

CAMPARI GROUP

DAVIDE CAMPARI-MILANO S.P.A.

**REPORT OF THE BOARD OF DIRECTORS RELATING TO THE PROPOSAL TO BUY AND/OR SELL
TREASURY SHARES PURSUANT TO ARTICLE 125-TER TUF AND ARTICLE 73, ANNEX 3A,
MODEL NO. 4 OF THE ISSUERS' REGULATION**

Ordinary Shareholders' Meeting of 27 March 2020

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

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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 125-ter Legislative Decree No. 58/1998 ('TUF'), and Article 73 and Annex 3A, Model no. 4 of Consob Regulation 11971 dated 14 May 1999 and subsequent revisions and amendments (the 'Issuers' Regulation'), to explain the resolution to buy and/or sell treasury shares to be submitted at the shareholders' meeting scheduled for 27 March 2020 under the following agenda item: "Authorisation to buy and/or sell treasury shares".

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1. THE REASONS FOR THE REQUEST OF THE AUTHORIZATION TO PURCHASE AND/OR SELL TREASURY SHARES.

The authorization to purchase treasury shares is sought in order to allow the Company to fulfil the commitments undertaken under the stock option plans already in place and under the stock option plans that may be approved in the future and, therefore, to support the Company's need to increase and replenish, through purchases of treasury shares on the market, the reserve of treasury shares dedicated to the stock option plans.

The authorisation to sell treasury shares is sought in order to allow the Company to fulfil the commitments undertaken under the stock option plans already in place and which may be approved in the future.

2. THE MAXIMUM NUMBER, CLASS, AND PAR VALUE OF THE SHARES THE AUTHORIZATION REFERS TO.

The authorisation is sought to purchase, in one or more transactions, ordinary shares of the Company with a par value of €0.05. The purchased ordinary shares must not exceed the overall share capital limit according to Article 2357 of the Italian Civil Code, also taking into account the treasury shares already held by the Company.

The authorization is also sought to sell, in one or more transactions, the total quantity of the treasury shares held by the Company.

3. USEFUL INFORMATION FOR A THOROUGH COMPLIANCE ASSESSMENT OF ARTICLE 2357, PARAGRAPH 3 OF THE ITALIAN CIVIL CODE.

The Company's share capital is equal to €58,080,000.00, represented by 1,161,600,000 ordinary shares with a par value of €0.05 each.

Please note that, pursuant to article 2357, paragraph 1, of the Italian Civil Code, the purchase of treasury shares is allowed within the limits of the profits available for distribution and of the available reserves resulting from the last duly approved financial statements.

In any case, the par value of the purchased shares shall not exceed 20% of the Company's share capital.

It should be noted that:

- (i) assuming the approval, by the Shareholders' Meeting, of the financial statements' draft for the year ended on 31 December 2019, the amount of profits available for distribution and available reserves is equal to €[•]; and
- (ii) as of 7 February 2020, the Company held 11,954,970.00 treasury shares (*i.e.*, approximately 1.03% of the share capital).

4. DURATION OF THE AUTHORIZATION.

The Board of Directors proposes that the authorisation to purchase treasury shares will be granted until 30 June 2021. The Board may proceed with the authorised transactions in one or more stages and at any time.

The resolution authorising the purchase of treasury shares approved by the Shareholders' Meeting on 16 April 2019, is to be considered revoked as of the date in which the Shareholders' Meeting will approve the present proposal.

5. MINIMUM AND MAXIMUM PRICE OF THE TREASURY SHARES TO BE PURCHASED.

The Board of Directors proposes that the price for the purchase of the shares shall be established on a case-by-case basis for each transaction. It being understood that the

purchase price shall not be 25% higher nor lower than the average price to be calculated over a period to be determined by the Board, in compliance with the applicable regulations.

With regard to the sell price for the disposal of the purchased treasury shares, the Board of Directors proposes that the Shareholders' Meeting determines only the minimum sell price, granting the Board with the power to determine, from time to time, any further conditions, methods and terms of the act of disposal.

The minimum sell price shall not be 25% higher nor lower than the average price to be calculated over a period to be determined by the Board, in compliance with the applicable regulations.

The above mentioned sell price limit will not apply, however, in the event: (i) of a sale to directors, employees, and/or independent contractors of the Company and/or its subsidiaries; (ii) of an incentive plans implementation; (iii) of the execution of transactions in connection to which it is appropriate to proceed with the exchange or sale of shares to be carried out also by exchange or contribution or; (iv) of share capital transactions involving the assignment or disposal of treasury shares.

6. METHODS THAT WILL BE USED FOR THE EXECUTION PURCHASES AND SALES.

Pursuant to Article 132, paragraphs 1 and 2, TUF, purchases of the Company's treasury shares will be carried out following the procedures set out in Article 144-*bis*, paragraph 1, points b) and c), d)-*ter* and paragraph 1-*bis* of the Issuers' Regulation.

Purchases may be made in one or more stages.

The request of authorisation to purchase treasury shares does not relate to a reduction of the Company's share capital by cancellation of the purchased treasury shares. Sales made to execute the stock option plan will take place in accordance with the conditions and procedures stipulated herein.

The authorisation to purchase treasury shares contained in this report, if approved by the Shareholders' Meeting of 27 March 2020, will continue to be effective after the transfer of the Company's registered office to Netherlands, with simultaneous transformation of the Company into a Naamloze Vennootschap ('N.V.'), under the terms and conditions set out in this report - where applicable - and in any case within the limits of the applicable legal provisions.

7. GENERAL INFORMATION CONCERNING THE REDUCTION OF THE SHARE CAPITAL.

The request of authorisation to purchase treasury shares is not preparatory to an operation of reduction of the Company's share capital by cancellation of the purchased treasury shares.

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.