

# **TERMS OF REFERENCE REMUNERATION & APPOINTMENT COMMITTEE**

**DAVIDE CAMPARI-MILANO N.V.**

Adopted by the Board on 28 July 2020

## **1. INTRODUCTION**

- 1.1 These terms of reference have been drawn up by the Board pursuant to Clause 5.4 of the By-Laws of the Board.
- 1.2 The Remuneration & Appointment Committee is a standing committee of the Board.
- 1.3 Certain capitalised or uncapitalised terms used but not defined in these terms of reference have the meanings given to them in the By-Laws of the Board and the List of Definitions attached to those By-Laws as Annex 1.

## **2. COMPOSITION**

- 2.1 The Remuneration & Appointment Committee shall consist of at least three members. All members of the Remuneration & Appointment Committee must be Non-Executive Directors.
- 2.2 The members of the Remuneration & Appointment Committee shall be appointed and may be replaced from their position at any time by the Board. The Board shall appoint one of the members of the Remuneration & Appointment Committee as chairman of the Remuneration & Appointment Committee.
- 2.3 A person designated by the chairman of the Remuneration & Appointment Committee shall act as secretary to the Remuneration & Appointment Committee.

## **3. DUTIES AND POWERS REGARDING REMUNERATION**

- 3.1 With respect to the remuneration the Remuneration & Appointment Committee is within the Board especially entrusted with the following:
  - (a) to submit a clear and understandable proposal to the Board for the remuneration policy to be pursued for Executive Directors and Non-Executive Directors, which will be submitted to the General Meeting of Shareholders for adoption as required by law;
  - (b) to make a proposal concerning the remuneration of the individual Executive Directors, including, amongst others, the performance targets of its variable elements and the assignment of stock options in accordance with the stock options plan approved by the General Meeting; the proposal is drawn up in accordance with the remuneration policy that has been established; and
  - (c) to monitor the adequacy of the remuneration policy and its application and prepare the remuneration report, taking into account the requirements of the Dutch corporate governance code and matters required by law.

#### **4. DUTIES AND POWERS REGARDING SELECTION AND APPOINTMENT DIRECTORS**

4.1 With respect to the selection and appointment of directors the Remuneration & Appointment Committee is within the Board especially entrusted with the following:

- (a) to make recommendations on the composition of the Board and on the expertise and background which may be required for its members;
- (b) to make proposals for (re)appointments;
- (c) to make proposals on the maximum limit on number of directorship each Director can hold;
- (d) upon request from the Board, analyze and prepare a report on possible conflicts of interest for a Director deriving from having accepted positions on corporate bodies of other listed and/or unlisted companies.

4.2 In the conduct of their duties referred to in Clause 4.1, the Remuneration & Appointment Committee takes the diversity policy of the Company into consideration.

#### **5. MEETINGS**

5.1 The Remuneration & Appointment Committee shall meet as often as required for a proper functioning of the Remuneration & Appointment Committee. The Remuneration & Appointment Committee shall meet at least twice a year. The Remuneration & Appointment Committee shall meet more frequently if this is deemed necessary by the chairman of the Remuneration & Appointment Committee, or by two other members of the Remuneration & Appointment Committee.

5.2 Meetings of the Remuneration & Appointment Committee may be held by telephone, videoconference or other electronic forms of direct communication.

5.3 Meetings of the Remuneration & Appointment Committee are in principle called by the secretary of the Remuneration & Appointment Committee in consultation with the chairman of the Remuneration & Appointment Committee, with a reasonable notice period. Except in urgent cases, to be determined by the chairman of the Remuneration & Appointment Committee, the agenda for the meeting shall be sent three days before the meeting to all members of the Remuneration & Appointment Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.

5.4 The chairman of the Remuneration & Appointment Committee shall set the agenda and chair the meeting of the Remuneration & Appointment Committee.

5.5 The Remuneration & Appointment Committee may require any member of the Board or employee of the Company or its external legal advisers to attend its meetings.

5.6 Each member of the Remuneration & Appointment Committee has the right to cast one vote. All resolutions must be adopted by an absolute majority of the votes cast. If there is a tie in voting, the chairman of the Remuneration & Appointment Committee shall have a casting vote.

**6. REPORTING TO THE BOARD**

- 6.1 The Remuneration & Appointment Committee must inform the Board in a clear and timely manner about the way it has used its powers and of major developments in its area of responsibilities.
- 6.2 The Board shall receive from the Remuneration & Appointment Committee, at least once a year, a report of its deliberations and findings.
- 6.3 If requested, the chairman of the Remuneration & Appointment Committee shall at meetings of the Board provide the Board with further information on the outcome of the discussions of the Remuneration & Appointment Committee.
- 6.4 Every Non-Executive Director shall have unrestricted access to all records of the Remuneration & Appointment Committee.

**7. MISCELLANEOUS**

- 7.1 The Remuneration & Appointment Committee shall review and reassess the adequacy of these terms of reference annually, report its assessment to the Board and recommend, where appropriate, any proposed changes to the Board.
- 7.2 Clauses 13.4 to 13.7 inclusive of the By-Laws of the Board apply by analogy to the Remuneration & Appointment Committee.

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