

REPORT OF THE BOARD OF STATUTORY AUDITORS

pursuant to art. 153 of Legislative Decree 58/1998 and Article 2429 of the Italian Civil Code

Dear Shareholders,

This report refers to the activities performed by the Board of Statutory Auditors of Davide Campari-Milano S.p.A. (hereinafter the "Company" and, jointly with its subsidiaries, the "Group") for the financial year ended at 31 December 2017 (hereinafter the "Financial year").

1. In carrying out supervisory and control activities, the Board of Statutory Auditors acknowledges that:

- a) it monitored compliance with the Law, Articles of Association and adherence to the principles of correct administration pursuant to legislation in force and taking into account the standards issued by the Italian Association of Chartered Accountants;

- b) it attended the meetings of the Board of Directors and the Control and Risks Committee and it has periodically received information from the directors about the general business and outlook, as well as the most significant economic, financial and capital transactions approved and implemented during the financial year by the Company and Group Companies, also in compliance with Article 150, paragraph 1 of Legislative Decree 58 of 24 February 1998 (hereinafter the "T.U.F.").

The Board of Statutory Auditors believes that the transactions approved and implemented comply with the law and the Articles of Association, and are not manifestly imprudent or risky, or in potential conflict of interest, or contrary to the resolutions approved by the Shareholders' Meeting, or such that would compromise the integrity of the share capital. The resolutions of the Board of Directors are executed with the utmost compliance by management and by the organization;

- c) it did not identify any atypical and/or unusual transactions with Group companies, third parties or related parties, nor did it receive any information to this effect from the Board of Directors, the independent auditors or the director of the internal control and risk management system. In its Report on Operations, the Board of Directors provided an appropriate description of the impact of the most significant operational, financial and balance-sheet transactions carried out as part of ordinary operations with subsidiaries under normal market conditions. Based on the results of the activities conducted by the Internal Audit Department, the Board of Statutory Auditors also believes that any related-party transactions were adequately managed. In this regard, the Board of Statutory Auditors wishes to point out that the Company adopted procedures for related-party transactions in compliance with the requirements of Consob Regulation 17221 of 12 March 2010 and Consob Communication of 24 September 2010, in addition to specific standards in the Group's Code of Ethics, in order to prevent or manage transactions in which there are situations of conflict of interest or personal interest of the directors. Pursuant to Article 4 of the above-mentioned Regulation, the Board of Statutory Auditors verified that the procedures adopted complied with the principles of this Regulation, and checked that they were being followed;

- d) it reviewed and supervised the adequacy of the Company's organizational structure with regard to competence, compliance with principles of correct administration by gathering information from the heads of the competent corporate functions and holding meetings with representatives of the independent auditors, PricewaterhouseCoopers S.p.A., appointed to conduct the statutory audit, including for the purpose of exchanging important data and information, from which no serious issues arose. In addition, no serious issues arose from the annual reports issued by the Board of Statutory Auditors, pursuant to Article 2429, Paragraph 2 of the Italian Civil Code, of the subsidiaries Campari International S.r.l. and Fratelli Averna S.p.A.;

e) it monitored and verified, to the extent of its responsibility:

- the adequacy of the administration and accounting systems, as well as its reliability for the purpose of providing a true and fair view of operations;
- the adequacy of the controls and processes for the preparation, reporting, measurement and representation of results and non-financial information;

through:

- i. the periodic exchange of information with the CEOs, and, specifically, with the director in charge of preparing corporate accounting documents pursuant to Article 154-*bis* of the T.U.F.;
- ii. the examination of reports prepared by the head of the Internal Audit department, including information on the outcome of any corrective measures taken following the audit activities;
- iii. the obtaining of information from the heads of corporate functions;
- iv. meetings and exchanges of information with the administrative and control bodies of Italian subsidiaries pursuant to paragraphs 1 and 2 of Article 151 of the T.U.F., during which the Board of Statutory Auditors obtained information about administrative and control systems and the company's general business performance;
- v. performing detailed analysis of activities carried out, and reviewing the results of the work of the external auditor;
- vi. participating in the work of the Control and Risks Committee and, when specific issues so required, working with the committee on such issues.

From the work carried out, no irregularities were found that indicated inadequacies in the internal control and risk management system;

f) it held meetings with managers of the appointed independent auditors, PricewaterhouseCoopers S.p.A., for sharing of document and relevant information, and it was informed of the main risks to which the Company is exposed and of the controls put in place, as well as of the procedures performed with reference to the regular keeping of accounts and the true and fair view of operations in the accounting records. No significant comments emerged from the meetings, either on their part or on our part;

g) it monitored the implementation methods of the Code of Conduct for Listed Companies, adopted by the Company, under the terms illustrated in the Report on Corporate Governance and Ownership Structure approved by the Board of Directors on 27 February 2018. The Board of Statutory Auditors verified, *inter alia*, that the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence and professionalism of its members were correctly applied. The Board of Statutory Auditors has also verified compliance with the criteria of independence of its members, as required by the current legislation, also acknowledging compliance with the limit on simultaneous offices as set out in Article 144-*terdecies* of the Regulation adopted by Consob resolution 11971 of 14 May 1999 ("Issuers Regulation");

h) it looked over and gathered information on the management activities and procedures implemented in accordance with Italian Legislative Decree 231 of 8 January 2001 regarding the administrative responsibilities of Bodies for the violations in the aforementioned regulations.

The Board of Statutory Auditors notes that the meeting of the Board of Directors, exercising its right granted by Article 6, paragraph 4-*bis* of Legislative Decree 231/2001, conferred on the Board of Statutory Auditors the functions pertaining to the Supervisory Body pursuant to Article 6, paragraph 1(b) of the above-mentioned decree. The Board of Statutory Auditors, during its activity, monitored the operation and the effectiveness of the organizational, management and control model adopted by the Company, also with reference to its update and appropriateness.

- i) it ensured that the information flows provided by the non-EU subsidiaries are adequate to conduct audits of the annual and interim financial statements pursuant to Article 15 of the Market Regulation adopted through Consob Resolution 20249 of 28 December 2017;
- j) it monitored the implementation of organizational measures related to the development of corporate activities.

As Audit Committee pursuant to Article 19 of Legislative Decree 39 of 27 January 2010 as amended by Legislative Decree 135 of 17 July 2016, in implementation of Directive 2014/56/EU, the Board of Statutory Auditors during the financial year:

- a) monitored the financial reporting process, in compliance with reference to its integrity;
- b) verified the effectiveness of the internal control of the quality and of the risk management systems of the company as well as of the internal audit, as regards the financial information, without violating its independence;
- c) monitored the statutory audit of the financial statements;
- d) verified and monitored the independence of the audit firm pursuant to the provisions of the law, and, in particular, with regard to the adequacy of the provision of services other than auditing, pursuant to Article 5 of Regulation (EU) N. 537/2014.

The Board of Statutory Auditors met seventeen times during the financial year, also considering the appointment of the new audit engagement and attending the meetings of the Board of Directors and the Control and Risk Committee.

Taking into account the information obtained, the Board of Statutory Auditors believes that activities were performed in compliance with the principles of correct administration, and that the organizational structure, internal control system and the administrative and accounting system are fully adequate for corporate requirements.

2. As far as relations with the independent auditors, PricewaterhouseCoopers S.p.A., are concerned, the Board of Statutory Auditors, as Audit Committee, reports that:

- a) the independent auditors on 13 March 2018 issued, pursuant to Articles 14 of Legislative Decree 39 of 27 January 2010 and Article 10 of the Regulation (UE) N.537/2014, the unqualified audit reports on the separate and consolidated financial statements as at 31 December 2017.

The audit reports were revised in form and content taking into consideration the amendments made by Legislative Decree 135 of 17 July 2016 to the requirements contained in Legislative Decree 39 of 27 January 2010.

From the opinions and attestations released in the audit reports, it results:

- i. the annual and consolidated financial statements of Davide Campari-Milano S.p.A. provide a true and fair view of the Company's and Group's balance sheet, financial situation, operating results and cash flows as at 31 December 2017 in accordance with the International Financial Reporting Standards adopted by the European Union, as well as the requirements issued in the implementation of Article 9 of Legislative Decree N. 38 of 28 February 2005.
 - ii. the consistency of the Reports on Operations and the information required by Article 123-bis paragraph 4) T.U.F., included in the Report on corporate governance and ownership structure, with the consolidated and separate financial statements;
 - iii. regarding to possible significant errors in the Report on Operations, based on the knowledge and understanding of the company and the related context acquired during the audit, nothing is reported.
- b) the audit company PricewaterhouseCoopers SpA also issued, on 13 March 2018, the additional report for the Board of Statutory Auditors in its role of Audit Committee

pursuant to article 11 of the aforementioned Regulation (EU). This report will be sent to the Board of Directors as required by current legislation.

- c) the audit company also issued, on 13 March 2018, the report on the consolidated non-financial declaration pursuant to Article 3 of Legislative Decree 254 of 30 December 2016 and Article 5 of Consob Regulation N. 20267 of 18 January 2018, in which the same audit company did not report any evidence suggesting that the consolidated non-financial declaration of the Campari Group, for the financial year ended 31 December 2017, has not been prepared, in all the significant aspects, in compliance with the requirements of articles 3 and 4 of the aforementioned decree.
- d) finally, the audit company issued, on 13 March 2018, the declaration regarding independence, as required by Article 6 of the Regulation (EU) N. 537/2014, from which no circumstances that could compromise their independence were identified. In addition, the Board of Statutory Auditors took note of the Transparency Report prepared by the audit company and published on its website pursuant to Article 18 of Legislative Decree 39 of 27 January 2010.
- e) in addition to the tasks required by the regulations for listed companies, independent auditors PricewaterhouseCoopers S.p.A. and the companies belonging to the PricewaterhouseCoopers S.p.A. network were appointed to carry out services other than auditing, whose fees, shown in the notes of the annual financial statements as required by Article 149-duodecies of the Issuer Regulations, are included in the consolidated financial statements.

Category of services	PwC	PwC Network
Certification audit	58	-
Other services	-	657
Total	58	657

Also taking into account the above, the Board of Statutory Auditors believes that there are no critical issues with regard to the independence of PricewaterhouseCoopers S.p.A..

3. The Board of Statutory Auditors examined the complaint under Article 2408 of the Civil Code, formulated by a shareholder, concerning the exhaustivity of some answer to its submitted thirty-three-pre-shareholders' meeting questions. With this regards, the Board of Statutory Auditors did not find worthy of censorship profiles.
4. The Board of Statutory Auditors is not aware of any facts or statements that should be reported to the Shareholders' Meeting. During the course of the work carried out, and on the basis of information obtained, no omissions, non-conformities, irregularities or other circumstances were identified that would require notification to the Supervisory Body or mention in this report.
5. The Board of Directors provided the financial statements and report on operations to the Board of Statutory Auditors in a timely manner. To the extent of its authority, the Board of Statutory Auditors reports that the layouts used are in compliance with the law, that the accounting principles used, which are described in the notes to the financial statements, are appropriate for the activities and transactions carried out by the Company, that the procedure adopted (impairment test) to identify any impairment losses on assets reported in the financial statements has been approved by the Board of Directors in autonomy and advance with respect to the approval of the Annual Report, and that the financial statements correspond to the facts and the information as identified by the Board of Statutory Auditors following its participation in meetings with corporate bodies and the supervisory activities undertaken.

6. Taking into account the results of the specific tasks performed by the external auditors in its audit of the accounting records and of the reliability of the company financial statements, as well as its own supervisory activities, the Board of Statutory Auditors expresses its favorable opinion concerning the approval of the separate financial statements at 31 December 2017.

Milan, 15 March 2018

The Board of Statutory Auditors

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This report has been translated into English from the Italian original solely for the convenience of international readers.