

**Grant of Performance-related shares  
to Mr Alexandre Ricard, Chairman & CEO  
- November 10<sup>th</sup>, 2021 -**

**I – Annual Long Term Incentive Plan**

At its meeting held on November 10<sup>th</sup>, 2021, the Board of Directors, as per the authorizations given by the Annual Shareholders' Meeting held on the same day (resolutions # 22 and 23), approved a Long-Term Incentive Plan benefiting to approximately 780 employees within the Group (the "Plan").

Under this Plan, the Board of Directors decided, following the recommendation of the Compensation Committee, to grant performance-related shares to Mr Alexandre Ricard, Chairman & CEO, as presented hereafter, and in accordance with the commitment that the maximum annual allocation granted, in value, may not represent more than 150% of his gross fixed annual compensation.

▪ **PERFORMANCE-RELATED SHARES WITH EXTERNAL CONDITION:**

- Amount: 4 763 performance-related shares, all subject to an external performance condition.
- External performance condition (representing 30% of the total grant in IFRS value):  
The number of performance-related shares definitively transferred will depend on the performance of the Pernod Ricard Total Shareholder Return (TSR) compared to the TSR of the Panel (as defined below) over a period of 3 years running from the 20th day before the Grant Date to the 20th day before the expiration of the Vesting Period (i.e. from 13th October 2021 to 13th October 2024 included):
  - ✓ If below the median (8<sup>th</sup> to 13<sup>th</sup> position): no performance-related share shall vest;
  - ✓ if equal to the median (7<sup>th</sup> position): 66% of the performance-related shares shall vest;
  - ✓ if in 6<sup>th</sup>, 5<sup>th</sup> or 4<sup>th</sup> position: 83% of the performance-related shares shall vest; and
  - ✓ if in 3<sup>rd</sup>, 2<sup>nd</sup> or 1<sup>st</sup> position: 100% of the performance-related shares shall vest.

At the grant date, the Board of Directors decided that the Panel was composed of the twelve following peer companies: Diageo, Brown Forman, Remy Cointreau, Campari, Constellation Brands, AB InBev, LVMH, Heineken, Carlsberg, Coca-Cola, PepsiCo and Danone.

It is specified that the Panel may be modified in the event of a change affecting one or several members of the Panel. The Board of Directors could, with a duly motivated 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 purchase, absorption, dissolution, splitting, merger or change in activity of Pernod Ricard, or one or several members from the Panel, 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.

- Vesting period: 3 years without any further holding obligation.

▪ **PERFORMANCE-RELATED SHARES WITH INTERNAL CONDITIONS:**

- Amount: 6 771 performance-related shares, all subject to two internal performance conditions, whose achievement will be assessed separately.

➤ Internal performance condition related to Profit from Recurring Operation ('PRO') (representing 50% of the total grant in IFRS value):

The number of performance-related shares definitively transferred shall be determined by the following ratios of achieved Group Organic profit from recurring operations as compared to the Group's budgeted Organic profit from recurring operations (restated for the effects of foreign exchange rates and scope of consolidation), for 3 consecutive financial years (2021/22, 2022/23 and 2023/24).

The number of performance-related shares based on PRO is determined as follows:

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

➤ Internal performance condition related to Corporate Social Responsibility ('CSR') (representing 20% of the total grant in IFRS value):

The number of performance shares that vest will be determined based on the achievement of the following criteria assessed over a period of three consecutive financial years (including the year during which the shares were allocated):

- Carbon: implementation of the roadmap to reduce the direct CO2 emissions generated by our sites in order to achieve zero net emissions by 2030.
- Water: implementation of the roadmap, which aims to reduce the water consumption of our distilleries by 20% by 2030.
- Responsible consumption: Pernod Ricard's strategic brands will launch marketing campaigns focused on responsible drinking, with the aim of ramping this up each year over the next five years.
- Employees: objective of achieving gender diversity in our Top Management (at least 40% of each gender) by 2030.

The number of performance-related shares based on CSR is determined as follows:

- ✓ if no objectives are achieved: no performance-related share shall vest;
- ✓ if one objective is achieved: 25% of the performance-related shares shall vest;
- ✓ if two objectives are achieved: 50% of the performance-related shares shall vest;
- ✓ if three objectives are achieved: 75% of the performance-related shares shall vest;
- ✓ if four objectives are achieved: 100% of the performance-related shares shall vest.

➤ Vesting period: 3 years, without any further holding obligation.

**Compliance with the caps applicable:**

At its meeting held on November 10<sup>th</sup>, 2021, the Board of Directors ensured that the quantity of performance-related shares granted to the Executive Director was in line with the 0.08% of the share capital specified in the 22<sup>nd</sup> resolution approved by the Shareholders' Meeting of November 10<sup>th</sup>, 2021. The grants to the Executive Director represent 0,004% of the share capital.

**Lock-in and acquisition requirements applicable to the Executive Director, relating to performance-related stock options and performance-related shares:**

Moreover, as for previous grants, and following the recommendation of the Compensation Committee, the Board of Director of November 10<sup>th</sup>, 2021 set the following holding and acquisition requirements:

- **Requirement to hold stock-options and performance-related shares:**  
The Executive Director shall retain, in the registered form, and until the end of his term of office, a number of shares corresponding to (i) in respect of the 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 the performance-related shares: 20% of the volume of the performance-related shares that will be actually transferred to him; and
- **Requirement to acquire additional shares:**  
The Executive Director shall undertake to buy, at the time the performance-related shares are effectively transferred to him, a number of shares equal to 10% of the performance-related shares transferred.

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

## **II – ADDITIONAL GRANT OF PERFORMANCE-RELATED SHARES (COMPONENT OF THE ALTERNATIVE PENSION SCHEME)**

The Board of Directors, on the recommendations of the Compensation Committee, decided at its meeting of 31 August 2021 to modify the level of the supplementary pension scheme implemented in 2016. The Executive Director will therefore receive additional annual compensation equal to 20% of his fixed and variable annual compensation, paid each year, 10% being paid in the form of the allocation of performance-based shares, the number of which will be determined based on the IFRS value of shares when the allocation occurs. This decision has been approved by the Shareholders' Meeting held on November 10<sup>th</sup>, 2021 (10<sup>th</sup> resolution).

Thus, considering the IFRS value of the performance-related shares at the date of the grant, the Board of Directors held on November 10<sup>th</sup>, 2021 decided to grant an additional allocation for Mr. Alexandre Ricard, composed of:

- 820 performance-related shares with external condition; and
- 1 166 performance-related shares with internal conditions.

The performance conditions, presence and holding, that will apply to these grants will be the same as those outlined under the allocation of Group performance-related shares plan in effect on the grant date (see above).

Please note that Mr Alexandre Ricard also benefit from a cash component representing 10% of his fixed and variable annual compensation (i.e. a gross amount of €323,000 for 2021) that he undertakes to invest, net of social security contributions and tax, in investment vehicles dedicated to financing his supplementary pension.

### **Compliance with the applicable caps:**

At its meeting held on November 10<sup>th</sup>, 2021, the Board of Directors ensured that the quantity of performance-related shares granted to the Executive Director was in line with the specific cap indicated in the 22<sup>nd</sup> resolution as approved by the Shareholders' Meeting of November 10<sup>th</sup>, 2021. This grant to the Executive Director represents 0,001% of the share capital.