

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

At the meeting of the Board of Directors held on 30 August 2023, the Board, on the recommendations of the Compensation Committee, decided the following regarding the compensation of Mr. Alexandre Ricard, Chairman & Chief Executive Officer of Pernod Ricard:

Variable compensation for FY23

The Board of Directors, on the recommendations of the Compensation Committee, in accordance with the remuneration policy approved by shareholders on the 10 November 2022, and after approval of the financial elements by the Audit Committee, assessed the amount of the variable compensation of Mr. Alexandre Ricard, Chairman & Chief Executive Officer for FY23.

Considering the quantitative and qualitative criteria set by the Board on 19 October 2022 and the achievement levels recognized on 30 June 2023, the amount of annual variable compensation due for FY23 was determined to be 1,890,625 EUR, on the basis of an achievement level of 151.25%, evaluated as follows:

Quantitative criteria (80% target – 150% maximum): 112.25% achievement

- **Profit From Recurring Operations** (20% target – 37.5% maximum): **37.5%**
- **Group Net Profit** (20% target – 37.5% maximum): **37.5%**
- **Recurring Free Cash Flow** (20% target – 37.5% maximum): **22.45%**
- **Cash Conversion Rate** (20% target – 37.5% maximum): **14.80%**

Qualitative criteria (30% target - max 45%): 39% achievement

1. **Maintain gross margin ratio through a good RGM (Revenue Growth Management) policy** (15% target – 22.5% maximum): **maximum overachievement at 22.5%** based on the following elements:

Protection of the gross margin ratio in an unprecedented inflationary context, in particular thanks to the strong commitment of Top Management and 2 major initiatives:

- Very dynamic RGM, leading with price in most regions
- Continuous optimization of operational efficiencies and cost management in the inflationary context

2. **Continue implementing the second phase of the Transform & Accelerate strategic plan with the deployment in main markets (USA, China, India, France) of the “Conviviality Platform” roadmap, based on digital transformation acceleration and organizational adaptation (5% target – 7.5% maximum): maximum overachievement at 7.5%** based on the following elements:
 - New governance and simplification of the organization to support the implementation of the Transform & Accelerate strategic plan
 - Successful steering of Key Digital Programs (KDPs) supported by the successful internalization of Digital and Artificial Intelligence skills. Large deployment scope of these KDPs, in particular in the 4 key markets.
 - Impactful communication and external collaboration to maximize the resonance of the conviviality platform (partnership with JC Decaux, joint venture with Fever...)
 - Implementation of new processes/tools allowing optimized management of financial performance, combining the definition of a strategic framework and planification on the basis of the operating cycle

3. **Demonstrate leadership both internally and externally through the deployment of the Group’s raison d’être « Unlock the magic of human connection by bringing Good Times from a Good Place » with a specific focus on Health and Safety indicators (5% target – 7.5% maximum): achievement below target at 4%** based on the following elements:
 - Health and Safety: indicators improving compared to FY22. Significant top management focus and initiatives deployed over the fiscal year (trainings rolled out at Group level, dedicated campaigns...) expected to accelerate achievement of targets in FY24
 - Climate: various initiatives conducted, especially internally, with, for example, dedicated days with the Board of Directors and the Executive Committee
 - Communication: ramp-up of communications explaining the progress made on the Group S&R roadmap (press, social media) and launch of 2 sustainable financing initiatives (bond issue in October 2022 for 1.1 bn€ and syndicated loan in April 2023 for 2.1 bn€, both ESG linked)

4. **Growth in sales value in the United States in line with the US market and good integration of new acquisitions (5% target – 7.5% maximum): achievement at target at 5%** based on the following:
 - Performance globally in line with the US market with market share gains in most brands and categories of the portfolio (Irish/North American whiskeys, Single Malts, Malibu and Kahlua)
 - Most active year of portfolio management in a decade: over €1bn invested to complement our portfolio in attractive categories in North America and continued focus on priority, premium+ brands (Skrewball, Codigo, Sovereign Brands...)

Compensation policy for Mr. Alexandre Ricard for FY 24

At the meeting of the Board of Directors held on 30 August 2023, the Board assessed Mr. Alexandre Ricard's compensation and decided, following the recommendations of the Compensation Committee, to maintain the policy applied in FY23 for FY24.

Consequently, Mr. Alexandre Ricard's compensation for his position as Chairman & Chief Executive Officer for FY24 is comprised of the following:

Fixed Compensation	1,250,000 EUR
Annual Variable Compensation	110% Target - 180% Maximum <i>Financial criteria: 80% Target - 150% Maximum</i> <i>Extra-financial and qualitative criteria: 30% Target – 45% Maximum</i>
Long-Term Incentive Plan	Max 150% of annual fixed compensation, subject to performance conditions
Supplementary Pension Scheme	20% of fixed and annual variable compensation (10% in performance shares, 10% in cash)
Deferred Commitments	Non-compete clause + imposed departure clause: combined maximum of 24 months' compensation (fixed + annual variable)
Multi-year or Exceptional Compensation	Any multi-year or exceptional compensation shall be precisely disclosed and justified. No such compensation currently exists.
Other	Company car, collective healthcare and welfare schemes