Grant of Performance-related stock options and Performance-related shares to Monsieur Alexandre Ricard, Chairman & CEO
- November 6th 2015 -

At its meeting held on November 6th, 2015, the Board of Directors held at the end of the Annual Shareholders' Meeting, approved an annual performance-related stock options and performance-related shares Plan for the benefit of one thousand recipients within the Group.

Under this Plan and following the recommendation of the Compensation Committee, the Board of Directors decided to grant performance-related stock options and performance-related shares to Mr. Alexandre Ricard, Chairman & CEO, as follows:

- **STOCK OPTIONS WITH EXTERNAL PERFORMANCE CONDITION:**

  - Volume: 20,700 stock options, all of them subject to an external performance condition ;

  - Exercise price: 102.80€ i.e. the average of the last 20 share prices prior to the date of the grant, with no discount;

  - External performance condition:

    The number of options which could be exercised will depend on the performance of the Total Shareholder Return (TSR) compared to the TSR of a Panel over a period of 3 years starting from 6th November 2015 until 6th November 2018 inclusive:

    - ✓ below the median (8th to 13th position), no option can be exercised;
    - ✓ if equal to the median (7th position), 66% of the options can be exercised;
    - ✓ if in 6th, 5th or 4th position, 83% of the options can be exercised; and
    - ✓ if in 3rd, 2nd or 1st position, 100% of the options can be exercised.

    At the grant date, the Board of Directors decided that the Panel is composed of Pernod Ricard plus twelve peer companies, as follows: Diageo, Brown Forman, Remy Cointreau, Campari, Constellation Brands, AB InBev, SAB Miller plc, Heineken, Carlsberg, Coca-Cola, PepsiCo and Danone.

    The panel might be modified in case of a change affecting one or several members of the panel. The Board of Directors could, by fully reasoned decision and following the recommendation of the Compensation Committee, decide to add or exclude a member to or from the panel in cases such as redemption, absorption, dissolution, splitting, merger or change in activity, provided this does not affect the overall consistency of the Panel and still allows the assessment of the external performance condition as determined at the time of the initial grant.

    The vesting period will be 4 years and will be followed by a 4-year exercise period.

- **PERFORMANCE-RELATED SHARES WITH INTERNAL CONDITION:**

  - Volume: 3,000 performance-related shares, all of them subject to an internal performance condition;

  - Internal performance condition:

  The number of performance shares finally transferred shall be determined by the following ratios of the achieved Group's profit from recurring operations as compared to budgeted Group's profit from recurring operations for 3 consecutive financial years (2015/2016, 2016/2017 and 2017/2018).

  The number of performance shares is determined as follows:

    - ✓ If the achieving average is lower than or equal to 0.95: no performance share shall be vested;
    - ✓ If the achieving average is between 0.95 and 1: the number of performance shares to be vested shall be determined by applying the percentage of linear progress between 0 and 100%;
    - ✓ If the achieving average is equal to or higher than 1: 100% of the performance shares might be vested.

  The vesting period of the performance-related shares is 4 years, without any further holding obligation. It is reminded that the Executive Directors shall comply with some holding requirements mentioned hereinafter.

- **PERFORMANCE-RELATED SHARES WITH INTERNAL AND EXTERNAL CONDITIONS:**

  - Volume: 5,500 performance-related shares, all of them subject to both internal and external performance conditions;

  - Performance conditions: the number of performance shares will be definitively determined by application of the two performance conditions (first internal then second external) identical to those detailed above.

    ⇘ Firstly: application of the internal performance condition determined by the ratios of the achieved Group's profit from recurring operations as compared to budgeted Group's profit from recurring operations for 3 consecutive financial years.

    The number of performance-based shares confirmed after application of the internal condition shall then be subject to the external condition.

    ⇘ Secondly: application of the external performance condition determined by the performance of the Total Shareholder Return (TSR) of Pernod Ricard over the period from 6th November 2015 to 6th November 2018 (3 years) compared to the TSR of the Panel (e.g. same as for the stock options).

  - The vesting period of the performance-related shares is 4 years, without any further holding obligation. It is reminded that the Executive Directors shall comply with some holding requirements mentioned hereinafter.

Respect of the specific ceilings applicable to Executive Directors:

The Board of Directors held on November 6th 2015, ensured that the quantity of options or shares granted to the Executive Director was in line with the 0.06% of the share capital specific ceiling indicated in the 22nd and 23rd resolutions as approved by the Shareholders' Meeting of November 6th 2015. Granting to the Executive Director respectively represent 0.003% and 0.008% of the share capital.

Holding and acquisition requirements applicable to Executive Directors:

Moreover, as for previous grants, following the recommendation of the Compensation Committee, the Board of Directors held on November 6th 2015, has determined the following requirements:

- Requirement to hold stock-options and performance-based shares:

  Each Executive Director shall retain in a registered form and until the end of their term of office a number of shares corresponding to (i) in respect of stock options, 30% of the capital gain since acquisition, net of social security contributions and taxes, resulting from the exercise of the stock options, and (ii) in respect of performance-based shares, 20% of the volume of performance-based shares that will be actually transferred to him.

- Requirement to acquire additional shares:

  Each Executive Director shall undertake to buy a number of additional shares equal to 10% of the performance-based shares transferred, at the time that the performance-based shares will be actually transferred to him.

Once the Executive Director holds a number of registered Company shares that correspond to more than three times his gross fixed annual compensation at that time, the above-mentioned obligation will be reduced to 10% as well as for stock options than for performance-based shares and the Executive Director will no longer be required to acquire additional shares. If, in the future, his registered holdings fall below the three-time ratio, the lock-in and acquisition requirements mentioned above will again apply.