<u>REPORT PRESENTED BY THE BOARD OF DIRECTORS OF VIDRALA, S.A. IN RELATION TO THE RESOLUTION REFERRED TO IN ITEM SIX OF THE AGENDA FOR THE ANNUAL GENERAL MEETING.</u>

1.- OBJECT OF THIS REPORT.

Section 286 of the current Spanish Companies' Law ("*Ley de Sociedades de Capital*") states that to validly pass any resolution amending the articles of association that the directors must submit a written report justifying the aforementioned amendment which, together with the complete text of the proposed amendment, must be made available to the shareholders in due time and form pursuant to the aforementioned law.

In turn section 296 of the Spanish Companies' Law ("*Ley de Sociedades de Capital*") establishes that the share capital increase must be resolved by the General Meeting pursuant to the requirements established for amending the articles of association.

The purpose of this report is to comply with the aforementioned rules. It has been prepared by the Board of Directors of Vidrala, S.A. ("**Vidrala**" or the "**Company**") to justify the RESOLUTION — which is submitted for the of approval the Company's General Meeting to be held on 28 May 2019 at 12 PM on first call and on 29 May 2019 at the same time on second call under agenda item six.

2.- JUSTIFICATION OF THE RESOLUTION.

The share capital increase referred to in this report consists of a definable amount resulting from multiplying (a) the nominal value of each share of Vidrala S.A. of ONE EURO AND TWO CENTS (€1.02) by (b) the definable number of new shares (the "New Shares") of the Company in the proportion of ONE (1) New Share for every TWENTY (20) shares existing when the share capital increase is carried out.

It therefore entails offering the Company's shareholders a number of New Shares, released, in the proportion of ONE (1) New Share for every TWENTY (20) existing shares when the share capital increase is carried out.

The share capital increase will be carried out with a charge to "Voluntary Reserves" — which is unrestricted – the amount of which stood at EUR 192,206 at 31 December 2018.

The Board of Directors considers that the share capital increase proposed to the General Meeting is a transaction of significant interest to the Company which is justified for three basic reasons:

1.- The Company is thus able to remunerate shareholders and, at the same time, maintain the necessary resources to tackle new value-generating projects for shareholders.

With it, the Company remains faithful to its goal of creating value for shareholders.

2.- It thereby promotes enhanced liquidity of VIDRALA, S.A. shares on the stock market, due to an increase in the number of outstanding Company shares.

3.- It strengthens the structure of its own resources, arising from the capitalisation of reserves.

Based on the foregoing, the Board of Directors submits the above-described share capital increase transaction for approval by the Annual General Meeting, recognising shareholders' bonus issue rights , amounting to one new share for every TWENTY (20) shares they already hold.

The Company's balance sheet at 31 December 2018, which must be first submitted for the of approval the Annual General Meeting, will be used as reference.

In response to the above considerations, the Board considers it necessary that the General Meeting, upon resolving the share capital increase resolution, delegate to the Board of Directors the broad powers mentioned, with express authorisation so that any Board member may exercise the aforementioned powers on its behalf in order to operate in an even more agile manner.

3.- COMPLETE TEXT OF THE RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION WHICH IS SUBMITTED TO THE ANNUAL GENERAL MEETING FOR DELIBERATION AND A DECISION.

"SIX.- ***Increase the share capital by a definable amount according to the terms of the resolution, through the issue of new ordinary shares of one euro and two cents (€1.02) par value each, without a share premium, all of the same class and series that are currently outstanding, with a charge to unrestricted reserves, in order to freely assign them to the Company's shareholders, in the proportion of one (1) new share for every TWENTY (20) existing Company shares. Delegation of powers to the Board of Directors, with express powers of substitution, for the purpose of carrying out the share capital increase — in full or in part, within the limits of this resolution — and subsequent amendment of article 5 of the Articles of Association, requesting the admission to listing of the resulting shares on the Spanish stock market interconnection system (SIBE) and the Bilbao and Madrid Stock Markets.***

1.- Share Capital Increase.

*Increase the share capital by the definable amount resulting from multiplying (a) the nominal value of each share of Vidrala S.A. of ONE EURO AND TWO CENTS (€1.02) by (b) the definable number of new shares (the "**New Shares**") of the Company in the proportion of ONE (1) New Share for every TWENTY (20) shares existing when the share capital increase is carried out.*

By way of example and clarification, with the share capital existing at the date of this resolution, the share capital would be increased by One MILLION THREE

HUNDRED AND TWENTY-SEVEN THOUSAND SEVEN HUNDRED AND THIRTY-SIX EUROS AND FOUR CENTS (€1,327,736.04), through the issuance of ONE MILLION THREE HUNDRED AND ONE THOUSAND SEVEN HUNDRED AND TWO (1,301,702) new ordinary shares of ONE EURO AND TWO CENTS (€1.02) nominal value each, represented by book entries, all of the same class and series of company shares.

In any case, the New Shares are issued at par, i.e., at their nominal value of ONE EURO AND TWO CENTS (€1.02), without a share premium and will be assigned at zero cost to the Company's shareholders.

The New Shares will be paid with a charge to unrestricted reserves and will be issued at zero cost to the Company's shareholders in the proportion of ONE (1) new share for every TWENTY (20) old shares held by them.

*In accordance with that established in section 311 of the Spanish Companies' Law ("Ley de Sociedades de Capital") (the revised text of which was approved by Spanish Royal Legislative Decree 1/2010, of 2 July (the "**Spanish Companies' Law ("Ley de Sociedades de Capital")**")), the Share Capital Increase may be incompletely allocated if a beneficiary of the bonus issue rights totally or partially waives these rights that they hold. Therefore, if such a waiver occurs, the share capital will be increased in the corresponding amount.*

2.-** ***<u>Recipients</u>.

All the New Shares issued pursuant to this resolution will be issued at zero cost to the Company's shareholders in the proportion of ONE (1) New Share for every TWENTY (20) shares they hold of the Company.

The bonus issue rights will be transferable under the same conditions as the shares that give rise to them.

To that end, all natural persons or legal entities that, at the end of the day immediately prior to the start date of the bonus issue period referred to in the following paragraph, appear as holders of the shares in the accounting records of the companies adhered to IBERCLEAR will be considered Company's shareholders.

3.-** ***<u>Procedure for Exercising the Bonus Issue Right</u>.

In accordance with section 306.2 of the Spanish Companies' Law ("Ley de Sociedades de Capital"), bonus issue rights may be exercised during the fifteen (15) calendar days following publication of the share capital increase announcement in the Official Gazette of the Mercantile Registry and on the Company's web page, www.vidrala.com .

The issue of the shares object of the share capital increase may be processed through any of the companies adhered to IBERCLEAR.

Upon completion of the negotiation period for the bonus issue rights, the New Shares that could not be issued for reasons not attributable to Vidrala will *remain on deposit available to those who accredit legitimate ownership of the corresponding bonus issue rights. Three (3) years after the date of completion of the negotiation period for the bonus issue rights, the New Shares that are still pending issuance may be sold in accordance with section 117 of the Spanish Companies' Law ("Ley de Sociedades de Capital"), on behalf of and at the risk of the interested parties. The liquid amount of the aforementioned sale will be deposited in the Bank of Spain or in the General Depository (Caja General de Dépositos) and made available to the interested parties.*

4.- ***Unrestricted Reserves and Reference Balance Sheet.***

The share capital increase will be carried out with a charge to "Voluntary Reserves" — which is unrestricted – the amount of which stood at EUR 192,206 at 31 December 2018.

The balance sheet that will serve as the basis for the transaction will be that corresponding to 31 December 2018, duly audited and approved by the Annual General Meeting.

5.- ***Rights of the New Shares.***

The New Shares will entitle their holders, from the date of registration in the accounting records of IBERCLEAR, to the same voting and dividend rights as the Company's other shares. Consequently, they will be entitled to receive the dividends resolved to be distributed after the date the award of the shares is registered in the book-entry register.

6.- ***Request for Admission to Listing.***

Request the official admission to listing on the Bilbao and Madrid Stock Markets through the Spanish stock market interconnection system (SIBE) of the New Shares that are issued pursuant to this share capital increase resolution subsequent fulfilment of the applicable regulations, empowering the Company's Board of Directors, with express powers of substitution in one or various Board members, to execute any documents and take any actions necessary to that end, with full powers and without any restrictions.

7.- ***Amendment of the Articles of Association.***

Amend article 5 of the Articles of Association, as a result of this share capital increase resolution to reflect the amount resulting after the increase, expressly empowering the Board of Directors to reword the aforementioned article in relation to the share capital once the increase is resolved and carried out.

8.- ***Execution of the Share Capital Increase.***

Within one (1) year of the date of this resolution, the Board of Directors may resolve to carry out the share capital increase and establish the conditions thereof in relation to everything not set forth in this resolution. Notwithstanding the foregoing, if the Board of Directors does not consider it appropriate to carry out the share capital increase within the period indicated, it may RESOLUTION that the General Meeting revoke it.

Upon completion of the negotiation period for the bonus issue rights:

(a) *The New Shares will be issued to whomever, in accordance with the accounting records of Iberclear and its participating entities, holds the bonus issue rights in the proportion of ONE (1) New Share for every TWENTY (20) existing shares when the share capital increase is carried out.*

(b) *The Board of Directors will close the negotiation period for the bonus issue rights and formalise, for accounting purposes, the allocation of the "Voluntary Reserves" in the amount of the share capital increase, and it will be paid out upon such allocation.*

Furthermore, once the negotiation period for the bonus issue rights is closed, the Board of Directors will pass the corresponding resolutions to amend the Articles of Association to reflect the new share capital amount and to request that the New Shares be admitted to listing.

9.- ***Delegation to the Board of Directors*.**

In accordance with section 297.1 a) of the current Spanish Companies' Law ("Ley de Sociedades de Capital"), the Company's Board of Directors is empowered with the express powers of substitution to establish the exact amount of the share capital increase and the exact number of New Shares to be issued and to establish the date on which the share capital increase resolution should go into effect, in full or in part, within a period of no more than one year; as well as to determine all the conditions of the share capital increase not determined by the General Meeting.

In addition — and although the following list is not exhaustive and does not entail any limitation or restriction on the broadest powers under the law — the broadest powers are delegated to the Board of Directors to:

(a) *Set the date on which the share capital increase should go into effect, in all cases within one (1) year of its approval.*

(b) *Establish the exact amount of the share capital increase and exact number of New Shares to be issued; declare the share capital increase completed and executed.*

(c) *Carry out any action, make any declaration or take any steps before the CNMV, IBERCLEAR and any other organisation or entity or public or private registry to obtain any authorisations, verifications or carry out any formalities necessary to fully execute the aforementioned resolutions.*

(d) *Draft, sign and execute any public and private documents necessary or appropriate in order for the new shares issued to be admitted to listing on the Bilbao and Madrid Stock Markets.*

(e) *Draft and publish any announcements necessary. Take any actions necessary or appropriate to execute and formalise the share capital increase before any public or private entities and organisations,*

including those related to declarations, supplements or corrections of defects or omissions that may prevent or hinder the full effectiveness of the preceding resolutions.

(f) Determine the grounds for revocation of the share capital increase in accordance with customary practices in these types of transactions and withdraw from the share capital increase in cases in which it is legally possible and appropriate for the Company to do so.

(g) Amend article 5 of the Articles of Association, adapting it to the new amount of share capital based on the amount of the share capital increase and the number of shares that were ultimately subscribed and paid out.

(h) Substitute all or a portion of the powers conferred pursuant to this resolution to one or various members of the Company's Board of Directors.

It is noted that the directors have prepared a report justifying the RESOLUTION submitted here."

Llodio, 16 April 2019