



**Davide Campari-Milano S.p.A.  
 Report of the Board of Directors  
 on items on the Agenda  
 of the Extraordinary and Ordinary Shareholders' Meeting of 28 April 2017,  
 pursuant to article 125-bis of Legislative Decree 58 of 24 February 1998**

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The Extraordinary and Ordinary Shareholders' Meeting of Davide Campari-Milano S.p.A. is convened at the Campari Academy, Via Campari 23, Sesto San Giovanni (MI), on 28 April 2017 at 9:30, to discuss and approve the following items on the agenda.

**Extraordinary part**

1. Approval of the proposal to split the No. 580,800,000 ordinary shares with a par value of Euro 0.10 each into No. 1,161,600,000 newly issued ordinary shares with a par value of Euro 0,05 each, having the same characteristics as the current ones, by granting 2 newly issued shares for each current share. Approval of the Director's report to the Shareholders' Meeting and relevant formalities;

**Ordinary part**

1. Approval of the annual financial statements for the year ending 31 December 2016 and related resolutions;
2. Appointment of a director replaced pursuant to art. 2386 civil code;
3. Approval of the remuneration report pursuant to art. 123-ter of Legislative Decree 58/98;
4. Approval of the stock option plan pursuant to art.114-bis of Legislative Decree 58/98;
5. Authorization to buy and/or sell own shares.

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**Extraordinary part**

**Regarding item 1 on the agenda**

The Board of Directors proposes to approve a stock split of the Company's shares through a reduction of the par value.

Therefore it is necessary to change the art. 5 of the Articles of Association splitting the No. 580,800,000 ordinary shares with a par value of Euro 0.10 each into No. 1,161,600,000 newly issued ordinary shares with a par value of Euro 0,05 each, having the same characteristics as the current ones, by granting 2 newly issued shares for each current share.

For a more detailed explanation of the stock split, please refer to the relevant explanatory report of the Board of Directors, prepared in compliance with article 72-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 "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), in accordance with the terms prescribed by law.

**Ordinary part**

**Regarding item 1 on the agenda**

The Board of Directors proposes to approve the financial statements for the year ending 31 December 2016, comprising the financial statements, notes to the accounts and directors' report, as approved by the Board of Directors on 28 February 2016.

The documentation, together with the documents comprising the annual financial statements, pursuant to article 154-ter of Legislative Decree 58 of 24 February 1998 (hereinafter the '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 "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), in accordance with the terms prescribed by law.

It is proposed to approve the financial statements for the year ending 31 December 2016 and to allocate the profit for the year of €205.503 million as follows:

- distribution of a dividend of €0.09 per ordinary share outstanding, except for own shares held by the Company at the ex-date (considering own shares currently held; the total dividend is €52.103 million);
- the remaining amount of around €153.400 million to be carried forward as retained earnings.

It is proposed that the dividend of €0.09 per share outstanding be paid from 24 May 2017 (coupon no. 14 to be detached on 22 May 2017). The record date for payment, pursuant to article 83-terdecies of the TUF, is 23 May 2017.

If the stock split is resolved by the extraordinary shareholders' meeting convened for 28 April 2017 the dividend shall be proportionally reduced in €0.045, coupon no. 1.

#### **Regarding item 2 on the agenda**

Following the resignation of Francesca Tarabbo tendered on 29 April 2016, the Board of Directors on the same date co-opted Karen Guerra, with a mandate until the next Shareholders' Meeting, verifying the independent status required by the Corporate Governance Code and by Article 147-ter of TUF.

According to art. 15 of the Articles of Association, if the Shareholders' Meeting is called to appoint new Directors to replace one or more Directors who have ceased to hold office, their appointment is made according with the legal majority and with any minimum proportional requirements relating to gender division (male and female).

The Board of Directors proposed to the Shareholders' Meeting to confirm Karen Guerra, former Director until the approval of the annual financial statements for the year ending 31 December 2015 and candidate of the minority list presented by Cedar Rock Capital Ltd at the last Shareholders' Meeting.

Personal and professional information on Karen Guerra is available on the Company's website together with the above mentioned list.

#### **Regarding item 3 on the agenda**

Article 123-ter of the TUF requires issuers to make available to the public and to publish on its website a remuneration report for directors, general managers and other managers with strategic responsibilities, divided into two sections as required by the article.

The Board of Directors intends to put Section 1 of the report on the remuneration of directors, approved on 28 February 2016, to a consultative vote at the shareholders' meeting.

For a more detailed explanation of the Company's policy on directors' remuneration, please refer to the relevant remuneration report, prepared in compliance with article 84-*quater* 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 "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), in accordance with the terms prescribed by law.

#### **Regarding item 4 on the agenda**

In accordance with the framework principles of the Regulation relating to the assignment of stock options, approved in 2014, the Board of Directors proposes to approve a stock option plan this year for an overall maximum number of 2,000,000 stock options regarding any other category of beneficiaries except the members of the Board of Directors

If the stock split is resolved by the extraordinary shareholders' meeting convened for 28 April 2017, by granting 2 newly issued shares for each current share with a par value of Euro 0,05 each, the number of the stock options, the number of the stock option shall be increased to n. 4,000,000.

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 2018.

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 "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), in accordance with the terms prescribed by law.

#### **Regarding item 5 on the agenda**

The Board of Directors requests the Shareholders' Meeting to authorise the purchase, in one or more operations, of own shares in a maximum number which, when added to the own shares already held by the Company, does not exceed the limit stated in article 2357 of the civil code. It also requests for authorisation to sell, in one or more operations, all own shares held or a different quantity of shares to be determined by the Board of Directors.

The authorisation is requested until 30 June 2018.

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 article 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 "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), in accordance with the terms prescribed by law.

Sesto San Giovanni, 28 February 2017

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

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