



**DAVIDE CAMPARI-MILANO S.P.A.**

**REPORT ON REMUNERATION PURSUANT TO ARTICLE 123-TER OF THE CONSOLIDATED LAW ON FINANCE, IN COMPLIANCE WITH ARTICLE 84-  
QUATER OF THE ISSUERS' REGULATION AND ARTICLE 6 OF THE CORPORATE GOVERNANCE CODE**

Ordinary Shareholders' Meeting of 27 March 2020

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## 1. FOREWORD

- 1.1 This document illustrates the remuneration policy ('**Remuneration Policy**') of Davide Campari-Milano S.p.A. ('**Campari**' or '**Company**') with regard to the members of the Board of Directors and the Board of Statutory Auditors (in this regard, it should be noted that the Company does not have a 'general manager' or 'executives with strategic responsibilities' who are not also members of the Board of Directors).
- 1.2 The Remuneration Policy is prepared in accordance with art. 123-*ter* of the Corporate Governance Code, and in compliance with art. 84-*quater* and Annex 3A, Scheme 7-*bis* of the Issuers' Regulation, and with the recommendations of art. 6 of the Corporate Governance Code.
- 1.3 The Remuneration Policy was approved by the Board of Directors of the Company, at the proposal of the Remuneration and Appointments Committee, on 18 February 2020. It does not introduce significant changes with respect to the previously approved remuneration policy except that – in light of the provisions of Directive (EU) 2017/828 (the so-called SHR2 or Shareholders Rights Directive II – Directive concerning the "encouragement of long-term shareholder engagement"), as well as the resulting Legislative Decree no. 49 of 2019 –
- a. additional information is provided concerning the consistency of the remuneration policy with long-term sustainability objectives and with the criteria adopted for this purpose;
  - b. the procedural and substantive conditions under which the Company may exceptionally derogate from its Remuneration Policy are defined; and
  - c. information is provided on the remuneration policy of the members of the supervisory bodies.

### **SECTION I – REMUNERATION POLICY FOR ADMINISTRATIVE BODIES**

## 2. **REMUNERATION POLICY: BODIES INVOLVED, APPROVAL PROCEDURE AND USE OF EXTERNAL CONSULTANTS**

- 2.1 The Remuneration Policy is defined by the Board of Directors, at the proposal of the Remuneration and Appointments Committee and after hearing the opinion of the Board of Statutory Auditors.

- 2.2 The Remuneration and Appointments Committee, set up within the Board of Directors, is composed by three members, all of which non-executive and two independent. The Remuneration and Appointments Committee has the task of formulating proposals for the appointment and remuneration of Directors to whom have been assigned specific functions and powers and, where appropriate, of those who hold key roles in the Company's management. The Remuneration and Appointments Committee meets periodically to carry out its activities, if necessary also involving the corporate functions concerned.
- 2.3 In compliance with the company's policy to minimise the use of external consultants and related expenses, no external experts were involved in the preparation of the Remuneration Policy, with the exception of the consultancy received from Morrow Sodali S.p.A., for an amount spent of Euro 20,000.00 + VAT, in relation to the request for the investigation of best practices regarding long-term incentive plans for Group management.
- 2.4 It should be noted that the Remuneration Policy will remain the same for at least three financial years, it being understood that – where appropriate – the competent bodies reserve the right to submit any amendments to the Shareholders' Meeting.

### **3. THE REMUNERATION POLICY IN GENERAL.**

The Remuneration Policy for the members of the Board of Directors fulfils different functions and requirements depending on whether it concerns:

- a. directors with proxies;
- b. Chairman of the Board of Directors;
- c. non-executive directors;
- d. non-executive directors who are members of committees.

#### **3.1 The Remuneration Policy for Executive Directors: basic objectives and components.**

The Remuneration Policy relating to directors with executive functions ('**Executive Directors**') –namely: (i) chief executive officer, (ii) chief financial officer and (iii) group general counsel and business development officer– constitutes the key strategic component of the general remuneration policy for the members of the Board of Directors of the Company.

In line with the fundamental objective of achieving the most effective reconciliation of 'profitability' and 'sustainability' in the long term, Campari adopts an Executive Directors' Remuneration Policy aimed at supporting managerial growth strategies oriented

towards the long term: this is considered of fundamental importance in the Company's reference market (the global premium spirits market), where the strength of the brands, built through long-term brand building strategies consistently and patiently deployed over time, is the primary source of the achievement of a long-term competitive advantage.

The Remuneration Policy aims, therefore, not only at the adequate remuneration of these key managerial figures, but also at their adequate retention, as it is considered, in principle, an important value that is consistent with the fundamental objective of maximum sustainable profitability in the long term, i.e. the promotion of successful management cycles.

The Remuneration Policy for Executive Directors is based on the following three basic levers:

- a. fixed annual component;
- b. variable annual component;
- c. stock options.

The Remuneration Policy for Executive Directors may, however, also envisage:

- a. the attribution of a yearly additional *una tantum* bonus (substantially not exceeding the half of the fixed annual component), in case the Executive Director distinguished himself for particular merits in managing unusual situation and/or non-predictable situation of particular complexity);
- b. the attribution of a yearly extraordinary *una tantum* bonus for Executive Directors which have provided the Company with extraordinary value during their long-standing managerial period. Such bonus aims at (i) rewarding the exceptional contribution provided, as well as (ii) encouraging the achievement of further results, equally exceptional, in mid-long period of time.

### **3.1.1. Fixed annual component.**

The fixed remuneration guarantees an adequate and certain basic remuneration for the activity of Executive Directors with respect to the specific office held by each one (as the case may be).

The activities of the Executive Directors cannot in fact be compensated only with variable instruments, which could lead to a zero pay-out in the presence of adverse market conditions that are beyond the Company's managerial control and are therefore not subjectively attributable.

The fixed remuneration consists of three components: (i) a fixed component whose amount is approved by the Shareholders' Meeting (the same amount for each member of the Board of Directors), (ii) a fixed component by virtue of the office held pursuant to Article 2389 of the Italian Civil Code; and (iii) a fixed employment component.

Executive Directors who have an existing employment relationship enjoy the same benefits (car, mobile phone, supplementary pension, *etc.*) as those provided for the first group of managers of the Company.

### **3.1.2. Variable component.**

The remuneration policy for top management includes, in addition to the fixed component, a short-term variable component and a long-term variable component represented by the so-called stock option plans.

Since, on the one hand, the annual variable remuneration of executive directors is based on the objectives of *(i)* profit, *(ii)* marginality and *(iii)* working capital compression and, on the other hand, stock options are linked to the performance of the stock (and therefore, indirectly, to the company's results), both the short-term and medium/long-term variable components are closely linked to the performance of the business and, consequently, to the interests of the Company.

Overall, the significant economic impact of the annual variable remuneration and stock options compared to fixed remuneration means that the related company cost is largely variable, allowing for natural hedging in the event of company performance below expectations.

#### **3.1.2.1 Short-term variable component**

The short-term variable component called STI (short term incentive) has the function of a short-term incentive, aimed at achieving ambitious annual results for the Company and the Group. In particular – in accordance with a specific 'framework regulation' approved by the Board of Directors on the proposal of the Remuneration and Appointments Committee – the annual variable compensation accrues in relation to the achievement of financial objectives of: *(i)* profit, *(ii)* marginality and *(iii)* compression of working capital (which weigh, respectively, 40%, 40% and 20%) defined in detail, year by year, by the Board of Directors, subject to the opinion of the Remuneration and Appointments Committee.

In accordance with the above-mentioned framework regulation, the objectives are structured in such a way that they cannot be achieved through short-term management choices that in the long term are likely *(i)* to compromise brand strength (such as cutting and/or reducing advertising investment) or *(ii)* to compromise cash generation capacity (such as non-physiological growth in operating working capital).

The actual achievement of the objectives is easily and objectively verifiable on the basis of the corresponding accounting data in the reference financial statements.

The accrual of the variable annual STI remuneration – to an extent varying from 70% to 180% of the fixed remuneration – is conditional on the achievement of at least 90% of the financial objectives and leads to maximum disbursement in the event of

results equal to or greater than 120% of them. If 100% of the objectives are achieved, the annual variable remuneration is approximately 100% of the fixed remuneration.

In past financial years – including the year ended 31 December 2019 –, the Company has always adopted the policy of defining parameters for the payment of short-term annual variable remuneration exclusively with regard to quantitative financial performance objectives and, therefore, without directly taking into account specific qualitative performance objectives that are non-financial and/or related to corporate social responsibility. This choice is based on the consideration that socially responsible conduct, which the Company is inspired by with the utmost commitment and rigour, should in any case be reflected, in the long term, in the financial results of the Company and the Group.

Without prejudice to the foregoing, also upon the initiative of the Remuneration and Appointments Committee, with regard to the current and/or future financial year, the Company reserves the right to assess the appropriateness of conditioning a portion of the annual variable remuneration to the achievement of specific non-financial performance objectives.

#### *3.1.2.2 Long-term variable component*

The long-term component of remuneration has the function of retaining and providing incentives for the top management to achieve growth results in medium / long term, avoiding an excessive focus on the short term.

This choice of remuneration is aimed at aligning the beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders in the medium to long term.

Executive Directors participate in stock option plans approved by the Shareholders' Meeting for a large number of beneficiaries, usually every two years, under the same conditions.

By their nature, stock options acquire a value only in the event of an increase in the price of the Company's shares and are therefore directly related to the creation of value for shareholders. Given their nature, it is difficult to make reliable assessments of their economic impact in relation to fixed remuneration and annual variable remuneration. However, experience with past stock option exercises indicates that the relative amounts can be very significant in the event of a positive performance of the stock.

The right to exercise stock options vests, depending on the plans, five or seven years after they are granted (five years with reference to plans approved starting from the financial year 2016).

In case of plans with a duration of seven years, this period may be brought forward to five or six years with a 20% or 10% reduction in the number of options granted, respectively.

All stock options may be exercised in the two years following the vesting of the right, without prejudice to the right of the Company to introduce blocking periods in which exercise is not permitted, should particular circumstances so require.



### **3.2 The Remuneration Policy of the Chairman of the Board of Directors**

The Remuneration Policy for the Chairman of the Board of Directors consists of two fixed components.

The first consists of the remuneration approved by the Shareholders' Meeting as a member of the Board of Directors (the same remuneration for each Director of the Company) while the second consists of a remuneration approved *ad hoc* by the Board of Directors by virtue of his/her office as Chairman. As of November 2019, the second fixed component will no longer apply.

It should be noted that the Chairman of the Board of Directors – who is not a director with executive powers – was in the past the recipient of stock options, but as of the financial year 2014, in line with his/her role as representative of the (long-term) interests of "ownership" with the Board of Directors of the Company and consistent with his/her role of mere institutional representation of the same, he/she receives only a fixed annual remuneration.

### **3.3 The Remuneration Policy for Non-Executive Directors**

The remuneration for non-executive directors consists solely of a fixed component whose amount, as mentioned above, is approved by the Shareholders' Meeting.

Since the remuneration of non-executive directors is not linked to Campari's economic results, it does not include incentive plans.

### **3.4 The Remuneration Policy for Non-Executive Directors who are members of committees**

As regards non-executive directors who are also members of committees set up within the Board of Directors, their remuneration is defined by the Board of Directors.

Therefore, non-executive directors who are also members of committees receive, on the one hand, a fixed remuneration, the amount of which is decided by the Shareholders' Meeting and, on the other hand, an additional specific remuneration in relation to the activity presumably required given the type of committee.

## **4. THE CONTRIBUTION OF THE REMUNERATION POLICY TO BUSINESS STRATEGY.**

4.1 The remuneration policy, and in particular the policy on variable components of remuneration, are conducted in such a way that they contribute to: (i) business strategy, (ii) the pursuit of long-term interests, and (iii) the sustainability of the Company.

- 4.2 With regard to the contribution in terms of business strategy, the Company pursue its remuneration policies independently while taking into account the choices made in this area by companies of comparable size and economic performance.
- 4.3 The control of remuneration policies adopted by companies of comparable size and economic performance, which is necessary in order to be able to acknowledge its competitive positioning on the job offer market, allows the Company to attract a high level of human capital and, therefore, potentially able to reach the performance objectives set by the Company from time to time.
- 4.4 With regard to the contribution of the remuneration policy, with reference to the profiles of the pursuit of long-term interests, and the sustainability of the Company, the objectives set by the Board of Directors are structured in such a way as to prevent their achievement through short-term management choices that would potentially undermine the sustainability of the long-term profitability of the Company.

## **5. FURTHER DETAILS ON THE REMUNERATION POLICY.**

- 5.1. The Directors' fixed remuneration component is paid to them monthly, while the annual variable remuneration accrues upon approval of the relevant consolidated financial statements, from which, using arithmetic formulas, the elements for determining the amount due are derived.
- 5.2. In the event of early termination of the employment relationship between Campari and its Directors, there are no special indemnities other than those that may be due under the law and there are no other agreements with the Directors in the event of their termination.
- 5.3. For each category of remuneration there are no *ex post* correction mechanisms (so-called claw-back clauses), since, considering the shareholding of the Company, it is not envisaged any risk of manipulation of the short-term results.
- 5.4. The Remuneration Policy has not been defined using other companies as a reference, although it should be noted that it is in line with companies of comparable size and economic performance.
- 5.5. The Remuneration Policy with reference to the remuneration paid to the Company's management and supervisory bodies (and, in particular, to the Executive Directors) does not specifically take into account the level of remuneration and working conditions of the Group's employees (conditions, however, which earned the Company the "*Great Place To Work*" certification in 2019). In particular, with specific regard to the remuneration of Executive Directors and, in general, of top managers, the Company believes that the degree of unattainability of the work performance achieved and expected by them makes them not comparable with the work performance of other Group employees.

- 5.6. All directors and statutory auditors of Group companies, including Campari, are beneficiaries of a D&O (Directors and Officers' Liability) insurance policy at market conditions for this type of coverage.

**6. POSSIBLE EXCEPTIONS TO THE REMUNERATION POLICY**

- 6.1 Even though the Company is not in principle in favour of making exceptions to the principles underlying in the Remuneration Policy, where exceptional circumstances (as defined also in light of the applicable rules of reference) arise -such as, for example, the need to attract and/or retain (in a competitive market) key managerial figures or the need to provide incentives to key managerial figures in office with respect to specific industrial objectives that, under contingent conditions, are of particular importance- it will still be possible to proceed with such exceptions, applying, *mutatis mutandis*, the Procedure for Transactions with Related Parties adopted by the Company (as from time to time in force).
- 6.2 The exception of the Remuneration Policy may include, *inter alia*, (i) the granting of a one-off entry bonus to a new key management figure, (ii) the distribution of an annual bonus (substitute and/or additional to the ordinary one) based on parameters in line with *ad hoc* objectives (other than those referred to in Paragraph 3.1(d) and (e) above) and/or subject to different quantification criteria and/or (iii) the distribution (depending on the case, additional or substitute) of a long-term incentive different from that based on the allocation of stock options.

**SECTION II - REMUNERATION POLICY FOR SUPERVISORY BODIES**

**7. THE REMUNERATION POLICY OF THE BOARD OF STATUTORY AUDITORS**

- 7.1 The annual remuneration of the members of the Board of Statutory Auditors was established, pursuant to Article 2402 of the Italian Civil Code, by the Shareholders' Meeting.
- 7.2 This remuneration, equal to Euro 75,000.00 for the Chairman of the Board of Statutory Auditors and Euro 50,000.00 for each other Effective Auditor, was determined in line with that of other companies of comparable size and economic performance.

**SECTION III – REMUNERATION PAID TO MEMBERS OF THE ADMINISTRATIVE AND SUPERVISORY BODIES**

## **8. PART ONE – REPRESENTATION OF THE ITEMS MAKING UP THE REMUNERATION.**

With regard to the financial year 2019, the items that make up the remuneration (for any reason and in any form) in favour of (i) the members of the Board of Directors, and (ii) the Board of Statutory Auditors are represented below:

- a. there are no agreements in place providing for indemnities payable to the Directors in the event of early termination of the employment relationship;
- b. no General Managers were appointed, nor were managers with strategic responsibilities other than members of corporate bodies identified.

The remuneration of the members of the corporate bodies is consistent with the remuneration policy illustrated in Sections I and II.

### **8.1. Board of Directors**

- a. Each member of the Board of Directors is awarded with a fixed annual remuneration of Euro 50,000.00 (in the event of taking office during the year, the fee is awarded *pro rata temporis*).
- b. Each member of the Board of Directors who is also a member of the Remuneration and Appointments Committee and/or the Control and Risk Committee, is further awarded with a fixed annual remuneration of Euro 12,500.00 and Euro 25,000.00 respectively (in the event of taking office during the year, the fee is awarded *pro rata temporis*).
- c. The Chairman of the Board of Directors is awarded with a fixed remuneration of Euro 85,000.00 per month gross of any withholding tax, payable in monthly instalments; as of November 2019 such remuneration will no longer apply.

### **8.2. Executive Directors**

- a. The managing directors Robert Kunze-Concewitz (*chief executive officer*) and Paolo Marchesini (*chief financial officer*), in addition to the fixed remuneration reserved as members of the board, are respectively awarded with a fixed remuneration for the specific board office of Euro 60,000.00 per month gross of any withholding tax (Robert Kunze-Concewitz) and Euro 45,000.00 per month gross of any withholding tax (Paolo Marchesini), both payable in monthly instalments;
- b. the same persons referred under (a) above are also awarded with a fixed compensation as employees, of Euro 322,185.00 Robert Kunze-Concewitz, and Euro 128,158.00 Paolo Marchesini;

- c. in connection with the achievement of the targets that constitute the parameter for the determination of the variable component, Robert Kunze-Concewitz and Paolo Marchesini were awarded respectively with a bonus of Euro 1,142,000.00 and Euro 856,000.00;
- d. in accordance with the terms of the employment relationship, non-monetary benefits (such as car, mobile phone, supplementary pension, holidays not taken in the previous year) are granted to the persons under (a), for a total value of Euro 4,536.00 Robert Kunze-Concewitz, and Euro 6,126.00 Paolo Marchesini.
- e. the executive director Fabio Di Fede (*group general counsel and business development officer*), in addition to the fixed compensation reserved for the members of the *board*, is awarded the following fees:
  - s fixed employee remuneration of Euro 481,189.00;
  - non-monetary benefits (car, mobile phone, supplementary pension, holidays not taken in the previous year), whose monetary value is Euro 9,812.00;
  - a bonus of Euro 571,008.00 in relation to the achievement of the objectives that constitute the parameter for determining the variable component; and
  - a total amount for other remuneration (one-off fee) of Euro 250,000.00.

### **8.3. Board of Statutory Auditors**

- a. The Chairman of the Board of Statutory Auditors is awarded a fixed remuneration of Euro 75,000.00 (in the event of taking office during the year, the fee is awarded *pro rata temporis*);
- b. effective Auditors receive a fixed remuneration of Euro 50,000.00 (in the event of taking office during the year, the fee is awarded *pro rata temporis*);
- c. the members of the Board of Statutory Auditors, in case they are also members of the Supervisory Board, are awarded with annual remuneration of Euro 10,000.00 (in case of the office is assumed during the financial year, the remuneration will be attributed on a pro rata basis).

## 9. PART TWO – REMUNERATION PAID DURING THE FINANCIAL YEAR 2019

### Table 1: Remuneration paid to members of the Board of Directors, Statutory Board of Auditors, general managers and other managers with strategic responsibilities

INDIVIDUAL	DESCRIPTION OF ROLE			REMUNERATION							Fair Value of equity remuneration	Employment termination benefit
				Fixed Salary	Fees for participation in committees	Variable non-equity remuneration		Non cash benefits	Other remuneration	Total		
						Bonus and other incentives	Profit-sharing					
Name / Surname	Position	Period in post	Expiry of the charge									
LUCA GARAVOGLIA	Emol. approved by shareholders' meeting * Remuneration for the role of Chairman **	01/01/19-31/12/19	Approval of 2021 finan. Statem.	43.750,00						43.750,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	850.000,00						850.000,00		
				893.750,00	0,00	0,00	0,00	0,00	0,00	893.750,00		
ROBERT KUNZE-CONCEWITZ	Emol. approved by shareholders' meeting * Remuneration for role of Managing Director Remuneration for employment Bonus	01/01/19-31/12/19	Approval of 2021 finan. Statem.	43.750,00						43.750,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	720.000,00				4.536,00		724.536,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	322.185,00						322.185,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	1.095.935,00	0,00	1.142.000,00	0,00	4.536,00	0,00	2.232.471,00	590.670,00	
				1.665.935,00	0,00	1.142.000,00	0,00	4.536,00	0,00	2.232.471,00	590.670,00	
PAOLO MARCHESINI	Emol. approved by shareholders' meeting * Remuneration for role of Managing Director Remuneration for employment Bonus	01/01/19-31/12/19	Approval of 2021 finan. Statem.	43.750,00						43.750,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	540.000,00				6.126,00		546.126,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	128.150,00						128.150,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	7.119.000,00	0,00	856.500,00	0,00	6.126,00	0,00	1.574.534,00	421.399,00	
				7.119.000,00	0,00	856.500,00	0,00	6.126,00	0,00	1.574.534,00	421.399,00	
FABIO DI FEDE	Emol. approved by shareholders' meeting * Remuneration for employment Bonus Una tantum	16/04/19-31/12/19	Approval of 2021 finan. Statem.	37.500,00					9.812,00	47.312,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.	491.189,00						491.189,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.			571.008,00				571.008,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.			250.000,00				250.000,00		
				518.689,00	0,00	821.008,00	0,00	9.812,00	0,00	1.348.509,00	210.812,00	
ALESSANDRA GARAVOGLIA	Emol. approved by shareholders' meeting	16/04/19-31/12/19	Approval of 2021 finan. Statem.	37.500,00	0,00	0,00	0,00	0,00	0,00	37.500,00		
MICHEL KLERSY	Emol. approved by shareholders' meeting	16/04/19-31/12/19	Approval of 2021 finan. Statem.	37.500,00	0,00	0,00	0,00	0,00	0,00	37.500,00		
ANALISA ELIA	Emol. approved by shareholders' meeting * Remuneration and Appointments Committee Control & Risks Committee Reimbursement	01/01/19-31/12/19	Approval of 2021 finan. Statem.	43.750,00						43.750,00		
		16/04/19-31/12/19	Approval of 2021 finan. Statem.		9.375,00					9.375,00		
		16/04/19-31/12/19	Approval of 2021 finan. Statem.		18.750,00					18.750,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.			28.125,00	0,00	0,00		882,00	882,00	
				43.750,00	0,00	0,00	0,00		882,00	722.750,00		
CATHERINE GERARDIN	Emol. approved by shareholders' meeting * Remuneration and Appointments Committee Control & Risks Committee	01/01/19-31/12/19	Approval of 2021 finan. Statem.	43.750,00						43.750,00		
		16/04/19-31/12/19	Approval of 2021 finan. Statem.		9.375,00					9.375,00		
		16/04/19-31/12/19	Approval of 2021 finan. Statem.		18.750,00					18.750,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.			28.125,00	0,00	0,00		0,00	71.875,00	
				43.750,00	0,00	0,00	0,00		0,00	43.750,00		
EUGENIO BARCELLONA	Emol. approved by shareholders' meeting * Remuneration and Appointments Committee Control & Risks Committee	01/01/19-31/12/19	Approval of 2021 finan. Statem.	43.750,00						43.750,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.		12.500,00					12.500,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.		25.000,00					25.000,00		
		01/01/19-31/12/19	Approval of 2021 finan. Statem.			37.500,00	0,00	0,00		0,00	61.250,00	
				43.750,00	0,00	0,00	0,00		0,00	61.250,00		
STEFANO SACCARDI	Emol. approved by shareholders' meeting Tranche of non-compete agreement	01/01/19-16/04/19	Approval of 2018 finan. Statem.	7.292,00						7.292,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.		0,00	0,00	0,00	0,00	0,00	0,00	70.000,00	
		01/01/19-16/04/19	Approval of 2018 finan. Statem.								70.000,00	
		01/01/19-16/04/19	Approval of 2018 finan. Statem.									
				7.292,00	0,00	0,00	0,00	0,00	0,00	7.292,00		
THOMAS INGELFINGER	Emol. approved by shareholders' meeting Remuneration and Appointments Committee Control & Risks Committee	01/01/19-16/04/19	Approval of 2018 finan. Statem.	7.292,00						7.292,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.		3.125,00					3.125,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.		6.250,00					6.250,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.			9.375,00	0,00	0,00	0,00	0,00	16.667,00	
				7.292,00	0,00	0,00	0,00	0,00	0,00	16.667,00		
KAREN GUERRA	Emol. approved by shareholders' meeting Reimbursement	01/01/19-16/04/19	Approval of 2018 finan. Statem.	7.292,00						7.292,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.		0,00	0,00	0,00	0,00	0,00	0,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.						639,00	639,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.							7.931,00		
				7.292,00	0,00	0,00	0,00		639,00	7.931,00		
CAMILLA CIONINI VISANI	Emol. approved by shareholders' meeting Remuneration and Appointments Committee Control & Risks Committee	01/01/19-16/04/19	Approval of 2018 finan. Statem.	7.292,00						7.292,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.		3.125,00					3.125,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.		6.250,00					6.250,00		
		01/01/19-16/04/19	Approval of 2018 finan. Statem.			9.375,00	0,00	0,00	0,00	0,00	16.667,00	
				7.292,00	0,00	0,00	0,00	0,00	0,00	16.667,00		
GIOVANNI CAVALLINI	Emol. approved by shareholders' meeting	01/01/19-16/04/19	Approval of 2018 finan. Statem.	7.292,00	0,00	0,00	0,00	0,00	0,00	7.292,00		
TOTAL DIRECTORS				3.452.992,00	112.500,00	2.819.508,00	0,00	20.474,00	1.521,00	6.406.995,00	1.222.881,00	
INES GANDINI	Chairman of the Statutory Board	16/04/19-31/12/19	Approval of 2021 finan. Statem.	56.250,00						56.250,00		
FABIO FACCHINI	Effective Auditor + memb. of the Superv. Board	16/04/19-31/12/19	Approval of 2021 finan. Statem.	45.000,00						45.000,00		
PIERA TULA	Effective Auditor + memb. of the Superv. Board***	05/12/19-31/12/19	Approval of 2019 finan. Statem.	5.000,00						5.000,00		
PELLEGRINO LIBROIA	Chairman of the Statutory Board + Chairman of the Superv. Board***	01/01/19-16/04/19	Approval of 2019 finan. Statem.	20.000,00						20.000,00		
ENRICO COLOMBO	Effective Auditor + memb. of the Superv. Board	01/01/19-16/04/19	Approval of 2018 finan. Statem.	13.750,00						13.750,00		
CHIARA LAZZARINI	Effective Auditor + memb. of the Superv. Board****	01/01/19-05/12/19	-	53.746,00						53.746,00		
TOTALE STATUTORY AUDITORS				193.746,00						193.746,00		
(I) Remuneration in the Company drafts the financial statements				3.646.738,00	112.500,00	2.819.508,00	0,00	20.474,00	1.521,00	6.600.741,00		
(II) Remuneration from subsidiaries and affiliates:												
(II) Fabio Facchini	Remuneration from subsidiaries and affiliates	03/04/19-31/12/19	Approval of 2021 finan. Statem.	10.500,00						10.500,00		
(II) Enrico Maria Colombo	Remuneration from subsidiaries and affiliates	03/04/19-31/12/19	Approval of 2021 finan. Statem.	9.360,00						9.360,00		
(II) Chiara Lazzarini	Remuneration from subsidiaries and affiliates	03/04/19-05/12/19	Approval of 2019 finan. Statem.	17.250,00						17.250,00		
(II) Piera Tula	Remuneration from subsidiaries and affiliates***	05/12/19-31/12/19	Approval of 2019 finan. Statem.	5.580,00						5.580,00		
(II) Pellegrino Libroia	Remuneration from subsidiaries and affiliates	01/01/19-03/04/19	Approval of 2018 finan. Statem.	3.510,00						3.510,00		
Totale compensi da contr. e collegate				49.200,00						49.200,00		
(III) Total				3.695.938,00	112.500,00	2.819.508,00	0,00	20.474,00	1.521,00	6.649.941,00	70.000,00	

\* Please note that the remuneration of the Board of Directors's member of the Company, previously equal to Euro 25,000.00 per year, has been increased by the shareholders meeting of 16 April 2019 up to Euro 50,000.00 / per year for the three-year period 2019-2021.

\*\* Please note that on 29 October 2019, upon proposal of Mr. Luca Garavoglia, the Issuer's Board of Directors resolved to not allocate, as of 1 November 2019, the fees due to the Chairman of the Board, devoting them to support charity and/or public benefit activities. In light of the above, therefore, the compensation paid to Luca Garavoglia as Chairman of the Board of Directors of Davide Campari Milano S.p.A. for the financial year 2019 amounted to Euro 850,000.00

\*\*\* Mrs. Piera Tula replace Mrs. Chiara Lazzarini after the resignation dated 5 December 2019. Mrs Tula has been appointed member of the Supervisory Board until the approval of the 2021 financial statements

\*\*\*\* Please note that this compensation includes: (i) Euro 45,833.00 as Effective Auditor of the Issuer; (ii) Euro 1,250.00 as a member of the supervisory body from 01.01.2019 to 16.04.2019; and (iii) Euro 5,666.00 as a member of the supervisory body from 16.04.2019 to 05.12.2019. In this regard, it should also be noted that on 16 April 2019, the Issuer's Board of Directors approved a compensation equal to Euro 10,000.00 / per year in favour of each member of the supervisory body (this compensation was previously equal to Euro 5,000.00 / per year).

Note that – in accordance with the criteria set out in Schedule 7-bis in Annex 3 of Issuer Regulation 11971/1999, which provides that the value of fringe benefits must be indicated according to their taxability, D&O (Directors' and Officers' Liability) insurance cover, mentioned above (see Section I, letter k), is not included under non-monetary benefits, Furthermore, his insurance cover (non-remunerative in nature) is provided independently by the Company for all serving Group directors and auditors.

**Table 2: Stock options allocated to members of the Board of Directors, general managers and other managers with strategic responsibilities**

A	B	Options held at the beginning of the year				Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options relating to the year
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)=(2)+(5)-(11)-(14)	(16)
Luca Garavoglia	Chairman	Plan	Number of options	Exercised price	Possible exercised period (from-to)	Number of options	Exercised price	Possible exercised period (from-to)	Fair value at the date of assignment	Assignment date	Market price of the shares underlying shares at the exercise date	Number of options	Exercised price	Market price of the shares underlying shares at the exercise date	Number of exercised options price	Number of options	Fair value (€)
		6*	380.000	2,62	from 11/05/2017 to 10/05/2021	0					0	380.000	2,62	8,38	0	0	0
Bob Kunze Concewitz	Managing director	Plan	Number of options	Exercised price	Possible exercised period (from-to)	Number of options	Exercised price	Possible exercised period (from-to)	Fair value at the date of assignment	Assignment date	Market price of the shares underlying shares at the exercise date	Number of options	Exercised price	Market price of the shares underlying shares at the exercise date	Number of exercised options price	Number of options	Fair value (€)
		6*	1.330.000	2,62	from 11/05/2017 to 10/05/2021	0					0	1.330.000	2,62	8,87	0	0	0
		7*	1.433.120	3,14	from 02/07/2019 to 01/07/2023	0					0	0			0	1.433.120	108.460
		8	1.166.860	4,28	from 12/05/2021 to 11/05/2023	0					0	0			0	1.166.860	251.272
		9	960.000	6,25	from 10/05/2023 to 09/05/2025	0					0	0			0	960.000	230.938
Paolo Rinaldo Marchesini	Managing director	Plan	Number of options	Exercised price	Possible exercised period (from-to)	Number of options	Exercised price	Possible exercised period (from-to)	Fair value at the date of assignment	Assignment date	Market price of the shares underlying shares at the exercise date	Number of options	Exercised price	Market price of the shares underlying shares at the exercise date	Number of exercised options price	Number of options	Fair value (€)
		6*	950.000	2,62	from 11/05/2017 to 10/05/2021	0					0	950.000	2,62	8,87	0	0	0
		7*	955.414	3,14	from 02/07/2019 to 01/07/2023	0					0	0			0	955.414	72.306
		8	816.802	4,28	from 12/05/2021 to 11/05/2023	0					0	0			0	816.802	175.890
		9	720.000	6,25	from 10/05/2023 to 09/05/2025	0					0	0			0	720.000	173.203
Fabio Di Fede	Executive Director	Plan	Number of options	Exercised price	Possible exercised period (from-to)	Number of options	Exercised price	Possible exercised period (from-to)	Fair value at the date of assignment	Assignment date	Market price of the shares underlying shares at the exercise date	Number of options	Exercised price	Market price of the shares underlying shares at the exercise date	Number of exercised options price	Number of options	Fair value (€)
		8bis	161.551	6,19	from 04/08/2022 to 03/08/2024	0					0	0			0	161.551	37.609
		9	720.000	6,25	from 10/05/2023 to 09/05/2025	0					0	0			0	720.000	173.203

**NOTE**

\*Beneficiaries are granted to bring forward the exercise period to run from the end of fifth year to the end of the seventh year (with a consequent reduction of 20% in options assigned) or to bring forward the exercise period to run from the end of the sixth year to the end of the eighth year (with a consequent reduction of 10% in options assigned).

\*\* Number of exercised options following to early exercise pursuant to article 16 of Campari Group's Stock Options Regulations.

\*\*\* Number of not exercisable options due to early exercise pursuant to article 16 of Campari Group's Stock Options Regulations.



**Table 3A: Incentive plans for members of the Board of Directors, general managers and other managers with strategic responsibilities based on financial instruments other than stock options**

N.A.

**Table 3B: Cash-based incentive plans for members of the Board of Directors, general managers and other managers with strategic responsibilities**

Name / Surname	Position	(1)	Bonus of the year			Bonus of previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
<b>Bob Kunze Concewitz</b>	<b>Managing Director</b>	<b>Plan</b>	<b>Allocable / allocated</b>	<b>Differed</b>	<b>Reference period</b>	<b>No longer allocable</b>	<b>Allocable / allocated</b>	<b>Still differed</b>	
Remuneration in the Company that drafts the financial statement		//	1.142.000	//	//	//	//	//	//
<b>Paolo Rinaldo Marchesini</b>	<b>Managing Director</b>	<b>Plan</b>	<b>Allocable / allocated</b>	<b>Differed</b>	<b>Reference period</b>	<b>No longer allocable</b>	<b>Allocable / allocated</b>	<b>Still differed</b>	
Remuneration in the Company that drafts the financial statement		//	856.500	//	//	//	//	//	//
<b>Fabio Di Fede</b>	<b>Executive Director</b>	<b>Plan</b>	<b>Allocable / allocated</b>	<b>Differed</b>	<b>Reference period</b>	<b>No longer allocable</b>	<b>Allocable / allocated</b>	<b>Still differed</b>	
Remuneration in the Company that drafts the financial statement		//	571.008	//	//	//	//	//	//

**Schedule 7-ter. Schedule of information on investments held by members of the Board of Directors, general managers and other managers with strategic responsibilities**

TABLE 1: Investments held by members of the Board of Directors, Statutory Board of Auditors and general managers.

Name / Surname	Company in which shares are held	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current years
Luca Garavoglia	DAVIDE CAMPARI-MILANO SPA	593.176.000 (*)	0	760.000	592.416.000 (**)
Robert Kunze-Concewitz	DAVIDE CAMPARI-MILANO SPA	300.170	1.330.000	1.330.000	300.170
Paolo Marchesini	DAVIDE CAMPARI-MILANO SPA	0	950.000	950.000	0
Fabio Di Fede	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
Alessandra Garavoglia	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
Michel Klersy	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
Catherine Gérardin-Vautrin	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
Annalisa Elia Loustau	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
Eugenio Barcellona	DAVIDE CAMPARI-MILANO SPA	90.000	140.000	0	230.000
Ines Gandini	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
Fabio Facchini	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
Piera Tula	DAVIDE CAMPARI-MILANO SPA	0	0	0	0
(*) n. 592.416.000 of which held through Lagfin S.C.A., Société en Commandite par Actions					
(**) held through Lagfin S.C.A., Société en Commandite par Actions					

Sesto San Giovanni, 18 February 2020

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

This is a non-binding English courtesy translation of the explanatory report. The Italian version of the explanatory report is the only official document having legal effects. In case of any discrepancies or differences between the official document in Italian and the English translation, as well as in case of any dispute on the content of the document, the document in Italian shall always prevail.