



**Davide Campari-Milano S.p.A.  
 Report of the Board of Directors  
 on items on the Agenda  
 of the Ordinary Shareholders' Meeting of 29 April 2016,  
 pursuant to article 125-bis of Legislative Decree 58 of 24 February 1998**

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The Ordinary Shareholders' Meeting of Davide Campari-Milano S.p.A. is convened at the Campari Academy, Via Campari 23, Sesto San Giovanni (MI), on 29 April 2016 at 9:30, to discuss and approve the following items on the agenda.

1. Approval of the annual financial statements for the year ending 31 December 2015 and related resolutions;
2. Appointment of the Board of Directors, election of the Chairman and determination of the relevant remuneration;
3. Appointment of the Board of Auditors and determination of the relevant remuneration;
4. Approval of the remuneration report pursuant to art. 123-ter of Legislative Decree 58/98;
5. Approval of the stock option plan pursuant to art.114-bis of Legislative Decree 58/98;
6. Authorization to buy and/or sell own shares.

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**Regarding item 1 on the agenda**

The Board of Directors proposes to approve the financial statements for the year ending 31 December 2015, comprising the financial statements, notes to the accounts and directors' report, as approved by the Board of Directors on 1 March 2015.

The documentation, together with the documents comprising the annual financial statements, pursuant to article 154-bis 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 "NIS-Storage" ([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 2015 and to allocate the profit for the year of €83.924 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 €52.039 million);
- the remaining amount of around €31.885 million to be carried forward as retained earnings.

It is proposed that the dividend of €0.09 per share outstanding be paid from 25 May 2016 (coupon no. 13 to be detached on 23 May 2016). The record date for payment, pursuant to article 83-terdecies of the TUF, is 24 May 2016.

**Regarding item 2 on the agenda**

The mandate of the Board of Directors expires with the approval of the 2015 financial statements.

The shareholders' meeting is therefore invited to vote on the appointment of a new Board of Directors that, pursuant to art. 14 of the Articles of Association, may comprise from three to fifteen members, chosen by the shareholders' meeting itself.

The appointment of the directors is made on the basis of lists of candidates.

Shareholders representing at least 1% of the Company's share capital, as set out in art.144-*quater* of Consob regulation 11971 of 14 May 1999 (the 'Issuer Regulation') and by Consob regulation 19499 of 28 January 2016, shall be entitled to submit lists.

Each list must contain and expressly indicate at least one-third of candidates from the less-represented gender, as required by law 120 of 12 July 2011, and at least one independent director, pursuant to art. 148, para. 3 of the TUF; if the list consists of more than seven candidates it must contain and expressly indicate a second independent director pursuant to art. 147-*ter* of the TUF.

The list must also be accompanied by a declaration of compliance with the independence requirements stipulated in the Code of Conduct for Listed Companies, by at least one-third of the candidates, i.e. at least two candidates, given that the Company is quoted on the FTSE-Mib.

Lists obtaining a number of votes totaling less than half the qualifying percentage will not be taken into account, pursuant to art. 15 of the Articles of Association, as permitted in art. 147-*ter* of the TUF.

If only one list has been submitted and this obtains a relative majority of the votes cast at the shareholders' meeting, the candidates will be appointed as directors in the relevant sequential order up to the total number of candidates listed, which in any event shall be no lower than three and no higher than 15.

If no list has been submitted, the Board shall be appointed by the shareholders' meeting based on statutory majority voting rules.

The lists, accompanied by the CVs of the nominated individuals, must be submitted within 4 April 2016 or at least twenty five days before the shareholders' meeting. Lists should be sent via registered mail to the Company's registered office, for the attention of the Corporate Secretariat or by email to the certified email address: [ssg.cbd@pec.campari.com](mailto:ssg.cbd@pec.campari.com).

Directors are elected as follows:

- the number of directors, which in any event shall be no lower than three and no higher than 15, shall be determined as the number of candidates included in the list obtaining the majority of the votes cast;
- all the directors to be appointed, except one, shall be selected, in sequential order, from the list which has obtained the majority of the votes cast;
- the remaining director shall be selected from the list obtaining the second highest number of votes at the shareholders' meeting that is not in any way connected, either directly or indirectly, with the shareholders who submitted or voted for the list with the highest number of votes.

If, following the application of the above procedure, the minimum number required by law for the less-represented gender at the time is not reached, then the place of the last candidate of the more-represented gender on the majority list will be taken by the next candidate of the less-represented gender on the same list.

A description of the procedures for participating and voting in shareholders' meetings, including information concerning the methods and conditions for submitting lists for the election of members of the Board of Directors, is available in the notice of meeting published on the Company's website.

In order to enable shareholders to exercise their voting rights with regard to the various matters in the second item on the agenda, there will be three separate votes, in the following order:

- appointment of the Board of Directors on the basis of lists submitted by shareholders;
- election of the Chairman and
- determination of the remuneration for directors, based on the proposals that will be submitted to this end.

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

The mandate of the Board of Statutory Auditors expires with the approval of the 2015 financial statements.

The shareholders' meeting is invited to approve a new Board of Statutory Auditors that, pursuant to art. 27 of the Articles of Association, comprises three standing auditors and three alternate auditors. The auditors serve for three years, and may be re-elected.

The appointment of the Board of Statutory Auditors is made on the basis of lists on which the candidates are numbered sequentially.

The list contains two sections: one for candidates for the position of standing auditor and the other for candidates for the position of alternate auditor.

Minority shareholders may elect one standing auditor and one alternate auditor.

Each section of the list must indicate at least one-fifth of candidates from the less-represented gender pursuant to Law 120 of 12 July 2011.

Pursuant to art. 144-*sexies*, para 2, of the Issuer Regulation and Consob resolution 19499 of 28 January 2016, shareholders representing at least 1% of the share capital are entitled to submit lists.

The lists must be lodged at the Company's headquarters within 4 April 2016 or at least twenty five days before the date of the shareholders' meeting, as set out in article 144-*sexies* of the Issuer Regulation, accompanied by the candidates' CVs and attestations on the candidates' suitability for the post.

Individual shareholders and shareholders belonging to the same group may not, even through a nominee or fiduciary company, submit more than one list of candidates or vote for different lists.

Each candidate may appear on one list only, or shall be deemed ineligible.

The procedure for the election of auditors is as follows:

1. two standing auditors and two alternate auditors are selected from the list obtaining the greatest number of votes at the shareholders' meeting, according to the sequential order in which they appear in the sections of the list;
2. the remaining standing auditor and the other alternate auditor are selected from the list obtaining the second highest number of votes at the shareholders' meeting, according to the sequential order in which they appear in sections of the list.

If the minimum quota is not met for the less-represented gender for members of the Board of Statutory Auditors (with regard to the positions of both standing auditor and alternate auditor), then the place of the last candidate of the more-represented gender on the majority list will be taken by the next candidate of the less-represented gender on the same list.

A description of the procedures for participating and voting in shareholders' meetings, including information concerning the procedures and conditions for submitting lists for the election of members of the Board of Statutory Auditors, is available in the notice of meeting published on the Company's website.

In order to enable shareholders to exercise their voting rights with regard to the various matters in the third item on the agenda, there will be two separate votes, in the following order:

- appointment of the Board of Auditors, on the basis of lists submitted by shareholders,
- determination of the remuneration, based on the proposals that will be submitted to this end.

#### **Regarding item 4 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 1 March 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 "NIS-Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)), in accordance with the terms prescribed by law.

#### **Regarding item 5 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 options based on the ratio between € 65,350,000 and the Exercise Price of which-regarding either the members of the Board of Directors or other individuals for whom disclosure of assigned options is required-a maximum number of options based on the ratio between € 12.350.000 and the Exercise Price and-regarding any other category of beneficiaries-a maximum number of options based on the ratio between € 53,000,000 and the Exercise Price.

The options may be exercised during the two-year period after the end of the seventh year following the assignment date and the relevant bodies are granted all necessary powers to implement the plan by 30 June 2017.

Beneficiaries also have the right to exercise their options early (in full or in part) at the end of either the fifth year or the sixth year following the assignment, but in this case, with a resulting one-off application of a reduction of 20% or 10% respectively in the total number of options assigned.

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

#### **Regarding item 6 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 2017.

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

Sesto San Giovanni, 1 March 2016

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

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