

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

I - Variable compensation for FY 2017/2018

At the Board of Directors' meeting held on 28 August 2018, 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 compensation of Mr. Alexandre Ricard for the 2017/2018 financial year.

Considering the quantitative and qualitative criteria set by the Board meetings of 30 August 2017 and 18 October 2017 and the achievements recognised as at 30 June 2018, the amount of the variable compensation was evaluated as follows:

- ◆ **Quantitative criteria** (80% target – 150% maximum):
 - Achievement of the budgeted Profit from Recurring Operations (30% target - 55% maximum): 40.92%
 - Achievement of the budgeted Group Net Profit from Recurring Operations (20% target - 40% maximum): 35.57%
 - Deleveraging: net debt/EBITDA (30% target - 55% maximum): 55%
 - **Total : 131.49%** of his fixed annual compensation for FY 2017/2018

- ◆ **Qualitative criteria** (30% target – 45% maximum):
 - Grow in value at the same pace as the market in the United States (6% target – 9% maximum): 6% - Pernod Ricard USA sales in line with the market
 - Restore the growth of Chivas (6% target – 9% maximum): 6% - Return to growth of Chivas with + 5% sales growth in value
 - Rollout the operational efficiency plan (6% target – 9% maximum): 6% - Actual savings above budget
 - Reinforce the engagement and performance culture across the Group (6% target – 9% maximum): 6% - The latest iSay internal engagement survey, gathering the responses of more than 15,000 employees, shows a record engagement rate (88%) still progressing (+ 1% vs 2015), a rate well above the FMCG standard.
 - Achieve the industry's 5 CSR commitments by December 2017 - Smart Barometer at 95% at the end of December 2017 (6% target – 9% maximum): 6% - Smart Barometer at 96% at the end of December 2017
 - **Total of the qualitative part: 30%** of his fixed annual compensation for FY 2017/2018

- ◆ **TOTAL** (110% target – 180% maximum): **161.49%** of his fixed remuneration

As a result, the total amount of Mr. Alexandre Ricard's variable compensation for FY 2017/2018 as Chairman and Chief Executive Officer was set at €1,534,155, i.e. 161.49 % of his fixed annual compensation for FY 2017/2018, against a 110 % target. In 2016/2017 and 2015/2016, his variable compensation was respectively 130.85 % and 96.20 % of his fixed annual compensation.

II - Determination of the compensation items and other benefits for FY 2018/2019

At the 28 August 2018 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 2018/2019, following the recommendation made by the Compensation Committee:

- Fixed gross annual compensation: increase to €1,100,000 until the end of his current term of office.

In this decision, the Board of Directors took into consideration:

- a fixed compensation of Mr. Alexandre Ricard unchanged since his appointment as Chairman and Chief Executive Officer in February 2015;
- the acceleration of Pernod Ricard Group's financial performance since his appointment;
- the analyses carried out by two independent external firms which showed a significant difference in compensation (both fixed and total) compared to the median practice of the CAC40 companies and a larger gap with the companies in the beverage sector (panel of the external condition of the Group's long-term incentive plans).

Thus, it was decided by the Board of Directors held on 28 August 2018 to increase his fixed compensation so that it is more aligned with the median practice of the CAC40, it being added that the market capitalization of Pernod Ricard is above the CAC40 median.

- Variable compensation: maintenance of the 110% for the targeted 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;In all circumstances, the variable compensation (quantitative + qualitative criteria) shall not exceed 180% of the fixed compensation.
- No Directors' fees.
- Entitlement to conditional stock options and to performance shares: maintenance of an annual allocation representing a maximum of 150% of his gross fixed annual compensation in IFRS value (until the end of his current term of office).
- Company car.

It is reminded that Mr Alexandre Ricard, as Chairman and Chief Executive Officer also benefits from the following commitments:

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;
- the indemnity will be paid on a monthly basis during its duration;
- the payment of this indemnity will be excluded if the Executive Director leaves the Group to claim his retirement rights or if the Executive Director is over 65 years old.

- 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
31/08/2018

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 commits 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 (5th resolution).

For the record, these elements will be submitted to the vote of the shareholders at the Combined Shareholders' Meeting held on 21 November 2018 when approving (i) the compensation policy items applicable to the Executive Director (10th resolution) and (ii) the elements of compensation due or granted to the Executive Director for the 2017/18 financial year (11th resolution).