

**Information on the compensation and benefits of
Mr. Alexandre Ricard, Chairman & Chief Executive Officer**

I - Variable compensation for FY 2016/2017

At the Board of Directors' meeting held on 30 August 2017, following the recommendation of the Compensation Committee, and after approval of the financial elements by the Audit Committee, the Board assessed the amount of the variable portion of Mr. Alexandre Ricard's compensation for the 2016/2017 financial year.

Considering the quantitative and qualitative criteria set by the Board meetings of 31 August 2016 and 18 October 2016 and the achievements recognised as at 30 June 2017, the amount of the variable compensation was evaluated as follows:

- ◆ For the **quantitative criteria** (80% target – 150% maximum), the amount of the variable compensation amounted to 93.85% of Mr. Alexandre Ricard's fixed annual compensation, broken down as follows:
 - Achievement of the budgeted Profit from Recurring Operations
 - 30% Target - 55% Maximum
 - Achieved: 31.01%
 - Achievement of the budgeted Group Net Profit from Recurring Operations
 - 20% Target - 40% Maximum
 - Achieved: 22.84%
 - Deleveraging (net debt/EBITDA)
 - 30% Target - 55% Maximum
 - Achieved: 40%
- ◆ For the **qualitative criteria** (30% target – 45% maximum), the amount of the variable compensation amounted to 37% of Mr. Alexandre Ricard's fixed annual compensation, broken down as follows:
 - Continued improvement of the Group's performance in the USA and successful rollout of the new organisation
 - 6% Target – 9% Maximum
 - Achieved: 7% - Growth of Profit from Recurring Operations in excess of budget and new organisation implemented
 - Improvement of the Group's performance in China and enforcement of the new portfolio and sales approach
 - 6% Target – 9% Maximum
 - Achieved: 7% - Growth of Profit from Recurring Operations in excess of budget and successful rollout of the new sales & marketing approach on premium brands
 - Implementation of the operational efficiency plan
 - 6% Target – 9% Maximum
 - Achieved: 8% - Accelerated implementation of the roadmap and development of new initiatives, such as promotional effectiveness and brand equity monitoring

- Secure a high level of staff engagement
 - 6% Target – 9% Maximum
 - Achieved: 8% - Employee Engagement Rate rising (measured every two years through an internal survey) and higher than FMCG benchmarks (engagement rate of 88%)
- Play an instrumental role in the Group's Corporate Social Responsibility policy
 - 6% Target – 9% Maximum
 - Achieved: 7% - A leading contributor in defining the implementation framework of the United Nations Sustainable Development Goals - Taking a leading and active role through the International Alliance for Responsible Drinking (IARD) - Spearheading Responsib'ALL Day and ensuring employees and senior management engagement and commitment

As a result, the total amount of Mr. Alexandre Ricard's variable compensation for FY 2016/2017 as Chairman and Chief Executive Officer was set at 1,243,075 euros, i.e. 130.85 % of his fixed annual compensation for FY 2016/2017, against a 110 % target. In 2016/2017 and 2014/2015, his variable compensation was 96.20 % and 105.55 % of his fixed annual compensation, respectively.

II - Determination of the compensation items and other benefits for FY 2017/2018

At the 30 August 2017 meeting, the Board of Directors decided to grant the following items of compensation to Mr. Alexandre Ricard as Chairman and Chief Executive Officer for FY 2017/2018, following the recommendation made by the Compensation Committee. These are unchanged from FY 2016/2017:

- Fixed gross annual compensation: 950,000 euros (unchanged since 11 February 2015)
- Variable compensation: maintenance of the 110% target variable compensation and of the 180% maximum of the fixed annual compensation.
 - Quantitative criteria: no change in the structure: 80% target and 150% maximum
 - Qualitative criteria: no change in the structure: 30% target and 45% maximum
 Whatever the circumstances, the variable compensation (quantitative + qualitative criteria) shall not exceed 180% of the fixed compensation
- No attendance fees
- Entitlement to conditional stock options and to performance shares: maintenance of an annual allocation representing in IFRS value a maximum of 150% of his gross fixed annual compensation
- Company car

Reminder: Mr. Alexandre Ricard, as Chairman & Chief Executive Officer also benefits from the following compensation elements:

1. **Non-compete clause / severance pay clause (for imposed departure)**
 - 12-month non-compete clause (12 months of compensation¹). In accordance with the AFEP-MEDEF Code, a provision authorises the Board of Directors to waive the application of this clause when the Executive Director leaves.
 - Imposed departure clause of maximum 12 months of compensation¹ which would be due, subject to fulfillment of performance conditions, in case of imposed departure related to a change of control or strategy of the Group (according to the Afep-Medef Code, no payment in case of a departure related to i) non-renewal of his term of office, ii) if departure was decided by the Executive Director himself, iii) in case of a change of position within the Group or iv) if he is close to retirement).

¹ Last fixed annual compensation + last variable annual compensation decided by the Board of Directors
04/09/2017

In accordance with the Afep-Medef Code, the overall amount related to the non-compete clause and the imposed departure clause (sum of both clauses) will be capped at 24 months of compensation¹.

2. **Defined benefit pension plan and collective healthcare and insurance schemes** granted by Pernod Ricard on the same terms as those that apply to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation.
3. **Supplementary pension scheme: as approved by the Board of Directors, during its meeting held on 31 August 2016**, Mr. Alexandre Ricard now received an annual component amounting to 10% of his annual fixed and variable compensation, composed of 50% in performance shares (same shares as those granted under the Group's general performance share grant plan) and 50% paid in cash. The Executive Officer shall commit to investing the cash portion, net of social welfare and tax expenses, of this additional compensation in investment vehicles for the funding of his supplementary pension.

The items and commitments here above have been authorized by the AGM during its meeting on 17 November 2016.