

**BY-LAWS OF THE BOARD**

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**Adopted by the Board of Directors on 28 July 2020**

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## **0. INTRODUCTION**

- 0.1 These By-Laws are complementary to the provisions regarding the Board and its members as contained in relevant laws and regulations, and the Articles of Association.
- 0.2 These By-Laws are posted on the Company's website.
- 0.3 The meaning of certain capitalised or uncapitalised terms used in these By-Laws is set forth in the List of Definitions attached as **Annex 1**.

## **1. COMPOSITION**

- 1.1 The Board shall endeavour to ensure, within the limits of its powers, that it is at all times composed so that:
  - (a) each Director has the specific expertise required to perform his duties within the framework of his role;
  - (b) each Director is capable of assessing the broad outline of the overall policy;
  - (c) the composition of the Board is such that the requisite expertise, background, competencies and independence are present, enabling the Board to carry out its duties properly;
  - (d) at least one Non-Executive Director shall have competence in accounting and auditing; and
  - (e) the Non-Executive Directors are able to act independently and critically towards the Executive Directors and any particular interests involved.

## **2. DUTIES OF THE BOARD**

- 2.1 The Board is charged with the management of the Company, which means, among other things, that it is responsible for the continuity of the Company and its affiliated enterprise. The Board focuses on long-term value creation for the Company and its affiliated enterprise(s), and takes into account the stakeholders interests that are relevant in this context. The responsibility for the management of the Company is vested collectively in the Board.
- 2.2 The Board shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, with due observance of the responsibilities of individual Directors.
- 2.3 The Board is responsible for compliance with all relevant laws and regulations. The Board is responsible for the corporate governance structure of the Company and compliance with the Dutch Corporate Governance Code.
- 2.4 The Board is responsible for creating a culture that contributes to long-term value creation of the Company.
- 2.5 The Board promotes a culture of openness and accountability within the Board.

- 2.6 The Board shall ensure that employees have the possibility of reporting actual (or suspected) misconduct or irregularities in the Company to the CEO or an officer designated thereto, without prejudice whatsoever for such employees. When this concerns the functioning of the Executive Directors, it shall be reported directly to the Chairman. The CEO informs the Chairman without delay on signs of actual (or suspected) material misconduct or irregularities within the Company and its affiliated enterprise.
- 2.7 No Director shall be a tax resident of the Netherlands.

### **3. COLLECTIVE RESPONSIBILITY AND DIVISION OF TASKS**

- 3.1 The Board remains collectively responsible for decisions, even if they are prepared and/or taken by individual Directors. An individual Director may only exercise such powers as are explicitly attributed to him and he may never exercise powers beyond those exercisable by the Board as a whole.
- 3.2 The division of tasks within the Board is determined (and amended, if necessary) by the Board, subject to the consent of the majority of the Non-Executive Directors. Directors especially charged with particular managerial tasks are primarily responsible for the risk control and monitoring of the managerial tasks concerned.
- 3.3 Each Director must inform the other Directors in a clear and timely manner about the way in which he has used his powers and about major developments in the area of his responsibilities.
- 3.4 Each Director shall also be entitled to obtain information from other Directors and employees where he/she deems this useful or necessary, also having regard to his/her collective responsibility for the management or supervision of the Company.

### **4. DUTIES OF THE NON-EXECUTIVE DIRECTORS**

- 4.1 The Non-Executive Directors are charged with the supervision of the Executive Directors, the general course of affairs of the Company and its affiliated enterprise. The Executive Directors shall timely provide the Non-Executive Directors with all information necessary for the proper performance of their duties.
- 4.2 The supervision of the Executive Directors by the Non-Executive Directors shall include:
- (a) the long-term value creation of the Company and its affiliated enterprise and weighing of the interests of stakeholders involved;
  - (b) activities of the Board regarding the creation of a culture aimed at long-term value creation of the Company and its affiliated enterprise;
  - (c) the internal audit function;
  - (d) the effectiveness of the internal risk management and control systems;
  - (e) the integrity and quality of financial reporting;
  - (f) the information- and communication technology (ICT) systems of the Company and the managing of the risks associated with cybersecurity;

- (g) the safeguarding of the Board's expertise and responsibilities and process of providing information to the Non-Executive Directors;
- (h) the establishment and maintenance of internal procedures which ensure that all relevant information is known to the Board in a timely fashion;
- (i) the risks associated with the remuneration structure for employees of the Company and its affiliated enterprise; and
- (j) the relation with the shareholders of the Company, and the compliance with laws and regulations.

4.3 The duties of the Non-Executive Directors regarding the Executive Directors specifically include:

- (a) the selection and nomination of Executive Directors, the submission of proposals for the remuneration policy for Executive Directors to the General Meeting of Shareholders, the determination of the remuneration (in accordance with the adopted remuneration policy) and the contractual employment conditions of Executive Directors;
- (b) determination of the number of Executive Directors, the designation of the CEO, the approval (or proposal, where useful) of changes to the division of tasks between the Executive Directors or of these By-Laws; and
- (c) to address conflict of interest issues between the Company and Executive Directors.

## **5. COMMITTEES**

- 5.1 The Board may appoint standing and/or ad hoc Committees from among its members, which are charged with tasks specified by the Board. The composition of the Committees is determined by the Board.
- 5.2 The Board remains collectively responsible for decisions prepared by Committees from among its members. A Committee may only exercise such powers as are explicitly attributed to it by the Board and may never exercise powers beyond those exercisable by the Board as a whole.
- 5.3 Each Committee must inform the Board in a clear and timely way of the manner in which it has used attributed authority and of any major development in the area of its responsibilities. All Non-Executive Directors have unrestricted access to all Committee meetings and records. The Board shall, within the term specified in the Terms of Reference of the Committee concerned, receive a report from each Committee of its deliberations and findings.
- 5.4 The Board shall establish terms of reference for each Committee and may amend these at any time, with the consent of the majority of the Non-Executive Directors. The terms of reference shall indicate the role and responsibility of the Committee concerned, its composition and the manner in which it performs its duties.

## **6. RELATION WITH THE SHAREHOLDERS**

- 6.1 The Board ensures that the General Meeting of Shareholders is adequately provided with information.

- 6.2 The Board provides the General Meeting of Shareholders timely with all requested information, unless this would be contrary to an overriding interest of the Company. If the Board invokes an overriding interest, it shall state the reasons.
- 6.3 The Board shall procure that the responsible partner (certifying auditor) of the firm of the External Auditor is present at the General Meeting of Shareholders where the annual accounts are submitted for approval and that he can address the meeting. The External Auditor may be questioned by the General Meeting of Shareholders in relation to his report on the fairness of the financial statements.
- 6.4 The Company shall provide shareholders and others who have the right to vote at the General Meeting of Shareholders the possibility to issue, prior to the General Meeting of Shareholders, voting proxies or voting instructions to an independent third party.
- 6.5 A resolution of the General Meeting of Shareholders may be disclosed externally through a statement from the Chairman.

## **7. FREQUENCY, NOTICE, AGENDA AND VENUE OF MEETING**

- 7.1 Meetings of the Board are in principle called by the Chairman. Save in urgent cases to be determined by the Chairman the agenda for a meeting shall be sent to all Directors at least seven calendar days before the meeting. For each item on the agenda an explanation in writing shall be provided, where possible, and/or other related documentation will be attached.
- 7.2 Each Director has the right to request that an item be placed on the agenda for a Board meeting.
- 7.3 Board meetings are generally held at the offices of the Company in Italy but may also take place elsewhere. No meetings of the Board or meetings of a Committee will take place in the Netherlands. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously. However, no Director will participate in a meeting of the Board (including a meeting by conference call, video conference or by any other means of communication) whilst being in the Netherlands.
- 7.4 No decisions by the Board, or by any of the Directors will be formally or in fact made in the Netherlands; no Director shall perform its tasks in or from the Netherlands

## **8. ATTENDANCE OF AND ADMITTANCE TO MEETINGS**

- 8.1 A Director may be represented at Board meetings by another Director holding a proxy in writing. The existence of such authorisation must be proved satisfactorily to the chairman of the meeting.
- 8.2 If a Director is frequently absent from Board meetings he shall be called to account for this by the Chairman.
- 8.3 The Chairman may decide that a meeting shall be held without attendance of the Executive Directors.
- 8.4 The admittance to the meeting of persons other than Directors, shall be decided by majority vote of the Directors present and represented at the meeting.

## **9. CHAIRMAN OF THE MEETING; MINUTES**

- 9.1 Board meetings are presided over by the Chairman or, in his absence, the CEO. If both are absent, one of the other Directors, designated by a majority of votes cast by the Directors present at the meeting, shall preside.
- 9.2 Any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting. The minutes should provide insight into the decision-making process at the meeting. The minutes shall be adopted by the Board at the same meeting, or the next meeting.

## **10. DECISION-MAKING**

- 10.1 The Directors shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.
- 10.2 Each Director has the right to cast one vote.
- 10.3 Where unanimity cannot be reached, all resolutions of the Board are adopted by an absolute majority of the votes cast. At a meeting, the Board may only pass resolutions if the majority of the Directors then in office are present or represented.
- 10.4 In general, resolutions of the Board are adopted at a Board meeting.
- 10.5 A Director is authorised to, on behalf of the Board, resolve upon matters corresponding with tasks that are assigned to him (taking into account section 7.4 of the By-Laws). Such resolutions are deemed to constitute resolutions of the Board.

## **11. CONFLICTS OF INTERESTS**

- 11.1 A Director watches out for conflicts of interest and shall in any case not:
- (a) enter into competition with the Company;
  - (b) demand or accept (substantial) gifts from the Company for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - (c) provide unjustified advantages to third parties to the detriment of the Company; and
  - (d) take advantage of business opportunities to which the Company is entitled for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 11.2 A conflict of interest may exist if the Company intends to enter into a transaction with a legal entity:
- (a) in which a Director personally has a material financial interest, or
  - (b) which has a management board member or a supervisory board member who has a relationship under family law with a Director.

- 11.3 A Director shall without delay report any conflict of interest or potential conflict of interest in a transaction that is of material significance to the Company and/or to the member concerned, to the Chairman and to the other Directors and shall provide all relevant information, including information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage upon the second degree. The Non-Executive Directors shall decide, without the Director concerned being present, whether there is a conflict of interest.

## 12. CONFIDENTIALITY

No Director shall, during his membership of the Board or afterwards, disclose in any way whatsoever to anyone whomsoever any information of a confidential nature regarding the business of the Company and/or companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and which he knows or should know to be of a confidential nature, unless required by law. A Director is allowed to disclose the above information to Directors as well as to staff members of the Company and of companies in which the Company holds a stake, who, in view of their activities for the Company and/or companies in which the Company holds a stake, should be informed of the information concerned. A Director shall not in any way whatsoever utilise the information referred to above for his personal benefit.

## 13. MISCELLANEOUS

- 13.1 **Acceptance by Directors.** Anyone who is appointed as a Director must, upon assuming office, declare in writing to the Company that he accepts and agrees to the contents of these By-Laws and pledge to the Company that he will comply with the provisions of these By-Laws. These By-laws are also applicable to anyone who is designated as a substitute member for a Director in absence or prevented from acting.
- 13.2 **Occasional Non-Compliance.** The Board may occasionally decide not to comply with these By-Laws, with due observance of applicable laws and regulations and with the prior approval of the Chairman.
- 13.3 **Amendment.** These By-Laws may be amended by the Board at any time and without any notification being made, subject only to prior approval of the Chairman.
- 13.4 **Interpretation.** In the event of lack of clarity or difference of opinion on the interpretation of any provision of these By-Laws, the opinion of the Chairman shall be decisive.
- 13.5 **Governing Law and Jurisdiction.** These By-Laws are governed by the laws of the Netherlands. The courts of the Netherlands have exclusive jurisdiction to settle any dispute arising from or in connection with these By-Laws (including any dispute regarding the existence, validity or termination of these By-Laws).
- 13.6 **Complementarity to Dutch Law and Articles of Association.** These By-Laws are complementary to the provisions governing the Board as contained in Dutch law, other applicable Dutch or EU regulations and the Articles of Association. Where these By-Laws are inconsistent with Dutch law, other applicable Dutch or EU regulations or the Articles of Association, the latter shall prevail. Where these By-Laws are consistent with the Articles of Association but inconsistent with Dutch law or other applicable Dutch or EU regulations, the latter shall prevail.



13.7 **Partial Invalidity.** If one or more provisions of these By-Laws are or become invalid, this shall not affect the validity of the remaining provisions. The Board may, subject to consent of the Chairman, replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these By-Laws is, to the greatest extent possible, similar to that of the invalid provisions.

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## ANNEX 1

### LIST OF DEFINITIONS

1. In the By-Laws of the Board, the following terms have the following meanings:
  - Articles of Association** means the articles of association of the Company.
  - Board** means the Board of Directors of the Company.
  - By-Laws** means the By-Laws of the Board, including the annexes belonging thereto.
  - CEO** means the Chief Executive Officer of the Company.
  - Chairman** means the non-executive director designated as such by the Board.
  - Committee** means each committee of the Board as referred to in Clause 5.1 of the By-Laws.
  - Company** means Davide Campari-Milano N.V.
  - Director** means a member of the Board and refers to both an Executive Director and a Non-Executive Director.
  - Executive Director** means an Executive Director of the Company.
  - External Auditor** means the accounting and auditing firm that, in accordance with section 2:393 of the Dutch Civil Code, is charged with the audit of the annual accounts of the Company.
  - General Meeting of Shareholders** means the general meeting of shareholders of the Company.
  - Non-Executive Director** means a Non-Executive Director of the Company.
2. **in writing**: a message that is conveyed by letter, telefax, e-mail or any other electronic means of communication, provided the message is legible and reproducible, unless Dutch law or the Articles of Association provide otherwise.
3. Save where the context dictates otherwise, in the By-Laws of the Board:
  - (a) words and expressions expressed in the singular form also include the plural form, and vice versa;
  - (b) words and expressions expressed in the masculine form also include the feminine form; and
  - (c) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.
4. Headings of clauses and other headings in these By-Laws of the Board are inserted for ease of reference and do not form part of the By-Laws concerned for the purpose of interpretation.

