

# CAMPARI GROUP

## **Explanatory report of the Board of Directors to the shareholders' meeting relating to the proposal to buy and/or sell own shares**

This report is drafted by the Board of Directors of Davide Campari-Milano S.p.A. (the '**Company**' and, together with its subsidiaries, the '**Group**'), pursuant to article 73 of Consob Regulation 11971 of 14 May 1999 and subsequent revisions and amendments (the '**Issuers' Regulation**'), to explain the resolution to buy and/or sell own shares to be proposed at the shareholders' meeting scheduled for 23 April 2018 under the agenda item: Authorisation to buy and/or sell own shares.

1) Authorisation to buy and/or sell own shares is requested for two purposes.

Firstly, it is necessary to allow the Board of Directors, whenever it deems appropriate, to purchase and/or sell own shares (i) with a view to possible future acquisitions and/or strategic alliances, including via share exchanges; (ii) in the event that listed shares fluctuate beyond normal movements linked to stock market trends, and in line with market practices (including to support liquidity and normal trading); and, finally, (iii) to meet investment needs if such a transaction becomes financially expedient due to the performance of the shares and/or the amount of cash available.

Secondly, it is necessary to allow the Board of Directors to replenish, via purchases and/or sales of own shares on the market, in any quantity it deems appropriate, the reserve of own shares to service the stock option plan for the Group's management, as well as to manage implementation of the plan with the allocation of new stock options and/or the granting of stock options to beneficiaries who meet the conditions for the early exercise of options.

The Board of Directors will have the right to use, in full or in part and at any time, the own shares purchased on the basis of this proposed resolution, also through the sale of any real and/or personal rights relating to these (including, for example, securities lending).

2) Authorisation is requested to purchase, on one or more occasions, ordinary shares of the Company with a par value of €0.05. The shares acquired must not exceed the overall share capital limit according to article 2357 of the Italian civil code also taking into account the own shares already held by the Company. The Board of Directors is also authorised to sell, on one or more occasions, the total quantity of own shares held.

3) For valuation purposes pursuant to article 2357, paragraph 3 of the Italian civil code, as at the date of this report the Company has 9.920.591 own shares.

4) Authorisation is requested until 30 June 2019.

The resolution, passed at the shareholders' meeting of 28 April 2017, to authorise the purchase of own shares and to use these shares and those already held in the portfolio, is to be considered revoked from the date of the shareholders' resolution approving this proposal.

5) With the exception of sales of own shares for the purposes of executing the stock option plan, which are sold at prices established under the plan, for any other purchase or sale of own shares the maximum and minimum price is set by the Board of Directors (this task may be delegated to one or more Directors) according to the following objective criterion, which establishes clear parameters: the unit purchase or sale price shall not be less than 25% lower or more than 25% higher than the average reference price recorded in the three stock market sessions prior to each transaction.

6) Pursuant to article 132, paragraphs 1 and 2, of Legislative Decree 58 of 24 February 1998, purchases of the Company's own shares will be carried out following the procedures explained in the article 144-*bis*, paragraph 1, points b) and c), d)-*ter* and paragraph 1-*bis* of the Issuer Regulation.

Purchases may be made on one or more occasions.

The request for authorisation to purchase own shares does not relate to share capital reductions by the Company through the cancellation of own shares purchased. Sales made to execute the stock option plan will take place in accordance with the conditions and procedures stipulated herein.

Sesto San Giovanni, 27 February 2018

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

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