

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 2016 (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 Article 2403 of the Italian Civil Code and Article 149 of Legislative Decree 58/1998, (hereinafter the "T.U.F.") and in accordance with the requirements of Consob Communication 1025564 of 6 April 2001, and subsequent amendments, 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 required by Article 21 of the Articles of Association, 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 the T.U.F. Specifically, it is noted that the directors provided extensive information on the acquisition of Société des Produits Marnier Lapostolle S.A., the sale of non-core assets (Sella & Mosca S.p.A. and others), the early repayment of a bond issued by the Company and the repayment of a private placement issued by the subsidiary Campari America.

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 from 1 January 2011, 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., Campari Services S.r.l. and Fratelli Averna S.p.A.;

e) it evaluated and monitored, to the extent of its responsibility pursuant to Article 19 of Legislative Decree 39/2010, the financial reporting process, the adequacy of the internal control, administration and accounting systems, as well as the reliability of the latter for the purpose of providing a true and fair view of operations 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 subsidiaries Campari International S.r.l., Campari Services S.r.l. and Fratelli Averna S.p.A. 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 independent auditors pursuant to Article 150, paragraph 3 of the T.U.F. and Article 19 of Legislative Decree 39/2010, during which no facts or situations emerged that should be highlighted in this report; it also monitored events pursuant to Article 19 of Legislative Decree 39/2010;

g) it monitored the implementation methods of the Code of Conduct for Listed Companies promoted by Borsa Italiana S.p.A., adopted by the Company, under the terms illustrated in the Report on Corporate Governance and Ownership Structure approved by the Board of Directors on 28 February 2017. 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 Issuer Regulation adopted by Consob resolution 11971 of 14 May 1999;

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

The Board of Statutory Auditors notes that the meeting of the Board of Directors held on 30 April 2013, 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 Legislative Decree 231/01. The Board of Statutory Auditors, in its capacity as the

Supervisory Body, therefore monitored the operation, effectiveness and appropriateness of the organizational, management and control model adopted by the Company, and also recommended that it should be updated.

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 36 of the Market Regulation adopted through Consob Resolution 16191 of 29 October 2007;

j) it monitored the implementation of organizational measures related to the development of corporate activities.

The Board of Statutory Auditors also released its opinions pursuant to Article 2389 of the Italian Civil Code in the light of the evaluations of the Remuneration and Appointments Committee required by Article 22 of the Articles of Association.

The Board of Statutory Auditors met six times in 2016, also 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 conducted in compliance with the principles of correct administration, and that the organizational structure, internal control system and the accounting and administrative system are fully adequate for corporate requirements.

2. As far as relations with the independent auditors are concerned, the Board of Statutory Auditors reports that:

a) the independent auditors, PricewaterhouseCoopers S.p.A., on 14 March 2017 issued the "annual confirmation of independence", pursuant to Article 17, paragraph 9(a) of Legislative Decree 39/2010;

b) the independent auditors, PricewaterhouseCoopers S.p.A., on 14 March 2017 issued the report required by Article 19, paragraph 3 of Legislative Decree 39/2010, which states that no significant shortcomings were detected in the internal audit system with regard to the financial information process;

c) the independent auditors, PricewaterhouseCoopers S.p.A., on 14 March 2017 released, pursuant to Articles 14 and 16 of Legislative Decree 39/2010, the reports which show:

i. the separate and consolidated financial statements as at 31 December 2016 were prepared clearly and provide a true and fair view of the Company's and Group's balance sheet, financial situation, operating results, changes in shareholders' equity and cash flows for the Financial Year;

ii. the consistency of the Reports on Operations and the information required by Article 123-bis paragraph 4) of Legislative Decree 58/98., included in the Report on corporate governance and ownership structure, with the consolidated and separate financial statements;

d) in addition to the tasks required by the regulations for listed companies, as stated in the Notes to the financial statements, 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, for a sum of € 287,000, in compliance with the provisions of Article 17 of Legislative Decree 39/2010.

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.;

e) during the year, the external auditor did not issue any opinions required by law since the prerequisites for issuing such opinions were not met.

3. The Board of Statutory Auditors examined the complaint under Article. 2408 of the Civil Code, formulated on 13 June 2016 by a shareholder, concerning the treatment of its fifty-pre-shareholders' meeting questions and related answers. With regards to the complaint made by that shareholder, however not present at the shareholders' meeting, 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, in addition to what mentioned in the previous paragraph.
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 goodwill and trademarks 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 2016 and agrees with the proposal of the Board of Directors concerning the distribution of profits.

Milan, 15 March 2017

For the Board of Statutory Auditors
The Chairman

Pellegrino Libroia

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