

2.3 Share buyback programme

The following paragraphs include the information that must be included in the Board of Directors' report pursuant to Article L. 225-211 of the French Commercial Code as well as a description of the share buyback programme as required in accordance with Article 241-2 of the French Financial Markets Authority (AMF) General Regulation.

Transactions carried out by the Company related to its own shares during FY 2023 (1 July 2022 – 30 June 2023)

Authorisations granted to the Board of Directors

At the Combined Shareholders' Meeting of 10 November 2021, the Company's shareholders authorised the Board of Directors to buy or sell the Company's shares for a period of 18 months as part of a share buyback programme. The maximum purchase price was set at €280 per share and the Company was not authorised to purchase any more than 10% of the shares making up its share capital; additionally, the number of shares held by the Company could not, at any time, exceed 10% of the shares comprising its share capital.

At the Ordinary Annual Shareholders' Meeting of 10 November 2022, the shareholders granted the Board of Directors a further 18 month authorisation to trade in the Company's shares under the same conditions with a maximum purchase price set at €320 per share. This authorisation superseded, with effect from 10 November 2022, the unused portion of the authorisation granted at the Shareholders' Meeting of 10 November 2021.

Pursuant to these authorisations, the liquidity agreement compliant with the AMAFI Code of Ethics, which was entered into with Rothschild Martin Maurel with effect from 1 June 2012 and replaced by the agreement signed on 23 September 2019, was tacitly renewed on 1 June 2023 for a period of one year. The funds initially allocated to the management of the liquidity agreement amounted to €5,000,000.

The authorisation granted by the Shareholders' Meeting of 10 November 2022, which was still in force at the date this document was filed, will expire on 9 May 2024. At the Shareholders' Meeting of 10 November 2023, the shareholders will be invited to authorise the Board of Directors to trade in the Company's shares under a new share buyback programme, as described below, under "Description of the new share buyback programme to be submitted for authorisation at the Annual Shareholders' Meeting of 10 November 2023".

Position at 30 June 2023

% of Company shares held directly and indirectly	0.92
Number of shares held	2,363,986
Number of shares cancelled in the last 24 months	2,315,622
Par value	3,664,178.30
Gross carrying amount	€146,896,974.31
Portfolio market value*	€478,470,766.40

* Based on the closing price at 30 June 2023, i.e., €202.40.

SUMMARY AT THE FY 2023 REPORTING DATE

The following table details the transactions carried out by the Company in its own shares within the scope of the share buyback programme during FY 2023.

Transactions	Total gross movements from 01/07/2022 to 30/06/2023									Open positions at 30/06/2023			
	Liquidity agreement		Transactions carried out outside the scope of the liquidity agreement							Open purchase positions		Open sale positions	
	Purchase	Sale	Purchase of securities	Call options purchased	Call options exercised	Exercise of the cancellation clause	Sale of securities	Sale and repurchase agreements	Transfers ⁽¹⁾	Call options ⁽²⁾	Forward purchases	Put options	Forward sales
Number of shares	168,916	168,916	3,833,035	90,000	112,077	-	-	-	244,958	303,000	-	-	-
Maximum term	-	-	-	16/10/2025	28/11/2022	-	-	-	-	16/10/2025	-	-	-
Average price (€)	191.79	191.96	200.13	-	-	-	-	-	125.23	-	-	-	-
Average strike price (€)	-	-	-	186.85	162.79	-	-	-	-	180.65	-	-	-
Amount (€)	32,396,789.35	32,424,577.39	767,102,560	16,816,500.00	18,245,014.83	-	-	-	30,676,539	54,736,950.00	-	-	-

(1) Transfers of treasury shares.

(2) American call options.

Under the share buyback programme authorised by the Shareholders' Meeting of 10 November 2022 and implemented by the Board of Directors, 3,740,560 shares were bought back at the weighted average price of €200.4. These shares were cancelled.

Pursuant to the authorisations granted at the Shareholders' Meeting of 10 November 2022, at its meeting on the same date the Board of Directors set up a performance share grant plan. In connection with this plan, an option-based hedging arrangement was entered into for 90,000 shares by acquiring the same number of three-year American call options. The Company also purchased 92,475 shares at the price of €187.82, as well as 112,077 shares through the exercise of American call options. The 112,077 Pernod Ricard SA shares resulting from the exercise of the American call options, which serve to cover the various plans making up the overall share allocation plan, were sold off-market to an investment services provider at an average price of €162.79.

A number of shares acquired on the stock market in previous financial years were reallocated to cover various stock option or performance share plans and the 90,000 American calls exercisable for the same number of Pernod Ricard shares were allocated to cover part of these stock option and performance share allocation plans. Treasury shares constitute reserves covering the various stock option and performance share grant plans still in force. During the period, the following transfers were made within these reserves of treasury shares: 176,575 shares were granted to beneficiaries of the 21 November 2018 performance share plan (at the end of the four-year vesting period), 64,224 shares were transferred to cover the rights of beneficiaries who had exercised stock options, and 4,159 shares were transferred to cover early release events as provided for by law.

Under the liquidity agreement signed with Rothschild & Cie Banque, during the period, the Company:

- purchased 168,916 shares for a total amount of €32,396,789.35; and
- sold 168,916 shares for a total amount of €32,424,577.39.

Distribution of treasury shares by purpose at 30 June 2023

All of the Company's treasury shares are allocated as reserves for its various stock option and performance share grant plans.

Description of the new share buyback programme to be submitted for authorisation at the Annual Shareholders' Meeting of 10 November 2023

The description of this programme set out below, which has been prepared in accordance with Article 241-3 of the AMF's General Regulation, will not be published separately.

As the authorisation granted by the Shareholders' Meeting of 10 November 2022 allowing the Board of Directors to trade in the Company's shares is due to expire on 9 May 2024, a resolution will be proposed at the Shareholders' Meeting of 10 November 2023 (14th resolution – see Section 8 "Annual Shareholders' Meeting" of this Universal Registration Document) to grant a further authorisation to the Board of Directors to trade in the Company's shares at a maximum purchase price of €330 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. Thus, in accordance with the law, the Company may not at any time hold a number of shares representing more than 10% of its share capital.

As the Company may not hold more than 10% of its share capital, and given that it held 2,363,986 shares (i.e., 0.92% of the share capital) at the time of the last declaration relating to the number of shares and voting rights held (i.e., at 30 June 2023), the maximum number of shares that could be bought back would be 23,199,187 (i.e., 9.07% of the share capital), unless it sells or cancels shares it already holds.

The purpose of the share buybacks and the uses that may be made of the shares repurchased in this manner are described in detail in the 14th resolution to be put to the vote of the shareholders on 10 November 2023. The share buyback programme would enable the Company to purchase its own shares, either directly or indirectly, for the purpose of:

- granting or selling the shares to employees and/or Executive Corporate Officers 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
- fulfilling the Company's commitments under financial contracts or options with cash payments relating to changes in the stock market price of Company shares, granted to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or
- granting free shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates, in accordance with the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to a company savings plan in accordance with the provisions of Article L. 3332-14 of the French Labour Code; or
- retaining and subsequently tendering the shares (in exchange, as payment or otherwise) in connection with external growth transactions, subject to a limit of 5% of the number of shares comprising the share capital; or
- delivering the shares upon the exercise of rights attached to securities granting access to the share capital through redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- cancelling all or some of the shares bought back, under the conditions provided for in Article L. 22-10-62 paragraph 4 of the French Commercial Code and in accordance with the authorisation to reduce the share capital granted by the Shareholders' Meeting of 10 November 2022 in the 12th resolution, which is valid until 9 January 2024; or
- enabling an investment services provider to make a market for Company shares in accordance with liquidity agreements in line with the terms of a Code of Ethics approved by the French Financial Markets Authority (AMF).

This programme is also designed to enable the Company to trade in its shares for any other authorised or compliant purpose or any purpose that may be authorised or become compliant with the applicable regulations in the future or that may be permitted as a market practice by the AMF in the future. The Company will inform the shareholders in a press release prior to carrying out any such transactions.

The number of Company shares purchased may be such that:

- the Company does not purchase more than 10% of the shares comprising its share capital at any time during the term of the share buyback programme; this percentage applies to the share capital as adjusted to reflect any corporate actions carried out subsequent to this Shareholders' Meeting; in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, when shares are bought back to favour the liquidity of the shares under the conditions set out by the applicable regulations, the number of shares taken into account for calculating the 10% limit corresponds to the number of shares purchased less the number of shares sold during the authorisation period; and
- the number of shares held by the Company at any time does not exceed 10% of the shares comprising its share capital.

The shares may be purchased, sold, transferred, delivered or exchanged, on one or more occasions, by any means authorised, including via block purchases or sales, as part of sale and repurchase agreements or public purchase or exchange offers, through the use of financial derivatives, on a regulated market, a multilateral trading facility, from a systematic internaliser or over the counter, or by means of option strategies (purchases and sales of puts and calls and any combinations thereof in compliance with the applicable regulations). Transactions carried out by block purchases or sales may account for the entire share buyback programme.

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

- enable the Company to meet commitments made prior to the launch of the public offer;
- are undertaken to pursue a share buyback programme already in progress;
- fall within the scope of the objectives referred to in points (i) to (iii) above; and
- cannot cause the offer to fail.

The Board of Directors may also, in accordance with the applicable laws and regulations, allocate shares previously bought back to another objective (including shares bought back under a previous authorisation) or sell the shares (on- or off-market).

This authorisation would be valid for a period of 18 months from the Shareholders' Meeting of 10 November 2023 and would cancel, as from this same date, any unused portion of the authorisation to trade in the Company's shares granted to the Board of Directors in the 12th resolution of the Shareholders' Meeting of 10 November 2022.

2.4 Factors liable to have an impact in the event of a public offer

In accordance with Article L. 22-10-11 of the French Commercial Code, the factors liable to have an impact on the Company's securities in the event of a public offer are set out below.

2.4.1 Capital structure of the Company

The Company's capital structure is shown in the table "Breakdown of share capital and voting rights at 30 June 2023" in Section 9 "Information on the Company and its share capital", subsection 9.2, "Information on the share capital".

Threshold crossings declared during FY 2023 are also shown in the table entitled "Breakdown of share capital and voting rights at 30 June 2023" in Section 9 "Information on the Company and its share capital" of this Universal Registration Document, subsection 9.2, "Information on the share capital".

2.4.2 Restrictions on the exercise of voting rights provided for in the Company's Articles of Association and double voting rights

The Company's Articles of Association⁽¹²⁾ provide for a limit on voting rights. This mechanism is described in subsection 2.5.3 "Voting conditions" below.

In addition, certain shares of the Company have double voting rights as described in subsection 2.5.3 "Voting conditions" below.

2.4.3 Agreements between shareholders of which the Company is aware

The shareholders' agreement between shareholders of the Company (agreement between Rafaël Gonzalez-Gallarza and Société Paul Ricard, owned by the Ricard family) is described under "Shareholders' agreements" in subsection 2.1.2.5.2 "Declarations by the members of the Board of Directors" of this Universal Registration Document and also appears on the AMF website (www.amf-france.org).

⁽¹²⁾ The Articles of Association can be consulted on the Company's website (www.pernod-ricard.com).