

# Annual report of the Board of Directors on corporate governance

Davide Campari-Milano S.p.A. ("the Company" and, together with its subsidiaries, "the Group") has adopted the provisions of the Code of Conduct for Listed Companies ("the Code") as its model of corporate governance.

This Report has been drawn up in accordance with the guidelines for the preparation of corporate governance reports issued by Borsa Italiana S.p.A. and by Assonime (the association of Italian limited liability companies).

Its aim is to provide the market and shareholders with comprehensive details of the Company's chosen corporate governance model and of how the Company is putting the recommendations of the Code into practice.

## **Section I - 1. The Company's corporate governance model**

The new Articles of Association approved by the extraordinary shareholders' meeting of 29 April 2004, in compliance with legislative decree 6 of 17 January 2003, confirmed the Company's choice of a traditional administration and control model, consisting of a Board of Directors and a Board of Statutory Auditors.

### *1.1. Board of Directors*

In accordance with article 14 of the Articles of Association, the Company is run by a Board of Directors comprising between three and fifteen members, appointed by the ordinary shareholders' meeting, which also decides on the number of members.

The Board of Directors has full powers to manage the Company and pursue the corporate objectives.

It constitutes the central body of the Company's corporate governance system.

The Board is responsible for setting out strategic and management guidelines for the Company and the Group and overseeing general performance, as well as defining and applying the corporate governance rules and examining internal audit procedures.

The members of the Board of Directors serve for a period ranging from one to three years, and may be re-elected.

### *1.2. Board of Statutory Auditors*

Article 27 of the Articles of Association states that the Board of Statutory Auditors comprises three Permanent Auditors and three Deputy Auditors.

The Board of Statutory Auditors is completely autonomous and independent, and is responsible for verifying the proper administrative and accounting management of the Group, and ensuring that the law and the Articles of Association are observed.

The accounts audit is carried out by an external auditing company.

The members of the Board of Statutory Auditors serve for three years, and may be re-elected.

### *1.3. Shareholders' meetings*

Shareholders' meetings are governed by specific regulations approved by the ordinary shareholders' meeting of 2 May 2001 ("the Regulations").

Meetings must be attended by all Directors and the entire Board of Statutory Auditors.

The Regulations govern ordinary and extraordinary shareholders' meetings, as well as special shareholders' meetings.

They set out the rules concerning meeting attendance, verification of proof of identity with particular reference to proxies, the powers of the Chairman with respect to declaring the shareholders' meeting valid, opening the meeting, debate, voting and vote counting.

In accordance with the provisions of article 11 of the Articles of Association, all those wishing to attend the shareholders' meeting must present appropriate certification issued by their appointed intermediary as previously communicated to the Company, in accordance with applicable law, with two days' notice.

Shareholders may send a representative to the meeting provided that the written proxy is signed by the holder of the aforementioned certification or by his legal representative or by a specific representative.

Those attending as representatives of one or more shareholders with voting rights must provide proof of identity and a written proxy, and sign a declaration stating that there is no obstacle to their acting as a representative.

Any shareholder with voting rights attending the meeting may not at the same time issue a proxy for some of his votes; however, he may appoint different representatives for different items on the agenda, who must use all the shareholder's votes for each item.

In this case, the written proxy must state the items on the agenda to which it refers.

In accordance with article 13 of the Code, Directors must, within their powers, do their utmost to encourage and facilitate the widest possible attendance at shareholders' meetings.

Shareholders' meetings are also an opportunity to provide shareholders with information on the Company and the Group, with due regard for the regulations on price-sensitive information.

#### *1.4. Share capital*

The share capital consists entirely of ordinary shares.

Alicros S.p.A. is the Company's controlling shareholder pursuant to article 93 of legislative decree 58/1998.

## **Section II – Implementation of the Code**

### **2. Board of Directors**

#### *2.1. Division of powers and duties*

Article 17 of the Articles of Association gives the Board of Directors full powers for the ordinary and extraordinary management of the Company.

In accordance with the Code and article 2381 of the Italian civil code, as amended by legislative decree 6 of 17 January 2003, the Board of Directors meets to assess the Group's performance, examining the reports of the Managing Directors on their activities and the most important operations carried out by the Group, as well as verifying the adequacy of the Company's organisational, administrative and accounting systems.

The Board of Directors also has all possible powers that may by law be included in companies' Articles of Association, including the power to approve the merger of 100% subsidiaries or those controlled at 90% or more into the Company, the power to set up or close local offices, branches and representative offices in Italy and overseas, the power to decide which Director or Directors have powers to represent the Company, the power to approve a capital decrease if a shareholder withdraws, the power to approve any amendments to the Articles of Association to comply with new legislation, the power to transfer the registered office elsewhere within Italy, and the power to issue bonds within the limits and according to the means set out by applicable laws.

Even though not expressly stated in the Articles of Association, the Board of Directors has the powers set out in article 1.2. of the Code: that is, to examine and approve the Company's strategic, business and financial plans and the structure of the Group as a whole.

The Board of Directors is also responsible for passing the resolutions relating to actions which, by their nature or value lie outside the powers of the Managing Directors, or in which Directors have a personal or third - party interest, or which the Directors themselves deem it appropriate to examine for particular reasons.

In accordance with article 18 of the Articles of Association, the Board of Directors may, within the limits allowed by law, delegate such powers as it deems appropriate for the management of the Company, as well as powers of representation and signature, to one or more members holding the title of Managing Director.

These mandates allow Managing Directors to operate individually as regards matters of ordinary management within financial limits set according to the type of action in question, and jointly with one other signature for matters of ordinary management exceeding these thresholds and for certain matters of extraordinary management.

In accordance with article 19 of the Articles of Association, Directors who have been awarded powers must report on at least a quarterly basis to the Board of Directors and the Board of Statutory Auditors on the activities carried out within their mandates, on the most important operations carried out by the Company or Group subsidiaries, and those in which they have a personal or third - party interest.

The most significant operations, such as the acquisition and sale of important companies, must receive prior approval from the Board of Directors.

Significant operations are considered as all operations whose value exceeds the limits set for actions requiring joint signature.

According to the Articles of Association, Directors may delegate some of their powers, including the relative powers of representation, to an Executive Committee, which may pass resolutions by majority vote.

At present, there is no such Executive Committee.

## 2.2. Chairman of the Board of Directors

The Chairman of the Board of Directors represents the Company in respect of third parties and in any legal matters.

The Chairman co-ordinates the activities of the Board of Directors and conducts its meetings; he also officiates at shareholders' meetings and ensures they are conducted in accordance with the Articles of Association and the Regulations.

As he has no management mandate, he qualifies as a non-executive Director.

The internal audit department reports directly to the Chairman.

## 2.3. Operations with affiliated parties

In accordance with article 19 of the Articles of Association and pursuant to article 150 of legislative decree 58/1998, Managing Directors must report on at least a quarterly basis to the Board of Directors and the Board of Statutory Auditors with respect to operations in which they have a personal or third-party interest.

Please see the report on operations for details of the most significant operations with affiliated parties carried out in 2004.

The Board of Directors' meeting of 26 February 2004 approved internal procedures for carrying out operations in which they have a personal interest or operations with affiliated parties.

Directors of Group companies, as well as managers who have the power to enter into binding agreements with third parties on behalf of Group companies, must comply with these procedures.

In the case of any operation in which they have a personal or third-party interest, or any operation with affiliated parties, with a value of € 1,000.00 or above, said Directors and managers must refrain from completing such operations until they have provided complete details thereof to an executive Director of their company, or, where the party with the interest is himself an executive Director, to his Board of Directors.

The executive Director or the Board of Directors then evaluate the general and financial suitability of the operation, and may decide to authorise it.

The Company has thus incorporated the recommendations of the Code with respect to setting out guidelines for identifying operations with affiliated parties, and thereby complies with both Consob communications on this matter and articles 2391 and 2391 *bis* of the Italian civil code, as amended by the reform of company law.

Pursuant to article 11 of the Code, those holding a personal interest may not attend the discussion, and the executive Director or the Board of Directors may seek a legal or fairness opinion.

## 2.4. Composition of the Board of Directors

As stated above, in accordance with article 14 of the Articles of Association, the Company is managed by a Board of Directors comprising between three and fifteen members, as decided by the shareholders' meeting, which is responsible for appointing them.

The Board of Directors currently comprises eleven members.

The list below shows the names of the members of the Board of Directors as appointed by the ordinary shareholders' meeting of 29 April 2004, with the job titles of the executive Directors indicated in italics:

Luca Garavoglia	Chairman - non - executive
Luca Cordero di Montezemolo	non - executive - independent
Cesare Ferrero	non - executive - independent
Franzo Grande Stevens	non - executive - independent
Paolo Marchesini	Chief Financial Officer(*)
Marco Pasquale Perelli-Cippo	non - executive - not independent
Giovanni Rubboli	non - executive - independent
Renato Ruggiero	non - executive - independent
Stefano Saccardi	Officer Legal Affairs and Business Development (*)
Vincenzo Visone	Chief Executive Officer (*)
Anton Machiel Zondervan	non-executive - independent

Directors marked with an asterisk have operational roles within the Company and have the title of Managing Director.

The mandate of the present Board of Directors will expire following the approval of the annual report for the year ending 31 December 2006.

According to the Regulations, nominations for the post of Director must be presented on lists, accompanied by a detailed curriculum vitae of each candidate.

They must be filed at the Company's headquarters at least ten days before the date of the shareholders' meeting.

The CVs of all the current Directors are available from the Company's Investor Relations office, while a short description of the professional background of the management is available at [www.campari.com/investors](http://www.campari.com/investors).

There is no minimum number of Board of Directors' meetings set out in the Articles of Association.

In 2004 five Board meetings were held, including three in its new composition. All Directors attended regularly and the few absences were explained. In 2005 the Company expects to hold a similar number of Board meetings.

Please see table 1 attached to this Report for the attendance records of each Director.

Before each Board of Directors' meeting, Directors are provided with all the documentation and information necessary to pass resolutions as far in advance of the meeting as is reasonably possible.

Information passed to the Board of Directors is comprehensive and provided promptly.

### *2.5. Other jobs held by Directors*

Directors who at 31 December 2004 were directors or auditors of other companies listed on Italian and foreign regulated markets, or financial companies, banks, insurance companies or large companies, are listed below:

- Luca Garavoglia: member of the Board of Directors of FIAT S.p.A.;
- Cesare Ferrero: member of the Board of Directors of Autostrada Torino-Milano S.p.A. and Pininfarina S.p.A.; Chairman of the Board of Auditors of ERSEL Finanziaria S.p.A., ERSEL S.I.M. S.p.A., Ferrero S.p.A., FIAT S.p.A., FIAT Auto S.p.A., Giovanni Agnelli & C. S.A.p.A. and I.F.I. S.p.A.; Permanent Auditor of Banca Passadore S.p.A., I.F.I.L. S.p.A., P. Ferrero & C. S.p.A., R.C.S. Investimenti S.p.A and Toro Assicurazioni S.p.A.;
- Luca Cordero di Montezemolo: Chairman of the Board of Directors of BolognaFiere S.p.A., Ferrari S.p.A., FIAT S.p.A. and Maserati S.p.A.; member of the Board of Directors of City Group S.p.A., Editrice La Stampa S.p.A., Indesit Company S.p.A. and Tod's S.p.A.; member of the Conseil de Surveillance of Pinault Printemps Redoute;
- Franzo Grande Stevens: Chairman of the Board of Directors of P. Ferrero & C. S.p.A. and Juventus F.C. S.p.A.; member of the Board of Directors of Exor Group S.A., I.F.I. S.p.A., I.F.I.L. S.p.A., I.P.I. S.p.A., Pictet International Capital Management, Pininfarina S.p.A., RCS MediaGroup S.p.A. and S.E.I. S.p.A.;
- Renato Ruggiero: Chairman of Citigroup Switzerland; Vice-chairman of Citigroup European Investment Bank;
- Anton Machiel Zondervan: Chairman of the Supervisory Board of Doeksen Transport Group.

### *2.6. Non-executive and independent Directors*

The Articles of Association do not set out a minimum number of non-executive or independent Directors; nonetheless, in accordance with article 2 of the Code, the Company has taken on non-executive Directors who, in terms of their numbers and authority, have significant influence in the decision-making process.

At the date of approval of the draft annual report for the year ending 31 December 2004, most of the Company's directors were non-executive and considered independent.

The only non-executive Directors are Luca Garavoglia and Marco Pasquale Perelli - Cippo.

Six directors out of 11 are independent.

The degree of independence of Directors has been verified by the Board of Directors in accordance with the principles of the Code, particularly the criteria set out in article 3.

Note also that Franzo Grande Stevens provides some legal advice to the Group, but this is not sufficient to compromise his independence.

### *2.7. Committees*

The Articles of Association state explicitly that the Board of Directors may set up an internal audit committee ("Audit Committee"), and a committee for remuneration and appointments ("Remuneration and Appointments Committee").

Both committees are sub-groups of the Board of Directors and are responsible for providing advice and making proposals.

#### *2.7.1. Remuneration and Appointments Committee*

The Board of Directors formed a Remuneration Committee, which, as a rationalisation measure, was later merged with the Appointments Committee.

The Remuneration and Appointments Committee chiefly comprises independent directors, and includes Franzo Grande Stevens (Chairman), Marco Pasquale Perelli-Cippo and Giovanni Rubboli.

It has the task of formulating proposals for the remuneration of directors who have been given specific functions and powers and those who play key roles in the management of the Company, as well as proposals for improving the allocation of human resources within the Group.

The Remuneration and Appointments Committee does not make proposals on behalf of its own members.

The Committee met twice in 2004, with both meetings attended by all members. The Committee presented the Board of Directors with the proposals falling within its remit without consulting external advisors.

The Board of Directors then approved these proposals.

The issues discussed by the Remuneration and Appointments Committee last year included the Group's structure and organisation chart, the remuneration of executive Directors and the senior management, and the updating of the stock option scheme.

The remuneration of executive Directors and senior management is closely linked to the financial results achieved by the Group and individual companies to which they belong.

Please see the notes to the accounts attached to this Report for further details of Directors' remuneration.

The figures include severance indemnities paid to executive Directors who have retired.

Following a resolution by the Board of Directors, taken on the proposal of the Remuneration and Appointments Committee, and in line with a framework plan approved by the ordinary shareholders' meeting, the Company released the second tranche of an existing stock option scheme aimed at the Chairman of the Board of Directors, the executive Directors and the Group's senior management.

The options in this second tranche may be exercised by all beneficiaries of the scheme between 1 and 30 July 2009 at a price of €39.81 per share.

#### *2.7.2. Internal Audit Committee*

At its meeting of 10 May 2004, the Board of Directors convened in its new composition, and created an Audit Committee made up entirely of independent Directors: Giovanni Rubboli (Chairman), Cesare Ferrero and Anton Machiel Zondervan.

In accordance with the tasks set out in article 10 of the Code, the function of the Audit Committee is to assess the adequacy of the Company's internal audit system and of the internal audit department's work plan, and to report thereon to the Board of Directors.

In 2004, the Audit Committee examined the internal audit standards of the logistics division of the Business Unit Italy, of Campari do Brasil Ltda. and Skyy Spirits, LLC, as well as of the sales and marketing units of Campari Deutschland GmbH.

The Committee also updated the Group's risk assessment procedures, particularly those relating to the manufacturing and sales units of Sella & Mosca S.p.A. and Campari Deutschland GmbH.

The Audit Committee also focused on the valuation given to the brands and goodwill of the companies recently acquired in light of the new international accounting standards.

Meetings of the Audit Committee are usually attended by the Chairman of the Board of Statutory Auditors or another Auditor mandated by him.

Please see table 1 attached to this Report for the attendance records of each Committee member.

The relationship between the Audit Committee and the Board of Statutory Auditors is one of a continual exchange of information on the most important matters dealt with during the regular audits that take place, in accordance with the annual audit plan and the updating of risk assessment procedures for the Group and its subsidiaries.

### **3. Company functions and procedures**

#### *3.1. Handling of confidential data*

The Company has drawn up procedures for the handling of confidential data ("the Procedures").

These Procedures clearly set out which information is considered confidential or price-sensitive, the person(s) responsible internally for dealing with such information, the conduct required of anyone privy to the information, and the procedures for making it public, including to the press.

The Procedures apply to Directors, Auditors and employees of the Company and other companies belonging to the Group.

Management of confidential data is the responsibility of the Managing Directors of Group companies.

The task also falls to the Chief Executive Officer and the Officer Legal Affairs and Business Development as regards acquisitions and disposals, and to the Chief Financial Officer for financial information.

The Company has also adopted a Code of Conduct in the matter of insider dealing, drawn up pursuant to article 2.6.3. of the regulations of Borsa Italiana S.p.A.

Under this code of conduct, the market must be notified, according to the timescale and method set out in the code itself, of any transactions on Company securities carried out by parties ("Relevant Persons"), who, by virtue of their role within the Group, may have access to confidential information.

The code of conduct sets a number of periods during the year (blocking periods), such as the run - up to the approval of the consolidated annual report and the announcement of quarterly and interim results, and

during extraordinary operations, in which Relevant Persons are prohibited from carrying out transactions with a value exceeding € 50,000.00 on financial instruments of the Company.

Outside these blocking periods, such transactions may be effected only during two periods of the year not exceeding fifteen days each, chosen in advance by the Relevant Persons themselves.

Relevant Persons are bound by particularly strict disclosure obligations with respect to the Company.

At the end of each quarter, Relevant Persons must provide the Audit Committee with complete details of all transactions carried out, including any exercise of stock options, so that information relating to transactions exceeding the above-mentioned threshold may be communicated to the market within 10 days.

Given their importance, details of transactions worth over € 250,000.00 must be communicated immediately to the Audit Committee, to allow the Company to notify the market without delay.

The Audit Committee has drawn up a list of Relevant Persons.

In 2004 the Company also decided to adopt a Code of Ethics setting out the fundamental values on which its conduct will continue to be based.

This was an appropriate time to issue such a code, given the Company's sharp growth on the Italian and international markets, the increasing complexity of its organisation in recent years (especially following recent acquisitions) and the awareness that the Company is now operating in a highly sophisticated socioeconomic environment.

The full Code of Conduct on Insider Dealing and Code of Ethics can be found on the Campari Group's website, at [www.campari.com/investors](http://www.campari.com/investors).

### *3.2. Appointment of directors and Auditors*

According to the Regulations, nominations for Director must be presented on lists, accompanied by a detailed curriculum vitae of each candidate.

They must be filed at the Company's headquarters at least ten days before the date of the shareholders' meeting.

A list vote system is not used for the election of Directors representing minority shareholders.

All current Directors were nominated by the majority shareholder.

Under the Articles of Association, a list voting system is used for the appointment of members of the Board of Statutory Auditors, in order to allow minority shareholders to appoint a Permanent Auditor and a Deputy Auditor, as required by article 148 of legislative decree 58/1998.

The Board of Statutory Auditors is appointed on the basis of lists presented by shareholders and filed at the Company's headquarters at least ten days before the date of the shareholders' meeting.

Only those shareholders who, alone or jointly with others, hold shares representing at least 5% of the share capital with voting rights at the ordinary shareholders' meeting, may present lists.

Again in accordance with the Articles of Association, candidates who already hold the position of Permanent Auditor in five or more listed companies (excluding parent companies and/or subsidiaries of the Company), or who do not meet the requisites of respectability and professionalism demanded by applicable law, may not be included on the lists.

The procedure for the election of Auditors is described in article 27 of the Articles of Association.

### *3.3. Internal audit system*

The Company is fully aware of the need for an adequate internal audit system, and has set up a specific department headed by the Group Internal Auditor.

This unit, which operates across and supervises the whole Group, is hierarchically separate from the executive Directors, reporting directly to the Chairman of the Company.

It reports on its activities on at least a quarterly basis to the Managing Directors, the Audit Committee and the Board of Statutory Auditors.

Following favourable reports from the Audit Committee, the Board of Directors judges that the Company's internal audit system is satisfactory, effectively safeguarding against the typical risks arising from the Group's activities and monitoring its economic and financial situation.

### *3.4. Investor relations*

The Company attaches great importance to its relations with shareholders and institutional investors.

It has an Investor Relations office, headed by an Investor Relations Manager.

As part of the Company's reporting procedures, including regular results disclosure and the announcement of extraordinary operations, the Investor Relations department has organised numerous meetings with Italian and foreign institutional investors and the financial press, many of which are attended also by members of the senior management.

In order to facilitate its dialogue with shareholders, the Company has developed and continually updates a special section of its website dedicated to investor relations ([www.campari.com/investors](http://www.campari.com/investors)).

This page contains not only financial information (annual, interim and quarterly reports, trading performance of Campari securities on the market etc), but also information and documents of interest to shareholders, such as the composition of the Board of Directors and Board of Statutory Auditors, details of corporate governance, the code on insider dealing and the Procedures for carrying out operations in the case of a personal or third-party interest.

Shareholders may request additional information via email from [investor.relations@campari.com](mailto:investor.relations@campari.com).

The Company follows the guidelines set out in the Guide for market notification.

#### **4. Auditors**

The members of the Board of Statutory Auditors appointed by the ordinary shareholders' meeting of 29 April 2004 for the three-year period 2004-2006 are listed below:

Umberto Tracanella	Chairman
Alberto Lazzarini	Permanent Auditor
Antonio Ortolani	Permanent Auditor
Alberto Giarrizzo Garofalo	Deputy Auditor
Giuseppe Pajardi	Deputy Auditor
Paolo Proserpio	Deputy Auditor

Auditors who at 31 December 2004 were directors or auditors of other companies listed on Italian regulated markets are listed below:

- Umberto Tracanella: Vice-chairman of the Board of Directors of Edison S.p.A. and Risanamento S.p.A.; member of the Board of Directors of I.P.I. S.p.A.;
- Alberto Lazzarini: Deputy Auditor of Giovanni Crespi S.p.A.;
- Antonio Ortolani: Chairman of the Board of Statutory Auditors of Mirato S.p.A.;
- Alberto Giarrizzo Garofalo: Deputy Auditor of Mirato S.p.A.

Since no alternative list was put forward, none of the current Auditors represents minority shareholders, who, it is presumed, are happy with the professionalism and independence of the Auditors appointed by the majority shareholders.

The proposals to the shareholders' meeting for the appointment of the Auditors currently in place were accompanied by a detailed CV of each candidate.

In 2004 the Board of Statutory Auditors held six meetings, including four in its new composition.

Please see table 2 attached to this Report for the attendance records of each Auditor.

The whole Board of Statutory Auditors was present at almost all the meetings of the Board of Directors in 2004.

#### **5. Events taking place after the end of 2004**

At the extraordinary shareholders' meeting scheduled for 29 April 2005, the Board of Directors will propose a share split operation.

The Company's steady growth has caused the stock to put in an extremely positive performance. The share price has for some time been significantly higher than its initial listing price.

However, the Company would like to increase the liquidity of the stock, with the aim of attracting new investors, particularly small investors who may consider the current price per share to be too high.

The Board of Directors will therefore propose the amendment of article 5 of the Articles of Association, increasing the number of shares from 29,040,000 to 290,400,000.

The total value of the share capital will remain unchanged, at € 29,040,000, but the nominal value per share will be reduced from € 1.00 to € 0.10.

Milan, 21 March 2005



**TABLE 1: BOARD OF DIRECTORS AND COMMITTEES**

A) Board of Directors							Internal Audit Committee		Remuneration and Appointments Committee	
Job title	Name	Executive	Non-executive	Independent	****	Number of other jobs**	***	****	***	****
<b>Chairman</b>	Luca Garavoglia				100%	1				
<b>Managing Director</b>	Paolo Marchesini	X			100%					
<b>Managing Director</b>	Stefano Saccardi	X			100%					
<b>Managing Director</b>	Enzo Visone	X			100%					
<b>Director</b>	Luca Cordero di Montezemolo		X	X	66%	9				
<b>Director</b>	Cesare Ferrero		X	X	100%	14	X	100%		
<b>Director</b>	Franzo Grande Stevens		X	X	66%	10			X	100%
<b>Director</b>	Marco Pasquale Perelli-Cippo		X		66%				X	100%
<b>Director</b>	Giovanni Rubboli		X	X	100%		X	100%	X	100%
<b>Director</b>	Renato Ruggiero		X	X	66%	2				
<b>Director</b>	Anton Machiel Zondervan		X	X	100%	1	X	100%		

<b>Total number of meetings held during the year</b>	Board of Directors: <b>5</b>	Internal Audit Committee: <b>9</b>	Remuneration and Appointments Committee: <b>2</b>
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**N.B.**

\* Director appointed via lists presented by minority shareholders.

\*\* Positions held as Director or Auditor in other companies listed on Italian and foreign regulated markets, or financial companies, banks, insurance companies or large companies.

Full details are given in the Report on corporate governance.

\*\*\* Member of Committee as well as member of the Board of Directors.

\*\*\*\* Percentage attendance of Directors at board meetings and committee meetings in their new composition.

**TABLE 2: BOARD OF STATUTORY AUDITORS**

Job title	Name	Percentage attendance at meetings of the Board of Statutory Auditors	Number of other jobs**
<b>Chairman</b>	Umberto Tracanella	25%	3
<b>Permanent Auditor</b>	Alberto Lazzarini	100%	1
<b>Permanent Auditor</b>	Antonio Ortolani	100%	1
<b>Deputy Auditor</b>	Alberto Giarrizzo Garofalo	-	1
<b>Deputy Auditor</b>	Giuseppe Pajardi	-	-
<b>Deputy Auditor</b>	Paolo Proserpio	-	-
<b>Total number of meetings held during the year:</b> 6, including 4 in their new composition			
In accordance with article 27 of the Articles of Association, only those shareholders who, alone or jointly with others, hold shares representing at least 5% of the share capital with voting rights at the ordinary shareholders' meeting, may present lists.			

**NB**

\*Auditor appointed via lists presented by minority shareholders.

\*\*Positions held as Director or Auditor in other companies listed on Italian regulated markets. Full details are given in the Report on corporate governance.

**TABLE 3: OTHER MEASURES SET OUT IN THE CODE OF CONDUCT**

	yes	no	Brief explanation of any departure from the recommendations of the Code
<b>Mandates and operations with affiliated parties</b>			
Has the Board of Directors assigned mandates and set out:			
a) their limits	X		
b) how they are to be used	X		
c) frequency of reporting ?		X	Reporting frequency is set out in the Articles of Association.
Is the Board of Directors responsible for examining and approving operations of particular economic and financial significance (including operations with affiliated parties) ?	X		
Has the Board of Directors set out guidelines and criteria for defining "operations of significance" ?		X	The Company considers that the thresholds indicated in Managing Directors' mandates mean that the Board of Directors is always involved in approving the most significant operations.
Are the guidelines and criteria set out in the Report?	X		
Has the Board of Directors set out procedures for examining and approving operations with affiliated parties?	X		
Are the procedures for approving operations with affiliated parties set out in the Report?	X		
<b>Procedures for the latest appointment of Directors and Auditors</b>			
Were the names of the candidates for Director filed at least ten days before the shareholders' meeting ?	X		
Were the candidatures for the post of Director accompanied by a detailed curriculum vitae ?	X		
Were the candidatures for the post of Director accompanied by an indication of their degree of independence ?	X		
Were the names of the candidates for Auditor filed at least ten days before the shareholders' meeting ?	X		
Were the candidatures for the post of Auditor accompanied by a detailed curriculum vitae ?	X		
Shareholders' meetings			
Has the Company approved a set of Regulations governing shareholders' meetings?	X		
Are the Regulations attached to the Report (or does the Report indicate where they can be obtained / downloaded) ?		X	The Regulations can be obtained from the Company's headquarters.
Internal audit			
Has the Company appointed an internal audit department?	X		
Are the internal auditors hierarchically separate from the heads of the operational units?	X		
Internal audit department (in accordance with article 9.3 of the Code)	Group Internal Auditor		
Investor relations			
Has the Company appointed an Investor Relations Manager ?	X		
Contact details for the Investor Relations Manager	Investor Relations Manager Via Filippo Turati, 27 20121 Milan Tel. 02.6225330 - fax 02.6225479 email: investor.relations@campari.com		