

# NOTICE OF MEETING

## **2017**

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING



**THURSDAY 9 NOVEMBER 2017**

AT 2 P.M.

SALLE PLEYEL

252 RUE DU FAUBOURG SAINT-HONORÉ

75008 PARIS



**Pernod Ricard**

*Créateurs de convivialité*



Pernod Ricard  
*Créateurs de convivialité*

MESSAGE FROM THE CHAIRMAN & CEO

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# Message from the Chairman & CEO



**Dear shareholders,**

*“Build for the Long Term” is the title of the book written by my uncle Patrick Ricard for the thirtieth anniversary of your Group. This approach also happens to be the one I chose for Pernod Ricard upon taking office. Our FY17 results are evidence of this. With organic sales growth of +3,6%, they are perfectly aligned with the roadmap I communicated two years ago.*

*The organic growth of our operating profit of +3.3% is in the upper end of the guidance range we provided to the market. This year we once again have moved a bit closer to our mid-term objectives: organic net sales growth of +4% to +5% and organic improvement of the operating margin.*

*I would point out three other highlights: the diversification of our sources of growth, be it of our regions or our brands; innovation, which accounted for one-third of our growth; and an excellent financial performance marked by record cash-flow of €1.3BN leading to a significant reduction in debt of c. €900M. Lastly, our operational efficiency programme announced last year is already bearing results. With an ambition to generate €200m of P&L savings and €200m of cash savings to FY20, we achieved respectively €60m and €50m of savings. All of these results will be discussed at your next Annual General Meeting and enabled us to propose a +7% increase of the dividend to 2.02 euros per share.*

*Year after year we are advancing on our roadmap with confidence and determination, and I would like to commend the exemplary commitment of our employees and to thank you kindly for your support.*

*We are very happy to return this year to an auditorium you know well, the Salle Pleyel. I look forward to seeing you there.*



Alexandre Ricard  
Chairman & Chief Executive Officer

# 1

## How to participate in your Shareholders' Meeting

### WHAT ARE THE REQUIREMENTS FOR PARTICIPATING IN THE SHAREHOLDERS' MEETING?

All shareholders, regardless of the number of shares they hold, may participate in the Shareholders' Meeting. To do so, they must provide evidence of their status as shareholders and their shares must be recorded in their name, in registered or bearer form, **two business days prior to the Shareholders' Meeting, i.e. by Tuesday 7 November 2017, at 00:00 (Paris time)** (hereafter "**D-2**").

- for **REGISTERED** shareholders, registration of their shares in the Company's registers by D-2 is sufficient;
- for shareholders holding **BEARER** shares, the authorised intermediaries who hold the bearer share accounts must confirm the status of their clients as shareholders to the centralising bank for the Shareholders' Meeting by providing a **certificate of shareholding** appended to the single voting/proxy/admission request form.

However, if a holder of bearer shares wishes to attend the Shareholders' Meeting in person and has not received their admission card by Monday 6 November 2017 <sup>(1)</sup>, he may ask its financial intermediary to provide him with a certificate of shareholding, confirming its status as a shareholder as at D-2 so that he may attend the Meeting.

You have four options:

- attend the Shareholders' Meeting in person; or
- grant a proxy to the Chairman of the Shareholders' Meeting; or
- grant a proxy to any person of your choice; or
- vote by post or by Internet.

In all cases, shareholders must either:

- fill out the attached form (see "How to fill out the voting form") and return it using the pre-paid envelope enclosed; or
- log on to the secure dedicated websites and follow the procedure described hereafter for Internet voting.

Shareholders who have already voted by post or by Internet, sent in a proxy form or applied for an admission card may not thereafter choose another method of participation but may sell all or part of their shares.

### YOU WISH TO ATTEND THE SHAREHOLDERS' MEETING

To attend the Shareholders' Meeting in person, you must **request an admission card**.

By post:

- if you hold **REGISTERED** shares, tick **box A** at the top of the form, date it and sign it before returning it using the pre-paid envelope provided.

You may as well **go directly to the appropriate admissions desk at the Shareholders' Meeting**, with an identity document;

- if you hold **BEARER** shares, tick **box A** at the top of the form, date it and sign it before returning it to your financial intermediary responsible for managing your bearer share account, using the pre-paid envelope provided. They will forward your request by issuing a **certificate of shareholding**.

By Internet:

- if you hold **REGISTERED** shares (pure or administered), log on to the secure **Sharinbox website, [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com)**, using your Sharinbox access code (mentioned in the unique voting form) and the password sent to you by post by Société Générale Securities Services. Then, follow the on-screen instructions;
- if you hold **BEARER** shares, log on to the financial intermediary's website holder of your account using your usual access codes and click on the icon that appears on the line corresponding to your Pernod Ricard shares to access the VOTACCESS website. Then, follow the on-screen instructions.

Only shareholders holding bearer shares and whose financial intermediary uses the VOTACCESS system may request an admission card by Internet.

(1) If you have requested an admission card and have not received it by Monday 6 November 2017, please contact the dedicated Société Générale call centre on +33 (0)2 51 85 59 82 (international rates in caller's country apply) from Monday to Friday, between 8:30 a.m. and 6:00 p.m. (Paris time).

## YOU DO NOT WISH TO ATTEND THE SHAREHOLDERS' MEETING

If you are unable to attend the Shareholders' Meeting in person, you may choose one of the following options:

- **vote by post: tick box B1, "I vote by post"** on the form and, if applicable, shade the resolutions you do not wish to approve; or
- **grant a proxy to the Chairman of the Shareholders' Meeting: tick box B2, "I hereby give my proxy to the Chairman of the Shareholders' Meeting"**. In this case, the Chairman will vote in favour of the draft resolutions and amendments submitted or approved by the Board of Directors, and will vote against resolutions in all other cases; or
- **grant a proxy to any other person: tick box B3, "I hereby appoint"**, and provide the name and contact details of the person you wish to attend the Shareholders' Meeting and vote on your behalf.

In any case, **you must fill out, date, sign and return the form, using the pre-paid envelope enclosed**, as follows:

- **if you hold REGISTERED shares**, to the centralising bank appointed to act on behalf of the Company, at the following address:  
Société Générale – Service des Assemblées  
CS 30812  
44308 Nantes Cedex 03 – France;
- **if you hold BEARER shares**, to the financial intermediary who holds your bearer share account (who will forward the form, together with the certificate of shareholding, which they will have prepared).

**Only voting forms duly filled out, dated, signed and received by Société Générale no later than Monday 6 November 2017 will be taken into account.**

## YOU WISH TO VOTE BY INTERNET

The Company is offering its shareholders (who hold at least one PERNOD RICARD share) the option of voting by Internet prior to the Shareholders' Meeting, under the following conditions:

- **if you hold REGISTERED shares (pure or administered): log on to the secure Sharinbox website, [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com)**, using your Sharinbox access code (mentioned in the voting form) and the password sent to you by post by Société Générale Securities Services. Then, follow the on-screen instructions;
- **if you hold BEARER shares**, log on to the financial intermediary's website holder of your account using your usual access codes and click on the icon that appears on the line corresponding to your PERNOD RICARD shares to access the VOTACCESS website. Then, follow the on-screen instructions.

Only shareholders holding bearer shares and whose financial intermediary uses the VOTACCESS system may vote by Internet.

You may also appoint or withdraw a proxy via Internet: in order to do so, log on to the secure dedicated websites in accordance with the procedures outlined above and follow the on-screen instructions.

In order to be taken into account, said appointment or withdrawal of your proxy via Internet must be made no later than Wednesday 8 November 2017 at 3:00 p.m. (Paris time).

Shareholders may access the **secure dedicated websites** from **Wednesday 25 October 2017, 9:00 a.m. (Paris time), until Wednesday 8 November 2017, 3:00 p.m. (Paris time)** i.e. the last business day before the Shareholders' Meeting.

Shareholders are advised not to wait until the last few days to vote, in order to avoid any Internet access difficulties.

### WHERE TO FIND ALL USEFUL DOCUMENTS FOR THE SHAREHOLDERS' MEETING:

All documents made available to shareholders can be consulted and downloaded on the Pernod Ricard website (under Investors/General Shareholders' Meeting/2017 Shareholders' Meeting):  
<http://pernod-ricard.com/15123>

## HOW TO GET TO THE SHAREHOLDERS' MEETING

### Metro

- Line 2, Stop Ternes
- Line 1, 6 and RER A, Stop Charles-de-Gaulle-Étoile

### Bus

- Lines 43 and 93, Stop Hoche Saint-Honoré
- Lines 30 and 31, Stop Place des Ternes

### Car park

- 18, avenue Hoche
- 22 bis, avenue de Wagram
- 38, avenue des Ternes and 4, avenue des Ternes

### Vélib rental bike station

- 10, avenue Bertie Albrecht
- 87, boulevard de Courcelles
- 5, place des Ternes

### Autolib rental car station

- 31, avenue Hoche
- 87, boulevard de Courcelles



## HOW TO FILL OUT THE VOTING FORM

**A**

### To attend the Meeting

Tick box **A**.

**B**

**If you do not wish to attend the General Meeting,** tick the appropriate Box **B1, B2 or B3.**

Single voting right	Double voting right for shareholders with registered shares held for at least 10 years
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**IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**

Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - **Whichever option is used, shade box(es) like this , date and sign at the bottom of the form**

A. Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / **I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.**

B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / **I prefer to use the postal voting form or the proxy form as specified below.**

**Assemblée Générale Mixte**  
**du 9 novembre 2017 à 14h00**  
 Salle Pleyel  
 252 rue du Faubourg St Honoré - 75008 Paris

**Combined General Meeting**  
**convened of November 9, 2017 at 2.00 PM**  
 Salle Pleyel  
 252 rue du Faubourg St Honoré - 75008 Paris

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account	Nominatif Registered	Vote simple Single vote
Nombre d'actions Number of shares	Porteur Bearer	Vote double Double vote
Nombre de voix - Number of voting rights		

**B1** **JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. au verso (2) - See reverse (2)

<p>Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci  la case correspondante et pour lesquels je vote NON ou je m'abtiens.</p> <p><b>I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this  , for which I vote NO or I abstain.</b></p>	<p>Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directeur ou la Gérance, je vote en noircissant comme ceci  la case correspondant à mon choix.</p> <p><b>On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this .</b></p>
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									Oui / Yes	Non/No										Oui / Yes	Non/No
									Abst/Abs											Abst/Abs	
1	2	3	4	5	6	7	8	9			A			F							
10	11	12	13	14	15	16	17	18			B			G							
19	20	21	22	23	24	25	26	27			C			H							
28	29	30	31	32	33	34	35	36			D			J							
37	38	39	40	41	42	43	44	45			E			K							

Si des amendements ou des résolutions nouvelles étaient présentées en assemblée / If amendments or new resolutions are proposed during the meeting  
 - Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.....   
 - Je m'abtiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to vote NO).....   
 - Je donne procuration [cf. au verso renvoi (6)] à M. Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint (see reverse (6)) Mr, Mrs or Miss, Corporate Name to vote on my behalf.....

Pour être prise en considération, toute formule doit parvenir au plus tard : / In order to be considered, this completed form must be returned at the latest:

**B2** **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Cf. au verso (3) - See reverse (3)

**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
 See reverse (3)

**B3** **JE DONNE POUVOIR À : Cf. au verso (4)**  
**I HEREBY APPOINT: See reverse (4)**

M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

**ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.**  
**CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.**

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (5)  
 Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

**Whatever choice you have made, date and sign here\***

**Sharinbox access code (Registered Shareholders)**

Date & Signature

À la banque / to the bank      06/11/2017 / November 6th, 2017

### B1 To vote b y post

If applicable, shade the boxes of the resolutions you do not wish to approve

**B2 To appoint the Chairman of the General Meeting as your proxy**

**B3 To appoint any natural or legal persons as your proxy**

**WHATEVER CHOICE YOU HAVE  
MADE, PLEASE RETURN THE FORM,  
DULY FILLED OUT, DATED AND  
SIGNED AT THE BOTTOM, USING  
THE PREPAID ENVELOPE ENCLOSED,  
AS SOON AS POSSIBLE:**



- If you hold **REGISTERED** shares, to:  
Société Générale  
Service des Assemblées  
CS 30812  
44308 Nantes Cedex 03 – France
  - If you hold **BEARER** shares, to the intermediary who holds your bearer share account.

# 2

## Presentation of the Board of Directors



Mr Alexandre RICARD

**Chairman of the Board and Chief Executive Officer**

45 years old  
French citizen

**Date of first appointment:**  
29.08.2012

**Date of last renewal:**  
17.11.2016

**Date of expiry of term of office:**  
2020 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
57,556

### Offices held on 30 June 2017:

#### Within the Group

##### French companies

- Permanent representative of Pernod Ricard, Director of Pernod SAS and Ricard SAS
- Permanent representative of Pernod Ricard, Member of the Supervisory Committee of Pernod Ricard Europe, Middle East and Africa

##### Non-French companies

- Chairman of Suntory Allied Limited
- Director of Geo G. Sandeman Sons & Co. Ltd
- Director of Havana Club Holding SA
- Member of the Board of Directors ("Junta de Directores") of Havana Club International SA
- Manager of Havana Club Know-How SARL

#### Outside the Group

- Member of the Management Board of Société Paul Ricard
- Director of Le Delos Invest I
- Director of Le Delos Invest II
- Director of Bendor SA (Luxembourg)

## 2 PRESENTATION OF THE BOARD OF DIRECTORS



Mr Pierre PRINGUET

**Vice-Chairman of the Board of Directors**

67 years old  
French citizen

**Date of first appointment:**  
17.05.2004

**Date of last renewal:**  
17.11.2016

**Date of expiry of term of office:**  
2020 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
380,088

### Offices held on 30 June 2017:

- Director of Iliad\*
- Director of Cap Gemini\*
- Member of the Supervisory Board of Vallourec\*
- Director of Avril Gestion SAS (Avril Group)



Ms Nicole BOUTON

**Independent Director**

69 years old  
French citizen

**Date of first appointment:**  
07.11.2007

**Date of last renewal:**  
06.11.2015

**Date of expiry of term of office:**  
2019 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
1,150

### Offices held on 30 June 2017:

- Chairwoman of the Strategy Committee of Friedland Gestion
- Director of AMOC (Opéra Comique)



Mr Wolfgang COLBERG

**Independent Director**

57 years old  
German citizen

**Date of first appointment:**  
05.11.2008

**Date of last renewal:**  
17.11.2016

**Date of expiry of term of office:**  
2020 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
1,076

### Offices held on 30 June 2017:

- Industrial Partner, CVC Capital Partners (Germany)
- Chairman of the Board of Directors of ChemicalInvest Holding BV, Sittard (Netherlands)
- Chairman of the Board of AMSilk GmbH, Munich (Germany)
- Chairman of the Board of Efficient Energy GmbH, Munich (Germany)
- Member of the Regional Board of Deutsche Bank AG (Germany)

\* Listed company.





Mr Ian GALLIENNE

**Independent Director**

46 years old  
French citizen

**Date of first appointment:**  
09.11.2012

**Date of last renewal:**  
06.11.2014

**Date of expiry of term of office:**  
2018 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
1,000

**Offices held on 30 June 2017:**

- Managing Director of Groupe Bruxelles Lambert\* (Belgium)
- Director of Imerys\*
- Director of SGS SA\* (Switzerland)
- Director of Erbe SA (Belgium)
- Director of Adidas AG\* (Germany)



Mr César GIRON

**Director**

55 years old  
French citizen

**Date of first appointment:**  
05.11.2008

**Date of last renewal:**  
17.11.2016

**Date of expiry of term of office:**  
2020 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
5,587

**Offices held on 30 June 2017:****Within the Group**French companies

- Chairman & CEO of Martell Mumm Perrier-Jouët
- Chairman & CEO of Martell & Co SA
- Chairman & CEO of Champagne Perrier-Jouët
- Chairman & CEO of G.H. Mumm & Cie S.V.C.S.
- Chairman of Domaines Jean Martell
- Chairman of Augier Robin Briand & Cie
- Chairman of Le Maine au Bois
- Chairman of Financière Moulins de Champagne
- Chairman of Spirits Partners SAS
- Director of Société des Produits d'Armagnac SA
- Director of Mumm Perrier-Jouët Vignobles et Recherches

**Outside the Group**

- Member of the Management Board of Société Paul Ricard
- Director of Le Delos Invest I
- Director of Le Delos Invest II
- Director of Bendor SA (Luxembourg)

\* Listed company.

## 2 PRESENTATION OF THE BOARD OF DIRECTORS



Ms Martina GONZALEZ-GALLARZA

**Director**

48 years old  
Spanish citizen

**Date of first appointment:**  
25.04.2012

**Date of last renewal:**  
06.11.2014

**Date of expiry of term of office:**  
2018 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
1,100

### Offices held on 30 June 2017:

- N/A



Ms Anne LANGE

**Independent Director**

49 years old  
French citizen

**Date of first appointment:**  
20.07.2016

**Date of last renewal:**  
N/A

**Date of expiry of term of office:**  
2017 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
100

### Offices held on 30 June 2017:

- Director of Orange\*
- Director of the Imprimerie Nationale\*



Mr Paul-Charles RICARD

**Permanent representative of Société Paul Ricard <sup>(1)</sup>, Director**

35 years old  
French citizen

**Société Paul Ricard:**

**Date of first appointment:**  
09.06.1983

**Date of last renewal:**  
06.11.2013

**Date of expiry of term of office:**  
2017 Shareholders' Meeting

**Number of shares held on 30 June 2017 by Mr Paul-Charles Ricard:**  
182,226

**Number of shares held on 30 June 2017 by Société Paul Ricard:**  
24,579,562

### Offices held on 30 June 2017:

- Chairman of Le Delos Invest III (Société Paul Ricard)
- Member of the Supervisory Board of Société Paul Ricard (Mr Paul-Charles Ricard)

\* Listed company.

(1) Unlisted company, shareholder of Pernod Ricard.

N/A: Not applicable.



Mr Gilles SAMYN

**Independent Director**

67 years old  
Belgian and French citizen

**Date of first appointment:**  
06.11.2014

**Date of last renewal:**  
N/A

**Date of expiry of term of office:**  
2018 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
1,000

**Offices held on 30 June 2017:**

- Chairman of the Board of Transcor Astra Group SA (Belgium)
- Chairman of Cheval Blanc Finance SAS
- Chairman of the Board of Helio Charleroi Finance SA (Luxembourg)
- Managing Director of Domaines Frère-Bourgeois SA (Belgium)
- Managing Director of Frère-Bourgeois SA (Belgium)
- Managing Director of Erbe SA (Belgium)
- Director of Groupe Bruxelles Lambert SA\*, (GBL) (Belgium)
- Director of Pargesa Holding SA\* (Switzerland)
- Member of the Supervisory Board of Métropole Télévision (M6) SA\*
- Director of AOT Holding Ltd (Switzerland)
- Director of Banca Leonardo SpA (Italy)
- Manager of Sienna Capital SARL (Luxembourg)
- Permanent Representative of Compagnie Immobilière de Roumont SA, Director of Bss Investments SA (Belgium)
- Permanent Representative of Société des Quatre Chemins SA, Managing Director of Carpar SA (Belgium)
- Permanent Representative of Société des Quatre Chemins SA, Chairman of Fibelpar SA (Belgium)
- Alternate Director of Cheval des Andes SA, ex-Opéra Vineyards SA (Argentina)
- Chairman of Compagnie Immobilière de Roumont SA (Belgium)
- Chairman of Compagnie Nationale à Portefeuille SA (Belgium)
- Chairman of Europart SA (Belgium)
- Chairman of the Board of Filux SA (Luxembourg)
- Managing Director of Financière de la Sambre SA (Belgium)
- Chairman of the Board of Finer SA, ex-Erbe Finance SA (Luxembourg)
- Manager of Gosa SDC (Belgium)
- Permanent Representative of Frère-Bourgeois SA, Manager of GBL Energy SaRL (Luxembourg)
- Director of Grand Hôpital de Charleroi ASBL (Belgium)
- Managing Director of Investor SA (Belgium)
- Chairman of the Board of Directors of Kermadec SA (Luxembourg)
- Managing Director of Loverval Finance SA, ex-Compagnie Nationale à Portefeuille SA (Belgium)
- *Commissaris* of Parjointco NV (Netherlands)
- Director of Société Civile du Château Cheval Blanc
- Managing Director of Société des Quatre Chemins SA (Belgium)
- Director of Stichting Administratiekantoor Frère-Bourgeois (Netherlands)
- Chairman of Swilux SA (Luxembourg)
- Manager of Astra Oil Company LLC (AOC) (United States)
- Director of Astra Transcor Energy NV (ATE) (Netherlands)
- Chairman of TAGAM AG (Switzerland)
- Chairman of Worldwide Energy Ltd AG (Switzerland)

\* Listed company.

N/A: Not applicable.

## 2 PRESENTATION OF THE BOARD OF DIRECTORS



Ms Kory SORENSON

**Independent Director**

48 years old  
British citizen

**Date of first appointment:**  
06.11.2015

**Date of last renewal:**  
N/A

**Date of expiry of term of office:**  
2019 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
1,000

### Offices held on 30 June 2017:

- Director of Phoenix Group Holdings\* (Great Britain)
- Director of SCOR SE\*
- Director of SCOR Global Life Americas Reinsurance Company (United States)
- Director of SCOR Global Life USA Reinsurance Company (United States)
- Director of Aviva Insurance Limited (Great Britain)
- Member of the Supervisory Board of UNIQA Insurance Group AG\* (Austria)
- Member of the Supervisory Board of Château Troplong Mondot
- Member of the Supervisory Board of Bank Gutmann (Austria)



Ms Veronica VARGAS

**Director**

36 years old  
Spanish citizen

**Date of first appointment:**  
11.02.2015

**Date of last renewal:**  
N/A

**Date of expiry of term of office:**  
2017 Shareholders' Meeting

**Number of shares held on 30 June 2017:**  
6,820

### Offices held on 30 June 2017:

- Permanent representative of Rigivar SL, member of the Supervisory Board of Société Paul Ricard

\* Listed company.  
N/A: Not applicable.



Mr Sylvain CARRÉ

Director representing the employees

51 years old  
French citizen**Date of first appointment:**  
02.12.2013**Date of last renewal:**  
N/A**Date of expiry of term of office:**  
02.12.2017**Number of shares held on 30 June 2017:**  
N/A**Offices held on 30 June 2017:**

■ N/A



Mr Manousos CHARKOFTAKIS

Director representing the employees

47 years old  
Greek citizen**Date of first appointment:**  
28.11.2013**Date of last renewal:**  
N/A**Date of expiry of term of office:**  
28.11.2017**Number of shares held on 30 June 2017:**  
50**Offices held on 30 June 2017:**

■ N/A

N/A: Not applicable.

# 3

## Presentation of the Directors whose renewal is proposed

### 5<sup>TH</sup> RESOLUTION



Ms Anne LANGE

**Independent Director**

49 years old  
French citizen

**Business address:**  
12, place des États-Unis – 75116 Paris (France)

**Number of shares held on 30 June 2017:**  
100

A French citizen and graduate of the Institut d'Études Politiques of Paris and of the École Nationale d'Administration (ENA), Ms Anne Lange began her career within the office of the Prime Minister as Director of the State-Controlled Broadcasting Office. In 1998, she joined Thomson as Manager of Strategic Planning before being appointed Head of the eBusiness Europe Department in 2000. In 2003, Ms Anne Lange took up the function of General Secretary of the Rights on the Internet Forum, a public body reporting to the office of the Prime Minister. From 2004 to 2014, she went on to successively hold the positions of Director of Public Sector Europe, Executive Director Media and Public Sector Operations (in the USA) and then Innovation Executive Director within the Internet Business Solution Group division at Cisco.

She is currently co-founder and CEO of Mentis, a company which develops applications and platforms in the field of connected objects and collaborates with groups on mobility solutions and management of urban spaces. She is a Director of Orange and the Imprimerie Nationale.

Ms Anne Lange has expertise in innovation and digital technology which she has developed for 20 years in both private and public sectors.

Ms Anne Lange has been a Director of Pernod Ricard since 2016.

#### Offices held on 30 June 2017:

- Director of Orange\*
- Director of the Imprimerie Nationale\*

#### Offices that have expired over the last five years:

- N/A

\* Listed company.  
N/A: Not applicable.

6<sup>TH</sup> RESOLUTION

Ms Veronica VARGAS

**Director**

36 years old  
Spanish citizen

**Business address:**  
12, place des États-Unis – 75116 Paris (France)

**Number of shares held on 30 June 2017:**  
6,820

Ms Veronica Vargas received a MEng degree in Industrial Engineering from the “Escuela Técnica Superior de Ingenieros” (Seville, Spain) and completed her degree in France at École Centrale Paris (ECP).

Ms Veronica Vargas started her professional career at the beginning of 2007 at Société Générale Corporate & Investment Banking in Paris as part of the “Strategic and Acquisition Finance” team. She joined the London team in 2009, where she continues to be involved in advising clients on all aspects related to the optimisation of their capital structure, as well as executing strategic transactions to support clients’ key business needs, including acquisitions, spin-offs, share buybacks, and other strategic transactions.

Ms Veronica Vargas is a great-granddaughter of Mr Paul Ricard, the founder of Société Ricard, and has been a permanent representative of Rigivar SL Company, a member of the Supervisory Board of Société Paul Ricard since 2009.

Ms Veronica Vargas has been a Director of Pernod Ricard since 2015.

**Offices held on 30 June 2017:**

- Permanent representative of Rigivar SL, member of the Supervisory Board of Société Paul Ricard

**Offices that have expired over the last five years:**

- N/A

7<sup>TH</sup> RESOLUTION

Mr Paul-Charles RICARD

**Permanent representative of Société Paul Ricard <sup>(1)</sup>, Director**

35 years old  
French citizen

**Business address:**  
Martell Mumm Perrier-Jouët  
112, avenue Kléber – 75116 Paris (France)

**Number of shares held on 30 June 2017 by Mr Paul-Charles Ricard:**  
182,226

**Number of shares held on 30 June 2017 by Société Paul Ricard:**  
24,579,562

Mr Paul-Charles Ricard graduated from Euromed Marseille Business School with a Master’s in Management Science, and from Panthéon-Assas Paris 2 University with a Master 2 in Communications (Media Law) and a Master’s in Business Law. He joined Pernod Ricard in 2008 as an Internal Auditor in the Audit and Business Development Department at the Headquarters. In 2010, Mr Paul-Charles Ricard was appointed G.H. Mumm International Brand Manager at Martell Mumm Perrier-Jouët before being appointed Group Innovation Manager.

Mr Paul-Charles Ricard is a grandson of Mr Paul Ricard, the founder of Société Ricard.

He has been the permanent representative of Société Paul Ricard (Director of the Board of Pernod Ricard) since 29 August 2012.

**Offices held on 30 June 2017:**

- Chairman of Le Delos Invest III (Société Paul Ricard)
- Member of the Supervisory Board of Société Paul Ricard (Mr Paul-Charles Ricard)

**Offices that have expired over the last five years:**

- N/A

(1) Unlisted company, shareholder of Pernod Ricard.  
N/A: Not applicable.

  
**WORLD  
No. 1**  
 for Premium  
 and Prestige spirits <sup>(a)</sup>

  
**86**  
**MARKET  
COMPANIES**  
 spread across three regions

  
**86%** of affiliates  
 have implemented at least  
 one action to promote  
**RESPONSIBLE  
DRINKING**

  
**96** production  
**SITES** <sup>(b)</sup>

  
**17%**  
 reduction in water  
 consumption <sup>(c)</sup>

  
**27%**  
 reduction  
 in CO<sub>2</sub> emissions <sup>(c)</sup>

# 4

## The Group in 2016/17

### PERNOD RICARD AT A GLANCE

RESULTS FOR THE YEAR 2016/17:  
 STRONG YEAR: BUSINESS ACCELERATING

**Alexandre Ricard, Chairman and CEO, declared,**



*FY17 was a strong year, delivering Profit from Recurring Operations in line with guidance together with an excellent cash performance. These results demonstrate that the strategic direction the Group adopted 2 years ago is delivering: growth is accelerating and diversifying through successful activation of our strategy.*

*In FY18, we will continue to implement our roadmap, in particular focusing on digital, innovation and operational excellence. We are confident that we will continue improving our business performance. As a consequence, our guidance for FY18 is organic growth in Profit from Recurring Operations between +3% and +5%.*



#### Key Figures

€ million	Net sales	Profit from Recurring Operations	Group Net Profit from Recurring Operations <sup>(3)</sup>	Group Net Profit and proposed dividend
<b>FY17</b>	<b>9,010</b>	<b>2,394</b> 26.6% <sup>(1)</sup>	<b>1,483</b>	<b>FY17</b> 1,393 <b>€2.02 per share <sup>(4)</sup></b>
Organic growth <sup>(2)</sup>	+3.6%	+3.3%	+5%	
Reported growth	+4%	+5%	+7%	
<b>FY16</b>	<b>8,682</b>	<b>2,277</b> 26.2% <sup>(1)</sup>	<b>1,381</b>	<b>FY16</b> 1,235 <b>€1.88 per share</b>

(1) Operating margin.

(2) Organic growth is defined on page 23 of this document.

(3) Group Net Profit from Recurring Operations: Profit from Recurring Operations, adjusted for financial result from recurring operations, recurring income tax, share of net result of associates, profit from assets held for sale, and non-controlling interest.

(4) Dividend proposed for approval by the Shareholders' Meeting of 9 November 2017.



## AN INTERNATIONAL AND DECENTRALISED GROUP



## AMERICA

**€2,661M**  
**€790M**  
**3,668 (d)**



## EUROPE

**€2,781M**  
**€604M**  
**9,169 (d)**



## ASIA/REST OF THE WORLD

**€3,568M**  
**€1,000M**  
**5,491 (d)**

The decentralised model which characterises Pernod Ricard is a major strategic advantage that enables the Group to seize every opportunity for growth. This highly flexible organisation, based on proximity to consumers and customers, has proven its effectiveness.

The Group is present in the three major regions of the world, both in mature and emerging markets. This is a real competitive advantage, making it well positioned to benefit from future growth drivers.

(a) Source: "The Pernod Ricard Market View", based on IWSR volume data at end 2016.

(b) Number of sites operating as of 30 June 2017.

(c) Reduction per unit of production between FY 2009/10 and FY 2016/17.

(d) Average workforce during the FY 2016/17.

(e) Source: Impact Databank 2016, published in March 2017.

(f) Source: "iSay" survey 2017.

## A UNIQUE PORTFOLIO OF PREMIUM BRANDS

Pernod Ricard has built a unique portfolio of Premium brands on an international scale that is one of the most comprehensive on the market. This portfolio is managed thanks to the "House of Brands", a dynamic tool that allows our affiliates to more easily prioritise their marketing investments.



**€9,010M**  
in net sales



**€2,394M**  
Group net profit from  
recurring operations



**18,328**  
employees (d)



**WORLD**  
**No. 2**  
for wines and spirits



**16**  
**BRANDS**  
amongst the world's  
top 100 (e)



**94%**  
of employees are  
**PROUD**  
to be part of  
PERNOD RICARD (f)

## KEY FIGURES FROM THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### INCOME STATEMENT

€ million	30.06.2015	30.06.2016	30.06.2017
Net sales	8,558	8,682	9,010
Gross margin after logistics expenses	5,296	5,371	5,602
Advertising and promotion expenses	(1,625)	(1,646)	(1,691)
Contribution after advertising and promotion investments	3,671	3,725	3,912
Profit from Recurring Operations	2,238	2,277	2,394
Operating Profit	1,590	2,095	2,232
Financial Income/(expense)	(489)	(432)	(374)
Corporate income tax	(221)	(408)	(438)
Share of Net Profit/(loss) of associates	0	0	1
<b>NET PROFIT</b>	<b>880</b>	<b>1,255</b>	<b>1,421</b>
Including:			
■ Non-controlling interests	19	20	28
■ Group share	861	1,235	1,393
Earnings per share – basic (€)	3.26	4.68	5.27
Earnings per share – diluted (€)	3.24	4.65	5.25

### BALANCE SHEET

€ million	30.06.2015	30.06.2016	30.06.2017
<b>Assets</b>			
Non-current assets	22,978	23,310	22,557
<i>Of which intangible assets</i>	17,706	17,572	17,152
Current assets	7,419	7,282	7,521
Assets held for sale	1	6	10
<b>TOTAL ASSETS</b>	<b>30,398</b>	<b>30,598</b>	<b>30,088</b>
<b>Liabilities and shareholders' equity</b>			
Consolidated shareholders' equity	13,288	13,506	13,886
Non-current liabilities	11,972	12,137	11,946
Current liabilities	5,138	4,955	4,256
Liabilities held for sale	-	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>30,398</b>	<b>30,598</b>	<b>30,088</b>

## NET FINANCIAL DEBT

€ million	30.06.2015	30.06.2016	30.06.2017
Gross non-current financial debt	7,459	7,335	7,379
Gross financial debt from Recurring Operations	2,052	2,027	1,165
Non-current hedging instruments – assets	(51)	(77)	(9)
Hedging Instruments from Recurring Operations – assets	(15)	-	(6)
Non-current derivative instruments – liabilities	-	-	-
Derivative instruments from recurring operations – liabilities	121	-	(2)
Cash and cash equivalents	(545)	(569)	(677)
<b>NET FINANCIAL DEBT</b>	<b>9,021</b>	<b>8,716</b>	<b>7,851</b>
Free Cash Flow <sup>(1)</sup>	808	1,061	1,299

(1) The calculation of Free Cash Flow is set out in the subsection "Net debt".

## CASH FLOW STATEMENT

€ million	30.06.2015	30.06.2016	30.06.2017
Self-financing capacity before financing interest and taxes	2,220	2,315	2,493
Net interest paid	(455)	(408)	(363)
Net income tax paid	(538)	(393)	(408)
Decrease/(increase) in working capital requirements	(193)	(178)	(79)
<b>Net change in cash flow from operating activities</b>	<b>1,035</b>	<b>1,336</b>	<b>1,642</b>
<b>Net change in cash flow from investment activities</b>	<b>(264)</b>	<b>(359)</b>	<b>(293)</b>
<b>Net change in cash flow from financing activities</b>	<b>(735)</b>	<b>(928)</b>	<b>(1,156)</b>
Cash flow from discontinued operations	-	-	-
Foreign currency translation adjustments	32	(25)	(86)
<b>Cash and cash equivalents at start of period</b>	<b>477</b>	<b>545</b>	<b>569</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>545</b>	<b>569</b>	<b>677</b>

## ANALYSIS OF BUSINESS ACTIVITY AND RESULTS

Pernod Ricard uses alternative performance indicators when conducting an analysis of its activity. These indicators are set out on page 23.

**In 2016/17, Pernod Ricard delivered a strong year with business accelerating, on track to deliver mid-term roadmap with:**

- an organic top line growth accelerating: +3.6% <sup>(1)</sup>, getting closer to the mid-term objective of +4% to +5%;
- a solid Profit from Recurring Operations (PRO) organic growth: +3.3% <sup>(1)</sup>, in higher part of +2% to +4% guidance bracket, despite unexpected regulatory changes in India;
- operating margin up +35bps thanks to FX;
- an increase of +13% <sup>(2)</sup> in Net Profit <sup>(2)</sup>;
- very significant improvement in cash flow generation and deleveraging:
  - very strong Free Cash Flow: +22%, reaching historic high, with +61% in two years, particularly thanks to operational efficiency initiatives,
  - significant deleveraging: Net Debt/EBITDA ratio at 3.0, -0.4 down vs. FY16,
  - Net Debt down -€0.9bn to €7.9bn,

Furthermore, in 2016/17, there was:

- an increase in Profit from Recurring Operations growth of +8% <sup>(1)</sup> in the Americas, +1% <sup>(1)</sup> in Asia/Rest of World and +1% <sup>(1)</sup> in Europe;
- a stability <sup>(1)</sup> of the gross margin: the mix turned positive (mainly due to Jameson and Martell), pricing was still muted and Costs of Goods Sold were tightly managed thanks to operational efficiency initiatives ;
- a proposed dividend per share of €2.02, a +7% increase compared with the previous year. This represents a pay-out ratio of 36%, in line with the customary distribution policy in cash of approximately one-third of Group Net Profit from Recurring Operations.

## PRESENTATION OF RESULTS

### Group Net Profit per share from Recurring Operations – diluted

€ million	30.06.2016	30.06.2017
Number of shares in circulation – diluted	265,632,528	265,477,729
Profit from Recurring Operations	2,277	2,394
Operating margin	26.2%	26.6%
Financial income/(expense) from Recurring Operations	(422)	(376)
Corporate income tax on Recurring Operations	(455)	(509)
Profit from non-controlling interests, from discontinued operations and from share of net profit from equity associates	(20)	(27)
<b>GROUP NET PROFIT FROM RECURRING OPERATIONS <sup>(1)</sup></b>	<b>1,381</b>	<b>1,483</b>
<b>GROUP NET PROFIT PER SHARE FROM RECURRING OPERATIONS – DILUTED (€)</b>	<b>5.20</b>	<b>5.58</b>

(1) Profit from Recurring Operations adjusted for financial result from recurring operations, recurring income tax, share of net result of associates and profit from assets held for sale, as well as non-controlling interests.

(1) Organic growth is defined on page 23.

(2) Face value attributable to equity holders of the parent.

## Group Profit from Recurring Operations

Group € million	30.06.2016	30.06.2017	Reported growth		Organic growth <sup>(1)</sup>	
Net sales	8,682	9,010	327	4%	310	4%
Gross margin after logistics expenses	5,371	5,602	231	4%	192	4%
Advertising and promotion	(1,646)	(1,691)	(44)	3%	(47)	3%
Contribution after advertising and promotion expenses	3,725	3,912	187	5%	145	4%
<b>PROFIT FROM RECURRING OPERATIONS</b>	<b>2,277</b>	<b>2,394</b>	<b>118</b>	<b>5%</b>	<b>76</b>	<b>3%</b>

Americas € million	30.06.2016	30.06.2017	Reported growth		Organic growth <sup>(1)</sup>	
Net sales	2,476	2,661	185	7%	171	7%
Gross margin after logistics expenses	1,639	1,790	151	9%	114	7%
Advertising and promotion	(509)	(551)	(42)	8%	(39)	8%
Contribution after advertising and promotion expenses	1,130	1,239	109	10%	75	7%
<b>PROFIT FROM RECURRING OPERATIONS</b>	<b>706</b>	<b>790</b>	<b>84</b>	<b>12%</b>	<b>55</b>	<b>8%</b>

Asia/Rest of World € million	30.06.2016	30.06.2017	Reported growth		Organic growth <sup>(1)</sup>	
Net sales	3,498	3,568	70	2%	48	1%
Gross margin after logistics expenses	2,071	2,102	31	2%	22	1%
Advertising and promotion	(621)	(618)	3	-1%	3	0%
Contribution after advertising and promotion expenses	1,450	1,484	35	2%	25	2%
<b>PROFIT FROM RECURRING OPERATIONS</b>	<b>982</b>	<b>1,000</b>	<b>18</b>	<b>2%</b>	<b>13</b>	<b>1%</b>

Europe € million	30.06.2016	30.06.2017	Reported growth		Organic growth <sup>(1)</sup>	
Net sales	2,709	2,781	72	3%	91	3%
Gross margin after logistics expenses	1,662	1,710	49	3%	56	3%
Advertising and promotion	(516)	(522)	(5)	1%	(11)	2%
Contribution after advertising and promotion expenses	1,145	1,188	43	4%	45	4%
<b>PROFIT FROM RECURRING OPERATIONS</b>	<b>588</b>	<b>604</b>	<b>16</b>	<b>3%</b>	<b>8</b>	<b>1%</b>

(1) Organic growth is defined on page 23.

## ORGANIC GROWTH OF STRATEGIC INTERNATIONAL BRANDS

<i>In millions of 9-litre cases</i>	Volume 30.06.2016	Volume 30.06.2017	Organic growth <sup>(1)</sup> in net sales	Including Volume growth	Including Price/mix
Absolut	10.9	11.2	2%	3%	-1%
Chivas Regal	4.3	4.2	-3%	-2%	-1%
Ballantine's	6.5	6.7	3%	4%	-2%
Ricard	4.5	4.8	4%	5%	-1%
Jameson	5.7	6.5	15%	13%	2%
Havana Club	4.0	4.3	6%	7%	-1%
Malibu	3.4	3.6	5%	4%	1%
Beefeater	2.7	2.8	5%	4%	1%
Martell	2.1	2.1	6%	5%	1%
The Glenlivet	1.0	1.0	2%	1%	1%
Royal Salute	0.2	0.2	-3%	2%	-5%
Mumm	0.7	0.8	3%	2%	0%
Perrier-Jouët	0.3	0.3	11%	8%	3%
<b>STRATEGIC INTERNATIONAL BRANDS</b>	<b>46.4</b>	<b>48.6</b>	<b>4%</b>	<b>5%</b>	<b>0%</b>

(1) Organic growth is defined on page 23.

Full-year sales <sup>(1)</sup> were €9,010 million, representing reported growth of +4%, as a result of:

- organic growth of +3.6% <sup>(2)</sup>, an acceleration from the previous year, driven by Strategic International Brands;
- a currency effect of +€19 million over the year, linked to the strengthening of the US dollar and Russian Ruble against the euro, offset by weakening in the UK Pound Sterling and Chinese Renminbi;
- a slightly negative scope effect of €(2) million;

All Regions grew and improved their Sales growth <sup>(2)</sup>:

- Americas were up 7% <sup>(2)</sup>, with the acceleration <sup>(2)</sup> driven by good performance in the USA and across South America. The performance of the Group in the USA was driven in particular by strong results from

Jameson, Martell, Malibu and Altos <sup>(2)</sup>, while Absolut, in a worsening category, remained in decline. Very dynamic growth of +11% <sup>(2)</sup> was reported in other markets in the region;

- Asia/Rest of World saw modest growth of +1% <sup>(2)</sup> with a return to growth <sup>(2)</sup> in China and Travel Retail Asia, but a temporary deceleration <sup>(2)</sup> in India due to the regulatory changes (demonetisation and highway ban), and continued strong decline in Korea. The rebound in China, returning to growth <sup>(2)</sup> for the first time since FY13, was driven by Martell, which delivered +6% <sup>(2)</sup>, with growth across the whole range;
- Europe posted +3% <sup>(2)</sup> with solid growth <sup>(2)</sup> in Western Europe (+2% <sup>(2)</sup>) and very dynamic growth in Eastern Europe (+11% <sup>(2)</sup>).

(1) Net sales less excise duties (see Accounting Policies in the Notes to the consolidated financial statements, Note 2: Segment information – "Net sales" of the Registration Document 2016/17).

(2) Organic growth is defined on page 23.

## CONTRIBUTION AFTER ADVERTISING & PROMOTION INVESTMENTS

The gross margin (after logistics expenses) amounted to €5,602 million, with an increase of +4% <sup>(1)</sup>, due to:

- mix turning positive due mainly to Jameson and Martell;
- pricing still muted;
- tight management of Costs of Goods Sold (COGS) thanks to operational efficiency initiatives but some adverse one-offs (Grain Neutral Spirit and agave cost increases...)

Advertising and Promotion investments were up +3% <sup>(1)</sup> to €1,691 million, with an A&P/Sales ratio stable at c.19%. The operational excellence initiatives are driving stronger efficiency.

## PROFIT FROM RECURRING OPERATIONS

Profit from Recurring Operations was up +3.3% <sup>(1)</sup>, broadly in line with the increase <sup>(1)</sup> in net sales, to reach €2,394 million. Structure costs were tightly managed with an increase of 5% <sup>(1)</sup>, (+3% <sup>(1)</sup> excluding Other income and expenses) thanks to operational excellence initiatives. The currency effect (+2%, or +€47 million) was from the positive impact of the US Dollar, UK Pound Sterling and Russian Ruble but offset by the Chinese Renminbi. The scope effect remained limited (-0%, or €(6) million).

## FINANCIAL INCOME/(EXPENSE)

Financial expenses from recurring operations were €(376) million, compared with €(422) million the previous period. The cost of debt stood at 3.8% for the year, compared with 4.1% for the 2015/16 financial year. For 2017/18, the average cost of debt should remain stable at c. 3.8%.

The debt structure at 30 June 2017 was as follows:

- the bond portion was approximately 82% of gross debt;
- the fixed rate portion was 68% of total debt;
- the maturity of gross debt at the end of June 2017 was six years and 11 months;
- the Group had €0.7 billion in cash and €2.2 billion in available credit facilities (undrawn syndicated loan at 30 June 2017);
- structuring the debt by currency (USD: 55%) provides a natural hedging mechanism with debt by currency matched with cash flow by currency.

## GROUP NET PROFIT FROM RECURRING OPERATIONS

Tax on Profit from Recurring Operations stood at €(509) million, giving a current effective rate of tax of 25.2% (compared with 24.5% at 30 June 2016). Non-controlling interests amounted to €(28) million.

Group Net Profit from Recurring Operations reached €1,483 million, up by +7% compared to the 2015/16 financial year. Diluted Net Profit per share from Recurring Operations stood at €5.58, up +7%.

## GROUP NET PROFIT

Other non-recurring operating income and expenses amounted to €(163) million. Non-current financial income (expense) amounted to a net income of €3 million. Corporate income tax on non-recurring item as amounted to Net income of €71 million.

Accordingly, Group Net Profit stood at €1,393 million, up +13% on 2016/17.

(1) Organic growth is defined on page 23.

## NET DEBT

**Reconciliation of Net financial debt** – The Group uses net financial debt in the management of its cash and its net debt capacity. A reconciliation of net financial debt and the main balance sheet items is provided in Note 4.9 – *Financial instruments* in the Notes to the annual consolidated financial statements. The following table shows the change in net debt over the year:

€ million	30.06.2016	30.06.2017
<b>Profit from Recurring Operations</b>	<b>2,277</b>	<b>2,394</b>
Other operating income and expenses	(182)	(163)
■ Depreciation of fixed assets	219	219
■ Net change in impairment of goodwill, property, plant and equipment and intangible assets	107	75
■ Net change in provisions	(76)	(59)
■ Restatement of contributions to pension funds acquired from Allied Domecq	43	7
■ Fair value adjustments on commercial derivatives and biological assets	(4)	(14)
■ Net (gain) loss on disposal of assets	(59)	6
■ Share-based payments	32	34
<b>Sub-total of depreciation of fixed assets, change in provisions and others</b>	<b>263</b>	<b>268</b>
<b>SELF-FINANCING CAPACITY BEFORE FINANCING INTEREST AND TAX <sup>(1)</sup></b>	<b>2,358</b>	<b>2,499</b>
Decrease/(increase) in working capital requirements	(178)	(79)
Net interest and tax payments	(801)	(771)
Net acquisitions of non-financial assets and other	(317)	(350)
<b>FREE CASH FLOW</b>	<b>1,061</b>	<b>1,299</b>
of which Free Cash Flow from recurring operations	1,200	1,471
Net disposals of financial assets and activities, contributions to pension funds acquired from Allied Domecq	(85)	50
Change in the scope of consolidation	-	-
■ Capital increase and other changes in shareholders' equity	-	-
■ Dividends and interim dividends paid	(497)	(511)
■ (Acquisition)/Disposal of treasury shares	(18)	(36)
<b>Sub-total of dividends, purchase of treasury shares and other</b>	<b>(515)</b>	<b>(547)</b>
<b>DECREASE/(INCREASE) IN DEBT (BEFORE FOREIGN CURRENCY TRANSLATION ADJUSTMENTS)</b>	<b>461</b>	<b>802</b>
Foreign currency translation adjustments	(157)	62
<b>DECREASE/(INCREASE) IN DEBT (AFTER FOREIGN EXCHANGE IMPACT)</b>	<b>305</b>	<b>865</b>
Net debt at beginning of period	(9,021)	(8,716)
Net debt at end of period	(8,716)	(7,851)

(1) Excluding investments in pension funds acquired from Allied Domecq.

## OUTLOOK

Continued execution of consistent strategy, as outlined during the June 2015 Capital Market Day, and confidence in ability to deliver medium-term objectives:

- Organic top line growth +4% to +5%;
- Profit from Recurring Operations organic margin improvement.

For 2017/18, the Group expects:

- good sales growth to continue in USA, China, Europe, Jameson and innovation;

- sales to improve vs. FY17 in India and for Chivas;
- continued focus on operational efficiency with new initiatives ramping up;
- continued strong cash generation.

For 2017/18, the FX impact on Profit from Recurring Operations is estimated at c. €(125) million, based on average FX rates for full FY18 projected on 22 August 2017, particularly a EUR/USD rate of 1.18.

**The guidance for 2017/18 is organic growth in Profit from Recurring Operations between +3% and +5%.**



## DEFINITIONS AND LINK-UP OF ALTERNATIVE PERFORMANCE INDICATORS WITH IFRS INDICATORS

Pernod Ricard's management process is based on the following non-IFRS measures which are chosen for planning and reporting. The Group's management believes these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These non-IFRS measures should be considered as complementary to the comparable IFRS measures and reported movements therein.

### Organic growth

Organic growth is calculated after excluding the impacts of exchange rate movements and acquisitions and disposals.

Exchange rates impact is calculated by translating the current year results at the prior year's exchange rates.

For acquisitions in the current year, the post-acquisition results are excluded from the organic movement calculations. For acquisitions in the prior year, post-acquisition results are included in the prior year but are included in the organic movement calculation from the anniversary of the acquisition date in the current year.

Where a business, brand, brand distribution right or agency agreement was disposed of, or terminated, in the prior year, the Group, in the organic movement calculations, excludes the results for that business from the prior year. For disposals or terminations in the current year, the Group excludes the results for that business from the prior year from the date of the disposal or termination.

This measure enables to focus on the performance of the business which is common to both years and which represents those measures that local managers are most directly able to influence.

### Free Cash Flow

Free Cash Flow comprises the net cash flow from operating activities excluding the contributions to Allied Domecq pension plans, aggregated with the proceeds from disposals of property, plant and equipment and intangible assets and after deduction of the capital expenditures.

### "Recurring" indicators

The following 3 measures represent key indicators for the measurement of the recurring performance of the business, excluding significant items that, because of their nature and their unusual occurrence, cannot be considered as inherent to the recurring performance of the Group:

#### ■ Recurring Free Cash Flow:

Recurring Free Cash Flow is calculated by restating Free Cash Flow from non-recurring items.

#### ■ Profit from Recurring Operations:

Profit from Recurring Operations corresponds to the operating profit excluding other non-current operating income and expenses.

#### ■ Group share of Net Profit from Recurring Operations:

Group share of Net Profit from Recurring Operations corresponds to the Group share of Net Profit excluding other non-current operating income and expenses, non-recurring financial items and corporate income tax on non-recurring items.

### Net Debt

Net Debt, as defined and used by the Group, corresponds to total gross debt (translated at the closing rate), including fair value and net foreign currency assets hedging derivatives (hedging of net investments and similar), less cash and cash equivalents.

### EBITDA

EBITDA stands for "earnings before interest, taxes, depreciation and amortization". EBITDA is an accounting measure calculated using the Group's Profit from Recurring Operations excluding depreciation and amortization on operating fixed assets.

## ANALYSIS OF PERNOD RICARD SA RESULTS

### RELATIONS BETWEEN THE PARENT COMPANY AND ITS AFFILIATES

The main role of Pernod Ricard SA, the Group's Parent Company, is to carry out general interest and coordination activities in strategy, financial control of affiliates, external growth, marketing, development, research, Human Resources and communication. Pernod Ricard SA's financial relations with its affiliates mainly involve the billing of royalties for the operation of brands owned by Pernod Ricard SA, various billings and the receipt of dividends.

### HIGHLIGHTS OF THE FINANCIAL YEAR

#### Bond redemption and new issues

On 14 June 2017, Pernod Ricard SA signed a new multi-currency syndicated loan agreement amounting to €2.5 billion.

On 15 March 2011, Pernod Ricard SA issued bonds totalling €1 billion, with a fixed interest rate of 5%. This issue was redeemed on 15 March 2017.

On 12 January 2012, Pernod Ricard SA issued US\$2.5 billion in bonds. This issue comprised three tranches, including one of US\$ 850 million, with a fixed interest rate of 2.95%. This tranche of US\$ 850 million was repaid on 15 January 2017.

### INCOME STATEMENT AND BALANCE SHEET AS AT 30 JUNE 2017

#### Analysis of the 2016/17 income statement

The operating income represents a total €183 million at 30 June 2017, an increase of €10 million compared with 30 June 2016, mainly due to rebillings to affiliates.

The amount of operating expenses as at 30 June 2017 is €(256) million compared with €(243) million in the previous year, *i.e.* a rise in expenses of €13 million. The main changes are explained by:

- an increase in taxes of €2 million;
- an increase in amortisation allowances and other operating expenses of €4 million and €7 million respectively.

The operating income amounted to €(74) million at 30 June 2017, *i.e.* a reduction of €(3) million compared to 30 June 2016.

The amount of financial income was €797 million at 30 June 2017, compared to €696 million at 30 June 2016. This increase of €101 million was mainly attributable to:

- the significant reduction in net financial interest charges of €58 million;
- a positive variation in the foreign exchange gains and losses of €361 million;
- a reduction in the dividends received from the consolidated and non-consolidated affiliates of €(116) million;
- a fall in the provisions and reversals of provisions for risks amounting to €(202) million.

The operating result before tax amounted to a profit of €723 million.

The extraordinary result as at 30 June 2017 represents a product of €129 million linked to a net profit on provisions and reversals for risk over the 2016/17 financial year amounting to €101 million and to expenses and ongoing products amounting to €28 million.

Lastly, the income tax item is made up of a tax product of €114 million relating to the effects of the tax consolidation over the 2016/17 period of €130 million and a charge of €(16) million related to the additional 3% tax on dividends.

As a result, net profit for the 2016/17 financial year was €967 million.

## Analysis of the 2016/17 balance sheet

### Assets

Total net fixed assets stood at €12,895 million on 30 June 2017 compared with €12,942 million for the previous year, *i.e.* a reduction of €(48) million. The main changes observed are as follows:

- an increase of €14 million in property, plant and equipment and intangible assets;
- a decrease of €(62) million in financial assets due primarily:
  - to provisions and reversals of provisions for €(72) million, particularly on the Pernod Ricard Central and South America securities for €(73) million,
  - to the €9 million variation in dividends receivable;

Current assets fell by €(768) million during the financial year. The main movements include:

- an increase of €18 million in trade receivables;
- a fall of €683 million in other receivables, due in particular to:
  - the repayment of debt in US dollars and euros by Pernod Ricard Finance over the period amounting to €(994) million,
  - the repayment of debt in US dollars by Austin Nichols & Co over the period amounting to €(798) million,
  - the establishment of debt in US dollars with Allied Domecq Westport Ltd amounting to €1,117 million;
- a reduction in cash amounting to €(133) million mainly attributable to the reduction in cash instruments;
- a €36 million rise in marketable securities.

The accruals and deferred income amounting to €637 million consist of the currency translation adjustment – Assets, bond redemption premiums and prepaid expenses, which decreased respectively by €(175) million, €(3) million and €(6) million between 30 June 2016 and 30 June 2017.

### Liabilities

Shareholders' equity amounted to €6,475 million at 30 June 2017, compared with €6,015 million at 30 June 2016. The main movements for the period were:

- profit for the financial year of €967 million;
- the payment of the balance of the dividend for the 2015/16 financial year of €259 million;
- the payment of an interim dividend of €0.94 per share in respect of the 2016/17 financial year, amounting to €249 million. This interim dividend was paid on 7 July 2017.

Provisions for risks and charges fell by €(10) million. This change was attributable to:

- a net reversal of provision for post-employment benefits of €51 million;
- a €61 million increase in the provision for foreign exchange losses;
- a €(20) million reduction in other provisions for risks.

During the period, financial debts of €(1,943) million fell, particularly as a result of:

- the repayment of a bond maturing on 15 January 2017 for US\$ (850) million, equivalent to €(766) million;
- the repayment of a bond maturing on 15 March 2017 for a total of €(1,000) million;
- the partial redemption of the loan from Mediobanca for €(30) million;
- the €147 million revaluation of US dollar-denominated bonds.

The €1,005 million increase in operating debts is explained primarily by:

- the increase in other debts amounting to €1,005 million, €990 million of which are an increase in the Pernod Ricard Finance current account, €(17) million in reduced intra-group creditors' tax current accounts and €21 million of dividends to pay;
- the €(4) million reduction in supplier payables and related accounts;
- the €5 million increase in tax and social security payables.

The accruals and deferred income of €487 million at 30 June 2017 are comprised of the currency translation adjustment – Liabilities item for €(506) million compared to 30 June 2016 following redemptions of receivables and debts denominated in US dollars.

## FINANCIAL RESULTS OVER THE LAST FIVE FINANCIAL YEARS

<i>in euros</i>	30.06.2013	30.06.2014	30.06.2015	30.06.2016	30.06.2017
<b>Financial position at year-end</b>					
Share capital	411,403,468	411,403,468	411,403,468	411,403,468	411,403,468
Number of shares outstanding	265,421,592	265,421,592	265,421,592	265,421,592	265,421,592
Number of convertible bonds in issue	-	-	-	-	-
Number of bonus shares granted on 16 January 2007 (dividend rights from 1 July 2006)	-	-	-	-	-
Number of shares created by the capital increase of 14 May 2009	-	-	-	-	-
Number of bonus shares granted on 18 November 2009 (dividend rights from 1 July 2009)	-	-	-	-	-
<b>Operating results</b>					
Sales (excluding taxes and duties)	1,457,195	699,007	72,349,685	137,322,737	147,044,350
Profit before taxes, amortisation, depreciation and allowances to provisions	(6,575,949)	343,291,521	1,564,703,879	547,695,859	926,378,106
Corporate income tax	299,024,699	167,807,564	143,419,324	160,415,191	114,461,535
Profit after taxes, amortisation, depreciation and allowances to provisions	380,968,585	462,677,928	1,614,768,789	764,078,429	966,776,001
Dividends distributed <sup>(1)</sup>	431,763,486	432,824,096	474,999,305	496,766,932	-
<b>Earnings per share</b>					
Profit after taxes, but before amortisation, depreciation and allowances to provisions	1.1	1.93	6.44	2.67	3.92
Profit after taxes, amortisation, depreciation and allowances to provisions	1.44	1.74	6.08	2.88	3.64
Dividend paid per share	1.64	1.63	1.80	1.88	- <sup>(1)</sup>
<b>Personnel</b>					
Number of employees	327	349	362	373	372
Total payroll	50,668,738	53,399,561	51,445,974	49,175,332	52,442,536
Employee-related benefits paid during the year	28,795,172	27,819,911	29,223,152	25,196,150	22,389,498

(1) The amount of the dividend of the 2016/17 financial year will be approved at the Shareholders' Meeting of 9 November 2017.

# 5

## Agenda

### ITEMS ON THE AGENDA FOR THE ORDINARY SHAREHOLDERS' MEETING

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1. Approval of the Parent Company financial statements for the financial year ended 30 June 2017
2. Approval of the consolidated financial statements for the financial year ended 30 June 2017
3. Allocation of the net result for the financial year ended 30 June 2017 and setting of the dividend
4. Approval of regulated agreements and commitments referred to in article L. 225-38 *et seq.* of the French Commercial Code
5. Renewal of the directorship of Ms Anne Lange
6. Renewal of the directorship of Ms Veronica Vargas
7. Renewal of the directorship of Société Paul Ricard SA represented by Mr Paul-Charles Ricard
8. Renewal of Cabinet Deloitte & Associés as Statutory Auditor
9. Setting of the annual amount of Directors' fees allocated to the members of the Board of Directors
10. Approval of the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO
11. Advisory vote on the elements of compensation due or granted for the 2016/17 financial year to Mr Alexandre Ricard, Chairman & CEO
12. Authorisation to be granted to the Board of Directors to repurchase the shares of the Company

### ITEMS ON THE AGENDA FOR THE EXTRAORDINARY SHAREHOLDERS' MEETING

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13. Authorisation to be granted to the Board of Directors for the purpose of reducing the share capital by cancelling treasury shares, subject to the limit of 10% of the share capital
14. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximum nominal amount of €135 million (approximately 32.81% of the share capital), through the issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of the preferential subscription right
15. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximum nominal amount of €41 million (approximately 9.96% of the share capital), through the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of the preferential subscription right, as part of an offer to the public at large
16. Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a share capital increase, with or without preferential subscription right subject to the limit of 15% of the initial share issue in accordance with the 14<sup>th</sup> and 15<sup>th</sup> resolutions
17. Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or conferring entitlement to receive allocations of debt securities, and/or securities granting access to equity securities to be issued, with cancellation of the preferential subscription right, through a private placement in accordance with article L. 411-2 II of the French Monetary and Financial Code, for a maximum nominal amount of €41 million (approximately 9.96% of the share capital)
18. Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital by way of remuneration of contributions in kind granted to the Company, subject to the limit of 10% of the share capital
19. Delegation of authority to be granted to the Board of Directors to issue ordinary and/or securities granting access to the Company's share capital, subject to the limit of 10% of the share capital, with cancellation of the preferential subscription right, in the event of a public offer initiated by the Company
20. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximum nominal amount of €135 million (approximately 32.81% of the share capital) by capitalisation of premiums, reserves, profits or other items
21. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase subject to the limit of 2% of the share capital through the issue of shares or securities granting access to the share capital, reserved for members of company savings plans with cancellation of the preferential subscription right in favour of the members of such savings plans
22. Powers to carry out the necessary legal formalities

# 6

## Report of the Board of Directors on the resolutions

You have been convened to the Shareholders' Meeting (Ordinary and Extraordinary) to vote on 22 resolutions, the purpose of which is described below.

### PRESENTATION OF THE RESOLUTIONS OF THE COMBINED SHAREHOLDERS' MEETING OF 9 NOVEMBER 2017

### RESOLUTIONS PRESENTED TO THE **ORDINARY** SHAREHOLDERS' MEETING

#### Approval of the annual financial statements and allocation of the results (1<sup>st</sup> to 3<sup>rd</sup> resolutions)

The purpose of the **1<sup>st</sup> resolution** is to approve the Parent Company financial statements for the 2016/17 financial year, which show a net profit of €966,776,000.84

The purpose of the **2<sup>nd</sup> resolution** is to approve the consolidated financial statements for the 2016/17 financial year.

The purpose of the **3<sup>rd</sup> resolution** is to allocate the net result. It is proposed that the dividend for the 2016/17 financial year be set at €2.02 per share. An interim dividend payment of €0.94 per share having been paid on 7 July 2017, the balance, amounting to €1.08 per share, would be detached on 20 November 2017 (with a "record date" of 21 November 2017) and paid on 22 November 2017.

#### Approval of regulated agreements and commitments (4<sup>th</sup> resolution)

It is proposed that, by voting on the **4<sup>th</sup> resolution**, you approve the regulated agreements and commitments authorized or still in force during the 2016/17 financial year, as described in the Statutory Auditors' special report (see Section 6 "Pernod Ricard SA Financial Statements" of the Registration Document). These relate mainly to agreements concluded in the context of financing transactions between the Company and companies or affiliates with which it has Directors or executives in common and the commitments relating to the Chairman & CEO.

#### Composition of the Board: Renewal of Directors (5<sup>th</sup> to 7<sup>th</sup> resolutions)

Information regarding the Directors whose renewal of the term of office is proposed, appears in Section 2 "Corporate governance and internal control" of the Registration Document.

The directorship of Ms Anne Lange, appointed for the remainder of her predecessor's term of office, Mr Laurent Burelle, expires at the close of this Shareholders' Meeting. It is thus proposed that, by voting on the **5<sup>th</sup> resolution**, you renew her directorship for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2021 to approve the financial statements for the previous financial year.

The directorship of Ms Veronica Vargas expires at the close of this Shareholders' Meeting. It is thus proposed that, by voting on the **6<sup>th</sup> resolution**, you renew her directorship for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2021 to approve the financial statements for the previous financial year.

The directorship of the Société Paul Ricard SA expires at the close of this Shareholders' Meeting. It is thus proposed that, by voting on the **7<sup>th</sup> resolution**, you renew its directorship for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2021 to approve the financial statements for the previous financial year. The Société Paul Ricard SA has appointed Mr Paul-Charles Ricard as permanent representative.

Thus, at the close of the Shareholders' Meeting, the Board of Directors would comprise fourteen members (two of whom are Directors representing the employees), including six Independent Directors (50%) and five women (42%) <sup>(1)</sup>, in accordance with the AFEP- MEDEF Code and the law, and six foreign Directors.

(1) In accordance with the AFEP-MEDEF Code, the Directors representing the employees are not taken into account when determining the independence percentage of the Board of Directors or the representation of women.

### Renewal of Cabinet Deloitte & Associés as Statutory Auditor (8<sup>th</sup> resolution)

It is proposed that, by voting on the **8<sup>th</sup> resolution**, you renew, following the recommendation of the Audit Committee, Cabinet Deloitte & Associés, whose head office is located at 185 avenue Charles de Gaulle – 92524 Neuilly sur Seine CEDEX, as Statutory Auditor, whose term of office will end at the close of this Shareholders' Meeting. Cabinet Deloitte & Associés' term of office would be granted for a period of six financial years, namely until the close of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the previous financial year.

### Directors' fees (9<sup>th</sup> resolution)

The purpose of the **9<sup>th</sup> resolution** is to set the aggregate amount of Directors' fees allocated to the Board of Directors. It is proposed that the Board of Directors' total compensation for the 2017/18 financial year be set at €970,000.

### Approval of the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO (10<sup>th</sup> resolution)

The purpose of the **10<sup>th</sup> resolution** is to submit for your approval the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO of the Company, in accordance with the provisions of article L. 225-37-2 of the French Commercial Code resulting from the "Sapin 2" Law.

Items of the compensation policy are described in detail in Section 4 "Management report", under "Compensation Policy for the Executive Director" subsection of the Registration Document.

### Advisory vote on the elements of compensation due or granted to Mr Alexandre Ricard, Chairman & CEO of the Company, for the 2016/17 financial year (11<sup>th</sup> resolution)

In accordance with the recommendations of the AFEP-MEDEF Code, revised in November 2016 to which the Company refers pursuant to article L. 225-37 of the French Commercial Code, the elements of compensation due or granted to the Executive Director of the Company for the financial year ended are submitted to the shareholders' advisory vote.

All these elements are described in detail in Section 4 "Management report", under the subsection "Elements of compensation due or granted in respect of the 2016/17 financial year to Mr Alexandre Ricard, Chairman & CEO, submitted to the shareholders' advisory vote" of the Registration Document.

It is proposed that, by voting on the **11<sup>th</sup> resolution**, you give a **favourable opinion on the following elements of compensation due or granted in respect of the 2016/17 financial year to Mr Alexandre Ricard, Chairman & CEO** of the Company.

### Repurchase of shares (12<sup>th</sup> resolution)

The Shareholders' Meeting of 17 November 2016 allowed the Board of Directors to trade in the Company's shares. The transactions carried out in accordance with this authorisation are described in Section 8 "About the Company and its Share Capital" of this Registration Document. This authorisation is due to expire on 16 May 2018. It is proposed, in the **12<sup>th</sup> resolution**, that you renew the authorisation for the Board of Directors to trade in the Company's shares for a period of 18 months at **a maximum purchase price of €200 per share**, excluding acquisition costs.

This authorisation would enable the Board of Directors to purchase Company shares representing **a maximum of 10% of the Company's share capital**, primarily with a view to:

- allocating or transferring them to employees and Executive Directors of the Company and/or Group companies (including the allocation of stock options and free and/or performance-based shares) or in connection with covering the Company's commitments under financial contracts or options with cash settlement granted to the employees and Executive Directors of the Company and/or Group companies;
- using them for external growth transactions (up to a maximum of 5% of the number of shares comprising the Company's share capital);
- delivering shares upon the exercise of rights attached to securities granting access to the share capital;
- cancelling them;
- stabilising the share price through liquidity agreements.

These transactions would be carried out during periods considered appropriate by the Board of Directors. However, during a public offer period, the repurchases would only be carried out provided that they:

- enable the Company to comply with its prior commitments undertaken before the launch of the public offer,
- are undertaken to pursue a share buyback programme that was already in progress,
- cannot cause the offer to fail; and
- fall within the scope of one of the following objectives:
  - allocation to the beneficiaries of stock options and free and/or performance-based shares,
  - cover the Company's commitments under financial contracts or options with cash settlement,
  - allocation for external growth transactions (up to a limit of 5% of the Company's share capital), or
  - allocation to holders of securities granting access to share capital.



## RESOLUTIONS PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

As the delegations of authority granted to the Board of Directors by the Shareholders' Meeting of 6 November 2015 are due to expire on 5 January 2018, it is proposed that you renew them.

Delegations of authority submitted to the vote during the present Shareholders' Meeting and which are approved, cancel, from the date of the present Shareholders' Meeting, any previous delegations approved and having the same purpose.

If passed, these resolutions would enable the Board of Directors to immediately take the most appropriate measures notably regarding the financing of planned investments in external growth operations.

**No delegations of authority allowing a share capital increase may be used during a public offer for the shares of the Company.**

### Reduction of the share capital by cancelling treasury shares (13<sup>th</sup> resolution)

One of the aims of the share buyback programme (12<sup>th</sup> resolution) is the cancellation of the purchased shares. For this purpose, we ask that, by voting in favour of the **13<sup>th</sup> resolution**, you authorise the Board of Directors, for a period of **26 months**, to **cancel all or some of the Company shares purchased through a share buyback programme**, for up to 10% of the shares comprising the Company's share capital per 24-month period.

This authorisation would be granted for a period of **26 months** as from the date of the General Shareholder's Meeting.

### Delegations of authority to issue ordinary shares and/or securities granting access to the Company's share capital with maintenance of the Preferential Subscription Right (14<sup>th</sup> resolution)

In order to pursue its growth strategy and to have means in line with the Group's development, your Board of Directors puts forward resolutions with the purpose of granting the Board of Directors delegations of authority allowing it to issue securities in compliance with the current regulations.

The **14<sup>th</sup> resolution** covers the issue, **with maintenance of your Preferential Subscription Right**, of your Company's shares or of securities granting access to the share capital. In the event of the issue of securities giving future access to the share capital – e.g. bonds with share warrants attached, convertible bonds or detachable warrants – your decision would waive the right of the shareholders to subscribe shares which can be obtained from securities initially issued and for which your Preferential Subscription Right is maintained.

The maximum nominal amount of the share capital increases likely to be conducted by virtue of this delegation would be set at **€135 million**, i.e. approximately **32.81%** of the share capital.

It also forms the maximum **Overall Limit** from which **the share issues determined by virtue of the 15<sup>th</sup>** (issue of securities with cancellation of the Preferential Subscription Right), **16<sup>th</sup>** (increase in the number of securities issued), **17<sup>th</sup>** (share capital increase through a private placement), **18<sup>th</sup>** (remuneration of contributions in kind), **19<sup>th</sup>** (public exchange offer initiated by the Company), **20<sup>th</sup>** (capitalisation of reserves) and **21<sup>st</sup>** (share capital increase reserved for employees) resolutions would be deducted.

The **maximum nominal amount of securities representing debts** (granting access to the capital) on the Company which can be issued by virtue of this authorisation, would be limited to **€10 billion**, it being specified that the nominal amount of securities representing debts to be issued in accordance with the **15<sup>th</sup>** resolution would be deducted from this maximum overall nominal amount of securities representing debts.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

### Delegations of authority to issue ordinary shares and/or securities granting access to the Company's share capital with cancellation of the Preferential Subscription Right in the context of an offer to the public at large (15<sup>th</sup> resolution)

Enabling your Board of Directors to carry out share issues without Preferential Subscription Right would allow the Board to place securities in the most efficient ways, in particular when speed is an essential condition for their success or when issues are carried out on French and foreign markets, notably through an offer to the public at large.

Your Board of Directors requests that, by voting on the **15<sup>th</sup> resolution**, you delegate your authority so as to allow the issue of shares and securities granting access to the share capital, with cancellation of the shareholders' Preferential Subscription Right, up to a maximum nominal amount of **€41 million**, i.e. approximately **9.96%** of the share capital, it being specified that this maximum nominal amount **would be deducted from the maximum Overall Limit** set in the **14<sup>th</sup> resolution**.

**This amount of €41 million is common to the 16<sup>th</sup>** (increase in the number of securities issued), **17<sup>th</sup>** (share capital increase through a private placement), **18<sup>th</sup>** (remuneration of contributions in kind), **19<sup>th</sup>** (public exchange offer initiated by the Company) and **21<sup>st</sup>** (share capital increases reserved for employees) **resolutions** and would be deducted from the maximum **Overall Limit of €135 million (14<sup>th</sup> resolution)**.



**The maximum nominal amount of securities representing debts** (granting subsequent access to the share capital) on the Company that can be issued by virtue of this authorisation would be limited to **€4 billion** and **would be deducted from the €10 billion maximum Overall Limit** set by the **14<sup>th</sup> resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

### **Increase in the number of shares to be issued in the event of a share capital increase with or without Preferential Subscription Right (16<sup>th</sup> resolution)**

By voting on the **16<sup>th</sup> resolution** we request that you delegate the authority of the Shareholders' Meeting to the Board of Directors to decide, as allowed by law, if it records a surplus demand during a share capital increase with or without Preferential Subscription Right, **to increase the number of shares to be issued** at the same price as that chosen for the initial issue, within the time periods and limits prescribed by law and regulations.

This option enables the Board, as part of a share issue, to carry out, within 30 days after the subscription period ends, an additional share issue of **a maximum of 15% of the initial issue** (this is called the "overallocation option"), subject to the limit set in the resolution by virtue of which the increase is decided (**14<sup>th</sup>, 15<sup>th</sup> or 17<sup>th</sup> resolution**) as well as to the **maximum Overall Limit** set in the **14<sup>th</sup> resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

### **Delegation of authority to increase the share capital through a private placement in favour of qualified investors or a restricted circle of investors with cancellation of the Preferential Subscription Right (17<sup>th</sup> resolution)**

Enabling your Board of Directors to carry out share issues without Preferential Subscription Right would allow the Board to place securities in the most efficient ways, in particular when speed is an essential condition for their success.

By voting on the **17<sup>th</sup> resolution** we request that you delegate the authority of the Shareholders' Meeting to the Board of Directors in order to issue by private placement in favour of qualified investors or a restricted circle of investors, ordinary shares and/or equity securities granting access to other equity securities or conferring entitlement to receive allocations of debt securities and/or securities granting access to equity securities to be issued.

This delegation of authority would enable your Board of Directors to increase the share capital up to a **maximum nominal amount of €41 million** (approximately **9.96%** of the share capital), it being specified that this amount would **be deducted from the maximum limit of €41 million** set in the **15<sup>th</sup> resolution** as well as from the **maximum Overall Limit of €135 million** set in the **14<sup>th</sup> resolution**.

This delegation of authority would enable your Board of Directors to issue bonds or other debt securities granting access to equity securities to be issued up to an **amount of €4 billion**, it being specified that this amount would **be deducted from the maximum limit of €4 billion** set in the **15<sup>th</sup> resolution** as well as from the **maximum Overall Limit of €10 billion** set in the **14<sup>th</sup> resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

### **Delegation of authority to increase the share capital by way of remunerating contributions in kind subject to the limit of 10% of the share capital (18<sup>th</sup> resolution)**

By voting on the **18<sup>th</sup> resolution**, we request that you authorise the Board of Directors to issue shares and securities, with a view to compensation contributions in kind granted to the Company, in particular contributions in kind of shares, by way of remunerating the purchase of companies' shares by issuing shares.

This option, which would be offered to the Board of Directors for **26 months** from this Shareholders' Meeting, would be limited to **10% of the Company's share capital**, it being specified that this limit **would be deducted from the share capital increase limit** set in the **15<sup>th</sup> resolution** as well as from the **maximum Overall Limit** set in the **14<sup>th</sup> resolution**.

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

## Delegation of authority to increase the share capital in the event of a public exchange offer initiated by the Company (19<sup>th</sup> resolution)

In the same way, by voting on the **19<sup>th</sup> resolution**, we request that you authorise the Board of Directors to issue shares and securities, with a view to carrying out a public exchange offer or a similar transaction on securities of another company.

This option would be offered to the Board of Directors for **26 months** from the date of this Shareholders' Meeting and would be limited to **10% of the Company's share capital** at the time of the issue, it being specified that this limit **would be deducted from the share capital increase limit set in the 15<sup>th</sup> resolution, as well as the Overall Limit set in the 14<sup>th</sup> resolution.**

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

## Delegation of authority to increase the share capital by the capitalisation of premiums, reserves and profits (20<sup>th</sup> resolution)

We request that, by voting on the **20<sup>th</sup> resolution**, you authorise the Board of Directors to increase the share capital by the capitalisation of premiums, reserves, profits or other items. As this transaction does not necessarily involve the issue of new shares, this delegation of authority must be voted on by the Extraordinary Shareholders' Meeting under the conditions of quorum and majority of the Ordinary Shareholders' Meetings.

This delegation of authority would enable your Board of Directors to increase the share capital up to a **maximum nominal amount of €135 million (approximately 32.81% of the share capital) to be deducted from the maximum Overall Limit set in the 14<sup>th</sup> resolution.**

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

## Delegation of authority to increase the share capital through the issue of shares or securities granting access to the share capital, reserved for members of a company saving plan (21<sup>st</sup> resolution)

As the Shareholders' Meeting is requested to vote on delegations of authority to the Board of Directors that might entail future share capital increases, it is proposed that, by voting on the **21<sup>st</sup> resolution**, you delegate authority to the Board of Directors to decide on a share capital increase of a **maximum nominal amount corresponding to 2% of the share capital** at the close of this Shareholders' Meeting, by way of an issue of shares or securities granting access to the share capital with cancellation of Preferential Subscription Rights, reserved for members of one or more employee savings plans in place within the Company or the Group. This limit **would be deducted from the share capital increase limit set in the 15<sup>th</sup> resolution, as well as from the maximum Overall Limit set in the 14<sup>th</sup> resolution.**

The issue price for the new shares or securities granting access to the share capital may not be more than 20% below the average of the listed prices of the Pernod Ricard share on the regulated NYSE Euronext Paris market during the twenty trading sessions prior to the date of the decision setting the opening date for the subscription period, nor may the issue price exceeds this average.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

**The Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a public offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.**

## Powers to carry out the required legal formalities (22<sup>nd</sup> resolution)

By voting on the **22<sup>nd</sup> resolution**, the Shareholders' Meeting is asked to authorise the Board of Directors to carry out the required legal formalities, where applicable.



## Draft resolutions

# RESOLUTIONS PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING

The purpose of the **first three resolutions** is to approve Pernod Ricard's Parent Company and consolidated financial statements for the 2016/17 financial year and to allocate the net result for said year. It is proposed to set the **dividend at €2.02 per share**, following the allocation of an interim dividend of €0.94 per share on 7 July 2017.

### First resolution

#### **(Approval of the Parent Company financial statements for the financial year ended 30 June 2017)**

Having reviewed the Parent Company financial statements for the financial year ended 30 June 2017, the management report of the Board of Directors and the report of the Statutory Auditors on the Parent Company financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the financial statements for the financial year ended 30 June 2017 as well as all transactions recorded in the financial statements or summarised in these reports, which show a net profit of €966,776,000.84 for the aforementioned financial year.

The Shareholders' Meeting takes note of the report of the Chairman of the Board of Directors on the composition of the Board and the implementation of the principle of balanced representation of women and men within the Board, the conditions governing the preparation and organisation of the work performed by the Board of Directors as well as the internal control and risk management procedures implemented by the Company, and the report of the Statutory Auditors on such report.

Pursuant to article 223 *quater* of the French General Tax Code, the Shareholders' Meeting also takes note of the fact that the total amount of the costs and expenses referred to in paragraph 4 of article 39 of the French General Tax Code amounted to €243,479 for the past financial year, and that the future tax payable with regard to these costs and expenses amounts to €83,830.

### Second resolution

#### **(Approval of the consolidated financial statements for the financial year ended 30 June 2017)**

Having reviewed the report of the Board of Directors on the management of the Group included in the management report in accordance with article L. 233-26 of the French Commercial Code and the report of the Statutory Auditors on the consolidated financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the consolidated financial statements for the financial year ended 30 June 2017 as presented to it as well as the transactions recorded in the financial statements or summarised in the report on the management of the Group.

### Third resolution

#### **(Allocation of the net result for the financial year ended 30 June 2017 and setting of the dividend)**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that the balance sheet for the financial year ended 30 June 2017 shows a net profit of €966,776,000.84.

It decides, on the proposal of the Board of Directors, to allocate and divide this profit as follows:

Profit	€966,776,000.84
Allocation to the legal reserve	- (1)
Balance	€966,776,000.84
Previous retained earnings	€1,891,345,173.31
Distributable profit	€2,858,121,173.15
Dividend distributed	€536,151,615.84
Balance allocated to retained earnings	€2,321,969,557.31

(1) The amount of the legal reserve has reached the threshold of 10% of the share capital.

It should be noted that in the event of a change in the number of shares entitled to a dividend compared with the 265,421,592 shares making up the share capital as of 30 June 2017, the total amount of the dividend shall be adjusted accordingly and the amount allocated to the retained earnings account shall be determined on the basis of dividends actually paid.

A dividend of €2.02 will be distributed for each of the Company's shares.

An interim dividend payment of €0.94 per share having been paid on 7 July 2017, the balance amounting to €1.08 per share will be detached on 20 November 2017 (with a record date of 21 November 2017) and paid on 22 November 2017.

The Shareholders' Meeting decides that the amount of the dividend accruing to treasury shares or shares that have been cancelled on the ex-dividend date will be allocated to "Retained earnings".

The amount distributed of €2.02 per share will be eligible for the 40% tax deduction applicable to individual shareholders who are French tax residents, as provided for in article 158, 3-2° of the French General Tax Code.

Shareholders' equity amounts to €6,188,114,461.32 after allocation of the net result for the financial year.

Dividends distributed over the past three financial years are as follows:

	2013/14	2014/15	2015/16
Number of shares	265,421,592	265,421,592	265,421,592
Dividend per share (€)	1.64 <sup>(1)</sup>	1.80 <sup>(1)</sup>	1.88 <sup>(1)</sup>

(1) Amounts eligible for the 40% tax deduction for individual shareholders who are French tax residents, as provided for in article 158,3-2° of the French General Tax Code.

The purpose of the **4<sup>th</sup> resolution** is to approve the regulated agreement and commitments previously approved by the Board of Directors of Pernod Ricard.

## Fourth resolution

**(Approval of the regulated agreements and commitments referred to in article L. 225-38 et seq. of the French Commercial Code)**

Having reviewed the special report of the Statutory Auditors on the regulated agreements and commitments referred to in article L. 225-38 et seq. of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, takes note of the conclusions of said report and approves the agreements and commitments referred to therein.

The **5<sup>th</sup>** to the **7<sup>th</sup> resolutions** relate to the composition of the Board of Directors. It is therefore proposed to renew, for a period of four years, the directorships of Ms Anne Lange, Ms Veronica Vargas and Société Paul Ricard SA, represented by Mr Paul-Charles Ricard.

## Fifth resolution

**(Renewal of the directorship of Ms Anne Lange)**

Having reviewed the report of the Chairman of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Ms Anne Lange.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2021 to approve the financial statements for the previous financial year.

## Sixth resolution

**(Renewal of the directorship of Ms Veronica Vargas)**

Having reviewed the report of the Chairman of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Ms Veronica Vargas.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2021 to approve the financial statements for the previous financial year.

## Seventh resolution

**(Renewal of the directorship of Société Paul Ricard SA, represented by Mr Paul-Charles Ricard)**

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Société Paul Ricard SA, represented by Mr Paul-Charles Ricard.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2021 to approve the financial statements for the previous financial year.

The purpose of the **8<sup>th</sup> resolution** is to renew Deloitte & Associés, whose term of office shall expire at the close of this Shareholders' Meeting, as Statutory Auditor.

## Eighth resolution

**(Renewal of Deloitte & Associés as Statutory Auditor)**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, having considered the management report of the Board of Directors, decides to renew cabinet Deloitte & Associés whose head office is located at 185, avenue Charles de Gaulle – 92524 Neuilly sur Seine CEDEX, as Statutory Auditor.

This term of office is granted for a period of six financial years, namely until the close of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the previous financial year.

The purpose of the **9<sup>th</sup> resolution** is to set the aggregate amount of Directors' fees allocated to the Board of Directors for this financial year 2017/18.

## Ninth resolution

**(Setting of the annual amount of Directors' fees allocated to the members of the Board of Directors)**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, upon the proposal of the Board of Directors, decides to set the aggregate annual amount of Directors' fees in respect of the 2017/18 financial year at €970,000.

The **10<sup>th</sup>** and **11<sup>th</sup>** resolutions relate to the compensation of the Executive Director concerning, respectively, the compensation policy items applicable to the Chairman and CEO, Mr Alexandre Ricard and the advisory vote on the elements of compensation due or granted to him for the 2016/17 financial year.

## Tenth resolution

### ***(Approval of the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, having considered the management report of the Board of Directors established in accordance with article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for determining, allocating and granting the fixed, variable and exceptional items of total compensation and all types of benefits in kind granted to the Chairman & CEO by virtue of his mandate, as detailed in Section 4 "Management report" of the 2016/17 Registration Document, under "Compensation policy for the Executive Director" subsection.

## Eleventh resolution

### ***(Advisory vote on the elements of compensation due or granted for the 2016/17 financial year to Mr Alexandre Ricard, Chairman & CEO)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, upon the proposal of the Board of Directors, gives a favourable opinion on the elements of compensation due or granted for the 2016/17 financial year to Mr Alexandre Ricard, Chairman & CEO. These elements are described in the 2016/17 Registration Document, in the presentation of the resolutions, and more specifically in the table entitled "Elements of compensation due or granted in respect of the 2016/17 financial year to Mr Alexandre Ricard, Chairman & CEO, submitted to the shareholders' advisory vote".

The purpose of the **12<sup>th</sup>** resolution is to renew the authorisation granted to the Board of Directors to trade in the Company's shares. The Board will be able to use the authorisation, subject to conditions.

## Twelfth resolution

### ***(Authorisation to be granted to the Board of Directors to repurchase the shares of the Company)***

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, authorises the Board of Directors, with the option for it to delegate these powers in turn, in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code and of Regulation No. 596/2014 of the European Parliament and of the Council of 16 April, 2014, to purchase shares of the Company in order to:

- (i) allocate shares or transfer them to employees and/or Executive Directors of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit-sharing plans; or

- (ii) cover its commitments pursuant to financial contracts or options with cash payments concerning rises in the stock market price of the Company's share, granted to employees and/or Executive Directors of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or
- (iii) make free allocations of shares to employees and/or Executive Directors of the Company and/or its current or future affiliates under the terms and conditions of articles L. 225-197-1 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to an employee savings plan in accordance with the provisions of article L. 3332-14 of the French Employment Code; or
- (iv) retain them and subsequently tender them (in exchange, as payment or otherwise) in connection with external growth transactions, subject to the limit of 5% of the number of shares comprising the share capital; or
- (v) deliver shares upon the exercise of rights attached to securities granting access to the share capital through reimbursement, conversion, exchange, presentation of a warrant or in any other manner; or
- (vi) cancel all or some of the shares repurchased in this manner, under the conditions provided for in article L. 225-209 paragraph 2 of the French Commercial Code, and pursuant to the authorisation to reduce the share capital granted by the Combined Shareholders' Meeting, the focus of the 13<sup>th</sup> resolution below; or
- (vii) allow an investment services provider to act on the secondary market or to ensure the liquidity of the Company's share by means of liquidity agreements in compliance with the terms of a Code of Conduct approved by the French Financial Markets Authority (AMF).

This programme is also intended to enable the Board of Directors to trade in the Company's shares for any other authorised purpose or any purpose that might come to be authorised by the law or regulations in force.

The Board of Directors may purchase a number of shares such that:

- the Company does not purchase more than 10% of the shares comprising the Company's share capital at any time during the term of the share buyback programme; this percentage applies to the share capital adjusted based on capital transactions carried out after this Shareholders' Meeting; in accordance with the provisions of article L. 225-209 of the French Commercial Code, when shares are repurchased to favour the liquidity of the share under the conditions set out by the applicable regulations, the number of shares taken into account for calculating the 10% limit equates to the number of shares purchased, less the number of shares sold during the authorisation period; and that
- the number of shares held by the Company at any time does not exceed 10% of the number of shares comprising its share capital.

These shares may be purchased, sold, transferred, delivered or exchanged, on one or more occasions, by any authorised means pursuant to the regulations in force. These means include, in particular, over-the-counter transactions, sales of blocks of shares, sale and repurchase agreements and the use of any financial derivatives, traded on a regulated or over-the-counter market, or setting up option strategies (purchases and sales of puts and calls and any combinations thereof in compliance with the applicable regulations). Transactions involving blocks of shares may account for the entire share buyback programme.



These transactions may be carried out during periods considered appropriate by the Board of Directors. However, during a public offer period, the repurchases would only be carried out provided that they:

- enable the Company to comply with its prior commitments undertaken before the launch of the public offer;
- are undertaken in connection with the pursuit of a share buyback programme that was already in progress;
- fall within the scope of the objectives referred to in points (i) to (v); and
- cannot cause the offer to fail.

The Shareholders' Meeting decides that the maximum purchase price per share shall be €200, excluding acquisition costs.

Under article R. 225-151 of the French Commercial Code, the Shareholders' Meeting sets the total maximum amount allocated to the share buyback programme authorised above at €5,308,431,800, corresponding to a maximum number of 26,542,159 shares purchased at the maximum unit price of €200 as authorised above.

The Shareholders' Meeting delegates authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions provided for by law, in the event of transactions on the Company's share capital, and in particular a change in the par value of the share, a share capital increase via the capitalisation of reserves, a granting of free

shares, stock split or reverse stock split, to adjust the above-mentioned maximum purchase price in order to take account of the impact of such transactions on the share value.

The Board of Directors may also carry out, in accordance with applicable legal and regulatory provisions, the reassignment to another objective of previously repurchased shares (including under a previous authorisation) and their sale (on- or off-market).

The Shareholders' Meeting grants the Board of Directors full powers, with the option for it to delegate these powers in turn under the conditions provided for by law, to decide and implement this authorisation, to specify, if necessary, its terms and decide on its conditions with the option to delegate implementation of the share buyback programme, under the conditions provided for by law, and in particular to place all stock exchange orders, enter into any agreements, with a view to keeping registers of share purchases and sales, make all declarations to the AMF and to any other official body which may take its place, complete all formalities and, in general, do whatever may be necessary.

This authorisation will be valid for a period of 18 months from the date of this Shareholders' Meeting and cancels, as from this same date, for any unused portion, the authorisation granted to the Board of Directors to trade in the Company's shares by the Combined Shareholders' Meeting of 17 November 2016 in its 15<sup>th</sup> resolution.

## RESOLUTIONS PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

**Resolutions 13 to 20** will propose to renew all the financial authorisations and delegations of authority granted to the Board of Directors, as the authorisations granted by the Shareholders' Meeting of 6 November 2015 are due to expire on 5 January 2018.

Delegations of authority submitted to the vote during the present Shareholders' Meeting and which are approved, cancel any previous delegations approved and having the same purpose, with effect from the date of the present Shareholders' Meeting.

If passed, the resolutions will enable the Board of Directors to immediately take the most appropriate measures, notably regarding the financing of planned investments in external growth operations.

**Please note that all the delegations authorising a share capital increase with or without Preferential Subscription Right will not be used during a tender offer on the shares of the Company.**

### Thirteenth resolution

**(Authorisation to be granted to the Board of Directors for the purpose of reducing the share capital by cancelling treasury shares, subject to the limit of 10% of the share capital)**

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for

Extraordinary Shareholders' Meetings and in accordance with articles L. 225-209 *et seq.* of the French Commercial Code:

- authorises the Board of Directors to reduce the share capital by cancelling, on one or more occasions, all or part of the treasury shares held by it or acquired by it pursuant to the share repurchase programmes authorised by the Shareholders' Meeting, in particular in accordance with the 12<sup>th</sup> resolution above, subject to the limit of 10% of the share capital per 24-month period, it being specified that the 10% limit applies to the Company's capital amount which will, where applicable, be adjusted to take account of transactions affecting the share capital after the date of this Shareholders' Meeting;
- decides that the excess amount of the purchase price of the shares cancelled over their par value shall be allocated to the "Share premiums" account or to any available reserve accounts, including the legal reserve, subject to the limit of 10% of the capital reduction carried out; and
- grants the Board of Directors full powers, with the option for it to delegate these powers in turn within the limits set by the bylaws and by law, to cancel, on its decision alone, the shares thus acquired, to reduce the share capital accordingly, to allocate the excess amount as provided for above, as well as to make the corresponding amendments to the bylaws and complete all formalities.

This authorisation will be valid for a period of 26 months from the date of this Shareholders' Meeting. It cancels and supersedes, as from such date, the authorisation granted by the Shareholders' Meeting of 6 November 2015 in its 15<sup>th</sup> resolution.

## Fourteenth resolution

***(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximum nominal amount of €135 million (approximately 32.81% of the share capital), through the issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of the Preferential Subscription Right)***

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with, notably, the provisions of articles L. 225-129-2, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 to L. 228-93 of the French Commercial Code:

- delegates authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions provided for by law, to decide on an increase in the share capital, on one or more occasions, in France, abroad or on the international market, in the proportion and at the times it considers appropriate, either in euros, or in any other currency or monetary unit drawn up in reference to several currencies, with maintenance of the shareholders' preferential subscription right, by issuing (i) ordinary shares of the Company or (ii) securities issued against payment or free of charge, governed by articles L. 228-91 *et seq.* of the French Commercial Code, granting access immediately or in the future to the Company's share capital, it being specified that shares and other securities can be subscribed either in cash, or by offsetting receivables;
- decides to set as follows the limits of the amounts of share issues authorised in the event of use of this delegation of authority by the Board of Directors:
  - the maximum nominal amount of the share capital increases likely to be realised by virtue of this delegation of authority is set at €135 million, it being specified that (i) to this limit will be added, when applicable, the nominal amount of any extra shares to be issued, in the event of further adjustments, in order to protect, in accordance with the law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options (both purchase and subscription plans) or bonus shares, and that (ii) this limit forms the maximum overall nominal limit for share capital increases likely to be carried out by virtue of this delegation and such increases conferred by virtue of the 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> resolutions below, and that the total nominal amount of the share capital increases carried out under these resolutions will be deducted from this Overall Limit,
  - the maximum nominal amount of securities representing debts granting access to the Company's share capital shall not exceed the €10 billion overall limit or the exchange value of this amount, it being specified that the nominal amount of the debt securities that will be issued by virtue of the 15<sup>th</sup> resolution of this Shareholders' Meeting will be deducted from this amount. This limit is unrelated to and separate from the amount of the securities representing debts granting the right to the allocation of debt securities, as well as from the amount of the debt securities whose issue would be independently determined or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code;
- in the event of use of this delegation of authority by the Board of Directors:
  - decides that the share issue(s) will preferably be reserved for shareholders who can subscribe with an irreducible right in proportion to the number of shares that they hold at that time, and records that the Board of Directors can institute a subscription with a reducible right,
  - decides that, if the subscriptions with an irreducible right and, where applicable, with a reducible right, do not absorb the entirety of an issue of shares or securities as set out above, the Board of Directors may use the different options provided for by law (or some of them only), in the order that it will determine, including offering the public all or part of the shares or the securities not subscribed, on the French and/or foreign and/or international market,
  - decides that the issues of Company share warrants may be carried out through the subscription offer under the aforementioned conditions, but also by free allocation to the owners of old shares,
  - decides that in the event of a free allocation of Company share warrants, the Board of Directors will have the option to decide that the fractional allocation rights will not be marketable and that the corresponding securities will be sold,
  - acknowledges by virtue of this delegation of authority that the shareholders waive, in favour of the holders of securities issued granting access to the Company's share capital, their preferential subscription right to the shares to which the securities will grant entitlement;
- decides that the Board of Directors shall have full powers, with the option for it to delegate these powers in turn within the limits set by law, to implement this delegation of authority, including to set the share issue, subscription and payment conditions, record the completion of the resulting share capital increases and amend the bylaws accordingly, and notably to:
  - determine, if required, the terms for exercising the rights attached to the shares or securities granting access to the capital, to determine the terms for exercising the rights, where applicable, particularly to conversion, exchange and redemption, including by delivering the Company's assets such as securities already issued by the Company,
  - decide, in the event of the issue of debt securities, on whether they are to be subordinated or unsubordinated (and, where applicable, on their subordination ranking, in accordance with the provisions of article L. 228-97 of the French Commercial Code), to set their interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (specified or unspecified) and the other terms of issue (including the granting of guarantees or sureties) and depreciation (including redemption through the delivery of Company assets); decide on the securities that may be bought back on the stock exchange or the subject of a takeover bid or public exchange offer by the Company; to set the conditions under which these securities will grant access to the Company's share capital; to amend, during the life of the securities under consideration, the terms set out above, in compliance with the applicable formalities,
  - on its own initiative, offset the costs of the share capital increases against the amount of the related share premiums and deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital resulting from such increases in the share capital,

- set and carry out all adjustments required to take into account the impact of the transactions on the Company's share capital, particularly in the event of the amendment of the nominal value of the share, increase in the share capital through the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or of all other assets, depreciation of the share capital, or any other transaction concerning shareholders' equity, and set the terms under which, where applicable, the preservation of the rights of holders of securities or rights granting access to the capital will be assured, and
- generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out;
- decides that the Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels and supersedes the delegation of authority granted by the Shareholders' Meeting of 6 November 2015 in its 16<sup>th</sup> resolution.
- decides to set as follows the limits of the amounts of share issues authorised in the event of use of this delegation of authority by the Board of Directors:
  - the maximum nominal amount of the share capital increases likely to be realised by virtue of this delegation of authority is set at €41 million, with this amount being deducted from the maximum overall limit of €135 million set in the aforementioned 14<sup>th</sup> resolution, it being specified (i) that to this limit of €41 million will be added, when applicable, the nominal amount of any shares to be issued, in the event of adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital as well as of recipients of stock options (both purchase and subscription plans) or bonus shares, and (ii) that this limit of €41 million is common to the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup> and 21<sup>st</sup> resolutions hereafter and that the total nominal amount of the share capital increases carried out under these resolutions will be deducted from this limit,
  - the maximum nominal amount of securities representing debts granting access to the Company's share capital may not exceed the limit of €4 billion or the exchange value of this amount, it being specified that this amount will be deducted from the maximum overall limit of €10 billion set for securities representing debt securities, by virtue of the aforementioned 14<sup>th</sup> resolution. This limit of €4 billion is unrelated to and separate from the amount of the securities representing debts granting the right to the allocation of debt securities, and from the amount of the debt securities, whose issue would be independently decided or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code;
- decides to cancel the shareholders' preferential subscription right to the securities that are the subject of this resolution, by granting however the Board of Directors in accordance with article L. 225-135, paragraph 2 of the French Commercial Code, the option to confer on the shareholders, for a period and according to the terms that it will set in compliance with the applicable legal and regulatory provisions and for all or part of the issue made, a priority subscription period that does not create marketable rights and which must be exercised in proportion to the number of shares held by each shareholder and which may potentially be supplemented by a subscription with a reducible right;
- acknowledges, by virtue of this delegation of authority, that the shareholders automatically waive their preferential subscription right to the shares to which the securities will grant entitlement, in favour of the holders of securities issued granting access to the Company's share capital;
- decides that, pursuant to article L. 225-136 of the French Commercial Code:
  - the issue price of the shares issued directly will be at least equal to the minimum amount provided for by the laws and regulations in force at the time at which this delegation of authority is used,
  - the issue price of the securities granting access to the capital will be such that the sum immediately received by the Company, increased, where applicable, by that likely to be received subsequently by the Company, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum subscription price set out in the previous paragraph,
  - decides that if the subscriptions have not absorbed the entire issue of shares or securities, the Board of Directors may use the different options provided for by law (or some of them only), in the order that it will determine, including offering the public all or part of the shares or the securities not subscribed, on the French and/or foreign and/or international market;

## Fifteenth resolution

***(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximum nominal amount of €41 million (approximately 9.96% of the share capital), through the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of the Preferential Subscription Right, as part of an offer to the public)***

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code:

- delegates authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions provided for by law, to decide on an increase in the share capital, on one or more occasions, in France, abroad or on the international market, in the proportion and at the times it considers appropriate, by way of an offer to the public, either in euros, or in any other currency or monetary unit drawn up in reference to several currencies, with cancellation of the shareholders' Preferential Subscription Right, (i) by the issue of ordinary shares of the Company or (ii) securities against payment or free of charge, governed by articles L. 225-149 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, granting access to the Company's capital (whether new or existing Company shares), it being specified that the subscription of shares and of other securities may be carried out either in cash, or by offsetting receivables;



- decides that the Board of Directors shall have full powers, with the option for it to delegate these powers in turn within the limits set by law, to implement this delegation of authority, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increases and amend the bylaws accordingly, and notably to:
  - determine, if required, the characteristics and terms for exercising the rights attached to the shares or securities granting access to the capital, to determine the terms for exercising the rights, where applicable, particularly to conversion, exchange and redemption, including by delivering Company assets such as securities already issued by the Company,
  - decide, in the event of the issue of debt securities, on whether they are to be subordinated or unsubordinated (and, where applicable, on their subordination ranking, in accordance with the provisions of article L. 228-97 of the French Commercial Code), to set their interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (specified or unspecified) and the other characteristics and terms of issue (including granting them guarantees or sureties) – and depreciation – (including redemption through the delivery of Company assets); to decide on the securities that may be bought back on the stock exchange or the subject of a takeover bid or public exchange offer by the Company; to set the conditions under which these securities will grant access to the Company's capital; to amend, during the life of the securities under consideration, the terms set out above, in compliance with the applicable formalities,
  - on its own initiative, offset the costs of the share capital increases against the amount of the related share premiums and deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital resulting from such increases in the share capital,
  - set and carry out all adjustments required to take into account the impact of the transactions on the Company's share capital, particularly in the event of the amendment of the nominal amount of the share, increase in the share capital through the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or all other assets, depreciation of the capital, or any other transaction concerning shareholders' equity, and set the terms under which, where applicable, the preservation of the rights of holders of securities or rights granting access to the capital will be assured, and
  - generally, enter into any agreement, in particular, to successfully complete the proposed issues, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out;
- decides that the Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels and supersedes the delegation of authority granted by the Shareholders' Meeting of 6 November 2015 in its 17<sup>th</sup> resolution.

## Sixteenth resolution

***(Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a share capital increase, with or without Preferential Subscription Right, subject to the limit of 15% of the initial share issue in accordance with the 14<sup>th</sup>, 15<sup>th</sup> and 17<sup>th</sup> resolutions)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of article L. 225-135-1 of the French Commercial Code:

- delegates authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions set by law, to decide on an increase in the number of shares or securities to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, at the same price as that used for the initial issue, within the time periods and limits stipulated by the regulations in force on the day of the issue (i.e., to date, within 30 days of the end of the subscription period and subject to the limit of 15% of the initial issue) and subject to the limit provided for in the resolution pursuant to which the issue is decided (14<sup>th</sup>, 15<sup>th</sup> or 17<sup>th</sup> resolution) as well as the overall limit set by the 14<sup>th</sup> resolution;
- decides that the Board of Directors may not take the decision to use this delegation of authority as from the date on which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels and supersedes the delegation of authority granted by the Shareholders' Meeting of 6 November 2015 in its 18<sup>th</sup> resolution.

## Seventeenth resolution

***(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to equity securities to be issued, with cancellation of the Preferential Subscription Right, through a private placement in accordance with article L. 411-2 II of the French Monetary and Financial Code, for a maximum nominal amount of €41 million (approximately 9.96% of the share capital))***

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Extraordinary Shareholders' Meeting in accordance with the provisions of the French Commercial Code, in particular its articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136 and L. 228-91 to L. 228-93:

- delegates its authority to the Board of Directors to decide to increase the share capital, by way of an offering reserved for qualified investors or a restricted group of investors as referred to in article L. 411-2 II of the French Monetary Code, on one or more occasions, and in the proportions and at the times it considers appropriate, both in France and abroad, whether denominated in euros or in any other currency or unit of account based on a basket of currencies, of ordinary shares or securities granting access, immediately or in the future, to the Company's share capital, it being specified that the subscription may be paid up in cash or by offsetting liquid and due debt, and this delegation does not affect the authority granted to the Board of Directors by article L. 228-92 of the French Commercial Code to independently issue compound debt securities conferring entitlement to receive allocations of other debt securities or granting access to existing equity securities;

- decides that the nominal amount of share capital increases that may be carried out pursuant to this delegation, whether immediately and/ or in the future, may not exceed €41 million. This amount is included in the maximum limit of €41 million set in the 15<sup>th</sup> resolution and the maximum overall limit of €135 million set in the 14<sup>th</sup> resolution of this Shareholders' Meeting, not including the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of existing holders of equity securities, securities or other rights granting access to the Company's shares;
- decides that shares may be issued on exercise of conversion, exchange, redemption, presentation of a warrant, or other rights attached to securities issued by any entity in which the Company directly or indirectly holds over half of the capital, subject to the authorisation of the Shareholders' Meeting of the Company concerned;
- decides that the maximum nominal amount of bonds or other debt securities granting access to equity securities to be issued pursuant to this delegation may not exceed €4 billion (or the equivalent in foreign currencies or monetary units). This amount is included in the €4 billion maximum limit set in the 15<sup>th</sup> resolution and the maximum overall limit of €10 billion set in the 14<sup>th</sup> resolution of this Shareholders' Meeting;
- decides to cancel the shareholders' preferential subscription right to shares or other securities to be issued that are the subject of this resolution;
- decides that if the subscriptions have not absorbed the entire issue of shares or other securities, the Board of Directors may use the different options provided for by law (or some of them only), in the order that it will determine, including offering the public all or part of the shares or the securities not subscribed, on the French and/or foreign and/or international market;
- records and decides that this delegation to issue securities granting access to the share capital will entail the express waiver by the shareholders of their preferential subscription right for the shares to which these securities will grant access, in favour of the holders of these securities;
- decides that:
  - the issue price of the shares issued directly shall be at least equal to the minimum amount provided for by the laws and regulations in force at the time of use of this delegation,
  - the issue price of securities granting access to equity securities to be issued shall be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on exercise of the rights attached to the issued securities is at least equal to the minimum issue price defined above for each new share,
  - the number of shares to be issued on exercise of conversion, redemption or more generally transformation of each security granting access to equity securities issued under this delegation shall be determined in such a way as to ensure that the amount per share received by the Company (taking into account the nominal value of said securities) is at least equal to the minimum issue price set out above;
- decides that the Board of Directors shall have full powers to implement this delegation with the option for it to delegate these powers in turn under the conditions provided for by law, within the limits and under the conditions specified above in order, in particular:
  - to decide to carry out a share capital increase and determine the type of securities to be issued,
  - to draw up the list or the category of subscribers to the issue,
  - to decide on the amount of each issue, the issue price and any issue premium, as the case may be, to be asked at the issuance,
  - to decide the timing and other terms of the issue(s), including the form and characteristics of the securities, the opening and closing dates of the subscription period, the securities' issue price and vesting date, the method by which they will be paid up, the terms applicable to the exercise of any rights to shares of the Company, all other terms and conditions of issue and, in the case of debt securities, their ranking for repayment purposes,
  - to determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares or securities granting access to the capital to be issued, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and redemption, as well as any other terms and conditions applicable to such issues,
  - to set the terms and conditions under which the Company may buy back or exchange the securities by any method, at any time or during specified periods, with a view to holding them or canceling them in accordance with the applicable laws and regulations,
  - to allow for the option to suspend the exercise of the rights attached to the securities issued, in accordance with the applicable laws and regulations,
  - at its sole discretion, to charge any and all costs incurred in connection with said issues against the related premiums, and to deduct from these premiums the necessary amounts to be credited to the legal reserve,
  - to determine and make any and all adjustments required to take into account the effect of the corporate actions and decide the method to be used, if necessary, to ensure that the rights of holders of securities or rights granting access to the capital are protected,
  - to place on record the share capital increase(s) resulting from the use of this delegation and amend the bylaws to reflect the new capital,
  - generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities issued pursuant to this delegation and for the exercise of any related rights;
- decides that the Board of Directors may not take the decision to use this delegation of authority as from the date on which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting.

## **Eighteenth resolution**

***(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital by way of remuneration for contributions in kind granted to the Company, subject to the limit of 10% of the share capital)***

Having reviewed the report of the Board of Directors under article L. 225-147 paragraph 6 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, delegates authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions set by law, to decide on the issue of various shares or securities granting access, immediately or in the future, to the Company's share capital, subject to the limit of 10% of the share capital at the time of the issue, with a view to remunerating the contributions in kind granted to the Company and comprised of shares or securities granting access to the share capital of other companies, when the provisions of article L. 225-148 of the French Commercial Code are not applicable. In accordance with law, the Board of Directors will rule on the Auditor's(s') special report on the contributions, referred to in article L. 225-147 of said Code. The Shareholders' Meeting:

- decides that the nominal amount of the Company's share capital increase resulting from the issue of the securities set out in the above paragraph, will be deducted from the maximum overall limit set in the aforementioned 14<sup>th</sup> resolution as well as from the maximum amount of the share capital increase set in the 15<sup>th</sup> resolution above, it being specified that to these limits shall be added, if applicable, the nominal amount of share capital to be issued with respect to the adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as those of recipients of stock options (both purchase and subscription plans) or free allocations of shares;
- acknowledges, as necessary, the absence of preferential subscription rights for the share capital or securities issued and by virtue of this delegation of authority, that the shareholders automatically waive their preferential subscription right to the shares to which the securities will grant entitlement;
- decides that the Board of Directors shall have full powers, with the option for it to delegate these powers within the limits set by law, to implement this delegation of authority, in particular:
  - to determine the type and number of shares and/or securities to be issued, their characteristics and the terms of their issue,
  - to approve the assessment of the contributions and the possible granting of particular benefits and concerning said contributions, record their realisation,
  - to deduct all fees, charges and duties from the premium, with the balance receiving any allocation decided by the Board of Directors, or by the Ordinary Shareholders' Meeting, and if necessary, deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital resulting from such increases in the share capital,
  - to decide and perform, as a result of the issue, all necessary measures to protect the rights of holders of securities granting access to the Company's share capital, stock options (both purchase and subscription plans) or free allocation of share rights in accordance with the applicable laws and regulations, and when applicable, any contractual provisions,
  - to increase the share capital, carry out the subsequent amendments to the bylaws and, generally, enter into any

agreement, in particular, for successful completion of the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out;

- decides that the Board of Directors may not take the decision to use this delegation of authority as from the date on which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels and supersedes the delegation of authority granted by the Shareholders' Meeting of 6 November 2015 in its 19<sup>th</sup> resolution.

## **Nineteenth resolution**

***(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital, subject to the limit of 10% of the share capital, with cancellation of the Preferential Subscription Right, in the event of a public exchange offer initiated by the Company)***

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-129 to L. 225-129-6, L. 225-148 and L. 228-92 of the French Commercial Code:

- delegates authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions set by law, to decide to issue, on one or more occasions, and in the proportions and at the times it considers appropriate, various ordinary shares or securities granting access to the Company's share capital, immediately and/or in the future, subject to the limit of 10% of the share capital at the time of the issue, with a view to remunerating securities contributed to (i) a public offer of exchange in France or abroad, under local regulations, by the Company on the shares of another company trading on one of the regulated markets set out in the aforementioned article L. 225-148, or (ii) any other transaction having the same effect as a public exchange offer initiated by the Company on the securities of another company whose securities are traded on another regulated market coming under a foreign law (e.g. as part of a reverse triangular merger or a scheme of arrangement);
- decides, as required, to cancel the shareholders' preferential subscription right to the ordinary shares and securities thus issued in favour of the holders of these securities which are subject to the public offer;
- acknowledges, as required, by virtue of this delegation of authority, that the shareholders automatically waive their preferential subscription right to the shares to which the securities will grant entitlement, in favour of the holders of securities issued granting access to the Company's share capital.

The Shareholders' Meeting decides that the nominal amount of the Company's share capital increase resulting from the issue of the securities set out in the above paragraph, will be deducted from the maximum overall limit set in the aforementioned 14<sup>th</sup> resolution as well as from the maximum limit of the share capital increase set in the 15<sup>th</sup> resolution above, it being specified that to these limits shall be added,

if applicable, the nominal amount of share capital to be issued with respect to the adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as those of recipients of stock options (both purchase and subscription plans) or free allocations of shares.

The Shareholders' Meeting decides that the Board of Directors shall have full powers to implement the public offers covered by this resolution and particularly:

- to set the exchange parity as well as, where applicable, the amount of the compensation to be paid in cash;
- to record the number of securities contributed to the exchange;
- to determine the dates, issue conditions and characteristics, particularly the price and date of vesting, of the ordinary shares, or, where applicable, of the securities granting immediate and/or future access to the Company's ordinary shares;
- to enter the difference between the issue price for the new ordinary shares and their par value on the liabilities side of the balance sheet under "Contribution premium", on which the rights of all the shareholders will be shown;
- if applicable, to deduct from the said 'Contribution premium' all the fees and duties incurred during the authorised transaction and deduct the sums required to raise the legal reserve to one-tenth of the new share capital resulting from such increases in the share capital;
- to record the completion of the resulting share capital increase(s) and to make any subsequent amendments to the bylaws and, generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out.

The Shareholders' Meeting decides that the Board of Directors may not take the decision to use this delegation of authority as from the date on which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period.

The Shareholders' Meeting sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels and supersedes the delegation of authority granted by the Shareholders' Meeting of 6 November 2015 in its 20<sup>th</sup> resolution.

## Twentieth resolution

***(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximum nominal amount of €135 million (approximately 32.81% of the share capital) by capitalisation of premiums, reserves, profits or other items)***

Having reviewed the report of the Board of Directors, the Extraordinary Shareholders' Meeting, deliberating in accordance with the quorum and majority provided for in article L. 225-98 of the French Commercial Code, and in accordance with the provisions of articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code:

- delegates its authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions set by law, to decide to increase the share capital, on one or more occasions,

and in the proportions and at the times it considers appropriate, by the capitalisation of premiums, reserves, profits or other items that it will be possible to capitalise under the law and the bylaws, and in the form of the free allocation of shares or raising of the par value of the existing shares or by combining these two options;

- decides to set the maximum nominal amount of share capital increases that may be carried out in this respect at €135 million, it being specified that this amount will be deducted from the maximum overall limit set in the aforementioned 14<sup>th</sup> resolution. To this limit shall be added, if applicable, the nominal amount of share capital to be issued with respect to the adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as those of recipients of stock options (both purchase and subscription plans) or free allocations of shares;
- in the event that the Board of Directors makes use of this delegation of authority, delegates full powers to the latter, with the option for it to delegate these powers in turn under the conditions provided for by law, to implement this delegation of authority and set the issue conditions, record the completion of the subsequent share capital increases and consequently amend the bylaws and notably:
  - to set the amount and type of sums to be incorporated into the capital, set the number of new shares to be issued and/or the amount by which the par value of the existing shares comprising the share capital will be increased, finalise the date, even retroactive, from which the new shares can be vested or the date on which the increase in the par value will become effective,
  - to decide that the fractional shares shall not be marketable and that the corresponding shares will be sold; the sums resulting from the sale will be allocated to the holders of the rights under the conditions stipulated by the law and regulations,
  - to carry out, when applicable, all adjustments required to take into account the impact of transactions on the Company's share capital, particularly in the event of the amendment of the par value of the share, increase in the share capital by the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or all other assets, depreciation of the capital, or any other transaction concerning shareholders' equity, and set the terms under which, where applicable, the preservation of the rights of holders of securities or rights granting access to the capital will be assured, and
  - generally, to enter into any agreement, in particular, for successful completion of the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out;
- decides that the Board of Directors may not take the decision to use this delegation of authority as from the date at which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels and supersedes the delegation of authority granted by the Shareholders' Meeting of 6 November 2015 in its 21<sup>st</sup> resolution.



As the Shareholders' Meeting is requested to vote on delegations of authority to the Board of Directors that might entail future share capital increases, the purpose of the **21<sup>st</sup> resolution** is to authorise the Board of Directors to decide on share capital increases reserved for members of one or more employee saving plans.

## Twenty-first resolution

***(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase subject to the limit of 2% of the share capital through the issue of shares or securities granting access to the share capital, reserved for members of company savings plans with cancellation of Preferential Subscription Rights in favour of the members of such savings plans)***

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138 and L. 225-138-1 of the French Commercial Code and articles L. 3332-1 et seq. of the French Employment Code:

- delegates authority to the Board of Directors, with the option for it to delegate these powers in turn under the conditions set by law, to decide on a share capital increase, on one or more occasions, in the proportions and at the times it considers appropriate, through the issue of shares or securities granting access to the share capital reserved for members of one or more employee savings plans (or any other members' plan for which article L. 3332-18 of the French Employment Code would authorise a reserved share capital increase under equivalent terms) which would be put in place within the Group consisting of the Company and the French or foreign entities falling within the scope of consolidation of the Company's consolidated financial statements pursuant to article L. 3344-1 of the French Employment Code;
- decides to set the maximum nominal amount of capital increases that may be carried out in this respect at 2% of the Company's share capital at the close of this Shareholders' Meeting, it being specified that:
  - to this maximum limit shall be added, if applicable, the nominal amount of share capital to be issued with respect to the adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as those of recipients of stock options (both purchase and subscription plans) or free allocations of shares,
  - the nominal amount of the share capital increase made pursuant to this authorisation will be deducted from the maximum amount of share capital increases fixed in the 15<sup>th</sup> resolution of this Shareholders' Meeting as well as from the overall limit set in the 14<sup>th</sup> resolution;
- decides that the issue price of new shares or securities granting access to the share capital will be determined under the conditions provided for in article L. 3332-19 of the French Employment Code and may not be more than 20% lower than the average of the listed prices of the Pernod Ricard share recorded over the twenty trading sessions preceding the date of the decision setting the opening date of the subscription period for the share capital increase reserved for the members of an employee savings plan (the "Reference Price"), nor exceed such average; however, the Shareholders' Meeting expressly authorises the Board of Directors, if it deems appropriate, to reduce or cancel the aforementioned discount, within legal and regulatory limits, in order to take into account, in particular, the legal, accounting, tax and social security treatments that apply locally;
- authorises the Board of Directors to grant the aforementioned beneficiaries, free of charge, in addition to the shares or securities granting access to the capital to be subscribed in cash, shares or securities granting access to the capital to be issued or already issued, in substitution for all or part of the discount on the Reference Price and/or special contribution, it being specified that the benefit resulting from this allocation may not exceed the limits provided for by law or regulations pursuant to articles L. 3332-1 and L. 3332-19 of the French Employment Code;
- decides to cancel, in favour of the aforementioned beneficiaries, shareholders' preferential subscription rights to the shares that are the subject of this authorisation; the aforementioned shareholders furthermore waiving all rights to the free allocation of shares or securities granting access to the share capital which would be issued pursuant to this resolution as well as the shares to which the securities will grant entitlement;
- decides that the Board of Directors shall have full powers to implement this delegation with the option for it to delegate these powers in turn under the conditions provided for by law, within the limits and under the conditions specified above in order, in particular:
  - to decide, under the conditions provided for by law, the list of companies for which members of an employee savings plan may subscribe to shares or securities granting access to the capital issued in this way, and benefit, where applicable, from the free allocation of shares or securities granting access to the capital,
  - to decide whether subscriptions may be carried out directly or via the intermediary of company mutual funds or other structures or entities permitted by the provisions of the applicable law or regulations,
  - to determine the conditions, in particular in respect of length of service, to be met by the beneficiaries of the share capital increases,
  - to set the start and end dates of the subscription periods,
  - to set the amounts of the issues of shares or securities which will be made pursuant to this authorisation and, in particular, decide on the issue prices, dates, time periods, terms and conditions of subscription, payment, delivery and vesting (which may be retroactive) in respect of the shares or securities as well as the other characteristics, terms and conditions of the issues of shares or securities, within the limits set by law and the regulations in force,

- in the event of a free allocation of shares or securities granting access to the share capital, set the number of shares or securities granting access to the capital to be issued, the number to be granted to each beneficiary, and decide on the dates, time periods, terms and conditions of allocation of such shares or securities granting access to the share capital within the limits provided for by applicable law and regulations and, in particular, choose either to substitute, in full or in part, the allocation of such shares or securities granting access to the capital for the discounts on the Reference Price provided for above, or to deduct the equivalent value of these shares from the total amount of the special contribution, or to use a combination of these two possibilities,
- to record the completion of the increases in the share capital for the amount corresponding to the shares subscribed (after any reduction in the event of over-subscription),
- to offset, where applicable, the costs of the share capital increases against the amount of the related share premiums and deduct from the amount of such share premiums the sums required to raise the legal reserve to one-tenth of the new share capital following these increases in the share capital,
- to take all necessary measures to protect the rights of holders of securities or other rights granting access to the Company's share capital in accordance with the applicable laws and regulations, and when applicable, any contractual provisions providing for other adjustments, and
- to enter into all agreements, carry out directly or indirectly, *via* a duly authorised agent, all transactions including completing the formalities following the share capital increases and the corresponding amendments to the bylaws and in general, to enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate to the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, and all formalities resulting from the increases in share capital carried out;

- decides that the Board of Directors may not take the decision to use this delegation of authority as from the date on which a third party files a proposal for a tender offer for the shares of the Company unless it obtains prior authorisation from the Shareholders' Meeting; this restriction shall remain in effect until the end of the offer period;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels, as from such date, the delegation of authority granted by the Shareholders' Meeting of 17 November 2016 in its 17<sup>th</sup> resolution.

The purpose of the **22<sup>nd</sup> resolution** is to authorise the Board of Directors to carry out the required legal formalities, where applicable.

## Twenty-second resolution

### *(Powers to carry out the necessary legal formalities)*

The Shareholders' Meeting grants full powers to the bearer of a copy or an extract of the minutes of this meeting to carry out, wherever they may be required, all filing and formalities regarding legal disclosure or other, as necessary.

# STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL REDUCTION

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COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING  
OF 9 NOVEMBER 2017

## 13<sup>th</sup> resolution

To the Pernod Ricard Shareholders' Meeting,

As Statutory Auditors of your Company and pursuant to the engagement set forth in Article L. 225-209 of the French Commercial Code (*Code de commerce*) concerning share capital reductions by cancellation of shares purchased, we hereby present our report on our assessment of the reasons for and terms and conditions of the proposed share capital reduction.

Shareholders are requested to confer all necessary powers on the Board of Directors, during a period of 26 months commencing the date of this Shareholders' Meeting, to cancel, up to a maximum of 10% of its share capital by 24-month period, the shares purchased by the Company pursuant to the authorisation to purchase its own shares, as part of the provisions of the aforementioned article.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed share capital reduction, which does not undermine shareholder equality.

We have no comments on the reasons for and the terms and conditions of the proposed share capital reduction.

Paris La Défense and Neuilly-sur-Seine, 20 September 2017

KPMG Audit  
Division of KPMG S.A.  
Eric Ropert  
Partner

Deloitte & Associés  
David Dupont-Noel  
Partner

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# STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES AND/OR VARIOUS SECURITIES WITH RETENTION AND/OR CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING  
OF 9 NOVEMBER 2017

## 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> resolutions

To the Pernod Ricard Shareholders' Meeting,

As Statutory Auditors of your company (hereinafter the "Company") and pursuant to the engagement set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de Commerce*), we hereby present our report on the proposed delegations of authority to the Board of Directors to issue ordinary shares and/or securities, transactions that you are being asked to approve.

Based on its report, the Board of Directors asks that you delegate to it, with the option of sub-delegation, for a period of 26 months commencing the date of this Shareholders' Meeting, the authority to decide the following transactions, set the definitive issue terms and conditions and, where necessary, cancel your preferential subscription rights:

- issues of ordinary shares of the Company and/or securities granting immediate or future access to the Company's share capital, with retention of preferential subscription rights (14<sup>th</sup> resolution);
- issues of ordinary shares of the Company and/or securities granting access to the Company's share capital, with cancellation of preferential subscription rights, as part of a public offer (15<sup>th</sup> resolution);
- issues of ordinary shares of the Company and/or securities granting immediate or future access to the Company's share capital, with cancellation of preferential subscription rights (17<sup>th</sup> resolution), as part of offers referred to in Article L. 411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*), within the limit of 20% of the share capital per year;
- issues of ordinary shares or various securities granting immediate or future access to the Company's share capital (18<sup>th</sup> resolution), within the limit of 10% of the share capital at the time of issue, in exchange for contributions in kind to the Company comprising shares or securities granting access to the share capital of other companies, where the provisions of Article L. 225-148 of the French Commercial Code are not applicable;

- issues of ordinary shares and/or various securities granting immediate and/or future access to the Company's share capital (19<sup>th</sup> resolution), within the limit of 10% of the share capital at the time of issue, in exchange for shares contributed to (i) a public exchange offer initiated by the Company on the securities of another company admitted for trading on one of the regulated markets specified in Article L. 225-148 of the French Commercial Code, or (ii) any other transaction having the same impact as a public exchange offer initiated by the Company on the securities of another company whose shares are admitted for trading on a regulated market governed by a foreign law.

The overall par value amount of share capital increases that may be carried out, immediately or in the future, pursuant to the 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> resolutions presented to the Shareholders' Meeting, may not, according to the 14<sup>th</sup> resolution, exceed €135 million, it being specified that the total par value amount of share capital increases that may be carried out immediately or in the future may not exceed:

- €135 million if performed pursuant to the 14<sup>th</sup> resolution;
- €41 million if performed pursuant to the 15<sup>th</sup> resolution, with this ceiling also applicable jointly to the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup> and 21<sup>st</sup> resolutions presented to the Shareholders' Meeting;
- €41 million if performed pursuant to either the 17<sup>th</sup>, 18<sup>th</sup> or 19<sup>th</sup> resolutions presented to the Shareholders' Meeting.

The overall nominal amount of debt securities that may be issued pursuant to the 14<sup>th</sup>, 15<sup>th</sup> and 17<sup>th</sup> resolutions presented to the Shareholders' Meeting, may not, according to the 14<sup>th</sup> resolution, exceed €10 billion.

These ceilings take into account the additional number of securities to be created by virtue of the delegations set forth in the 14<sup>th</sup>, 15<sup>th</sup> and 17<sup>th</sup> resolutions, under the terms and conditions stipulated in Article L. 225-135-1 of the French Commercial Code, should you adopt the 16<sup>th</sup> resolution.

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It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposal to cancel preferential subscription rights and on certain other information concerning these transactions, as set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on these transactions and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments to make on the process for determining the issue price of the future securities, as set out in the Board of Directors' report in respect of the 15<sup>th</sup> and 17<sup>th</sup> resolutions.

In addition, as this report does not specify the methods of determining the issue price of future securities issued pursuant to the 14<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> resolutions, we cannot express our opinions on the items used to calculate this issue price.

As the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide in the 15<sup>th</sup> and 17<sup>th</sup> resolutions.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of these authorisations, in the event of the issue of securities granting access to other equity securities or entitlement to the grant of debt securities, the issue of securities granting access to future equity securities, or the issue of shares with cancellation of preferential subscription rights.

Paris La Défense and Neuilly-sur-Seine, 20 September 2017

KPMG Audit  
Division of KPMG S.A.

Eric Ropert  
*Partner*

Deloitte & Associés

David Dupont-Noel  
*Partner*

# STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES OR SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL, RESERVED FOR EMPLOYEE MEMBERS OF COMPANY SAVINGS PLANS

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING  
OF 9 NOVEMBER 2017

## 21<sup>st</sup> resolution

To the Pernod Ricard Shareholders' Meeting,

As Statutory Auditors of your company (hereinafter the "Company") and pursuant to the engagement set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegation of authority to your Board of Directors to decide one or more issues of shares or securities granting access to the share capital, with cancellation of preferential subscription rights, reserved for employee members of one or more company savings plans implemented within the Group, comprising the Company and the French and foreign companies falling within the consolidation scope of the Company's financial statements pursuant to Article L. 3344-1 of the French Labour Code (*Code du travail*), a transaction that you are being asked to approve.

This transaction is subject to your approval in accordance with the provisions of Article 225-129-6 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code.

This transaction may lead to share capital increases of up to a maximum par value amount of 2% of the share capital at the close of this Shareholders' Meeting, it being specified that this amount will be deducted from the ceiling for share capital increases with cancellation of preferential subscription rights set by this Shareholders' Meeting in the 15<sup>th</sup> resolution and the overall share capital increase ceiling set by this same Shareholders' Meeting in the 14<sup>th</sup> resolution.

Based on its report, the Board of Directors asks that you delegate to it, for a period of 26 months commencing the date of this Shareholders' Meeting, the authority to decide one or more issues, with cancellation of your preferential subscription rights to the shares and/or securities to be issued. When appropriate, it will set the final terms and conditions of these issues.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposal to cancel preferential subscription rights and on certain other information concerning the issues, as set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments to make on the process for determining the issue price of the future securities, as set out in the Board of Directors' report.

As the definitive terms and conditions of the issue(s) have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of this authorisation, in the event of the issue of ordinary shares, the issue of securities granting access to other securities, and the issue of securities granting access to future securities.

Paris La Défense and Neuilly-sur-Seine, 20 September 2017

KPMG Audit  
Division of KPMG S.A.  
Eric Ropert  
Partner

Deloitte & Associés  
David Dupont-Noël  
Partner

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## Registered shareholders: Choose the e-Notice of Meeting

**By choosing the e-Notice of Meeting, you contribute to our efforts regarding sustainable development.**

It enables you to receive by email **your Notice of Meeting and the documents related to the Shareholders' Meetings.**

**For shareholders holder of registered shares (pure or administered):**

- To access the **secured Sharinbox website**, [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) website you will need:
  - **your access code (8 digits):** it appears on your statements and on your proxy card, (under the “Cadre réservé à la Société”);
  - **your password:** it was sent to you at first by mail. In case of loss, go on the connexion page, click on “Get your codes”. It will be sent immediately by email if your e-mail address and birth information are already recorded. Otherwise, it will be sent by mail.
- **You can register in the “Personal Information”** section on the Sharinbox website ([www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com)). Check your e-mail address in the “Personal contact details” section and **click on “Subscribe for free”** in the “E-services/E-notices for General Meetings” section.

**Note:** The e-mail address you have provided for General Meetings of Shareholders notices will be used as the contact e-mail for your registered share account. It shall be used exclusively to manage your account and for notifications or information purposes, namely should you misplace your access codes for the [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) website.





## Request for documents or further information

We inform you that the documents of the Combined Shareholders' Meeting (Ordinary and Extraordinary) of 9 November 2017 are available on the Pernod Ricard website: <http://pernod-ricard.com/15123>.

### REQUEST TO BE SENT TO:

- If you hold **REGISTERED** shares: Société Générale  
Service des Assemblées  
CS 30812  
44308 Nantes Cedex 03 – France
- If you hold **BEARER** shares: the intermediary who holds your bearer share account.

I the undersigned,

☐ Mr ☐ Mrs ☐ Miss (tick the box)

Surname (or Company name): \_\_\_\_\_

First name: \_\_\_\_\_

Address: \_\_\_\_\_

Email address: \_\_\_\_\_ @ \_\_\_\_\_

Holder of \_\_\_\_\_ registered shares, \_\_\_\_\_

and/or \_\_\_\_\_ bearer shares, \_\_\_\_\_

of PERNOD RICARD,

request documents and information concerning the Combined Shareholders' Meeting of **9 November 2017**\* as listed in article R. 225-83 of the French Commercial Code.

Done in \_\_\_\_\_, on \_\_\_\_\_ 2017

Signature

\* Under article R. 225-88 paragraph 3 of the French Commercial Code, shareholders holding registered shares may, upon simple request, obtain documents and information from the Company, as listed in articles R. 225-81 and R. 225-83 of the French Commercial Code, at each subsequent Shareholders' Meeting. Shareholders wishing to take up this option should use this form.



# NOTES



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# NOTES



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**PERNOD RICARD**

PERNOD RICARD IS A FRENCH PUBLIC LIMITED COMPANY  
(SOCIÉTÉ ANONYME - SA)  
WITH SHARE CAPITAL OF €411,403,467.60

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