6.11 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Shareholders' Meeting held to approve the financial statements for the year ended 30 June 2018

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that is issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements and commitments reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Pernod Ricard Shareholders' Meeting

As Statutory Auditors of your Company, we hereby present our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements or commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

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 cross-checking the information provided to us with the relevant source documents.

I. Agreements and commitments submitted to the approval of the shareholders' meeting

Agreements and commitments authorised during the year

We hereby inform you that we have not been advised of any agreement or commitment authorised during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

II. Agreements and commitments previously approved by the Shareholders' Meeting

A. Agreements and commitments approved in prior years that remained in force during the financial year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

Loan from Pernod Ricard to Havana Club Holding (HCH) in connection with the restructuring of HCH

In connection with the financial restructuring of HCH, the Board of Directors' meeting on 20 October 2010 authorised Pernod Ricard to grant HCH a loan for a maximum amount of between USD 50 million and USD 60 million. The final loan amount was USD 53,839,374.

The amounts invoiced by Pernod Ricard to HCH in respect of this loan for the year ended 30 June 2018 totalled USD 7,473,138 (euro equivalent of €6,201,602).

This loan agreement provides HCH with the necessary resources for its financing needs.

Corporate officer involved: Mr. Alexandre Ricard, also Director of Havana Club Holding.

€2,500,000,000 Multicurrency Revolving Facility Agreement

The Board of Directors' meeting of 19 April 2017 authorised the signature of a new loan agreement in English entitled "€2,500,000,000 Multicurrency Revolving Facility Agreement" with, amongst others, BNP Paribas and Crédit Agricole Corporate Investment Bank as Mandated Lead Arrangers and Bookrunners and BNP Paribas and Crédit Agricole Corporate & Investment Bank as Original Lenders, under which the lenders would make available to the Company, to Pernod Ricard Finance and to the other companies of the Group party to the agreement, a revolving loan facility of a maximum principal amount of €2,500,000,000.

Pernod Ricard undertook to guarantee under certain conditions, as joint and several guarantor, compliance with the payment obligations of the other borrowing companies of the Group.

This new loan agreement signed on 14 June 2017 reduces the contract margin and extends its maturity.

Non-use fees for the syndicated loan facility totalled €2,410,862.45 for the year ended 30 June 2018.

Pernod Ricard invoices a guarantee commission at market rates to Group companies exercising their drawing rights in respect of the guarantee granted by Pernod Ricard to certain of its subsidiaries; the amount of this commission is likely to vary in line with market conditions.

During the year ended 30 June 2018, Pernod Ricard Finance carried out three drawdowns under this agreement, which were repaid prior to 30 June 2018.

Accordingly, Pernod Ricard invoiced €654,193.98 to Pernod Ricard Finance in the financial statements for the year ended 30 June 2018.

Your Board of Directors considered that this loan agreement provides Pernod Ricard, Pernod Ricard Finance and the other Group companies with a multicurrency revolving credit facility for their financing needs.

Corporate officers involved:

- Mrs. Veronica Vargas, also Director, Strategic and Acquisition Finance, of Société Générale Group (party to the loan agreement);
- Mr. Wolfgang Colberg, also member of the Deutsche Bank AG Regional Board (party to the loan agreement).

B. Agreements and commitments approved in prior years, without effect during the financial year

In addition, we have been informed of the following commitments and agreements, previously approved by Shareholders' Meetings of prior years, which had no effect during the year.

Commitments authorised for Mr. Alexandre Ricard, Chairman & CEO

On 31 August 2016, the Board of Directors authorised the renewal of the following commitments undertaken for Mr. Alexandre Ricard, as Chairman & CEO of Pernod Ricard, which were approved by the Shareholders' Meeting of 17 November 2016:

1. **One-year non-compete clause, together with compensation corresponding to 12 months' remuneration** (most recent annual fixed and variable remuneration decided by the Board of Directors).
   - In accordance with the Afep-Medef Code, a provision authorises the Board of Directors to waive the application of this clause upon departure of the Executive Corporate Officer.
2. **A forced departure clause subject to performance conditions, together with maximum compensation corresponding to 12 months' remuneration** (most recent annual fixed and variable remuneration decided by the Board of Directors):
   - Compensation under the forced departure clause would be paid, subject to the satisfaction of performance conditions, in the event of forced departure resulting from a change in Group control or strategy. In accordance with the Afep-Medef Code, no compensation shall be paid in the event of departure i) following the non-renewal of a term of office, ii) at the initiative of the executive officer, iii) if he changes functions within the Group or iv) if he can claim his pension in the near future.
   - The compensation relating to the forced departure clause is subject to the following three performance criteria:
     – Criteria 1: Annual bonus rates achieved over the term(s) of office: shall be considered as satisfied if the average amount of bonuses collected over the entire term(s) of office is greater than or equal to 90% of the target variable remuneration;
     – Criteria 2: Rate of growth in current operating income over the term(s) of office: shall be considered as satisfied if the average growth in annual current operating income compared to the annual budget over the term(s) of office exceeds 95% (adjusted for foreign exchange and scope impacts);
     – Criteria 3: Average rate of growth in revenue over the term(s) of office: shall be considered as satisfied if the average growth rate in revenue over the term(s) of office is greater than or equal to 3% (adjusted for foreign exchange and scope impacts).
   - The amount of compensation likely to be collected under the forced departure clause shall be calculated according to the following scale:
     – if the 3 criteria are satisfied: 12 months' remuneration(1),
     – if 2 of the 3 criteria are satisfied: 8 months' remuneration(1),
     – if 1 of the 3 criteria is satisfied: 4 months' remuneration(1),
     – if no criteria is satisfied: no compensation will be paid.

Accordingly, in accordance with the Afep-Medef Code, the maximum overall compensation under the non-compete clause (compensation of 12 months' remuneration(1)) and under the forced departure clause (maximum compensation of 12 months' remuneration(1)) (total of the two compensations) may not exceed 24 months' remuneration(1).

Your Board of Directors considered that these commitments served to safeguard your Company in the event of the Executive Corporate Officer's departure by restricting his freedom to exercise functions for a competitor (non-compete clause) and protect the Executive Corporate Officer by providing for the payment of compensation, subject to performance conditions, in the event of an involuntary departure (forced departure clause).

3. **Collective healthcare and welfare schemes authorised for Mr. Alexandre Ricard, Chairman & CEO**

Mr. Alexandre Ricard, who no longer has an employment contract with the Company in accordance with the Afep-Medef Code, benefits from the collective healthcare and welfare schemes prevailing within the Company, under the same terms and conditions as those applicable to the category of employees to which he is assimilated for the setting of benefits and other additional items of compensation.

On 31 August 2016, the Board of Directors authorised the renewal of this agreement, which was approved by the Shareholders' Meeting of 17 November 2016 (5th resolution).

Paris La Défense, 19 September 2018

The Statutory Auditors

KPMG Audit
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Eric Ropert
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(1) Most recent annual fixed and variable remuneration decided by the Board of Directors.