

7

COMBINED SHAREHOLDERS' MEETING

7.1	COMBINED SHAREHOLDERS' MEETING HELD ON 21 NOVEMBER 2018 - AGENDA	236	7.4	STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES OR SECURITIES CONFERRING ENTITLEMENT TO SHARE CAPITAL, RESERVED FOR MEMBERS OF COMPANY SAVING PLANS	247
7.1.1	Items on the agenda presented to the Ordinary Shareholders' Meeting	236			
7.1.2	Items on the agenda presented to the Extraordinary Shareholders' Meeting	236			
7.2	PRESENTATION OF THE RESOLUTIONS OF THE COMBINED SHAREHOLDERS' MEETING HELD ON 21 NOVEMBER 2018	237	7.5	STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES OR SECURITIES CONFERRING ENTITLEMENT TO SHARE CAPITAL, WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS	248
7.2.1	Resolutions presented to the Ordinary Shareholders' Meeting	237			
7.2.2	Resolutions presented to the Extraordinary Shareholders' Meeting	238			
7.3	DRAFT RESOLUTIONS OF THE COMBINED SHAREHOLDERS' MEETING HELD ON 21 NOVEMBER 2018	240			
7.3.1	Resolutions presented to the Ordinary Shareholders' Meeting	240			
7.3.2	Resolutions presented to the Extraordinary Shareholders' Meeting	243			

7.1 COMBINED SHAREHOLDERS' MEETING HELD ON 21 NOVEMBER 2018 - AGENDA

7.1.1 Items on the agenda presented to the Ordinary Shareholders' Meeting

1. Approval of the Parent Company financial statements for the financial year ended 30 June 2018.
2. Approval of the consolidated financial statements for the financial year ended 30 June 2018.
3. Allocation of the net result for the financial year ended 30 June 2018 and setting of the dividend.
4. Approval of the regulated agreements and commitments referred to in article L. 225-38 *et seq.* of the French Commercial Code.
5. Renewal of the directorship of Ms Martina Gonzalez-Gallarza.
6. Renewal of the directorship of Mr Ian Gallienne.
7. Renewal of the directorship of Mr Gilles Samyn.
8. Appointment of Ms Patricia Barbizet as a Director.
9. Setting of the annual amount of Directors' fees allocated to the members of the Board of Directors.
10. Approval of the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO.
11. Approval of the components of the compensation due or granted for FY18 to Mr Alexandre Ricard, Chairman & CEO.
12. Authorisation to be granted to the Board of Directors to repurchase the shares of the Company.

7.1.2 Items on the agenda presented to the Extraordinary Shareholders' Meeting

13. Delegation of authority to be granted to the Board of Directors to decide to increase the share capital subject to the limit of 2% of the share capital through the issue of shares or securities granting access to the share capital, reserved for members of company savings plans with cancellation of the preferential subscription right in favour of the members of such savings plans.
14. Delegation of authority to be granted to the Board of Directors to decide to increase the share capital subject to the limit of 2% of the share capital through the issue of shares or securities granting access to the share capital, reserved for certain categories of beneficiaries with cancellation of the preferential subscription right.
15. Amendment to article 11, III of the Company's bylaws relating to the notification period in the event of a statutory threshold crossing of 0.5% of the share capital to align this period with the period for legal thresholds crossing notification as provided by article 223-14 of the General Regulation of the French Financial Markets Authority (AMF).
16. Amendment to article 11, III of the Company's bylaws to include in the statutory threshold notifications the shares deemed to be held by the person required to provide information in accordance with the legal rules regarding share assimilation.
17. Amendment to article 29 of the Company's bylaws in order to remove the reference to the alternate Statutory Auditors in accordance with the law of 9 December 2016 on transparency, fight against corruption and modernisation of the economy.
18. Powers to carry out the necessary legal formalities.

7.2 PRESENTATION OF THE RESOLUTIONS OF THE COMBINED SHAREHOLDERS' MEETING HELD ON 21 NOVEMBER 2018

7.2.1 Resolutions presented to the Ordinary Shareholders' Meeting

First to third resolutions

Approval of the annual financial statements and allocation of the results

The purpose of the **1st resolution** is to approve the Parent Company financial statements for FY18, which show a net profit of €565,822,840.50.

The purpose of the **2nd resolution** is to approve the Pernod Ricard consolidated financial statements for FY18.

The purpose of the **3rd resolution** is to allocate the net result. It is proposed that the dividend for FY18 be set at €2.36 per share. An interim dividend payment of €1.01 per share having been paid on 6 July 2018, the balance, amounting to €1.35 per share, would be detached on 28 November 2018 (with a "record date" of 29 November 2018) and paid on 30 November 2018.

Fourth resolution

Approval of regulated agreements and commitments

It is proposed that, by voting on the **4th resolution**, you approve the regulated agreements and commitments authorised or still in force during FY18, as described in the Statutory Auditors' special report (see Section 6 "Pernod Ricard SA Financial Statements" of the Registration Document). These relate mainly to agreements concluded in the context of financing transactions between the Company and companies or affiliates with which it has Directors or executives in common and the commitments relating to the Executive Director.

Fifth to eighth resolutions

Composition of the Board: renewal and appointment of Directors

Information regarding the Directors whose renewal of the term of office or appointment are proposed, appears in Section 2 "Corporate governance and internal control" of the Registration Document.

The directorship of Ms Martina Gonzalez-Gallarza expires at the close of this Shareholders' Meeting. It is thus proposed that, by voting on the **5th resolution**, you renew her directorship for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2022 to approve the financial statements for the previous financial year.

The directorship of Mr Ian Gallienne expires at the close of this Shareholders' Meeting. It is thus proposed that, by voting on the **6th resolution**, you renew his directorship for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2022 to approve the financial statements for the previous financial year.

The directorship of Mr Gilles Samyn expires at the close of this Shareholders' Meeting. It is thus proposed that, by voting on the **7th resolution**, you renew his directorship for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2022 to approve the financial statements for the previous financial year.

Finally, it is proposed that, by voting on the **8th resolution**, you appoint as Director Ms Patricia Barbizet for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2022 to approve the financial statements for the previous financial year.

The Nominations, Governance and CSR Committee and the Board of Directors reviewed the candidate and determined that Ms Patricia Barbizet could share her experience as a CEO and her expertise in the areas of luxury goods, retail and corporate governance with the Board of Directors. Additionally, they reviewed and confirmed that Ms Patricia Barbizet fully met the independence criteria set by the AFEP-MEDEF Code to which the Company refers.

Thus, at the close of the Shareholders' Meeting, the Board of Directors would comprise for a transitory period (this transitory composition is proposed since the directorship of one Independent Director will not be renewed at the Shareholders' Meeting held in November 2019, which will lead to a Board comprising 12 Directors excluding the Director(s) representing the employees), fourteen members (including one Director representing the employees), including seven Independent Directors (53.8%) and six women (46.1%), in accordance with the recommendations of the AFEP-MEDEF Code and the law. It is specified that a second Director representing the employees will be appointed following this Shareholders' Meeting in accordance with the Company's bylaws.

Ninth resolution

Directors' fees

The purpose of the **9th resolution** is to set the aggregate amount of Directors' fees allocated to the Board of Directors. This year, the Board of Directors decided, on the recommendation of the Compensation Committee, to review the aggregate annual amount of the Directors' fees, it being specified that it has remained unchanged for several years. Accordingly, it is proposed to set the Board of Directors' total compensation for FY19 at €1,250,000 in order to enable the Board of Directors to have the flexibility to hold further Board of Directors or Committee meetings, to anticipate the appointment of any additional Directors, to maintain the attractiveness of the Board of Directors and to align the Company with CAC40 practices.

Tenth resolution

Approval of the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO of the Company

The purpose of the **10th resolution** is to submit for your approval the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO of the Company, in accordance with the provisions of article L. 225-37-2 of the French Commercial Code.

Items of the compensation policy are described in detail in Section 2 "Corporate governance and internal control," under the "Compensation Policy for the Executive Director" subsection of the Registration Document.

Eleventh resolution

Approval of the components of the compensation due or granted to Mr Alexandre Ricard, Chairman & CEO of the Company, for FY18

The purpose of the **11th resolution** is to submit for your approval the components of the compensation due or granted in respect of FY18 to Mr Alexandre Ricard, Chairman & CEO of the Company, in accordance with article L. 225-37-2 of the French Commercial Code. The components of the compensation due or granted to the Executive Director of the Company for the financial year ended and which are to be submitted for approval by the shareholders are as follows:

COMBINED SHAREHOLDERS' MEETING

PRESENTATION OF THE RESOLUTIONS OF THE COMBINED SHAREHOLDERS' MEETING HELD ON 21 NOVEMBER 2018

- the fixed portion;
- the annual variable portion and, if applicable, any multi-year variable portion with objectives contributing to the determination of this variable portion;
- special bonuses;
- stock options, performance-based shares and any other element of long-term compensation;
- welcome bonus or compensation for termination of service;
- supplementary pension schemes;
- Directors' fees; and
- any other benefits.

All these elements are described in detail in Section 2 "Corporate governance and internal control" of the Registration Document, under the "Components of the compensation due or granted in respect of FY18 to Alexandre Ricard, Chairman & CEO, subject to the shareholders' approval" subsection.

Twelfth resolution

Repurchase of shares

The Shareholders' Meeting of 9 November 2017 allowed the Board of Directors to trade in the Company's shares. The transactions carried out in accordance with this authorisation are described in Section 2 "Corporate governance and internal control" of the Registration Document. This authorisation is due to expire on 8 May 2019. It is thus proposed, in the **12th resolution**, that you renew the authorisation for the Board of Directors to trade in the Company's shares for a period of 18 months at **a maximum purchase price of €240 per share**, excluding acquisition costs.

This authorisation would enable the Board of Directors to purchase Company shares representing **a maximum of 10% of the Company's share capital**, primarily with a view to:

- allocating or transferring them to employees and Executive Directors of the Company and/or Group companies (including the allocation of stock options and free and/or performance-based shares) or in connection with covering the Company's commitments under financial contracts or options with cash settlement granted to the employees and Executive Directors of the Company and/or Group companies;
- using them for external growth transactions (up to a maximum of 5% of the number of shares comprising the Company's share capital);
- delivering shares upon the exercise of rights attached to securities granting access to the share capital;
- cancelling them; and
- stabilising the share price through liquidity agreements.

These transactions would be carried out during periods considered appropriate by the Board of Directors. However, during a public offer period, the repurchases would only be carried out provided that they:

- enable the Company to comply with its prior commitments undertaken before the launch of the public offer;
- are undertaken to pursue a share buyback programme that was already in progress;
- cannot cause the offer to fail; and
- fall within the scope of one of the following objectives:
 - allocation to the beneficiaries of stock options and free and/or performance-based shares,
 - cover the Company's commitments under financial contracts or options with cash settlement,

- allocation for external growth transactions (up to a limit of 5% of the Company's share capital), or
- allocation to holders of securities granting access to share capital.

7.2.2 Resolutions presented to the Extraordinary Shareholders' Meeting

The **13th and 14th resolutions** propose delegations of authority granted to the Board of Directors by the Shareholders' Meeting in order to allow the Board of Directors to set up an employee shareholding plan in France and abroad.

Such a shareholding plan would be set up in particular to facilitate the access to the share capital of the Company to a large number of the Group's employees and to align their interests with those of the shareholders.

More precisely, the **13th resolution** allows capital increases reserved for employees and/or Executive Directors, who are members of a company savings plan in the Group. The purpose of the **14th resolution** is to allow the employees and corporate officers in certain countries outside of France to subscribe to the shares of the Company with similar benefits, in terms of economic profile, to those offered to the employees in the **13th resolution**, in particular, when legal and/or tax local constraints make the implementation of the employee shareholding plan in the context of the **13th resolution** impossible or difficult.

It is stated that these delegations of authority allow share capital increases and that they could not be used during a public offer for the shares of the Company.

Thirteenth resolution

Delegation of authority to increase the share capital through the issue of shares or securities granting access to the share capital, with cancellation of the preferential subscription right, reserved for members of a company saving plan (13th resolution)

The **13th resolution** seeks to allow the Board of Directors to decide on share capital increases reserved for employees and/or Executive Officers who members of company savings plans within the Group Pernod Ricard.

As the Shareholders' Meeting is requested, in accordance with the provisions of the French Commercial Code, to vote on delegations of authority to the Board of Directors permitting future share capital increases, it is proposed that, by voting on the **13th resolution**, you delegate authority to the Board of Directors to decide on a share capital increase of a **maximum nominal amount corresponding to 2% of the share capital** at the close of this Shareholders' Meeting, by way of an issue of shares or securities granting access to the share capital with cancellation of preferential subscription rights, reserved for members of one or more employee savings plans in place within the Company or the Group. **The cap of 2% of the share capital of this resolution is common with the cap of the 14th resolution below. This limit would be deducted from the Overall Limit set in the 14th resolution of the Shareholders' Meeting of 9 November 2017 and from the share capital increase limit set in the 15th resolution of the Shareholders' Meeting of 9 November 2017.**

The issue price for the new shares or securities granting access to the share capital may not be more than 20% below the average of the listed prices of the Pernod Ricard shares on the regulated Euronext Paris market during the 20 trading sessions prior to the date of the decision setting the opening date for the subscription period, nor may the issue price exceed this average.

COMBINED SHAREHOLDERS' MEETING

PRESENTATION OF THE RESOLUTIONS OF THE COMBINED SHAREHOLDERS' MEETING HELD ON 21 NOVEMBER 2018

This delegation of authority will be valid until the expiry date of the 15th resolution of the Shareholders' Meeting of 9 November 2017, *i.e.* until 8 January 2020.

The Board of Directors may not take the decision to use this delegation of authority as from the date on which a third party files a takeover bid for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.

Fourteenth resolution

Delegation of authority to be granted to the Board of Directors to decide on a share capital increase through the issue of shares or securities granting access to the share capital, reserved for certain categories of beneficiaries with cancellation of the preferential subscription right

By voting on the **14th resolution**, it is proposed that, in accordance with the provisions of the French Commercial Code, you consent to delegate authority to the Board of Directors to decide on a share capital increase of a **maximum nominal amount corresponding to 2% of the share capital** at the close of this Shareholders' Meeting, by way of an issue of shares or securities granting access to the share capital, reserved for certain categories of beneficiaries with cancellation of the preferential subscription right, in favour of such beneficiaries. **The cap of 2% of the share capital of this resolution is common with the cap of the 13th resolution above. This limit would be deducted from the Overall Limit set in the 14th resolution of the Shareholders' Meeting of 9 November 2017 and from the share capital increase limit set in the 15th resolution of the Shareholders' Meeting of 9 November 2017.**

The 14th resolution seeks to adapt the conditions of the employee shareholding plan implemented in the 13th resolution to the local legal and/or tax local constraints to allow the employees and/or corporate officers in certain countries outside of France to subscribe to the shares of the Company with similar benefits, in terms of economic profile, to those given to the employees in the 13th resolution.

The share capital increase may be reserved for (i) categories of employees and/or Executive Directors or (ii) any entity or banking institution with exclusive purpose to subscribe the shares of the Company or any financial instrument in order to facilitate access to the capital of the Company for employees and/or Executive Directors outside France or to similar investment formulas.

The subscription price of the shares or securities granting access to the share capital will be fixed by the Board of Directors and (a) may not be more than 20% below the average of the listed prices of the Pernod Ricard share recorded on the regulated Paris market over the 20 trading sessions preceding the date of the decision setting the opening date of the subscription period as part of this resolution, nor exceed such average or (b) will be equal to the price set for the shares issued as part of the capital increase reserved for members of company savings plans pursuant to the 13th resolution of this Shareholders' Meeting.

This delegation of authority will be valid until the expiry date of the 15th resolution of the Shareholders' Meeting of 9 November 2017, *i.e.* until 8 January 2020.

The Board of Directors may not take the decision to use this delegation of authority as from the date on which a third party files a takeover bid for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.

Fifteenth resolution

Amendment to article 11 of the Company's bylaws relating to the notification period in the event of a statutory threshold crossing of 0.5% of the share capital to align this period with the period for the legal threshold crossings as provided by article 223-14 of the General Regulation of the French Financial Markets Authority (AMF)

By voting on the **15th resolution**, it is proposed that you amend article 11, III of the bylaws relating to the information obligation when crossing a statutory shareholding threshold (article 11, III) in order to align the statutory notification period with the legal threshold notification period set by the General Regulation of the French Financial Markets Authority (AMF).

It is thus proposed to replace the current 15 trading sessions' notification period with a new notification period of four trading sessions.

Sixteenth resolution

Amendment to article 11 of the Company's bylaws to include in the statutory threshold crossing notifications the shares deemed to be held by the person required to provide the information in accordance with articles L. 233-7 and L. 233-9 of the French Commercial Code

By voting on the **16th resolution**, it is proposed that you amend the bylaws relating to the information obligation when crossing a statutory threshold (article 11, III) to include the shares deemed to be held by the person required to provide information in accordance with the legal rules on assimilation of shareholdings.

Accordingly, the shares held by the same person, along with the shares assimilated in accordance with articles L. 233-7 and L. 233-9 of the French Commercial Code, will be included in the participation threshold calculations. These include notably the shares held by companies which are controlled by this person, shares owned by a third party with whom this person is acting in concert, or shares corresponding to any financial agreement or instrument.

Seventeenth resolution

Amendment to article 29 of the Company's bylaws in order to remove the reference to the alternate Statutory Auditors in accordance with the so-called "Sapin 2" law of 9 December 2016 on transparency, the fight against corruption and modernisation of the economy

By voting on the **17th resolution**, it is proposed that you amend article 29 of the bylaws relating to the appointment of the Statutory Auditors to comply with the so-called "Sapin 2" law of 9 December 2016.

Accordingly, it is proposed to delete the reference to the alternate Statutory Auditors and to only keep the reference to the Statutory Auditors chosen from the list prescribed by law.

Eighteenth resolution

Powers to carry out the required legal formalities

By voting on the **18th resolution**, the Shareholders' Meeting is asked to authorise the Board of Directors to carry out the required legal formalities, where applicable.