

**APPROVAL OF STOCK OPTION PLAN
PURSUANT TO ARTICLE 114-BIS, CONSOLIDATED LAW ON FINANCIAL
INTERMEDIATION**

Dear Shareholders,

On 18 March 2009, the Issuer's Board of Directors approved new "Terms and Conditions for the grant of stock options" (to replace the original "guidelines" approved on 2 May 2001) so as to adapt them to current rules, regulations and practices.

The new Terms and Conditions, which are attached herewith, set out the guidelines for the grant of stock options, as well as the provisions governing such grant. On the other hand, the shareholders are called upon, through the approval of every stock option plan, to determine the following:

- (i) Maximum number of stock options that may be granted from time to time to the various beneficiary categories (employees, directors and collaborators of Campari Group companies);
- (ii) The vesting period, the period within which the options may be exercised and specific exercise time frames, if any ; and
- (iii) Deadline for the actual grant of the grantable stock options by the competent governance bodies and officers.

Therefore, in keeping with the guidelines contained in the Terms and Conditions, the Board of Directors hereby recommends that this year you approve a stock option plan that provides for

- the grant of up to 2,000,000 options to every beneficiary category other than the Issuer's Board of Directors and no option to the members of the Issuer's Board of Directors;
- a vesting period of five years from the grant date, followed by a two-year period in which the options can be exercised in four one-month time frames (the second, fifth, seventh and eleventh month of each of the two years);
- the vesting of competent governance bodies and officers with the authority to implement the plan by 30 June 2010.

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Below, a detailed description of the stock option plan is provided (following the above summary of its key features) in keeping with the guidelines for the information memorandum contained in the outline attached to Consob's Regulation on Issuers.

Introduction: definition of certain uncommon terms and key features of the stock option plan

<u>Shares:</u>	the shares of Davide Campari-Milano S.p.A.
<u>Beneficiaries:</u>	such employees and/or directors and/or collaborators of the Campari Group as are granted Options;
<u>Issuer:</u>	Davide Campari-Milano S.p.A., parent company of the Campari Group;
<u>Group:</u>	the Campari group of companies, controlled by the Issuer;
<u>Options:</u>	the options granted by the Issuer to the Beneficiaries to subscribe to and/or purchase Shares;
<u>Exercise Period:</u>	the period starting on a specific date and during which the Options can be exercised;
<u>Plan:</u>	The stock option plan prepared by the Issuer's Board of Directors, having heard the Appointment and Compensation Committee, and

subsequently approved at the Issuer's general meeting of shareholders;

Exercise Price:

the average of the official prices recorded by the share in the stock market in the month preceding the grant date;

Terms and Conditions:

The Terms and Conditions that include the general principles and the provisions governing the Plan, which is attached herewith solely for information purposes. The document is available on the Issuer's web site: www.camparigroup.com.

Beneficiaries.

1.1. The Beneficiaries of the Options have not been identified yet.

1.1.1. In fact, the Beneficiaries of the stock options will be selected by the governance bodies and officers responsible for implementing the stock option Plan approved by the shareholders. In particular, pursuant to article 4 of the Terms and Conditions, the Beneficiaries are selected by:

- (i) the Issuer's Board of Directors, having heard the Appointment and Compensation Committee (and the Board of Statutory Auditors, where applicable), with respect to the Issuer's directors and any other Beneficiary that performs management duties within the Issuer;
- (ii) each Managing Director of the Issuer, with respect to any other Beneficiary category.

1.1.2. Pursuant to article 4 of the Terms and Conditions, in identifying the Beneficiary, the governance body or officer, as the case may be, takes account of the position of each Beneficiary within the Group, as well as the Issuer's interest in setting long-term incentives for such Beneficiary in view of its strategies.

1.1.3. However, the governance bodies and officers are required to comply with the quantitative limits approved by the shareholders pursuant to article 3 of the Terms and Conditions, specifically:

- up to 2,000,000 Options for Beneficiaries other than the Issuer's directors, whom are not expected to be granted any Options.

1.1.3. Information on the actual Beneficiaries of the options will be disclosed when the Plan is implemented, in accordance with the applicable laws and regulations.

1.2. Under the Terms and Conditions, Beneficiaries may include any "employee", "director" and "collaborators" of the Campari Group.

1.2.1. The Options granted are subject to the same terms and conditions, regardless of the category to which the Beneficiaries belong.

1.2.2. The category to which the Beneficiaries belong matters only for the purposes of any loss, in full or in part, of the Options granted due to termination from the position (as employee, director or collaborator, with or without cause) for which the Options are granted (see 4.7 and 4.8).

Reasons for the adoption of the Plan.

2.1. Stock options are the principal mechanism of a long-term incentive plan to

- (i) attract and retain management talent to fill key positions within the Group;
- (ii) align management interests (an adequate compensation package) to the shareholders' interests (an adequate increase in the Company's value).

The exercise period – i.e. the two years following the five-year vesting period that starts on the grant date - was established to discourage the short-term approach that might undermine the system designed to encourage management to attain objectives that yield results only after several years from the time such objectives are identified and set out.

2.2. The Options do not vest because of performance but because of continuing tenure, until its natural termination, of the position (as director, employee or collaborator) for which they were granted. In case of early termination of the position for which the Options were granted, due to reasons not attributable to the Beneficiary, the number of Options will be reduced proportionately and the Beneficiary will have the right (but not the obligation) to exercise his Options early.

2.3. Pursuant to article 4 of the Terms and Conditions, to determine the number of Options granted to each Beneficiary, the competent governance body or officer takes into account the importance of the position held by each such Beneficiary within the Group, as well as the Issuer's interest in setting long-term incentives for such Beneficiary in view of its strategies.

2.4. Not applicable.

2.5. The Plan's approval was not affected by tax or accounting considerations and it will be implemented, in the Issuer's interest, in accordance with the tax and accounting rules in force from time to time.

2.6. The Plan is not expected to receive support from the Special fund to incentivize workers' profit-sharing in firms.

Approval procedure and timing for the Stock grant

3.1. The general guidelines for the grant of stock options and the provisions governing the Options granted from time to time are contained in the "Terms and conditions for the grant of stock options" approved by the Issuer's Board of Directors on 18 March 2009. In particular, such Terms and Conditions provide for the following procedure:

- the Board of Directors, having heard the Appointment and Compensation Committee, prepared a specific stock option Plan to be submitted to the Issuer's shareholders for approval during their general meeting;
- the shareholders approve the Plan, specifying
 - (i) the maximum number of grantable Options (indicating separately those attributable to the Issuer's directors and those attributable to any other Beneficiary);

- (ii) the starting date and length of the period during which the Options can be exercised (exercise period) and any specific exercise time frames; and
- (iii) the term within which the Plan has to be implemented;
- the competent governance bodies and officers (the Issuer's Board of Directors, with respect to the Issuer's directors and any of the Issuer's managers; each of the Issuer's Managing Director, with respect to any other beneficiary, as the case may be) indicate the Beneficiaries' names and determine the number of Options granted to each, in accordance with the limits set by the shareholders and the criteria under 1.1.2 and 2.3 above.

3.2. Pursuant to article 18 of the Terms and Conditions, the Plan is managed by the Issuer's Legal Affairs Department, in concert with the Human Resource Department and the Treasury Department.

3.3. Pursuant to article 16 of the Terms and Conditions, the provisions applicable to the Options already granted may be amended, with the Beneficiary's consent, by the Issuer's Board of Directors (having heard the Appointment and Compensation Committee), provided that any such amendment is in keeping with the Issuer's best interest. However, the Board of Directors may under no circumstances grant new Options in excess of the quantitative limits set by the shareholders in the general meeting where the Plan was approved. Pursuant to article 17 of the Terms and Conditions, the Terms and Conditions (that is the provisions governing the grant of the stock options) may be amended by the Board of Directors (having heard the Appointment and Compensation Committee). Any amendment to the Terms and Conditions take effect only with respect to the Options granted subsequently.

3.4. Pursuant to article 5 of the Terms and Conditions, the competent governance bodies and officers may purchase and/or issue the Stocks optioned under the Plan, in accordance with the applicable laws and regulations. The Issuer's Board of Directors may, in its discretion, decide whether to purchase the Stocks in the open market when the Options are granted, or enter into derivative contracts to hedge against price fluctuations, or use a different method (e.g. via a share capital increase) to obtain the optioned Stocks.

4. Characteristics of the options granted

4.1. The Plan is structured like a typical stock option plan. Under such Plan the Beneficiaries may purchase (during the exercise period) Issuer Shares at a pre-established price (equal to the average of the official prices recorded in the stock market in the month preceding the grant date). Shares may be obtained, with the so called "settlement involving physical delivery", against payment of the relevant price in cash. However, if the Beneficiary so requires and the Issuer agrees, the Beneficiary may receive the difference between the Share price as of the date on which the Options are exercised and the corresponding Exercise Price.

4.2. The shareholders resolved that the exercise period starts after the expiration of the five-year vesting period commencing on the grant date of the Options and ends two years thereafter. The Options may be exercised during four one-month time frames, i.e. the second, fifth, seventh and eleventh month of each of the two years.

4.3. The competent governance bodies and officers may grant Options under the stock option Plan until 30 June 2010.

4.4. The competent governance bodies and officers may grant, up to the deadline provided for by

the stock option Plan (see previous section):

- up to 2,000,000 Options to Beneficiaries other than the Issuer's directors, whom are not expected to receive any Options.

4.5. The Options do not vest because of performance but solely because of continuing tenure, until its natural expiration, of the position (as director, employee or collaborator) for which they were granted. In case of early termination of the position for which the Options were granted, due to reasons not attributable to the Beneficiary, the number of Options will be reduced on the basis of the effective tenure period and the Beneficiary will have the right (but not the obligation) to exercise his Options early.

4.6. The Options granted can be transferred only by reason of death. Shares purchased following exercise of the Options are free and clear of any restrictions.

4.7. The Options expire early only in the event that the Beneficiary is terminated (as director, employee or collaborator) for cause and is no longer in the position for which the Options had been granted. In the event that termination occurs for reasons beyond the Beneficiary's control or by written mutual agreement, the number of Options is reduced on the basis of the effective tenure period and the Beneficiary will have the right (but not the obligation) to exercise his Options early (see 4.5 above).

4.8. Employment termination due to dismissal or resignation, before the Options expire, entails the expiration of the Options granted. Employment termination due to retirement, to reasons beyond the Beneficiary's control or by mutual written agreement entails a reduction of the number of Options to reflect the effective tenure period, as well as the right (but not the obligation) for the early exercise of the Options (see previous section).

4.9. Save as otherwise indicated in the preceding sections, there are no causes of cancellation of the stock option Plan approved by the shareholders during the general meeting.

4.10. The Shares obtained following exercise of the Options cannot be redeemed by the Issuer.

4.11. The Beneficiaries will not receive loans or any other facilities to exercise their Options and purchase Shares.

4.12. The expected cost for the Issuer will be determined with reference to the effective dates on which the Options are granted, according to the Black–Scholes model.

4.13. Any dilutive effects following the implementation of the Plan depend on whether the Issuer decides to purchase the Shares in the open market or to increase its share capital. Whilst the Issuer may, under the Terms and Conditions, either buy back Shares or increase its share capital, the Issuer has so far bought back Shares in the open market (in keeping with the applicable rules), without any dilutive effect.

4.14. Not applicable.

4.15. Not applicable.

4.16. Each Option entitles the holder to purchase one Share. This ratio may be changed only in the event of transactions that affect the Issuer's equity (see section 4.23).

4.17. See section 4.2.

4.18. See section 4.2.

4.19. The Exercise Price of the Options is equal to the average of the official prices recorded in the stock market in the month prior to the grant.

4.20. Not applicable.

4.21. There will be no exercise price differences among the Beneficiaries or the categories of Beneficiaries.

4.22. Not applicable.

4.23. The effects of equity-based transactions by the Issuer on the Options are laid down by article 14 of the Terms and Conditions, as follows:

a) *issue of new shares for cash*: in the event that the Issuer resolves to issue new shares for cash, no rights accrue to the Beneficiary holding unexercised Options;

b) *mergers of de-mergers*: in the event of transactions such as mergers (except when a wholly-owned subsidiary is merged with and into the Issuer) and de-mergers, which produce effects on the Issuer's nominal share capital, a Beneficiary may exercise earlier such number of Options as has vested on the basis of the Beneficiary's tenure up to that date. Failure to exercise the Options at such earlier date entails the expiration of the Options, unless the merger or de-merger plan calls for (i) the right of the Beneficiaries to hold their Options until their original expiration date (with any change in the Exercise Price and/or the ratio between Options and Shares, to take into account the effects of the merger or de-merger) and/or (ii) the replacement of the Options granted with new Options that entitle the holder to purchase Shares in the post-merger/de-merger Issuer (to take into account the effect of such merger/de-merger);

c) *capitalization of reserves and reduction of share capital due to losses*: in case of capitalization of reserves, the ratio of the number of Options granted to the number of Shares that can be purchased by exercising such Options will change proportionately (e.g., if the share capital doubles, each Option entitles the holder to purchase two Shares);

d) *voluntary reduction of share capital*: in the event of a voluntary reduction of share capital, the Beneficiaries are entitled to exercise early such number of Options as has vested on the basis of their tenure, it being understood that in the absence of any such early exercise the Options continue to be fully exercisable until their original expiration;

e) *share splits or reverse share splits*: in case of share splits or reverse share splits, the ratio of Options granted to the number of Shares that can be purchased following exercise will change proportionately.

TERMS AND CONDITIONS FOR THE GRANT OF STOCK OPTIONS

1. **Introduction** – These terms and conditions (“**Terms and Conditions**”) set out in general
 - a) the principles and procedures whereby Davide Campari-Milano S.p.A. (“**Issuer**”) grants options (“**Options**”) to subscribe and/or purchase Issuer shares (“**Shares**”) to employees (“**Employees**”) and/or directors (“**Directors**”) of the Issuers or other companies of the Campari Group (“**Group**”) and/or to usual providers of services to one or more Group companies (“**Collaborators**”); and
 - b) the provisions governing the Options granted from time to time.

2. **Definitions** – For the purposes hereunder, the capitalized words listed below shall have the meaning set opposite, and words in the plural form shall include the singular and vice versa:

- 2.1. “**Directors**”: The directors of a Group company;
- 2.2. “**Shares**”: The shares of Davide Campari-Milano S.p.A.;
- 2.3. “**Beneficiaries**”: Group Employees and/or Directors and/or Collaborators who have been granted the Options;
- 2.4. “**Collaborators**”: Usual providers of services to one or more Group companies;
- 2.5. “**Employees**”: Persons employed by a Group company;
- 2.6. “**Issuer**”: Davide Campari-Milano S.p.A.;
- 2.7. “**Group**”: The Campari Group, operating under the Issuer’s management;
- 2.8. “**Acceptance Letter**”: The registered letter with return receipt whereby Beneficiaries notify their decision to accept the Options as per article 8 of the Terms and Conditions;
- 2.9. “**Exercise Letter**”: The registered letter with return receipt whereby Beneficiaries notify the Issuer about their decision to exercise the Options as per article 9 of the Terms and Conditions;
- 2.10. “**Offer Letter**”: The registered letter with return receipt whereby the Issuer notifies individual Beneficiaries about the number of Options offered to each as per article 9 of the Terms and Conditions;
- 2.11. “**Options**”: The options granted by the Issuer to the Beneficiaries for the subscription to and/or purchase of Shares;
- 2.12. “**Exercise Period**”: The period, provided for by the Plan, during which the Options may be exercised;
- 2.13. “**Plan**”: The stock option plan prepared by the Issuer’s Board of Directors, having heard the Appointment and Compensation Committee, and subsequently approved by the Issuer’s

shareholders in their general meeting;

2.14. **“Terms and Conditions”:**

These terms and Conditions are available on the Issuer’s web site www.camparigroup.com.

3. Stock option plan – The Options are granted to the Beneficiaries (as per article 4 and 7 of the Terms and Conditions) on the basis of a specific Plan prepared by the Issuer’s Board of Directors (having heard the Appointment and Compensation Committee) and submitted for approval to the shareholders during their general meeting.

The approved Plan shall indicate:

- (i) The maximum number of grantable options, specifying separately those intended for the Issuer’s Directors and those for other Beneficiary categories;
- (ii) The Exercise Period and the specific time frames when the Options may be exercised, if any;
- (iii) The period (starting from the Plan’s approval date) during which the competent governance bodies and officers may grant the Options to the Beneficiaries.

The Plan approved by the shareholders during their general meeting may also contain the names of the Beneficiaries, as well as the number of Options granted to each, provided that, in the absence thereof, these tasks shall be carried out by the competent governance bodies and officers within the limits set by the Plan and in accordance with articles 4 and 7 of the Terms and Conditions.

4. Determination of Beneficiaries – In accordance with the limits set by the Plan, the indication of the names of the Beneficiaries and the determination of the Options granted to each shall be the responsibility of

- (i) The Issuer’s Board of Directors (having heard the Appointment and Compensation Committee and the Board of Statutory Auditors, where applicable) with respect to Beneficiaries entitled to receive Options in their capacity as Directors of the Issuer, as well as with respect to Beneficiaries that perform management duties within the Issuer;
- (ii) Each Managing Director of the Issuer, with respect to Beneficiaries other than those indicated in (i).

In identifying the Beneficiaries and the number of Options granted to each, the competent governance body or officer shall take into account the role played by each Beneficiary with, or with respect to, the Group as well as the Issuer’s interest in setting long-term incentives for such Beneficiary in view of its strategies.

5. Optioned Shares – The Options granted from time to time may be exercised to receive Shares that are purchased and/or issued by the Issuer in accordance with all the applicable laws, in one or more instances, in keeping with the procedures established by the competent governance bodies and officers.

The competent governance bodies and officers may also enter into specific derivative contracts, in accordance with the applicable laws, to fulfil the demand for any Optioned Shares.

6. Exercise Price – the price to purchase and/or subscribe to each Share shall be equal to the average of the official prices recorded in the stock market in the month preceding the day on which the Options are granted from time to time via the Offer Letter referred to in article 7 below.

7. Option Grant – The Options to be granted on the basis of a decision of the competent governance bodies or officers, within the limits of the Plan, shall be offered to the Beneficiaries via an Offer Letter, to be sent by registered mail with return receipt, containing the following details:

- (i) The position for which the Options are granted and the Group company to which the role

or position refers (e.g. employee of company X or director of company Y) as well as, where applicable, title of the Beneficiary within the Group (e.g., chief financial officer or chief marketing officer, Italy);

- (ii) Total number of Options granted;
- (iii) Exercise Price (as determined pursuant to the preceding article 6);
- (iv) Mention of the any possibility for partial exercise, indicating any loss of unexercised Options.

The Offer Letter, to which copy of the Terms and Conditions must be attached, shall specify also that the Options are subject to the Terms and Conditions.

- 8. Option Acceptance** – Beneficiaries shall notify their acceptance of all the terms and conditions outlined in the Offer Letter (including the Terms and Conditions applicable to the Options) by sending an Acceptance Letter, by registered mail with return receipt, within thirty days of receipt of the Offer Letter.

In the event that the Issuer does not receive an Acceptance Letter by the above deadline, the Option offer shall lapse automatically.

- 9. Option Exercise** – Beneficiaries may exercise their Options in accordance with the terms and conditions indicated in the Offer Letter, by sending the Issuer the Exercise Letter, by registered mail with return receipt, indicating the number of Options exercised.

The Board of Directors shall then issue and/or sell, as the case may be, the Shares attributable to such Beneficiaries as have exercised properly and effectively their Options within fifteen days of receipt of the Exercise Letter, following payment of the full price indicated by the Issuer by crediting the demand deposit specified by the Issuer.

Upon a Beneficiary's request, and within the limits set by the applicable laws, instead of issuing and/or selling the Shares, the Issuer has the right (but not the obligation) to pay to the Beneficiary, within the same term as that in the previous sentence, the difference between (i) the monetary value of the Shares attributable to the Beneficiaries as of the exercise date of the Options and (ii) the Exercise Price of the Options.

- 10. Reduction of the number of Options granted and right of early exercise** – In case of termination from the position for which the Options had been granted (as indicated in the Offer Letter) prior to the Exercise Period, for reasons not attributable to the Beneficiary, and specifically in the event of

- retirement, subsequent inability to perform work (provided that it is without cause) or termination of employment by (written) mutual agreement;
- termination as Director for reasons other than resignation or dismissal for cause or termination of directorship by (written) mutual agreement;
- termination of usual collaboration relationship by a Collaborator of the Group company with which there is a relationship (without cause) or termination by (written) mutual agreement of the collaboration relationship;

the number of Options granted shall be reduced in such a way as to reflect the percentage of the total resulting from the ratio of the number of days since the Options were granted to the total number of days between the Option grant and the first day of the corresponding Exercise Period (or up to the corresponding Exercise Periods, in the presence of the right of exercise at different dates).

Moreover, the Beneficiary may exercise the number of Options resulting from the application of the previous sentence either in the corresponding Exercise Period(s) or at an earlier date, i.e. within 30 days of the date on which one of the events cited in the first sentence of this article occurs, in accordance with the procedures under article 9.

It is understood that

- a) save as otherwise provided for by b), termination without cause of the Beneficiary from the position for which the Options had been granted, as indicated in the Offer

Letter, shall trigger the effects under this article also in the event that the Beneficiary holds other positions, which in theory qualify the Beneficiary to receive Options (e.g., termination from director in company X, for which Options had been granted, of a person that holds a directorship also in company Y, which does not qualify for an Option grant);

- b) the foregoing rule shall not apply only in the event that, despite termination from the position for which Options had been granted, the Beneficiary continues to hold another position which, even though it is not mentioned in the Offer Letter, enables the Beneficiary, in the Issuer's sole discretion, to perform in substantially the same way the same duties (e.g., termination from director of company X, for which Options had been granted, of a person that continues to serve as a director of company Y, a role which might be irrelevant for the Option grant but that allows the Beneficiary to continue to perform his tasks as Marketing Director Italy);
- c) termination without cause of the Beneficiary from the position for which Options had been granted does not trigger in any way the effects under this article, provided that such Beneficiary is simultaneously placed – or that termination is a pre-condition for the placement in – another position that qualifies for the Option grant and that allows the Beneficiary, in the Issuer's sole discretion, to perform in substantially the same way within the Group the same or higher duties than those performed previously (e.g., termination from Marketing Director Italy, for which Options had been granted, and simultaneous assumption of new duties as Group Marketing Director).

- 11. Option Expiration** – In the event of termination of the Beneficiary from the position for which Options had been granted, for cause, prior to the Exercise Date, and specifically in case of
- Employee dismissal or resignation;
 - Director termination for cause;
 - Termination of the collaboration relationship for cause or for reasons attributable to the Collaborator;

any unexercised options shall expire automatically as of the Issuer's notification of the occurrence of one of the foregoing events.

It is understood that termination with cause of a beneficiary from a position for which Options had been granted (as identified in the Offer Letter) shall trigger the effects under this article, without any exception, also in the event that the Beneficiary holds another position for which, in theory, he would qualify for an Option grant (but is not mentioned in the Offer Letter).

- 12. Beneficiary's Death** – In case of death of a Beneficiary prior to the Exercise Period, his heirs may either wait for the Exercise Period (or the corresponding Exercise Periods), to exercise in full the Options granted, or exercise their Options early in accordance with the terms and conditions under the preceding article 10 (including the reduction of the number of Options).

- 13. No sale of the Options** – The Options cannot be sold in any way, except as per the preceding article.

- 14. Equity-based transactions** - a) *Issue of new shares for cash.* in the event that, in the presence of unexercised Options, the Issuer resolves to issue new shares for cash, no rights accrue to the Beneficiary holding unexercised Options.

b) *Mergers of de-mergers:* in the event of transactions such as mergers and de-mergers, which produce effects on the Issuer's nominal share capital, a Beneficiary may exercise his Options early, within 15 days of the date of the merger or de-merger, as per article 10 (including the reduction of the number of Options). Failure to exercise the Options at such earlier date entails the expiration of the Options, unless the merger or de-merger plan, as approved by the competent governance bodies, calls for:

- (i) the right of the Beneficiaries to hold their Options until their original expiration date

(with any change in the Exercise Price and/or the ratio between Options and Shares, to take into account the effects of the merger and/or de-merger) and/or

(ii) the replacement of the Options granted with new Options (to take into account the effects of the merger and/or de-merger).

c) *Capitalization of reserves and reduction of share capital due to losses.* In case of capitalization of reserves and in case of reduction of share capital due to losses, the ratio of the number of Options granted to the number of Shares that can be purchased by exercising such Options will change proportionately (e.g., if the share capital doubles, each Option entitles the holder to purchase two Shares).

d) *Voluntary reduction of share capital:* in the event of a voluntary reduction of share capital, the Beneficiaries shall be entitled to exercise all their Options within 15 days of the publication of the notice of the general meeting of shareholders, as per article 10 (including the reduction of the number of Options), it being understood that in the absence of any such early exercise the Options continue to be fully exercisable until their original expiration.

e) *Share splits or reverse share splits.* In case of share splits or reverse share splits, the ratio of Options granted to the number of Shares that can be purchased following exercise will change proportionately.

15. Tender offer – In the event that, pending unexercised Options, a cash and/or exchange tender offer is made for the Shares, the Beneficiaries shall be entitled to exercise their Options early, within 15 days of the date on which the tender offer is submitted to the competent authorities. In the case of a tender offer, the Options may be exercised early for the full remaining amount, if any.

16. Novation of traditional terms and conditions of the Options granted – Subject to the firm limits on the number of grantable Options set by the Plan (pursuant to article 3, paragraph 2, (i) of the Terms and Conditions), the Issuer's Board of Directors, having heard the Appointment and Compensation Committee, may amend with the Beneficiaries' consent the traditional terms and conditions applicable to the Options granted, also in a departure from these Terms and Conditions, if such amendment is in the Issuer's best interest. The Issuer's Board of Directors, having heard the Appointment and Compensation Committee, may introduce such better terms and conditions for the exercise of the Options granted as it thinks fit, even without the Beneficiaries' consent.

17. Amendments to Terms and Conditions – These Terms and Conditions may be amended by resolution of the Board of Directors, having heard the Appointment and Compensation Committee.

Save for the case in the previous article, any amendments to the Terms and Conditions shall not be applicable to Options granted previously.

18. Plan administration. Each Plan shall be administered by the Issuer's Legal Affairs Department, in concert with the Human Resource Department and the Treasury Department. The Issuer may rely also on external service providers for the management of the stock option plans.

19. Applicable law.

This Plan shall be governed by the Italian law.

20. Arbitration clause.

Any dispute related to the interpretation, performance, termination, validity of the Terms and Conditions and/or the Plan, or in any way related to these, shall be settled by a three-arbitrator panel that shall render an award on the basis of formal arbitration proceedings and in accordance with the Italian law.

Each party shall appoint an arbitrator, pursuant to article 810 of the code of civil procedure, and the two arbitrators so appointed shall designate the third, who shall act as Chairman. In case of disagreement, the third arbitrator shall be designated by the Chairman of the National and

International Arbitration Chamber of Milan. This Chairman shall appoint also such arbitrators as have not been appointed by either party within twenty (20) days of receipt of the notice of appointment notified to it by the more diligent party.

Save as otherwise agreed by the Parties, the arbitration proceedings shall take place in Milan and shall be completed within ninety days of the later between the end of the discovery phase or the defence's summation.