

CAMPARI GROUP

Report of the Board of Directors on items on the Agenda of the Ordinary Shareholders' Meeting of 27 March 2020, pursuant to article 125- ter of Legislative Decree 58 of 24 February 1998 ('TUF')

The Ordinary Shareholders' Meeting of Davide Campari-Milano S.p.A. is convened at the Campari Academy, Via Campari 23, Sesto San Giovanni (MI), in a single call, on 27 March 2020 at 9,30, to discuss and approve the following items on the agenda:

1. Reconstitution of the Board of Auditors; appointment of an alternate auditor;
2. Approval of the annual financial statements for the year ending 31 December 2019 and related resolutions;
3. Remuneration report pursuant to art. 123-ter of Legislative Decree 58/98:
 - (i) approval of the remuneration policy; and
 - (ii) approval of the remuneration paid.
4. Approval of the stock option plan pursuant to art.114-bis of Legislative Decree 58/98;
5. Authorisation to buy and/or sell treasury shares.

Regarding item 1 on the agenda

The shareholders meeting is convened to approve the reconstitution of the Board of Auditors by appointing one alternate auditor.

Concerning the above please note that:

- on 16 April 2019, the Shareholders meeting approved to appoint as member of the Board of Statutory Auditors, until the approval of the financial statements for the year ending on 31 December 2021:

1. Ines Gandini, as Chairman of the Board of Auditors;
2. Fabio Facchini, as Effective Auditors;
3. Chiara Lazzarini, as Effective Auditors;
4. Piera Tula, as Alternate Auditors;
5. Giovanni Bandera, as Alternate Auditors; and
6. Pierluigi Pace, as Alternate Auditors.

- on 5 December 2020, Chiara Lazzarini resigned from the office of Effective Auditor of the Company and Piera Tula, as first Alternate Auditors, replaced that position pursuant to article 27 of the Company By-Law according to which: *'If an Auditor departs, his or her position shall be taken over until the expiration of the current Board of Auditors by the first Substitute Auditor appearing on the same list as the member leaving office, if this is possible, unless, to comply with any gender quota that might be applicable, replacement by another Substitute Auditor from the same list is not necessary'*.

In light of the above, it is therefore required to proceed with the reconstitution of the Board of Statutory Auditors through the appointment of an Alternate Auditor.

Please note that – pursuant to Article 27 of the By-Law – in case of reconstitution of the Board of Statutory Auditors in accordance with Article 2401, paragraph 1, of the Italian Civil Code, the Shareholders' Meeting shall be called to resolve with the ordinary *quorum*; therefore, the voting list system shall not apply.

Shareholders who intend to present their candidates for the position of alternate Auditor, shall submit the relevant nomination jointly with:

- (i) suitable documentation to prove the shareholder's right to present its nomination; and

- (ii) comprehensive information concerning personal and professional qualities of the candidates, together with a declaration from the candidates themselves stating the possession of the requirements by law.

The comprehensive information above shall include a list of positions held as director and/or statutory auditor by the candidates in other companies pursuant to Article 148-*bis* of the Legislative Decree 58/98 and an acceptance's letter signed by the candidate in which she/he declares to accept the candidacy.

It should be noted, in this regard, that the composition of the Board of Statutory Auditors shall comply with the regulations from time to time in force, also regarding the gender balance; therefore, candidacies and appointments must take this balance into account.

The office of the newly Alternate Auditor that will be appointed will expire jointly with the Statutory Auditors currently in office.

The Board of Directors will invite, therefore, the Shareholders to resolve upon the appointment of one Alternate Auditor based on the candidacies received from the Shareholders themselves. The procedure for attending and voting at the Shareholders' Meeting, including information regarding the procedures and deadlines for submitting the candidacies for the reconstitution of the Board of Statutory Auditors, is described in the notice of Shareholders' meeting already published on the Company's website.

Regarding item 2 on the agenda

The Board of Directors proposes to approve the financial statements for the year ending on 31 December 2019, comprising the financial statements, notes to the accounts and directors' report, as approved by the Board of Directors on 18 February 2020. The documentation, together with the documents comprising the annual financial statements, pursuant to article 154-*ter* TUF, will be available to shareholders at the registered office, as well as published on the Company's website and through the authorized storage mechanism *1Info* (www.1info.it), in accordance with the terms prescribed by law. The total amount of the distributed dividend and, therefore, the remaining amount carried forward as retained amount will depend on the number of shares of the beneficiaries, being such amounts determined upon actual payment of the dividend based on the shares outstanding as at the ex-date (excluding own shares held by the Company as at that date).

Considering the above, it is proposed:

- to approve the financial statements for the year ending 31 December 2019; and
- to allocate the profit of the year equal to €110.192.290 as follows:
 - (i) distribution of a dividend of €0,055 per ordinary share outstanding, except for own shares held by the Company at the ex-date (considering own shares held as at 31 December 2019 equal to 13.704.200, the total dividend is €63,1 million);
 - (ii) the remaining amount of around €47,1 million (based on the abovementioned own shares) carried forward as retained earnings.
- to pay the aforesaid dividend per share from 22 April 2020 (coupon 4 to be detached on 20 April 2020). The record date for payment, pursuant to article 83-*terdecies* TUF, is 21 April 2020.

Regarding item 3 on the agenda

Article 123-*ter* TUF requires issuers to make available to the public and to publish on its own website a remuneration report for directors, general managers and other managers with strategic responsibilities.

The above-mentioned report is divided into two sections where, among other things:

- (i) the first section explains the Company's remuneration policy to be implemented at least in the following financial year (the foregoing without prejudice to the provisions of Article 2402 of the Italian Civil Code for what concerns the remuneration of the members of the control bodies); whereas
- (ii) the second section explains the remuneration paid to directors, general managers and other managers with strategic responsibilities during the relevant financial year.

The Board of Directors intends to submit to the Shareholders' Meeting the Report on the policy regarding remuneration and fees paid approved on 18 February 2020 for the shareholders vote as follow:

- binding vote on the first section pursuant to Article 123-*ter*, paragraph. 3-*bis*, TUF;
- non binding vote on the second section pursuant to Article 123-*ter*, paragraph. 6, TUF.

For a more detailed explanation of the Company's policy on directors' remuneration, please kindly refer to the relevant remuneration report, prepared in compliance with article 84-*quater* of the Issuer's Regulation, which will be available at the registered office, as well as published on the Company's website and through the authorized storage mechanism 1Info (www.1info.it), in accordance with the terms prescribed by law.

Regarding item 4 on the agenda

The Board of Directors proposes to approve a stock option plan this year for an aggregate maximum number of options based on the ratio between €81,000,000.00 and the options' strike price, of which (i) a maximum number of options based on the ratio between €21,300,000.00 and the options' strike price for both members of the Board of Directors and other individuals for whom disclosure of assigned options is required and (ii) a maximum number of options based on the ratio between €59,700,000.00 and the options' strike price for any other category of beneficiaries.

The options may be exercised during the two-year period after the end of the fifth year following the assignment date and the relevant bodies are granted all necessary powers to implement the plan by 30 June 2021.

For a more detailed explanation of the stock option plan, please refer to the relevant explanatory report of the Board of Directors, prepared in compliance with article 84-*bis* of the Issuer Regulation, which will be made available at the registered office, as well as published on the Company's website and through the authorized storage mechanism 1Info (www.1info.it), in accordance with the terms prescribed by law.

Regarding item 5 on the agenda

The Board of Directors requests the Shareholders' Meeting to authorize the purchase, in one or more transactions, of own shares in a maximum number which, when added to the treasury shares already held by the Company, does not exceed the limit stated in article 2357 of the Italian Civil Code. The authorisation to sell, in one or more transactions, all treasury shares held or a different quantity of shares to be determined by the Board of Directors is also requests.

The authorisation to the above is requested until 30 June 2021.

For a more detailed explanation of the scope and terms of the authorisation requested, please refer to the relevant explanatory report of the Board of Directors, prepared in compliance with art. 73-*bis* of the Issuer Regulation, which will be available at the registered office, as well as published on the Company's website and through the authorized storage mechanism 1Info (www.1info.it), in accordance with the terms prescribed by law.

Sesto San Giovanni, 18 February 2020

Davide Campari-Milano S.p.A.
Chairman of the Board of Directors

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