and is not even indirectly related to the shareholders who submitted or to those who voted for the Majority List (the "**Minority List**"), a director, in the person of the candidate indicated with the first number on the list, will be taken.

Lists receiving a vote in the General Meeting which is less than half the percentage required for submission of the list may not be considered.

In the event of a tie between lists, a new vote will be held by the Shareholders' Meeting and the candidates who obtain the simple majority of votes without applying the list voting mechanism will be elected.

If only one list has been submitted, the Shareholders' Meeting will vote it and should the relative majority of votes be reached, all members of the board of directors will be taken from this list in compliance with legal provisions and regulations in force, also as regards the balance between genders (including rounding up to the upper unit in the event the application of the criterion of division between genders does not result in a whole number).

In the absence of lists, or if only one list is submitted and it does not obtain the relative majority of votes, or if the number of directors appointed on the basis of the lists submitted is less than the number of members to be elected, or if the entire board of directors should not be renewed, or if it is not possible for any reason to proceed with the appointment of the board of directors as required, the members of the board of directors will be appointed by the shareholders' meeting with ordinary methods and majorities, without list voting, without prejudice to the obligation to maintain the minimum number of independent directors established by law, also as regards the listing segment of shares, and in compliance with legal provisions and regulations in force on gender balance.

#### **d) Determination of the remuneration of the members of the Board of Directors**

The members of the Board of Directors are entitled to a fixed annual fee for office allowance, with the overall amount being determined by the Shareholders' Meeting and divided among the members of the Board, in addition to the provisions of article 2389 of the Civil Code for directors vested with particular offices as well as the reimbursement of expenses incurred by reason of their office. The Shareholders' Meeting may determine a total amount for the remuneration of all directors, including those with special powers.

The Shareholders' Meeting of Space4 held on 28 May 2018 resolved - pursuant to section 2389 of the Italian Civil Code - for the Board of Directors in office starting from the Effective date of the Merger, a total fee of € 500,000 (including the



remuneration due to the Chairmen of the Committees and the Chairman of the Board of Directors) delegating to the Board to resolve on the internal allocation of this amount.

Therefore on 11 September 2018, the Company's Board of Directors resolved to split such fee and allocate € 40,000 (forty thousand/00 euros) to each member of the Board of Directors. The same Board also resolved to grant an additional fee of € 70,000 (seventy thousand/00 euros) for the office of Chairman and € 10,000 (ten thousand/00 euros) for Directors who are also members of the Board Committees € 15,000 (fifteen thousand/00 euros) for the Chairmen of the Committees.

The Board of Directors currently in office proposes to the Shareholders to establish the overall gross annual remuneration as Euro 500,000.00 (Euro five hundred thousand / 00), to be divided among the members of the Board of Directors in accordance with the resolutions that will be adopted in this regard by the Board itself , in compliance with the provisions of the Company's Remuneration Policy. It is understood that the remuneration for Directors vested with particular offices, always in compliance with the aforementioned Company Remuneration Policy, will be determined by the Board of Directors.

Having said all this, the following proposal is then submitted to the approval of the Members:

*"The Shareholders' Meeting of Guala Closures S.p.A.:*

- *taking into account the provisions of art. 15 of the Articles of Association regarding the remuneration of the Board of Directors*
  - *having examined the explanatory report of the Board of Directors resolved*
1. *to set the total annual gross remuneration for the members of the Board of Directors at € 500,000.00 (five hundred thousand/00 euros) to be divided among each individual member as established by a specific resolution of the Board of Directors "*.

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## **APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS, RELEVANT AND CONSEQUENT RESOLUTIONS**

### **a) Appointment of three standing auditors and two alternate auditors**

In accordance with art. 17 of the Articles of Association, the Board of Statutory Auditors is composed of 3 standing auditors and 2 alternate auditors, appointed by the Shareholders' Meeting on the basis of lists submitted by the Shareholders, according to the following procedures and in any case without prejudice to different and further provisions provided for by mandatory laws or regulations . Auditors shall remain in office for a term of three financial periods, they may be re-elected and their office shall terminate as of the date of Shareholders' Meeting convened for the approval of the financial statements referring to the third financial period of office.

#### Requirements of Statutory Auditors

All members of the Board of Statutory Auditors must:

- have the **independence** requirements provided for by art. 148, paragraph 3 of the TUF and the *Corporate Governance Code*
- have the **integrity** requirements pursuant to art. 148, paragraph 4, of Legislative Decree 58/1998 (TUF) and art. 2 of the Ministerial Decree of 30 March 2000, n. 162. More specifically:
  - a) That he/she is not in one of the conditions of ineligibility or forfeiture provided for by art. 2382 of the Civil Code
  - b) That he/she has not been subjected to preventive measures ordered by a judicial authority pursuant to Legislative Decree 6 September 2011 n. 159 (anti-mafia) and subsequent amendments and additions, without prejudice to the effects of rehabilitation
  - c) That he/she has not been finally judged, without prejudice to the effects of rehabilitation, to:
    - (i) Detention for one of the offences under the laws governing banking, financial and insurance activities and the laws governing markets and financial instruments, tax matters and payment instruments
    - (ii) Detention for one of the offences under Title XI of Book V of the Civil Code and Royal Decree no. 267
    - (iii) Detention for six months or more for an offence against public administration, public faith, property, public order, public economy or for a crime in tax matters
    - (iv) Detention for a period of one year or more for any offence
  - d) That he/she has not been subjected, at the request of the parties, to one of the punishments provided for by the previous letter. c), except in those cases where the offence is no longer punishable
  - e) That he/she has not been sentenced to a criminal conviction or other punishment in foreign countries for cases corresponding to those that would entail, according to Italian law, the loss of integrity requirements.
- to observe the **limitations on the accumulation of** administration and control offices that the statutory auditors of listed companies can take on in joint-stock companies, limited partnerships and limited liability companies, pursuant to art. 148-bis of the TUF and art. from 144-duodecies to 144-quinquiesdecies of the Issuers' Regulation adopted with resolution no. 11971/1999.

#### Presentation of the lists

In accordance with art. 17 of the Articles of Associations, shareholders may submit a list for the appointment of directors who, at the time the list is submitted, are holders - alone or together with other presenting shareholders - of a shareholding at least equal to **2.5%** as per Consob resolution no. 44 dated 29 January 2021.

The ownership of the minimum shareholding is established having regard to the shares that are registered for the shareholder on the day on which the lists are filed with the issuer. The relevant certification can be issued also after filing, as long as it is within the deadline set for the publication of the lists.

The lists are filed at the registered office, (i) by post or by hand delivery to the Company's registered office (Via Rana 12, Spinetta Marengo, Alessandria, 15122 ), to the attention of the Investor Relator and the Legal and Corporate Affairs Office,

during normal business hours, or (ii) by certified e-mail to the address [irgualaclosures@legalmail.it](mailto:irgualaclosures@legalmail.it) at least 25 (twenty-five) days before (i.e. by **5 April 2021**) the date set for the Shareholders' Meeting called to resolve on the appointment of directors. Furthermore, the Company should make the lists available to the public at least 21 (twenty-one) days before the date set for the aforementioned Shareholders' Meeting (i.e. **by 9 April 2021**) in the manner prescribed by the regulations in force.

The lists must contain the names of one or more candidates for the office of standing auditor and one or more candidates for the office of alternate auditor. The names of the candidates are marked in each section ("statutory auditors" section, "alternate auditors" section) by a progressive number and are in any case no greater than the members of the body to be elected. Should the lists contain - considering both sections - a number of candidates equal to or greater than 3 (three), then they must contain in both sections a number of candidates such as to guarantee that the composition of the board of auditors, including both standing and alternate members, complies with legal provisions and regulations in force on gender balance.

Art. 148, paragraph 1-bis, of the Consolidated Law on Finance, as amended by law no. 160 of 2019, provides that the allocation of auditors to be elected is carried out so that the less represented gender obtains at least two fifths of the standing members of the Board of Statutory Auditors. This distribution criterion applies for six consecutive terms.

Pursuant to art. 144-undecies.1 of the Regulations issued by Consob with resolution no. 11971/1999 (the "Issuers' Regulation") if the application of the gender breakdown criterion does not result in an integer number of members belonging to the less represented gender, this number is rounded to the lower number in the corporate bodies made up of three members.

The following documents must be attached to each list, under penalty of inadmissibility:

- i. information on the identity of the shareholders who submitted them, with the overall percentage of the shareholding held
- ii. declaration of shareholders other than those who hold, even jointly, a controlling or relative majority shareholding, certifying the absence of connections with the latter in accordance with current regulations (Article 144-quinquies of Issuer Regulation, also taking into account the recommendations made by Consob with Notice of 26 February 2 2009, no. DEM / 9017893)
- iii. exhaustive information on the personal and professional characteristics of candidates, as well as candidate's statement certifying that he/she has the requirements provided for by law along with the acceptance of the candidacy, accompanied by the list of management and control positions held by the candidate in other companies;
- iv. any other additional or different declaration, information and/or document provided for by law and applicable regulations.

Each shareholder, the shareholders belonging to the same corporate group as well as the shareholders adhering to a shareholders' agreement in accordance with

Article 122 of the TUF, may not submit or contribute to the submission, even through a third party or trust company, of more than one list nor can they vote different lists; in addition, each candidate may be submit on only one list, under penalty of ineligibility.

In the event that only one list has been filed on the expiry date of the submission of lists, that is only lists submitted by members connected to each other pursuant to the applicable provisions, lists may be presented up to the third day following that date (that is until **8 April 2021**). In this case, the threshold for the submission of lists will be reduced by half (i.e. to **1.25%** of the share capital),

#### Appointment of the Board of Statutory Auditors

Statutory auditors are appointed as follows:

- (i) two statutory auditors and one alternate auditor are taken from the list which obtained the highest number of votes (the "**Majority List**"), based on the progressive order with which they are listed on the list
- (ii) the third standing auditor (the "**Minority Auditor**"), who will be the chairman of the board of statutory auditors, and the second alternate auditor (the "**Alternate Minority Auditor**") are taken, based on the progressive order with which they are listed in the list, from the second list which obtained the highest number of votes and which is not - even indirectly - connected to the shareholders who submitted it or to those who voted for the Majority List pursuant to the applicable provisions.

In the event of a tie between lists, a new vote will be held by the Shareholders' Meeting and the candidates who obtain the simple majority of votes without applying the list voting mechanism will be elected.

If at the end of the voting it turns out that legal provisions and regulations in force governing the balance between genders were not observed, the candidate for the office of standing or alternate auditor of the most represented gender elected as the last in progressive order from the Majority List will be excluded and will be replaced by the candidate for the office of standing auditor or next alternate auditor, taken from the same list, belonging to the other gender.

If only one list has been submitted, the Shareholders' Meeting will vote such list and if it obtains the majority of votes, three standing auditors and two alternate auditors indicated in the list as candidates for such offices will be elected, in compliance with the rules and regulations in force also with regard to the balance between genders.

In the absence of lists, or if it is not possible for any reason to appoint the board of statutory auditors in the manner provided for in article 17 of the Articles of Association, the three standing auditors and the two alternate auditors shall be appointed by the Shareholders' Meeting with the ordinary majorities provided for by law, in accordance with law and regulatory provisions in force also as regards the balance between genders.

#### **b) Appointment of the Chairman of the Board of Statutory Auditors**

Pursuant to art. 17 of the Articles of Association, in the event that at least two lists are submitted for the appointment of statutory auditors, the third standing auditor ("the Minority Statutory Auditor") is taken from the second list that obtained the

highest number of votes who is also entitled to be the Chairman of the Board of Statutory Auditors.

In the event that only one list has been submitted, the aforementioned art. 17 of the Articles of Association does not provide for rules on the appointment of the Chairman of the Board of Statutory Auditors. Therefore, the Shareholders' Meeting, in relation to the above, and subject to the failure to submit a Minority List, is invited to appoint as Chairman of the Board of Statutory Auditors the person indicated in first place in the section of candidates for the office of Statutory Auditor in the single list submitted.

**c) Determination of the remuneration due to standing members of the Board of Statutory Auditors**

On 11 September 2018, the Shareholders' Meeting that appointed the Board of Statutory Auditors of the Company also determined the remuneration of the Board of Statutory Auditors which amounts to € 50,000.00 (Euro fifty thousand/00) gross per year for the Chairman and € 35,000.00 (Euro thirty-five thousand/00) gross per year for the other standing auditors.

Having said all this, the following proposal is then submitted to the approval of the Members:

*"The Shareholders' Meeting of Guala Closures S.p.A., having examined the explanatory report of the Board of Directors*

*resolved*

- 1. to determine the remuneration of the Board of Statutory Auditors as € 50,000.00 (Euro fifty thousand/00) gross per year for the Chairman and € 35,000.00 (Euro thirty-five thousand/00) gross per year for the other standing auditors.*

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Shareholders who intend to make proposals regarding the above are invited to submit them when filing the Lists or, in any case, within the same terms, in order to allow the Company to make them public together with the Lists and to allow the shareholders attending the Meeting to make an informed exercise of their voting rights.

Alessandria, 10 March 2021

On behalf of the Board of Directors  
**The President and CEO**  
(Cav. del Lav. Ing. Marco Giovannini)

