

2018



RÉMY COINTREAU

REGISTRATION DOCUMENT
INCLUDING THE ANNUAL FINANCIAL REPORT
2017 / 2018

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RÉMY COINTREAU



REGISTRATION DOCUMENT 2017 / 2018 AND ANNUAL FINANCIAL REPORT

All around the world, there are clients seeking exceptional experiences; clients for whom a wide range of terroirs means a variety of flavors. Their exacting standards are proportional to our expertise – the finely-honed skills that we pass down from generation to generation. The time these clients devote to drinking our products is a tribute to all those who have worked to develop them.

It is for these men and women that Rémy Cointreau, a family-owned French Group, protects its terroirs, cultivates exceptional multi-centenary spirits and undertakes to preserve their eternal modernity.

The Group's portfolio includes 12 unique brands, such as the Rémy Martin and Louis XIII cognacs, and Cointreau liqueur.

Rémy Cointreau has a single ambition: becoming the world leader in exceptional spirits. To this end, it relies on the commitment and creativity of its 1,800 employees and on its distribution subsidiaries established in the Group's strategic markets.

Rémy Cointreau is listed on Euronext Paris.

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards.



This registration document was filed with the French Financial Markets Authority (AMF) on 29 June 2018, in accordance with Article 212-13 of its General Regulation. It may be used in support of a financial transaction if accompanied by a memorandum approved by the AMF. It was prepared by the issuer under the responsibility of its signatories.

A photograph of two people on a rocky, grassy cliffside under a blue sky with clouds. One person is standing and leaning over, while the other is crouching and looking at something on the ground. The cliffside is rugged and covered in patches of green grass and moss.

CHAIRMAN'S MESSAGE

— MARC HÉRIARD
DUBREUIL

In keeping with our predecessors, the men and women of Rémy Cointreau, whether they are in Cognac, Angers, Islay, Athens or Barbados, are more attentive than ever to the quality and uniqueness of our spirits. Today, each of our Maisons continues to win over passionate and discerning clients throughout the world.

Our brands are simultaneously rooted in their terroirs, highly contemporary and destined to achieve global recognition. The brands' success is fundamentally linked to the savoir-faire of those women and men who have succeeded each other, sometimes for more than 300 years, and who have crafted their singularity.

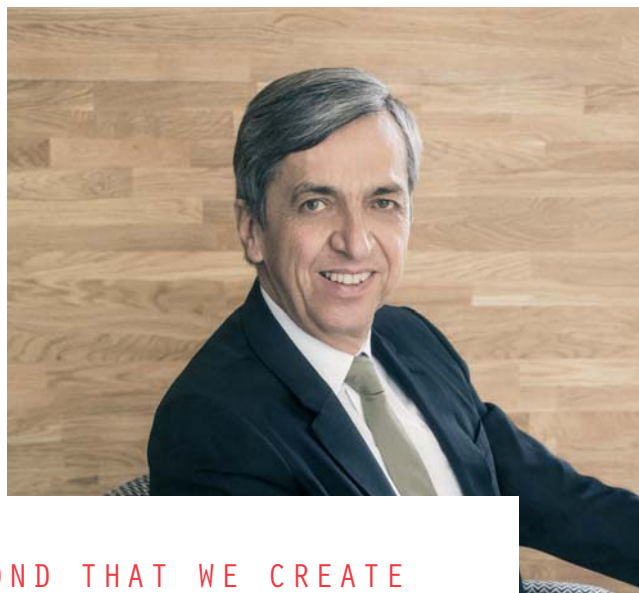
This success derives from a scent, aroma or taste that lay within the memory of connoisseurs who recognise that uniqueness and wish to share their experience with others. Around the world, people are experimenting with new ways of savouring our products and, in doing so, contribute to perpetuating the desire for exceptional spirits.

As Chairman of Rémy Cointreau since October 2017, this heritage has forged my commitment: in relation to our clients, to be attentive to product quality and producers' dedication; in relation to our stakeholders, to simultaneously meet targets for growth, profitability and economic sustainability. Nor am I forgetting our ambition in the area of Corporate Social Responsibility.

Across all our activities and for each of our businesses, our emphasis must be on sustainable, responsible, transparent and shared practices. Our 2020 CSR plan, initiated last year, builds on initiatives to decrease our carbon emissions (eco-design of products, freight optimization, etc.) and reduce our environmental footprint (energy, water and liquid waste).

Thanks to our research and actions, this responsibility is now instilled in every part of our Group. Rémy Cointreau has therefore reaffirmed its commitment to the Global Compact initiative and to its 2020 strategy, based on the Sustainable Development Goals (SDGs) as defined by the United Nations. Every company involved in CSR reporting (according to the French "Grenelle II law") reports all of its corporate, environmental and social information. This reporting process also enhances our strategic reflection for the Group.

The legacy of our predecessors also leads us to be bold, standing among new generations who want to create original products for the global economy of today and tomorrow. Our major concerns are to preserve our savoir-faire, enhance skills and motivate talented people, since it is thanks to the commitment



“THE BOND THAT WE CREATE BETWEEN TERROIRS, PEOPLE AND TIME, IS THE BOND THAT UNITES US, IN A SUSTAINABLE WAY, WITH THE WORLD OF TODAY AND TOMORROW.”

of all our employees that we will fulfil our ambition: being the leader in exceptional spirits .

The year 2017/2018 has confirmed the relevance of our strategic choices. This year, our growth has accelerated even further under the impetus of Asia, the United States and Global Travel Retail. At constant scope and exchange rates, our sales are up +7.2%. Cognacs were particularly instrumental in this performance, illustrating the relevance of our strategy to move upmarket. Our upgrading efforts within the Liqueurs and Spirits division have further

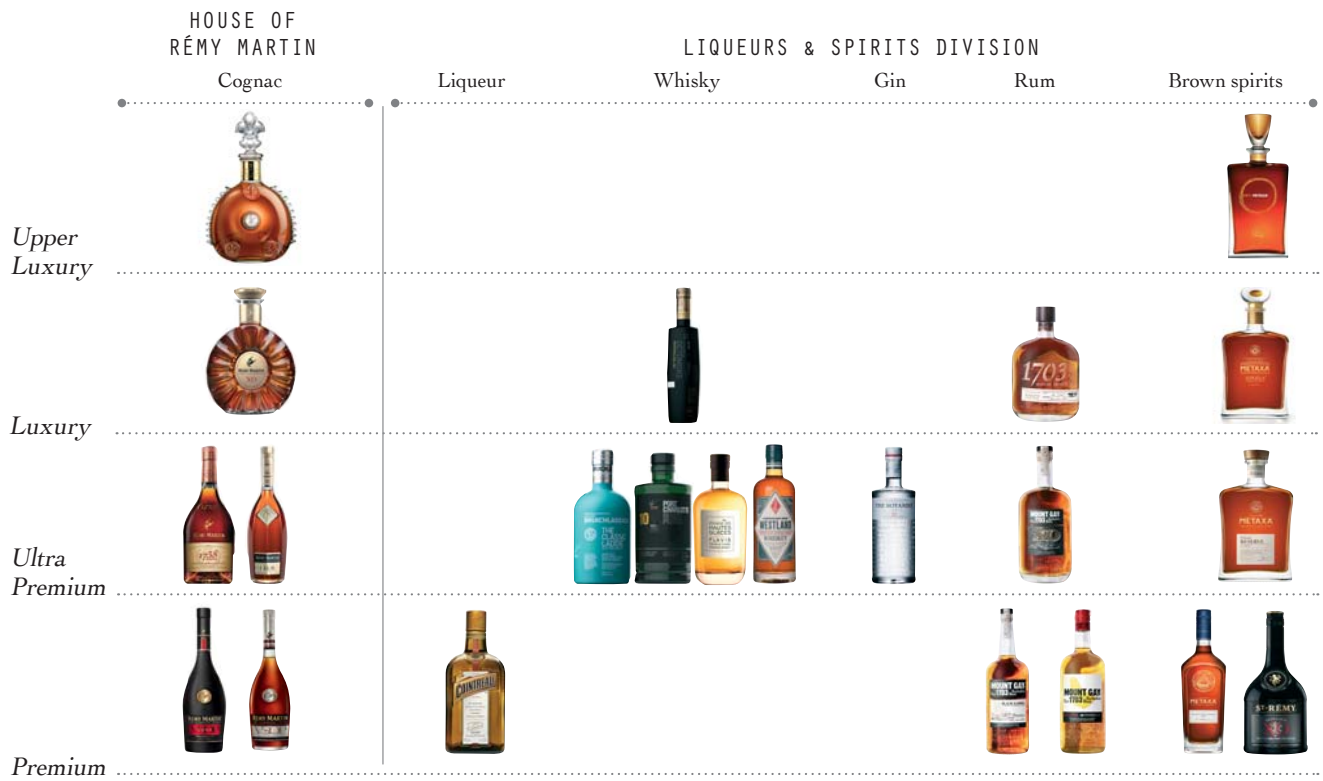
elevated Rémy Cointreau's ambitions and has given us confidence in the future.

All around the world, connoisseurs seeking exception have the mind of a collector. They seek rare terroirs, recognize the know-how behind exceptional aromas, and appreciate the value bestowed by time.

The bond that we create between terroirs, people and time, is the bond that unites us, in a sustainable way, with the world of today and tomorrow.

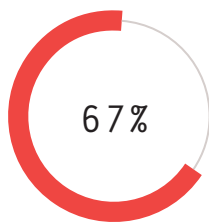
GROUP PROFILE

— A PORTFOLIO OF EXCEPTIONAL SPIRITS



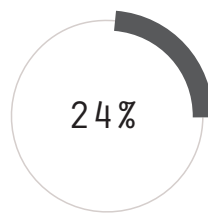
Net sales by division

The House of Rémy Martin:
Rémy Martin and Louis XIII



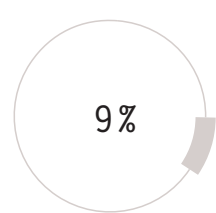
Net sales of
€760.0 million

The Liqueurs & Spirits division:
Cointreau, Metaxa, Mount Gay, St-Rémy, The Botanist and single malt whiskies



Net sales of
€266.8 million

The Partner Brands division:
Third-party brands distributed by the Group.



Net sales of
€100.2 million

The Rémy Cointreau Group has a portfolio of 12 exceptional world-renowned brands: Rémy Martin and Louis XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and single malt whiskies Bruichladdich, Port Charlotte, Octomore, Westland and Domaine des Hautes Glaces. During the 2017/2018 financial year, the Group's net sales totalled €1,127 million, with organic growth of 7.2% (with the Group's brands up by 9.2%).

HIGH-END POSITIONING IN A HIGH GROWTH SEGMENT

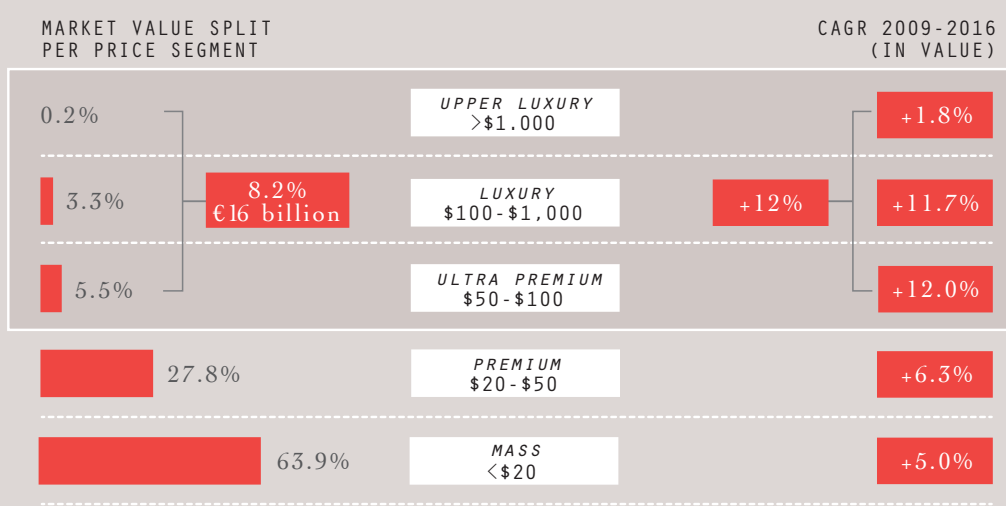
In 2017/2018, the Group's exceptional spirits (with a sales price higher than US\$50) represented 53% of the Group's net sales (compared with 51% in 2016/2017).

Rémy Cointreau therefore has a legitimate position in this segment, which represents around 8% of the global spirits market. Exceptional spirits have seen very high growth in recent years (+12% per year on average compared with +6% for the overall spirits market), driven by a move towards the high-end of the market and an ever more demanding clientele in terms of the quality, production, know-how and history of the spirits that they consume.

The Group's ambition is that our exceptional spirits gradually increase to more than 60% of our net sales, over time.



Spirits >USD50: a fast-Growing Segment



Source: IWSR, Rémy Cointreau, International Spirits Market estimated at \$200 billion.

Worldwide spirits market trends

+6%

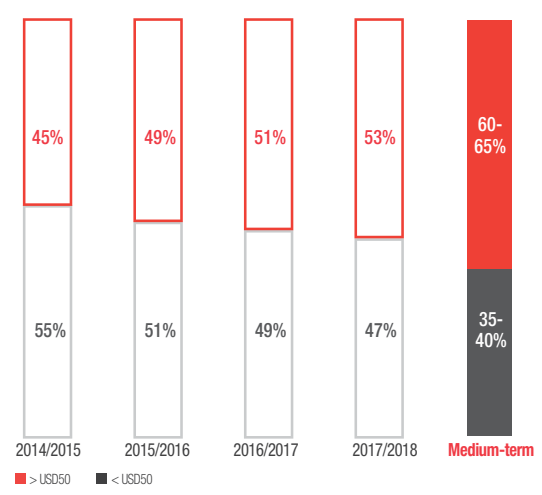
Worldwide average annual growth in spirits sales

Increase in the worldwide ultra-wealthy population, 2017-2021

+20%

For our clients, this growth should be accompanied by a sharp increase in their wealth in value terms

Contribution of exceptional spirits (>US\$50) to the Group's net sales



— LOCAL KNOW-HOW,
AN INTERNATIONAL
PRESENCE

Rémy Cointreau began building its distribution network across all continents at the end of the 1950s.

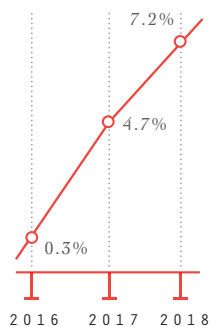
Today, the Group has a dozen directly-owned subsidiaries (from the United States to China, including the United Kingdom, Belgium, the Czech Republic and Japan). The Group established its latest subsidiary in Malaysia on 1 October 2017. This distribution network allows the Group to implement a price strategy and to be selective about its sales outlets in a manner consistent with its high-end positioning.



- Group administrative sites
- Group production sites
- ✈ Travel Retail representative offices

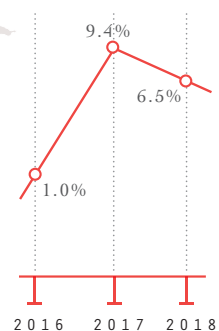
RC
RÉMY COINTREAU
Group
€1 127,0 M
in net sales

Trend in organic growth for the Group



Americas
€436 M
in net sales
39%
of Group sales sales

Trend in organic growth in zone



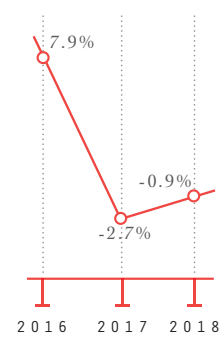


**Europe,
Middle-East
& Africa**

€342 M
in net sales

30%
of Group sales

Trend in organic growth in zone

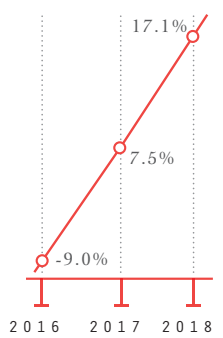


**Asia
Pacific**

€349 M
in net sales

31%
of Group sales

Trend in organic growth in zone



FIVE STRATEGIC LEVERS TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

ASSERTING THE UNIQUE POSITIONING OF THE BRANDS

Each of the Group's spirits is linked to a particular terroir and know-how:

- Within the AOC Cognac region, the House of Rémy Martin's eaux-de-vie come exclusively from Grande Champagne and Petite Champagne, which have unrivalled aromatic profiles and ageing potential.
- Our Islay single malt whiskies are made uniquely from Scottish barley, then distilled and aged on the isle of Islay in accordance with traditional methods.

OUR DISTINCTIVE ADVANTAGE

THE SPECIFIC CHARACTERISTICS OF THESE TERROIRS AND OUR KNOW-HOW MAKE OUR SPIRITS EXCEPTIONAL

MAXIMISING THE GEOGRAPHIC POTENTIAL OF THE BRANDS AND DIVERSIFYING THE DRIVERS OF GROWTH

- Our brands offer major room for growth in the years to come: Louis XIII in the United States, Rémy Martin in Africa, as well as Cointreau and Metaxa in China.
- The increasing strength of our pioneering brands: single malt whiskies, The Botanist gin or Mount Gay rum provide attractive growth potential.

OUR DISTINCTIVE ADVANTAGE

OUR BRANDS HAVE NOT YET REACHED THEIR FULL POTENTIAL IN ANY OF OUR MARKETS

STRENGTHENING THE EMOTIONAL RELATIONSHIP WITH OUR CLIENTS

- Increasing the desirability of our spirits: establishing a direct and personalised relationship with our clients through media and digital investments with targeted creative content, but also unique and unforgettable events.
- Retaining our clients: a better understanding of their expectations allows a genuine and long-lasting relationship with our brands

OUR DISTINCTIVE ADVANTAGE

OUR CLIENTS ARE SEEKING EXPERTISE AND DISCERNMENT BUT ABOVE ALL, EMOTION AND EXPERIENCE, ELEMENTS CONSISTENT WITH OUR BRAND PORTFOLIO

IMPROVING THE DISTRIBUTION NETWORK IN ACCORDANCE WITH THE GROUP'S STRATEGY

- The Group's strategy of moving towards the high-end of the market must be based on a distribution network whose expertise is consistent with the positioning of our brands: selective retail (wine merchants), high-end bars, restaurants and hotels, and even "retail": for its Louis XIII cognac, the Group has a specific sales force and has opened two stores dedicated to the brand.
- The development of online sales will also play a role in developing a more direct approach to the distribution of our spirits.

OUR DISTINCTIVE ADVANTAGE

ACKNOWLEDGED EXPERTISE IN HIGH-END SALES OUTLETS

ACCELERATING THE GROUP'S AMBITIONS IN THE AREA OF CORPORATE SOCIAL RESPONSIBILITY

- Rémy Cointreau's 2020 CSR plan operationally focuses on 10 of the United Nation's 17 Sustainable Development Goals, selected based on relevancy to the Group.
- In particular, by 2020, the Group's ambition is to achieve 100% responsible purchasing (percentage of suppliers having joined SEDEX), and have all of its winemaking partners (Cognac) committed to an environmental approach (AHVE 1).

OUR DISTINCTIVE ADVANTAGE

EXPERTISE AND CSR INITIATIVES FOR MORE THAN 15 YEARS

GOVERNANCE THAT ENSURES CONTINUITY AND TRANSMISSION

The Rémy Cointreau Group has been administered by a Board of Directors since 7 September 2004. It separates the roles of Chairman of the Board of Directors and Chief Executive Officer. The profiles of the Board members reflect the values of family succession, a clear expertise in the world of luxury goods as well as a deep understanding of international markets.



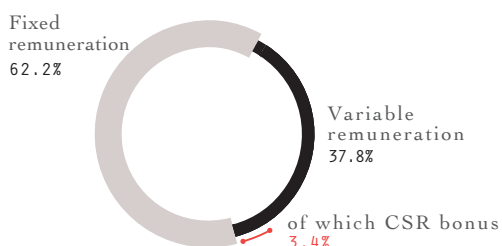
42%

Proportion of women

58%

Proportion of independent members

Composition of remuneration of senior management (excluding LTIP)



	Board of Directors	Audit-Finance	Nomination and Remuneration	CSR
Member's name	12	3	5	3
Number of meetings in 2017/2018	7	6	5	2
Attendance rate	86%	100%	85%	84%
Marc Hériard Dubreuil	●			
Dominique Hériard Dubreuil	●		●	●
François Hériard Dubreuil	●	●		
Laure Hériard Dubreuil	●			
Florence Rollet *	●			●
Yves Guillemot *	●		●	
Bruno Pavlovsky *	●		●	
Olivier Jolivet*	●			●
Jacques-Etienne de T'Serclaes *	●	●		
Guyline Dyèvre *	●		●	
Emmanuel de Geuser *	●	●		
Gisèle Durand	●		●	

* Independent Board member ● Chairman of Board/Committee

Executive Committee with an international dimension

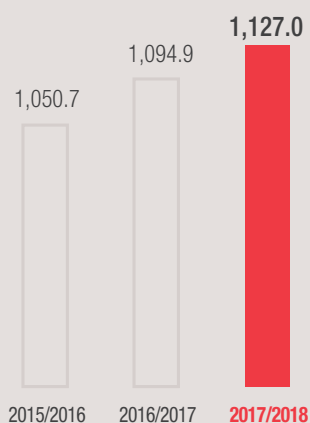
VALÉRIE CHAPOULAUD-FLOQUET_CHIEF EXECUTIVE OFFICER

Valérie Chapoulaud-Floquet has gathered a team of directors that includes eight different nationalities from a range of backgrounds: Spirits, cosmetics, fashion and accessories, and the art of entertaining.

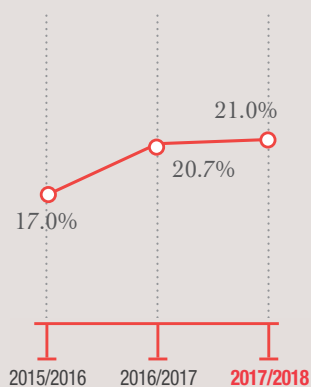
PERFORMANCE

— FINANCIAL INDICATORS

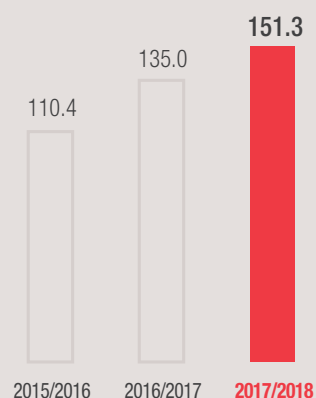
Sales (in €m)



Current operating margin

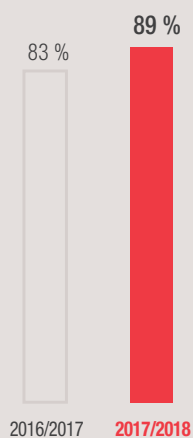


Net profit/(loss) (excluding non-recurring items) (in €m)

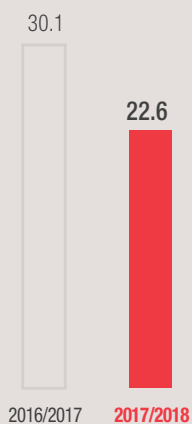


— NON-FINANCIAL INDICATORS

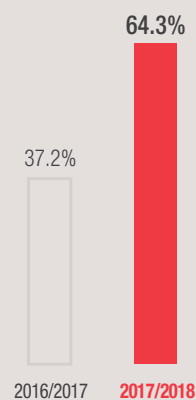
Responsible purchasing: percentage of suppliers having joined SEDEX



Reduction in CO₂ emissions per standard case (CO₂ emissions in kgeq CO₂)



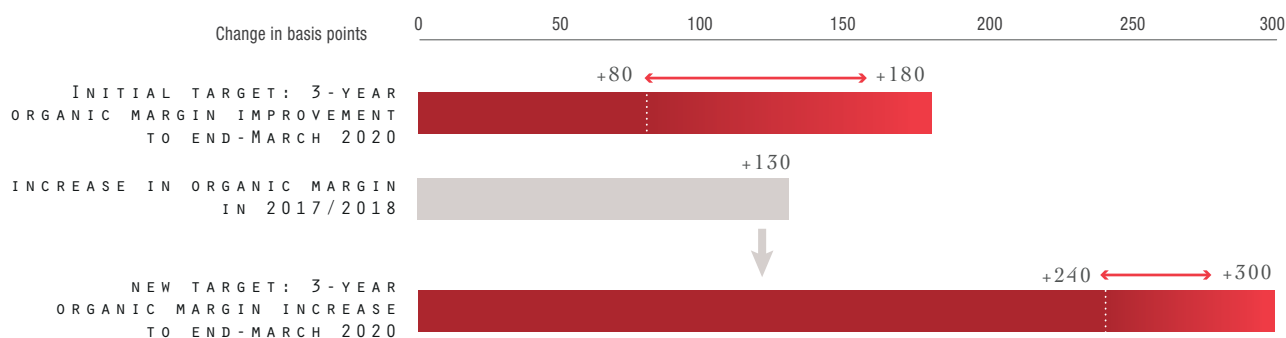
Sustainable winemaking: percentage of AFC cooperative members' land using an environmental approach



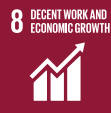


Scope 3: Cognac, Angers and Barbados sites, Domaines Rémy Martin and product transportation.

FINANCIAL TARGETS FOR 2020

Following a significant increase in profitability in 2017/2018 (+1.3 points in organic terms), **Rémy Cointreau is raising its target for current operating margin growth** over the three-year period ending March 2020. For the 2017/2018, 2018/2019 and 2019/2020 financial years, it now expects **cumulative growth of 2.4 to 3.0 points** (compared with a target of +0.8 to 1.8 points previously) **in organic terms (at constant exchange rates and scope)**.



NON-FINANCIAL TARGETS FOR 2020

INDICATORS	SCOPE	VALUES 2016/2017	VALUES 2017/2018	OBJECTIVES 2019/2020
 8 DECENT WORK AND ECONOMIC GROWTH Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all				
Responsible purchasing: percentage of suppliers having joined SEDEX	World	83%	89%	100%
 13 CLIMATE ACTION Take action to combat climate change and its impacts				
CO ₂ emissions reduction: potential to reduce direct and indirect energy consumption	France	0 MWh	423 MWh	900 MWh
 15 LIFE ON LAND Sustainable land management/Protect, restore and promote sustainable use of land ecosystems/ Sustainably manage forests/Preserve biodiversity				
Sustainable viticulture: AFC cooperative surface areas committed to an environmental approach (AHVE 1 or the Sustainable Viticulture standards)	France	37.2%	64.3%	100%

1

PRESENTATION OF THE GROUP

1.1	Key figures	14	1.6	Risk factors and insurance policy	23
1.2	History	15	1.6.1	Strategic risks	23
1.3	Shareholding structure	16	1.6.2	Brand and product-related risks	24
1.4	The Group's activities	17	1.6.3	Financial, legal and IT risks	25
1.4.1	Brands	17	1.6.4	External risks	27
1.4.2	The Group's principal entities	19	1.6.5	Insurance	28
1.4.3	Purchase of intangible assets, property, plant and equipment	20			
1.5	Related-party transactions and material contracts	20			

— 1.1 KEY FIGURES

Data in € millions, for the period 1 April to 31 March

	2018	2017
Net sales	1,127.0	1,094.9
Current operating profit/(loss)	236.8	226.1
Current operating margin	21.0%	20.7%
Net profit – Group share	148.2	190.3
Net profit/(loss) excluding non-recurring items	151.3	135.0
Capital expenditure and administrative investments	33.6	36.9
Equity – Group share	1,407.1	1,302.5
Net financial debt	282.8	390.1
Dividends paid during the financial year (per share in €):	1.65	1.60
Earnings per share (basic, in €):		
On net profit excluding non-recurring items – attributable to the owners of the parent	3.04	2.75
On net profit – Group share	2.98	3.87

NET SALES BY CATEGORY

	2018	2017
The House of Rémy Martin	760.0	707.5
Liqueurs & Spirits	266.8	276.3
Sub-total Group brands	1,026.8	983.8
Partner Brands	100.2	111.0
TOTAL	1,127.0	1,094.9

CURRENT OPERATING PROFIT/(LOSS)

	2018	2017
The House of Rémy Martin	204.4	185.2
Liqueurs & Spirits	42.8	57.5
Sub-total Group brands	247.2	242.7
Partner Brands	5.3	2.0
Holding	(15.7)	(18.6)
TOTAL	236.8	226.1

NET SALES BY GEOGRAPHIC AREA

	% TOTAL	2018	2017
Europe-Middle/East-Africa	30.4%	342.3	345.3
Americas	38.7%	435.8	434.2
Asia-Pacific	31.0%	348.9	315.4
TOTAL	100.0%	1,127.0	1,094.9

NET SALES BY CURRENCY

	% TOTAL	2018	2017
Euro	17.8%	200.0	249.1
US dollar, HK dollar, Chinese yuan, Barbadian dollar	63.0%	709.5	665.9
Other currencies	19.3%	217.4	179.8
TOTAL	100.0%	1,127.0	1,094.9

— 1.2 HISTORY

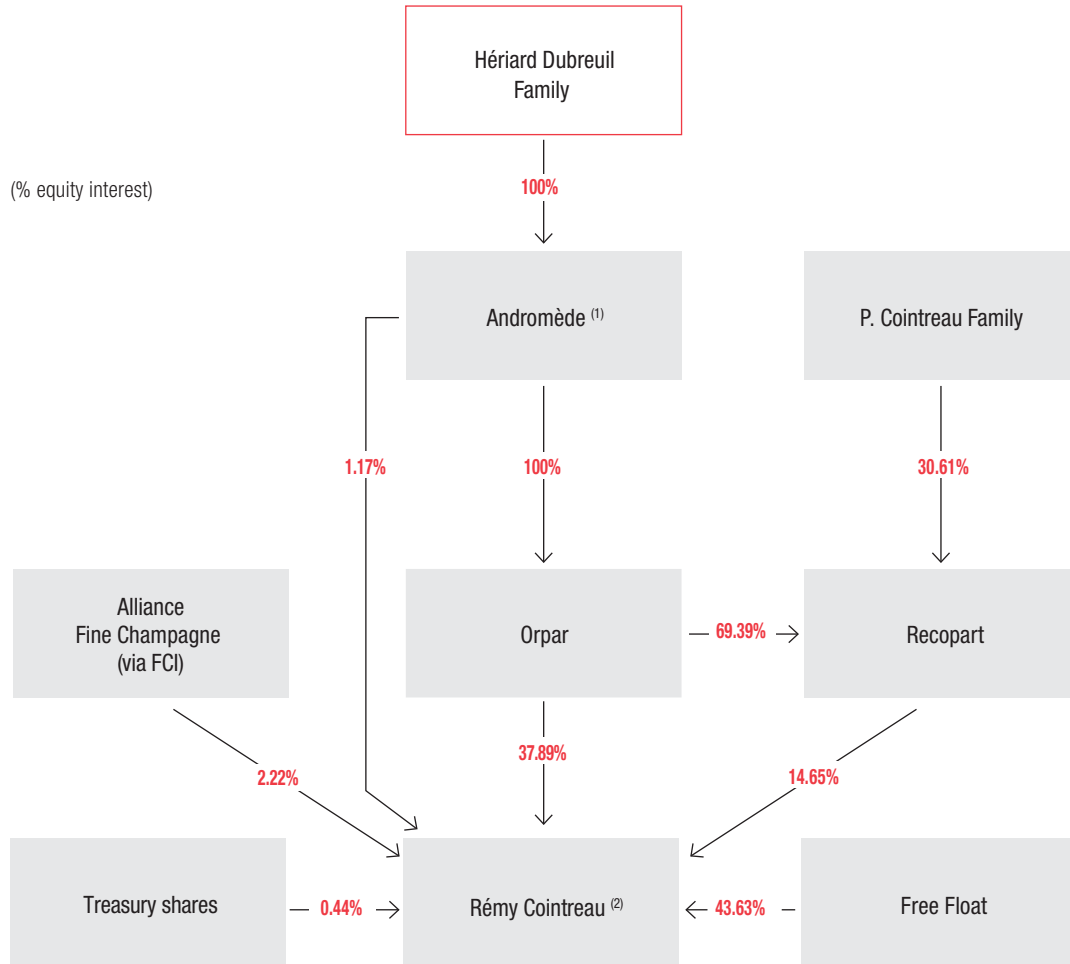
The Rémy Cointreau Group, whose charentaise origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which controlled E. Rémy Martin & C° SA and Cointreau & Cie SA respectively. It is also the result of successive alliances between companies operating in the same Wines and Spirits business segment.

KEY DATES AND EVENTS

- 1703** ■ Creation of Mount Gay Rum in Barbados
- 1724** ■ Establishment of The House of Rémy Martin Cognac
- 1849** ■ Creation of Cointreau & Cie by the Cointreau brothers
- 1881** ■ Creation of the Bruichladdich Distillery in Islay
- 1888** ■ Creation of the Metaxa brand
- 1924** ■ Acquisition by André Renaud of E. Rémy Martin & C°SA
- 1965** ■ André Hériard Dubreuil takes over from his-father-in-law, André Renaud
- 1966** ■ Creation of Rémy Martin's international distribution network
- 1980** ■ Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (China)
- 1985** ■ Acquisition by the Rémy Martin Group of Charles Heidsieck Champagne
- 1986** ■ Creation of the Passoã brand
- 1988** ■ Acquisition by the Rémy Martin Group of Piper-Heidsieck Champagne
- 1989** ■ Acquisition by the Rémy Martin Group of Mount Gay Rum
- 1990** ■ Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA
- 1991** ■ Adoption by the Group of the corporate name of Rémy Cointreau
- 1998** ■ Dominique Hériard Dubreuil becomes Chair of Rémy Cointreau
- 1999** ■ Establishment of the Maxxium distribution joint-venture with three partners, the Rémy Cointreau Group, the Edrington Group and Jim Beam Brands Worldwide (Fortune Brands)
- 2000** ■ Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands
- 2001** ■ Vin & Sprit joins the Maxxium network as its fourth partner
- 2005** ■ Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange
- 2006** ■ Disposal of Bols' Polish operations to CEDC
- 2006** ■ Disposal of the Dutch and Italian Liqueurs & Spirits operations
- Decision by Rémy Cointreau to resume full control over its distribution by March 2009
- 2008** ■ Creation of a proprietary distribution network
- 2009** ■ 30 March: Rémy Cointreau exits the Maxxium distribution joint venture
- 1 April: Rémy Cointreau controls 80% of its distribution
- 2011** ■ 8 July: Rémy Cointreau sells its Champagne division to EPI
- 2012** ■ 3 September: acquisition of the Bruichladdich Distillery, which produces single malt whiskies on the isle of Islay in Scotland
- 20 November: François Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group
- 18 December: acquisition of the cognac company Larsen
- 2013** ■ 30 August: disposal of Larsen to the Finnish Altia Group
- 2015** ■ 27 October: disposal of Izarra to Spirited Brands
- 2016** ■ 1st December: set-up of a joint-venture for the activities of Passoã
- 2017** ■ 5 January: acquisition of The Domaine des Hautes Glaces distillery, which produces single malt whiskies in the French Alps
- 6 January: acquisition of the Westland distillery, which produces single malt whiskies in the state of Washington, US
- 1st October: Marc Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group

— 1.3 SHAREHOLDING STRUCTURE

AT 31 MARCH 2018



(1) Rémy Cointreau is consolidated within the Andromède Group.

(2) Only Rémy Cointreau shares are traded on the stock market.

— 1.4 THE GROUP'S ACTIVITIES

The French family-controlled Rémy Cointreau Group is one of the leading players in the global Spirits industry with a portfolio of 12 exceptional world-renowned brands: Rémy Martin and LOUIS XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and single malt whiskies Bruichladdich, Port Charlotte, Octomore, Westland and Domaine des Hautes Glaces.

The Spirits market features an extensive number of co-existing local and international brands in a particularly competitive environment. Against this background, Rémy Cointreau has, for many years, implemented a value creation strategy aimed at developing its upmarket brands in the high-end segments of the global markets, which offer high growth and earnings potential. The Group's long-term ambition is to become the global leader in exceptional spirits.

The implementation of this strategy has led the Group, over the past few years, to dispose of brands and other assets deemed less suited to its value creation strategy and to resume full control of its distribution in its key markets (*exit* from Maxxium in March 2009). With its own distribution network in Asia, the US and in some European countries, Rémy Cointreau controls around 85% of its net sales. The Group is therefore able to implement a pricing and distribution strategy consistent with its high-end positioning.

Thanks to its distribution operations, which are strong, responsive and very close to clients, and its robust financial health, the Group seeks to develop its upmarket and well-known brands. Most of the Group's brands have existed for more than a century, but they are totally contemporary and bear CSR values.

1.4.1 BRANDS

The Rémy Cointreau Group's organisation is based on nine brand divisions and four sales divisions (Americas, Europe/Middle-East/Africa, Asia-Pacific and Global Travel Retail). All of these divisions benefit from the support of the holding company.

Depending on the spirit category, production process and geographic sales distribution, the Group's brands are allocated to one of the following two divisions: «The House of Rémy Martin» or «Liqueurs & Spirits».

Brands which Rémy Cointreau distributes through its network on behalf of third parties form a separate category, "Partner Brands".

THE HOUSE OF RÉMY MARTIN

The House of Rémy Martin produces a range of cognacs under the Rémy Martin and LOUIS XIII brands.

The House of Rémy Martin cognacs are made exclusively from *eaux-de-vie* sourced in Grande Champagne and Petite Champagne, the two leading crus of the Cognac appellation, which offer the greatest ageing potential.

The House of Rémy Martin is thus positioned primarily in the high-end segment, with its four flagship products:

- VSOP Fine Champagne;
- The «intermediate» quality products 1738 Accord Royal and CLUB;
- XO Excellence Fine Champagne;
- LOUIS XIII Grande Champagne.

In 2017/2018, the House of Rémy Martin accounted for 67% of the Group's total net sales and 99% of its international sales.

KEY FIGURES

(in € millions or %)

	2018	2017
Net sales	760.0	707.5
Breakdown by geographic area:		
Europe/Middle-East/Africa	16.2%	16.5%
Americas	42.3%	44.2%
Asia-Pacific	41.5%	39.3%
TOTAL	100%	100%
Current operating profit/(loss)	204.4	185.2
Current operating margin	26.9%	26.2%

Description of *appellation d'origine contrôlée* Cognac

Cognac is a brandy (*eaux-de-vie* distilled from grapes) with the *appellation d'origine contrôlée* of the Cognac region of France. The appellation covers six crus: Grande Champagne, Petite Champagne, Borderies, Fins Bois, Bons Bois and Bois Ordinaires. Rémy Martin

selects its *eaux-de-vie* from the first two crus, whose quality is best suited to the production of its superior quality cognacs.

"Fine Champagne" designates a cognac made exclusively from the first two crus, Grande Champagne (at least 50%) and Petite Champagne.

There are a number of quality levels classified in accordance with legal standards (BNIC) in respect of the average age of the *eaux-de-vie*:

- VS ("Very Special"), which by law must be aged for a minimum of two years;
- QS (*Qualité Supérieure*), covering all the VSOP and QSS labels;
- VSOP ("Very Superior Old Pale"), which by law must be aged for a minimum of four years;
- QSS (*Qualité Supérieure Supérieure*), which by law must be aged for a minimum of six years;
- XO ("Extra Old"), which is included in the QSS category.

Competitive positioning

Four cognac brands account for nearly 90% of the global market (source: IWSR): Rémy Martin (Rémy Cointreau), Hennessy (LVMH), Martell (Pernod Ricard) and Courvoisier (Suntory). Rémy Martin's market share of cognac shipments for all qualities combined is 13% (source: BNIC March 2018). Rémy Martin makes 98% of its shipments in the QS (*Qualité Supérieure*) segment, which accounts for 52% of the total cognac market (source: BNIC March 2018).

Supply of *eaux-de-vie*

Since 1966, the creation of cognac *eaux-de-vie* stocks has relied on partnership contracts concluded exclusively with Grande and Petite Champagne producers. This policy has enabled the Group to manage its long-term supplies and to meet the standards of quality required by the House of Rémy Martin.

The partnership mainly consists of a co-operative, Alliance Fine Champagne (AFC), whose members operate approximately 60% of Grande and Petite Champagne Cognac vineyards, *via* two types of contracts:

- collective contracts which specify the volume of the new crush to be delivered to the co-operative as part of its inventory. These inventories become the property of the co-operative and are financed partly by instalments paid by E. Rémy Martin & C° and partly through bank financing or the co-operative's own funds. E. Rémy Martin & C° is irrevocably committed to the acquisition in time of these stocks when the *eaux-de-vie* has been accepted as suitable for the brand and added to the AFC stock. The price is contractually agreed at the time it is accepted as part of the stock and is then increased by the actual storage and finance costs incurred by the co-operative;

- individual contracts which manage supplies by age and whose storage is assured and financed by the distillers. These contracts are between E. Rémy Martin & C°, AFC and the members concerned. Since April 2005, E. Rémy Martin & C° has transferred purchase commitments and the management of three-year contracts with the distillers to AFC.

Rémy Cointreau consolidates as a special-purpose entity the inventories of the AFC co-operative as well as the contractual commitments related to the Rémy Martin brand. Based on the analysis of procedures laid down for managing these contracts and the pricing formula applicable upon delivery, it is deemed that the risks and rewards pertaining to *eaux-de-vie* inventories held by distillers are transferred to AFC (and as such to the Rémy Cointreau Group) when the *eaux-de-vie* have passed quality tests conducted by E. Rémy Martin & Cie and the distiller has purchased shares of the co-operative in proportion to its commitments taken into stock.

The balance of contractual commitments not yet produced is disclosed in off-balance sheet commitments.

LIQUEURS & SPIRITS BRANDS

In 2017/2018, the Liqueurs & Spirits division accounted for 24% of the Group's total net sales.

The Liqueurs & Spirits division houses brands that operate in a high-volume market featuring a large number of contributors in terms of product categories (liqueurs, vodkas, gins, whiskies, rums, brandy and local specialities) and many brands with international reach coexisting with local brands.

The division's main brands are:

- Cointreau, an orange-peel liqueur;
- Metaxa, a Greek brown spirit, produced from a blend of wine distillates and aged Muscat wine;
- Mount Gay, a rum from Barbados;
- St-Rémy, a French brandy;
- The Botanist, a gin from Islay (Scotland);
- Bruichladdich, Port Charlotte and Octomore, three brands of single malt Scotch whisky from the Isle of Islay (Scotland);
- Domaine des Hautes Glaces and its range of single malt whiskies produced in the heart of the French Alps;
- Westland and its range of single malt whiskies produced in the state of Washington, US.

All of these brands are produced in their country of origin.

KEY FIGURES

(in € millions or %)

	2018	2017
Net sales	266.8	276.3
Breakdown by geographic area:		
Europe/Middle-East/Africa	49.1%	49.8%
Americas	40.0%	39.8%
Asia-Pacific	10.9%	10.4%
TOTAL	100%	100%
Current operating profit/(loss)	42.8	57.5
Current operating margin	16.1%	20.8%

Competitive positioning

The Liqueurs & Spirits industry is highly fragmented owing to the wide range of products. A large number of new products are launched every year. The leading producers and distributors are Diageo, Pernod Ricard, Campari, Brown-Forman, Beam-Suntory and Bacardi. Group brands compete with both local and international brands.

Sourcing and sub-contracting

The Group's Liqueurs & Spirits brands do not have significant sourcing or production constraints.

The Rémy Cointreau Group sub-contracts part of its bottling operations to other companies located abroad, in particular Greece for the production of Metaxa, for all markets.

Sub-contracting represents 16% of the total volume of Group brands.

PARTNER BRANDS

In 2017/2018, Partner Brands accounted for 9% of the Group's total net sales.

This category comprises brands belonging to other operators in the Wines & Spirits sector, distributed by Rémy Cointreau either *via* worldwide agreements or *via* agreements limited to one country or region.

The most significant partnerships concern the Passoa liqueur, Russian Standard vodkas, the Jägermeister brand and certain spirits of the William Grant & Sons Group.

1.4.2 THE GROUP'S PRINCIPAL ENTITIES

PRODUCTION

The fact that the Group is established in specific regions is a key factor for the brands owned by the Group, which has seven production sites specific to its brands.

Cognac (France)

All House of Rémy Martin production takes place in Cognac and Merpins (a town on the outskirts of Cognac), on a site that includes ageing and fermentation cellars, laboratories, a packaging complex, offices and a visitor and reception centre and covers a total surface area of 332,000 sq. m.

The "Domaines Rémy Martin" entity manages the wine estates of the House of Rémy Martin (270 hectares of vines eligible for the Cognac appellation), as well as the Touzac distillery linked to it.

Angers (France)

The production of the Cointreau and Passoa liqueurs and the St-Rémy brandy range is located in St-Barthélémy d'Anjou (on the outskirts of Angers). This site also carries out bottling operations for other Group brands. It comprises distilling facilities, fermentation cellars, laboratories, a packaging complex, offices and a visitor and reception centre over a total surface area of 100,000 sq. m.

Trièves (France)

The Domaine des Hautes Glaces (France), located in the heart of the Trièves region of the Alps, is a mountain farm/distillery which combines French know-how (distilling with traditional Charente stills) and ingredients from local producers. The supplies of barley, rye and spelt (organically grown) come exclusively from Trièves growers.

Brandons and St Lucy (Barbados)

Mount Gay rum is produced at the distillery of the same name, located close to Mount Gay in the north of the island of Barbados, in the parish of St Lucy. The storage cellars in which the casks of rum are aged are also located at this historic site. Since January 2015, an additional 134 hectares of agricultural land at this site have been devoted to the farming of sugar cane. Mount Gay Distilleries' head office and bottling facilities are located in Brandons, close to the port of Bridgetown in the south of the island.

Isle of Islay (Scotland)

The Bruichladdich distillery is located on the isle of Islay in Scotland, one of the world's most iconic locations for the production of single malt Scotch whiskies.

The production operation (distilling, ageing, bottling) is carried out on the island, on a historic site created in 1881 that covers a surface area of 30,000 sq. m. In March 2018, the acquisition of around 12 hectares of agricultural land was signed. This agricultural land adjoins the distillery, and will mainly be devoted to growing barley.

Seattle (USA)

Westland Distillery (US), located in South Downtown Seattle in the state of Washington, gets its malt from local producers.

Samos (Greece)

As part of its «terroir» policy, Metaxa acquired a 1.2 hectare wine property on the island of Samos, located at the heart of the Samos Muscat vineyards, with this grape being a key element in Metaxa's signature taste.

DISTRIBUTION AND ADMINISTRATION

Generally speaking, all products awaiting sale are stored in third-party logistics centres, irrespective of the market.

The Group has premises and commercial or administrative offices in many countries, including the USA (primarily New York), China (Shanghai and Hong Kong), Singapore, Russia, Belgium, Czech Republic, the United Kingdom (London and Glasgow), Japan, Germany, Switzerland and Malaysia. The Group does not own any premises in these countries and therefore uses leasing contracts.

Moreover, the headquarters of Rémy Cointreau, which includes most of the Group's central services, is based in rented premises at 21 boulevard Haussmann, Paris.

1.4.3 PURCHASE OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

CAPITAL EXPENDITURE AND ADMINISTRATIVE INVESTMENTS

The Group considers that the level of investment required to develop, maintain and environmentally optimise the production and administrative units is approximately €30-40 million per annum.

The sum total of disbursements relating to property, plant and equipment and intangible assets, excluding brands and goodwill, was €33.6 million for the 2017/2018 financial year.

The main capital expenditure items concerned

- the storage of ageing inventories in Cognac, Islay and Barbados (barrel and cask purchases, construction, expansion and fitting out of storage cellars);
- the replacement of industrial equipment as part of the ongoing safety and environmental improvements;
- IT systems.

During the 2017/2018 financial year, Rémy Martin's domains undertook a major construction project for a new distillery in Juillac le Coq. Located at the heart of the Grande Champagne terroir, this distillery will showcase the know-how of The House of Rémy Martin. This project, totalling around €10 million, will be spread over 2 financial years.

The amounts spent on intangible assets, property, plant and equipment over the last three financial years are as follows:

<i>(in € millions)</i>	2018	2017	2016
	33.6	36.9	30.8

RESEARCH AND DEVELOPMENT

The production facilities have Research and Development departments that work on both content and packaging.

The laboratories are well-equipped and work in regular contact with private external research centres and universities.

Multi-disciplinary teams comprising technicians, wine experts, engineers and scientific doctorate-holders are responsible for in-house activities. Their task is to ensure that the business adopts the advances and innovations that enable sustainable improvements to the various operations in growing methods and the creation of drinks as well as industrial processes.

Rémy Cointreau's ongoing determination to achieve excellence in the preparation and production of its products and to maintain irreproachable quality, which has been recognised for decades, relies on this deep involvement in research and development.

Research and development expenditure are expensed as incurred by each of the companies concerned.

— 1.5 RELATED-PARTY TRANSACTIONS AND MATERIAL CONTRACTS

The following agreements and commitments were authorised during the 2017/2018 financial year.

- With Marc Hériard Dubreuil, Chairman of the Board of Directors
 - in accordance with Article L. 225-42-1 of the French Commercial Code, the commitment made to the Chairman of the Board of Directors relating to the supplementary pension plan, not subject to performance conditions, was authorised by the Board of Directors on 29 September 2017 and 23 March 2018. It is recalled that Marc Hériard Dubreuil, benefited as a Board member from this commitment approved by the Board of Directors on 4 June 2009 and ratified by the Shareholders' Meeting of 28 July 2009. It is financed by Andromède.
- With Valérie Chapoulaud-Floquet, Chief Executive Officer
 - in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made to the Chief Executive Officer relating to a non-compete clause, severance indemnities and the life and disability policy were approved by the Board of Directors on 17 January 2018, having considered that they were justified in the Company's interest, in view of the elements that were presented to it, according to the same terms and conditions already approved by the Board meetings of 25 September 2014 and 7 June 2017.

- in accordance with Article L. 225-42-1 of the French Commercial Code, the Board of Directors authorised a commitment to a defined-benefit pension scheme made to Valérie Chapoulaud-Floquet, Chief Executive Officer, and, for the first time, upon the renewal of Valérie Chapoulaud-Floquet's term of office, made the increase in rights for this period contingent on achievement of performance conditions, assessed in light of the Company's performance.

▪ **Current account agreement between Rémy Cointreau SA and Orpar SA**

The Board of Directors' meeting of 27 March 2018 authorised the extension of the current account agreement with Orpar by means of an amendment to the agreement originally entered into on 31 March 2015. This amendment, signed on 31 March 2018, extends the period during which Orpar makes available €60 million for a period of three years from 7 April 2018. This advance bears interest at 0.60%. It is repayable as a bullet, or at any time at the request of Orpar or Rémy Cointreau subject to a notice period of three months, after having considered that it was justified in the Company's interest, in view of the elements presented to it.

At its meeting on 27 March 2018, the Board of Directors also conducted a review of the regulated agreements entered into and authorised in prior years and whose performance continued in 2017-2018, in accordance with the provisions of decree No. 2014-863 of 31 July 2014.

These agreements are as follows:

▪ **Service provision agreement with Andromède SAS**

Andromède and Rémy Cointreau signed a service provision agreement on 31 March 2011. According to this agreement, Andromède provides Rémy Cointreau SA with services in the field of management, strategy and finance, institutional and commercial relations, development and external growth, and organisation and management of senior executives. The annual fees for these services are determined on the cost borne, plus a 5% margin. This agreement was authorised by the Board of Directors at its meetings on 22 March 2011 and 24 March 2015. The Board meeting of 24 March 2015 authorised an *addendum* to this agreement, changing as of 1 April 2015 its duration to open-ended, with the option for both parties to waive it by sending a letter by registered post with proof of receipt with three months' notice at any time, with no compensation being owed by either party. The Combined Shareholders' Meeting of 29 July 2015 approved this *addendum*.

▪ **Cash management agreement between Rémy Cointreau SA and Orpar SA**

Rémy Cointreau and Orpar entered into an open-ended cash management agreement on 14 December 2004, under which they agreed the terms for management of their cash surpluses. An *addendum* made on 4 July 2007, approved by the Board of Directors on 5 June of the same year, also sets out the conditions for review of the fee, calculated based on the EURIBOR plus a fixed margin according to the syndicated loan terms applicable to Rémy Cointreau.

▪ **Current account agreement between Rémy Cointreau SA and Orpar SA**

On 31 March 2015, Rémy Cointreau SA and Orpar entered into a current account agreement in which Orpar would provide €60 million for a period of three years from the payment. The agreement came into force on 1 April 2015. This advance bears interest at 1.25% per annum. It is refundable *in fine*, or at any time at the request of Orpar with a notice of three months. This agreement was authorised by the Board of Directors, which met on 24 March 2015 and was approved by the Combined Shareholders' Meeting of 29 July 2015.

▪ **Severance and non-compete clause indemnities for the Chief Executive Officer**

The Board of Directors, meeting on 25 September 2014, authorised indemnities payable to Ms Valérie Chapoulaud-Floquet, in the event of the termination of her position. These indemnities include:

- a severance payment of a maximum of twenty-four months of gross fixed and variable earnings submitted to performance conditions,
- compensation payable under the non-compete clause, corresponding to twelve months of gross fixed and variable earnings.

The total amount of severance and non-compete clause indemnities is limited to twenty-four months of earnings, in accordance with the AFEP/MEDEF Code.

These indemnities were authorised by the Board meetings of 16 and 25 September 2014 when Ms Valérie Chapoulaud-Floquet was appointed Deputy Chief Executive Officer and again by the Board of Directors at its meeting on 27 January 2015 when she was appointed Chief Executive Officer. The Combined Shareholders' Meeting of 29 July 2015 approved these indemnities. These indemnities were changed during the 2016/2017 financial year.

▪ **Commitment to a defined-benefit pension scheme**

In compliance with Article L. 225-42-1 of the French Commercial Code, as amended by the law of 21 August 2007, defined-benefit pension obligations assumed towards Chairmen, Chief Executive Officers or Deputy Chief Executive Officers by a listed company or any company controlled by or that controls a listed company are subject to the rules on regulated agreements.

As a reminder, Mr Marc Hériard Dubreuil, a Board member, benefits from this commitment, which was entered into prior to the law coming into effect. This obligation was approved by the Board of Directors on 4 June 2009 and was ratified by the Shareholders' Meeting of 28 July 2009. It is financed by Andromède.

The Board of Directors, meeting on 27 January 2015, authorised Rémy Cointreau to grant a pension commitment with defined services in favour of the Chief Executive Officer, Ms Valérie Chapoulaud-Floquet. This plan provides for payment of a pension from 8 to 15% of the average gross annual remuneration of the last two years of activity depending on seniority, and is paid with a condition concerning presence at the time of retirement. It is capped so that all replacement income received does not exceed 50% of the remuneration of activity. This commitment to a pension with defined services was approved by the Combined Shareholders' Meeting of 29 July 2015.

At its meeting on 28 March 2017, the Board of Directors found that the first three of the aforementioned agreements were technical agreements, mainly financial or involving assistance in various strategic or operational areas, and that they were indispensable to the internal operation of the Group formed of Rémy Cointreau SA and its subsidiaries, particularly in view of their expansion into extremely competitive markets requiring a high level of expertise. It also noted that the indemnities and commitments granted to the Chief Executive Officer were granted in accordance with the law and the AFEP/MEDEF Code, that they related to remuneration components negotiated with Ms Valérie Chapoulaud-Floquet prior to her arriving at the Company, that they were reasonable in terms of their principles and their amount and that the actions of the Chief Executive Officer were fully beneficial to the Group's growth. The Board therefore found that these agreements continued to meet the criteria it had applied when it originally authorised them. Accordingly, the Board of Directors elected to maintain its previous analysis of these agreements.

No transactions other than ordinary transactions conducted under normal conditions were entered into with shareholders holding voting rights in excess of 10%, other than those mentioned in the special report.

The Board of Directors' meeting on 7 June 2017 authorised commitments of a similar nature to the collective welfare and pension schemes referred to in Article L. 242-1 of the French Social Security Code in favour of Ms Valérie Chapoulaud-Floquet from 16 September 2014. These commitments will be proposed to the Shareholders' Meeting of 25 July 2017 for ratification, in application of Articles L. 225-38, L. 225-42 and L. 225-42-1, paragraph 6 of the French Commercial Code, as stated in section 8 of this document.

- **Commitments to a defined-contribution retirement plan and death, work incapacity, disability and healthcare benefits**

Since her appointment as Deputy Chief Executive Officer on 16 September 2014, and then as Chief Executive Officer, Valérie Chapoulaud-Floquet has benefited from commitments meeting

the requirements of the collective welfare and pension schemes referred to in Article L. 242-1 of the French Social Security Code. These Group insurance schemes are for all CLS Rémy Cointreau managers and supervisors (other agreements being in force for other categories of personnel and for the Group's other French sites).

The schemes relating to Valérie Chapoulaud-Floquet are subject to regulated agreement rules but not to performance conditions, pursuant to Article L. 225-42-1, subparagraph 6, of the French Commercial Code.

Accordingly, Valérie Chapoulaud-Floquet benefits from a defined-contribution company pension scheme, representing 8% of her annual remuneration between eight and sixteen times the annual Social Security ceiling. The Company's commitment is limited to paying contributions to the insurance company that operates the scheme.

Valérie Chapoulaud-Floquet also benefits from current Company disability, death, incapacity for work and healthcare plans. Contributions are paid by the employee and the employer in accordance with the caps and social provisions in force. The remuneration used to calculate the contributions is capped at eight times the annual Social Security ceiling for incapacity, disability and death benefits and at the annual Social Security ceiling for health benefits. The employer's contribution is 1.97% on Tranche A and 2.25% on Tranches B and C for incapacity, disability and death cover and 2.67% on Tranche A for health cover.

These pension and welfare commitments were not previously authorised as regulated agreements at the time of her appointment as Deputy Chief Executive Officer; the Board of Directors' meeting of 7 June 2017 unanimously authorised these defined-contribution pension and welfare commitments for Valérie Chapoulaud-Floquet, Chief Executive Officer, not subject to performance conditions. These regulated agreements were approved by the Shareholders' Meeting of 25 July 2017, in accordance with Article L. 225-42 of the French Commercial Code.

— 1.6 RISK FACTORS AND INSURANCE POLICY

The Group has set up a system to anticipate and manage its risks. This system is constantly updated to take into account any regulatory, legislative, economic, societal, geopolitical and competition changes.

The main risk factors to which the Group is exposed given its business model are presented in this chapter.

Strategic risks	Principal contracts and customers
	Risks relating to competition, industry concentration and retailers in general
	Changing tastes and consumer preferences
Brand and product-related risks	Risks associated with brand protection
	Reputational risk
	Maintaining the high quality of Rémy Cointreau products
Financial, legal and IT risks	Currency risk
	Liquidity, interest rate and market risk
	Legal risk
	IT and digital risks
External risks	Seasonality of the business
	Industrial and environmental risks
	Risk of fraud
	Climate risk

1.6.1 STRATEGIC RISKS

PRINCIPAL CONTRACTS AND CUSTOMERS

Description

In the course of its business, Rémy Cointreau deals with numerous customers and suppliers of varying sizes and importance, depending on the market concerned.

If Rémy Cointreau were to depend heavily on a single customer in any one of its markets, this could affect both its ability to remain in that market, and its ability to maintain a satisfactory margin, since the customer might request a discount or involvement in promotional events. Such dependence could also expose the Group to significant losses in the event of failure of material customers.

Regarding its suppliers, the risk of dependence could affect Rémy Cointreau first by compromising the quality of the products offered or the Group's ability to source a sufficient quantity to enable it to fill orders, and second by disrupting the supply chain and the Group's ability to deliver its products.

Management and measures implemented

There is no dependence by Rémy Cointreau on customers or exclusive independent distributors, or third party spirits distribution contracts likely to have a substantial impact on the results, net assets or financial position of the Group.

In general, contracts signed by Group companies become apart of the Company's ordinary operations and adhere to commitments in line with international business practices.

No contracts involving obligations or commitments of particular significance for the Group as a whole were concluded with third parties by any Group company.

The Group's top ten customers represent 34% of consolidated net sales.

Similarly, as far as suppliers are concerned, there is no dependence on a single key supplier, since the Group's top ten suppliers represent roughly 53% of raw material supplies, excluding cognac *eaux-de-vie*. More specifically, supplies of cognac *eau-de-vie* are the subject of long-term commitments, thereby reducing the supply risks.

RISKS RELATING TO COMPETITION, INDUSTRY CONCENTRATION AND RETAILERS IN GENERAL

Description

The Wines & Spirits industry is highly competitive and fragmented. There is a tendency for concentration within the industry, both in distribution and production, which could have a long-term impact on Rémy Cointreau.

Industry concentration could have an adverse effect on Rémy Cointreau's ability first to distribute its brands in all of its markets and second to maintain its margin:

- concentration among key players and competitors risks marginalising Rémy Cointreau. There is also a risk of it lacking the sufficient critical size so as to be able to negotiate with the desired partners: key locations in major cities and trend setters;
- concentration in the distribution sector could also have a negative impact on Rémy Cointreau's ability not only to distribute its brands in all markets, but also to maintain a sufficient margin due to the increased bargaining powers of distributors.

Management and measures implemented

To protect itself from these risks, the Rémy Cointreau Group is continuing to develop its upmarket strategy. This gives it a unique position within the spirits sector and a presence among leading retailers. In addition, the launch of special projects in partnership with celebrated mixologists strengthens the link between Rémy Cointreau, its brands and big-name establishments. Moreover, Rémy Cointreau continues to invest in and develop its own distribution network, guaranteeing its independence and ability to be present in all of its markets. Lastly, as part of its development strategy, Rémy Cointreau is strengthening its ties to its customers with an ambitious CRM strategy, the opening of propriety stores and the organisation of dedicated events.

CHANGING TASTES AND CONSUMER PREFERENCES

Description

Consumer preferences and spending habits could change for a whole host of reasons, for example because of the economic climate, demographic and social trends, public health initiatives and policies, laws on alcoholic beverages and changes in consumer spending on travel, leisure, food and drink, recreation and going out.

Management and measures implemented

Rémy Cointreau's brand portfolio includes 12 prestigious brands of spirits and cognac, the main one being Rémy Martin. A change in consumer tastes and a decline in the popularity of cognac would have a significant impact on the Group's net sales and its ability to maintain its current distribution network.

Rémy Cointreau is thus seeking to diversify its brand portfolio and develop its product range in order to limit its exposure to a particular brand.

By developing different markets and products for Metaxa (Metaxa 12 stars and Metaxa Aen), Mount Gay rum (development of Mount Gay XO), The Botanist gin and the whisky family (Bruichladdich, Port Charlotte, Octomore, and also Domaine des Hautes Glaces and Westland), the Group can respond to changes in consumer tastes and be at the forefront of new trends in consumption.

Product innovation is a key element of the growth strategy, as a means of responding to client demand for new products.

1.6.2 BRAND AND PRODUCT-RELATED RISKS

RISKS ASSOCIATED WITH BRAND PROTECTION

Description

The Rémy Cointreau Group attaches particular importance to the protection in France and worldwide of its industrial property rights, and in particular those of its brands, which constitute a major business asset.

The brands of the Rémy Cointreau Group could be imitated, counterfeited or registered by third parties in violation of its property rights. The Group could then encounter difficulties in maintaining the presence of its brands in certain countries or reassuring consumers who might be misled into thinking that they are buying the Group's products.

Management and measures implemented

To address these risks, Rémy Cointreau has an active policy of monitoring its trademark and domain name registration, in each category and market, either directly, using in-house legal specialists to implement modern brand management practices, or through world-renowned intellectual property advisers. Rémy Cointreau takes every action necessary to tackle both counterfeiting, particularly in Asia and Eastern Europe, and unfair competition, whenever it considers that a trademark application infringes its property rights.

In January 2010, the Brands Office of the People's Republic of China acknowledged the three ideograms "REN TOU MA", by which the Rémy Martin brand is known by Chinese consumers, as a recognised brand. This recognition is a powerful addition to the process of combating counterfeit goods which the Group has implemented in China. In May 2017, the company E. Rémy Martin & C° obtained the recognition of its exclusive copyrights over the graphic representation of its Centaur logo in the People's Republic of China. Furthermore, administrative and judicial decisions in 2015, 2016, 2017 and 2018 recognised "LOUIS XIII" as a respected brand in several Asian countries, enabling it, in these countries, to significantly boost its protection and facilitate its defence in the event of counterfeit of all types of products or services.

Since 2006, Rémy Cointreau has significantly developed its internal resources in the fight against counterfeiting, notably with the appointment of a co-coordinator who works closely with the various lawyers responsible for the Group's brands. The co-coordinator in the fight against counterfeiting firstly ensures the follow up of the report on any counterfeiting of the Group's brands, together with professional bodies, distributors, Sales departments, customs authorities, government expert agencies. He/she then reports this information, having verified its reliability, shares the best anti-counterfeiting practices with other major wines and spirits groups and ensures the consistency of the steps to be taken by the lawyers and other internal players concerned.

There is currently no significant litigation or risk identified in the area of ownership of the Rémy Cointreau brands.

REPUTATIONAL RISK

Description

Reputational risk is any event that could negatively impact on the image and reputation of the Group or its brands in any or all of its markets. The immediate consequences would be customers moving away from the Group, which could potentially call into question the Group's strategy in its different markets.

Management and measures implemented

The Rémy Cointreau Group has a strong work ethic. Its teams are renowned for their professionalism and its products are recognised as being high-end quality. Together these factors underpin the success of the Group's brands, and are part of the reason why consumers have such a positive image of them. This image is one of the brands' key strengths, bolstering consumer confidence in the Group's products. The Group's reputation and image could be significantly undermined at any time by an incident at one of the production or distribution sites, by the inappropriate behaviour of one of its employees, by a quality defect, or by negative communication on social networks or in traditional media. Similarly, and in another area, counterfeit goods sold by third parties could mislead the Group's clients, having a lasting and significant impact on the Group's image and affecting the Group's results.

To address these risks and their consequences, the Group has expanded its digital marketing teams and set up an effective media monitoring strategy, enabling it to respond quickly and effectively to potential rumours. A crisis management plan has also been developed and rolled out to all Group subsidiaries so that they can take appropriate action as soon as possible. As part of its CSR policy, Rémy Cointreau educates its employees on the issue of responsible drinking and the importance of acting at all times in accordance with the Group's Ethical Charter.

Finally, Rémy Cointreau works closely with the authorities in each country to crack down on counterfeiting, and takes part in consumer awareness initiatives on the dangers of counterfeit products. This is discussed in more detail in the section "Brands and intellectual property".

MAINTAINING THE HIGH QUALITY OF RÉMY COINTREAU PRODUCTS

Description

Rémy Cointreau brands are known and recognised for their excellence. The high-end quality of Rémy Cointreau's spirits is due to the raw materials used (both for the liquid product itself and the bottles and packaging), the expertise of its craftsmen and winemakers, and respect for the local region or "terroir".

Any deterioration in product quality, taste or presentation (bottles, packaging) could have a significant adverse effect on clients, and deter them from buying the Group's products and brands in future. Similarly, any severe defects in the liquid product could endanger the health of consumers and permanently affect the reputation of the Rémy Cointreau Group and its brands.

Management and measures implemented

To minimise this risk, the Group has introduced various measures and has undertaken to abide by strict principles. These include respect for the local region and the production and fabrication process of the Group's spirits, as well as selecting the best ingredients and craftsmanship.

The introduction of strict quality control at all stages of the production and distribution process also ensures that clients are guaranteed a unique experience when enjoying the Group's products.

Finally, because its products are traceable, the Group is able to immediately withdraw from the distribution network any bottles that could be affected by a quality issue.

1.6.3 FINANCIAL, LEGAL AND IT RISKS

CURRENCY RISK

Description

Rémy Cointreau's results are sensitive to movements in exchange rates as the Group realises around 82% of its net sales in currencies other than the euro, whereas most of the production is within the euro zone.

Management and measures implemented

The Group's exchange rate exposure is mainly in respect of sales in currencies other than the euro, by production companies to the various components of the distribution network. The principal currencies involved are the US dollar (USD), Russian rouble (RUB), Czech koruna (CZK), Australian dollar (AUD), Canadian dollar (CAD), yen (JPY), pound sterling (GBP) and renminbi (CNY).

The policy for managing exchange rate exposure is based on prudent rules and a decision-making process approved by the Board of Directors.

In particular, the Group aims to cover its net budgeted commercial position on a moving horizon of 15-18 months. This is carried out using forward or options contracts.

Option sales are restricted to the resale of options to close a prior purchase or to the hedging of transactions which is approved on a case-by-case basis.

This hedging policy only allows cover for short-term exposure. It cannot shelter Rémy Cointreau from the long-term economic effects of monetary trends on Group sales and margins.

The Group does not hedge the risks of translating into euros the financial statements of companies using a currency other than the euro.

The USD position represents around 75% of hedged flows (this position includes HKD flows which are systematically converted into USD).

Hedging of exchange rate exposure is addressed in note 14.5 to the consolidated financial statements.

LIQUIDITY, INTEREST RATE AND MARKET RISK

Description

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing.

Management and measures implemented

Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

At 31 March 2018, net financial debt represented only 38% of confirmed resources. 65% of resources were at fixed interest rates. 92% of resources had a maturity of more than one year.

The availability of some financing is contingent upon the level of the so-called A ratio (Average net debt/EBITDA), which is calculated twice per year and must be below 3.50.

The Group has introduced forecasting procedures in relation to net debt and other key indicators such as cash generation and ROCE (return on capital employed) which involve all divisions in the optimisation of the financial structure of activities and compliance with the A ratio.

The A ratio was 1.48 at 31 March 2018. The Group is confident in its ability to maintain this ratio below 3.50 in the short, medium and long-term, and in its ability to renew financing that is due to reach maturity in the coming years.

At 31 March 2018, the Group's rating by the specialist agencies was as follows: Standard & Poor «BB+, outlook stable» and Moody's, «Baa3, outlook stable».

With regard to interest rate risk, variable rate debt may be hedged via derivative financial instruments.

Detailed information on borrowings and potential hedging is available in notes 11 and 14.4 to the consolidated financial statements.

The Group has no cash invested in the markets and generally speaking is not significantly exposed to market risk.

LEGAL RISK

Description

The Rémy Cointreau Group has a global presence and, as such, is subject to a legal framework that is constantly changing and specific to each market. For example, the production and sales operations of Group products are subject to regulations in France and abroad which vary depending on each country, particularly in respect of production, packaging and marketing of those products.

Any failure to comply with the regulations in the various countries in which the Rémy Cointreau Group is present could have major consequences for the future of its business, the most important being a ban on the sale of its products in a particular market.

Management and measures implemented

For all important aspects of its activities, the Group has all the required authorisations and has not encountered any specific constraints in this area likely to have a significant impact on its operations.

In France, Group operations are subject to the Public Health Code, which sets precise rules in respect of the advertising of alcoholic drinks. The movement of the latter is subject to specific taxes and duties. Indirect duties, known as excise duties, which comprise taxation on the movement and consumption of alcoholic drinks, have been harmonised within the European community. The movement of tax-free products within the EU must be accompanied by a document prepared by the shipper and approved prior to the despatch of the goods concerned.

The definition and presentation of spirits are subject to the provisions of the following consolidated regulations: EEC regulation No. 110/2008, EU regulation No. 716/2013, EU regulation No. 1169/2011, as well as specific national regulations including French decree no. 2016-757. Their definitions, raw materials, authorised processes, sales denominations, minimum alcohol content, labelling rules, the conditions for obtaining protected geographical indications status and related age claims are also precisely defined.

In the US, the Federal Alcohol Administration Act (FAA Act) regulates all commercial practices among importers, such as the Group's subsidiary Rémy Cointreau USA, wholesalers and retailers, as well as local production of alcoholic drinks. Internationally, this Federal law regulates the composition of products, the content of the documentation from the producing country, labelling constraints and the customs duty position.

The Bioterrorism Act, which was signed on 12 June 2002 and came into force on 13 December 2003, has tightened the rules for all goods entering the US. Importers, shippers and customs agents are still required to submit prior information on the goods and other import documents.

The registration or re-registration of all of the Group's companies was completed in 2016 in accordance with US regulations.

In December 2008, CLS Rémy Cointreau and Rémy Cointreau USA became certified members of the Customs-Trade Partnership Against Terrorism ("C-TPAT"). This programme links suppliers and US Customs & Border Patrol ("CBP") to ensure that each participating US importer's supply chain is secure and the integrity of security between suppliers and US ports. Beyond the security benefits, the CBP offers benefits to certified C-TPAT members including reduced number of container inspections and faster customs clearance. Additionally, in the event of border tightening due to a terrorism-related incident, C-TPAT members may not be exposed to increased border scrutiny allowing for continued container clearance.

At the request of the CBP, a safety audit of the Bruichladdich, CLS Rémy Cointreau and Rémy Cointreau USA supply chain was carried out, and received approval in November 2015. CLS Rémy Cointreau's and Rémy Cointreau USA's membership of the C-TPAT programme has been updated and continues in good standing.

In addition, each of the 50 States has local laws regulating the transport, purchase and sale of alcoholic drinks. Such State laws also regulate the advertising and promotion of such drinks. The rules in this respect are very similar to those in force in France with regard to the protection of young people.

This regulatory environment relating to the production and marketing of alcoholic drinks may evolve in France, within the European Union or in the rest of the world and affect Rémy Cointreau's business segment or increase the liability of the companies operating within that segment.

As of the date of the current report, the Group is not aware of any such regulatory changes that may be significant in this respect or that may become applicable at a specific date.

As of the date of the current report, neither Rémy Cointreau SA nor any of its subsidiaries have been involved or is involved in a legal process in respect of liability due to defective products that has given or is likely to give rise to a legal decision against the Company.

The Group is careful never to be legally dependent on third parties in a way which could significantly affect its industrial or commercial operations. The scope of its various contractual commitments complies with international business practices.

No contracts involving obligations or commitments of particular significance for the Group as a whole were concluded with third parties by any Group company.

An integrated Legal department, organised by brand groups but operating in a cross-group partnership, permanently manages the Group's legal affairs. It carries out preventative checks on all legal risks, both internal and external, that may adversely affect the achievement of the Group's objectives. If necessary, the team can request the assistance of international lawyers recognised for their expertise in specific areas of business law.

The Legal department strives to only initiate litigation if all possibilities of reaching out-of-court settlements have proved unsuccessful.

Ongoing litigation as of the date of this report is mentioned in section 4.1.7.

The Group's insurance coverage policy is specified in section 1.6.5 of this report.

IT AND DIGITAL RISKS

Description

IT risks consist of data loss (both commercial and financial), the inability to operate effectively due to a technical fault, system intrusion or hacking and attacks against the digital platforms of the Rémy Cointreau Group.

Management and measures implemented

The Rémy Cointreau Group's processes are based on the extensive use of IT systems. As such, they are exposed to the risk of failure of the Group's IT systems and the network infrastructure used. The processes concerned could be significantly interrupted or sensitive data could be lost or corrupted if these systems were to become totally or partially unavailable. This complete or partial unavailability may be the result of external attacks such as «malware» or «ransomware» targeting both production and support IT, as well as digital platforms and CRM.

To guard against these risks, a data protection and backup plan and business continuity plan have been implemented in each company, allowing the Group to continue operating in all circumstances. Lastly, Rémy Cointreau uses the latest technologies to protect its network and servers, to manage access to the different systems and to prevent hacking. Training is provided internally to raise the awareness of all Rémy Cointreau employees to these different threats.

1.6.4 EXTERNAL RISKS

SEASONALITY OF THE BUSINESS

Description

The Rémy Cointreau Group generates a significant part of its sales around Christmas and New Year's Eve (November and December) and the Chinese New Year (January and February). As a result, any event arising during these periods may have an impact on the Group's annual results.

Management and measures implemented

The Rémy Cointreau Group anticipates these key periods first by forging strong partnerships with its distributors, and second by leveraging the quality of its forecasts, the responsiveness of its supply chain and the geographical distribution of its sales.

Moreover, by working to diversify markets and limit dependency on any one market, the Rémy Cointreau Group manages to limit the potential impacts of seasonality of its different markets.

INDUSTRIAL AND ENVIRONMENTAL PROTECTION RISKS

Description

Working with natural products, Rémy Cointreau is particularly mindful of the issue of environmental protection, as well as the safety of its employees and production sites.

Any incident affecting the areas in which the vital ingredients for the Group's products are grown – be it cognac vines for cognac *eaux-de-vie*, barley and herbs on Islay for Bruichladdich whisky and The Botanist gin, Barbados sugar cane for Mount Gay rum, or orange peel for Cointreau – would have implications for the Group's ability not only to manufacture its products, but to guarantee their quality.

The same applies to the Group's industrial sites, the safety of its employees and the distillation, bottling and shipping process.

Management and measures implemented

The management of industrial and environmental risks, as well as product related risks, is principally handled by the Quality/Safety/Environment departments working at each Group site, under the ultimate responsibility of the Group Operations Manager.

Safety/Environment audits are carried out at production sites by personnel and certified external auditors, leading to action plans which are monitored by quarterly Committee meetings.

- Due to the Group's activities, its main production sites in France are subject to local authority licensing. The Cognac site is classified as Seveso high threshold on account of the quantities of *eaux-de-vie* stored there. The site is subject to a comprehensive Safety Management System (SMS).
- The Cognac and Angers sites are ISO 14001 certified. This certification is validated by annual follow-up audits. These audits did not reveal any anomalies. Indicators used by ISO 14001 certification have also been rolled out to other Group sites.
- The Mount Gay Distillery bottling site is ISO 9000 certified.

In general, regulatory compliance of sites is an ongoing concern and close relationships are maintained with all the administrations involved. In addition, significant training is provided to the employees and to external providers who work on the sites.

In terms of product risks, the Group refers to the HACCP standard (Hazard Analysis of Critical Control Point), an international method for implementing a system that guarantees the hygiene of food designated for consumers, as well as the internationally recognised ISO 22000 standard for certification of production sites' HACCP plans.

RISK OF FRAUD

Description

In today's world, there is a marked increase in the risk of external fraud, in different forms, whether it be impersonation scams involving the President of the Company, supplier impersonations or cyber attacks either with the aim of stealing confidential data or extortion attempts using ransomware. Likewise, the risk of internal fraud is permanent.

Management and measures implemented

Rémy Cointreau distributes its products in the principal markets of the globe and has an excellent reputation and very strong brand recognition. In this environment, Rémy Cointreau is a prime target for numerous fraud attempts. These attempts may target either Rémy Cointreau in France or its foreign subsidiaries.

Aware of the growing risk, Rémy Cointreau has implemented a range of measures and checks. These include raising awareness among teams and providing training on these risks, improving key

procedures, better cooperation with banks to make transactions more secure and the use of specific IT tools to protect against cyber risks. More specifically, concerning the risk of "internal" fraud, Rémy Cointreau counts on the professionalism and strong feeling of belonging of its employees within the Group to limit the said risk. Nevertheless, to better control this risk, Rémy Cointreau is also working to improve the principles of the separation of tasks and validation as well as regularly making its employees aware of its Ethics Charter. Specific training has been organised on these different topics.

Although these measures cannot fully eliminate the risk of fraud, they do provide reasonable protection.

CLIMATE RISK

Description

Rémy Cointreau Group's spirits are produced on their specific, reciprocal terroirs. However, these are subject to climatic hazards which, if they are not correctly managed, may have a negative impact on the Group's production of spirits.

Management and measures implemented

Rémy Cointreau Group is committed to an active environmental conservation and protection policy in order to minimise its impact. Moreover, Rémy Cointreau Group operates dynamic management of its procurement, enabling it to minimise the climatic hazards on its harvests. The financial impact of climate risks is detailed in section 2.3.4.

Rémy Cointreau Group is also involved in the security of its premises, by taking into account the risks associated with climatic hazards when choosing the location and design of its premises.

Lastly, as part of its insurance policy, as described in chapter 1.6.5 'Insurance', Rémy Cointreau Group has subscribed adequate insurance to cover the impact of climatic hazards, both for the production of raw materials (multi-risk climate insurance) and buildings (property damage and natural disaster insurance).

1.6.5 INSURANCE

As part of its policy to manage risks, and notably those presented in the previous paragraphs, 1.6.1 «Strategic risks», 1.6.2 «Brand and product-related risks», 1.6.3 «Financial, legal and IT risks» and 1.6.4 «External risks», Rémy Cointreau Group has implemented a dynamic risk insurance policy through a coordinated and centralised global approach to its insurance programmes. This is notably based on:

- insurable risk identification procedures
- Rémy Cointreau Group conducts an annual risk mapping for its different entities, with the results shared with the Audit, Insurance and Compliance Department, and more specifically, the Head of Group Insurance.

Moreover, to ensure that its coverage programmes are suited to the risks to which it is exposed, Rémy Cointreau Group carried out a specific mapping of its insurance risks and an audit of its policies during the last financial year. The conclusions of this work will enable the risk coverage strategy already implemented by Rémy Cointreau Group to be optimised by organising targeted calls for tender on a case by case basis.

- the implementation of relevant, adapted insurance

Rémy Cointreau Group has opted to transfer its risks to companies in the insurance market with recognised financial solidity and works closely with one of the main risk management and insurance brokerage consulting players. The contractual limits of the insurance programs have been determined according to the Group's operations, the findings of studies calculating the Maximum Possible Loss and the capacities available on the insurance market.

The main insurance policies are integrated under international insurance programmes covering strategic risks such as general civil liability, withdrawal of delivered products, damage to property and consequent operating losses and transport of goods. Deductibles levels were optimised depending on the coverage of each risk and the cost of overall coverage. Total insurance premiums, excluding employee-related collective insurance contracts, for the 2017/2018 financial year did not exceed 0.22% of consolidated net sales.

The Rémy Cointreau Group believes that the guarantees offered by all its insurance plans and the premium and deductibles amounts correspond to the standard sums for its sector.

- prevention and protection audits for people and industrial assets
Still as part of its risk management policy, Rémy Cointreau Group has implemented an active risk prevention approach, notably for risks associated with safety and protection of goods and individuals. This approach is based on regular audits of the different sites of the House of Rémy Cointreau by specialist engineers and by training, to allow the employees managing these sites to adopt a continuous improvement approach.

The main insurance programmes implemented by Rémy Cointreau Group are as follows:

INSURANCE FOR MATERIAL DAMAGE AND OPERATING LOSS

The Group's industrial operations are covered as part of an international Property Damage and Business Interruption program.

This is a multi-year policy, and operates under Difference in Conditions and Difference in Limits of local policies.

These guarantees are provided in accordance with the declared value and the financial losses cover the gross profit of the Group's companies over a coverage period of 24 months. A facility of €250 million per claim has been negotiated for combined property damage and operating losses. This limit was determined following a Maximum Loss survey. E. Rémy Martin & C° is covered up to €500 million.

Rémy Cointreau Group considers that these coverage amounts effectively cover the risks that could threaten the Group's assets, notably the stocks of *eau-de-vie* carried by the different Houses of the Group, first and foremost Rémy Martin.

GENERAL CIVIL LIABILITY INSURANCE

The Rémy Cointreau Group is covered as part of an international multi-year general civil liability and withdrawal of products plan in the amount of €100 million per claim and per year of insurance. This policy operates under Difference in Conditions and Difference in Limits of local policies.

This policy covers the Group for all physical, material and immaterial damage caused to its employees or to third parties.

In countries such as the US where public bodies do not cover workplace accidents, insurance policies are taken out. The limits of these policies comply with legal requirements.

INSURANCE FOR TRANSPORTED GOODS

A multi-year international policy has been taken out and covers all of the Group's companies.

It covers transport risks up to a limit of €10 million per shipment.

This policy operates under Difference in Conditions and Difference in Limits of local policies.

It provides cover for all Group merchandise, shipped worldwide and by any means of transport.

OTHER INSURANCE

Other insurance policies have been taken out to cover civil liability for corporate officers and risks related to fraud, malevolence, cyber criminality, the environment, property and personnel during business travel. Their cover applies worldwide.

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— 2.1 THE GROUP'S POLICY AND COMMITMENTS

Rémy Cointreau's 2016/2017 financial year was notable for the ramping up of our efforts in terms of CSR. In particular, 10 Sustainable Development Goals were selected (out of the 17 goals identified by the UN) following an assessment of their materiality – in order to verify their relevance for our stakeholders – and five CSR criteria were incorporated into the qualitative targets and variable remuneration of our management teams (GRI Indicator G4-51).

The 2017/2018 financial year just ended confirms and, in some way, anchors this trend and makes these CSR commitments an intrinsic (and sustainable!) part of the DNA of our Group.

Terroirs, People and Time. Our CSR ambitions are now organised around (and in complete harmony with) each of the three basic pillars of our philosophy: a vigilant approach to our terroirs in keeping with sustainable agriculture, the key role of people reflected in the corporate (internal) and societal (external) elements of our global business activities and the protection of air (carbon footprint) and water resources, which are essential to our Houses.

Credit where credit is due... this year the House of Rémy Martin has worked closely alongside its winemaking partners in the Alliance Fine Champagne in order to support the strong push to achieve environmental certification for its **Terroirs**. At the end of March 2018, two-thirds of the vineyards operated in Cognac had achieved level 1 AHVE (agriculture of high environmental value) certification, and almost a quarter had achieved the maximum level 3. For their part, our own estates, which are members of the Ecophyto national network, had their AHVE 3 certification renewed for three years. But all of our Houses are now part of this major movement: an initial worldwide mapping of the terroirs that are the source of our products (vines, sugar cane, wheat, barley, oranges, etc.) has been carried out and will allow us to combine the traceability that we require with an ambitious environmental policy.

For Rémy Cointreau, **People** are the focus of our areas of social and societal action. This year our Group repeated its biennial survey of all of its 1,861 employees worldwide which once again attracted genuine interest (an 88% response rate). The survey is an accurate and valuable tool for monitoring the working conditions

and expectations of our employees in all our subsidiaries. Also this year, for the first time, we had a specific assessment of the societal footprint of our activities in Barbados (Mount Gay) carried out by an independent firm.

Ethics are fundamental for any CSR policy. They reinforce its credibility and consistency and ensure that targets are achieved in an effective way. A course on ethics for all of the Group's employees is now compulsory and is available to everyone through the Internet. In addition, for the past two years Rémy Cointreau has been a member of the Supplier Ethical Data Exchange (SEDEX), an international organisation set up to foster responsible and ethical business practices in global supply chains. Almost 90% of our suppliers are members.

Finally, since **Time** is at the very heart of the concept of sustainable development it requires us to adopt the highest possible standards in the area of climate issues. Air and water are the two major aspects of climate change that have led us to conduct a detailed assessment of our CO₂/GHG footprint (scope 3 analysis), to more effectively optimise our water consumption and to improve our liquid waste recycling rates. The Group's CO₂ emissions are mainly due to our raw materials, packaging (glass and cardboard) and freight. Initial life-cycle analyses have been completed in order to lay the foundations for an ambitious eco-design project which, from 2019, should enable us to steer our packaging designs in accordance with their environmental performance. For their part, our logistics teams have carried out an accurate modelling of CO₂ emissions from national and international freight, an essential tool for managing and reducing emissions.

Finally, we must continue to pay attention to external initiatives. In addition to our membership of the UN Global Compact since 2003 (with Rémy Cointreau currently chairing the Club GC Advanced France), last December the Group became a signatory of the French Business Climate Pledge, an initiative launched by 89 French groups with the encouragement of the MEDEF, and has joined the companies that are signatories of Act4Nature, which supports biodiversity under the aegis of the AFEP.

— 2.2 EMPLOYEE-RELATED INFORMATION

The employee-related reporting scope covers all subsidiaries of the Rémy Cointreau Group. Only the production sites of Angers, Cognac, Barbados and Progressive Hebridean Distillers in Islay (formerly Bruichladdich) have included indicators connected with absenteeism and workplace accidents in their CSR reporting scope. The indicator for the number of occupational illnesses recognised only covers the Cognac, Angers and Paris sites. Rémy Cointreau is gradually extending the reporting system to all its subsidiaries for other indicators relating notably to staff training and movements (please see the note on methodology for more details of the reporting scope for each indicator).

2.2.1 HUMAN RESOURCES POLICY

During the 2017/2018 financial year, the Group pursued its actions in the areas of employee professional development, diversity and strengthening the sense of belonging within the Group. Lastly, in France, true to the historical choices it has made, Rémy Cointreau has pursued practices favouring collective agreements in all areas of negotiation.

LISTENING TO EMPLOYEES AND IMPROVING COMMITMENT LEVELS

Over the course of the year, Rémy Cointreau repeated a worldwide satisfaction survey to measure its employees' commitment. 88% of the Group's employees responded to the survey; its results were presented at each site, together with action plans to improve satisfaction levels. This type of survey will be conducted every two years to measure progress.

ENCOURAGING EMPLOYEE DEVELOPMENT

Rémy Cointreau has continued to use its international development tools to encourage the development of its employees' skills. Performance evaluation processes, succession plans and training and international mobility policies have a strong emphasis on the implementation of collective or individual action plans aimed at supporting the career aspirations of the Group's men and women, fostering skills development and contributing to team performance.

In particular, a process to identify key positions, shared by the Executive Committee, ensures that the Group can draw on the skills necessary for its development and/or guide human resources decisions in order to guarantee the Company's ability to operate in the long term.

FOSTERING THE GROUP'S MULTICULTURAL IDENTITY AND PROMOTING DIVERSITY

As a result of the Group's activity being heavily favoured towards exports, 62.2% of its workforce is located outside France as at 31 March 2018. The Group believes that its multicultural dimension represents a significant asset in its international development. Training is focused on sharing experiences in all countries where the Group operates. International mobility, both on a professional and geographic level, contributes to spreading the Group's values extensively throughout its organisation. The Group's commitment to diversity is also demonstrated by its willingness to favour building teams that include men and women of different ages, and with different training backgrounds and professional experience.

STRENGTHENING A SENSE OF BELONGING

Enriched by this diversity, the Rémy Cointreau Group also seeks to foster a feeling of belonging to a community driven by a shared vision, united around shared values and working towards achieving shared objectives. In addition to this communication, Rémy Cointreau offers ambitious international training programmes aimed at sharing with the marketing, sales and financial teams the principles, policies and practices the Group implements for its brands in every country.

MAINTAINING AN AMBITIOUS SOCIAL DIALOGUE

The 2017/2018 financial year was marked, once again, by the signing of collective agreements that underlined a willingness, shared by trade unions and employee representatives, to favour dialogue and consultation.

For example in France, five agreements or agreement amendments were signed by all of the trade union organisations: agreement on the Forward Planning for Jobs and Skills, profit-sharing agreement, agreement on the introduction of a collective pension savings scheme (PERCO), amendment to the Time Savings Account agreement (CET) on the gateway to the PERCO and the Gender Equality and Quality of Work Life Agreement.

2.2.2 CHANGES IN THE WORKFORCE

THE GROUP'S WORKFORCE

At 31 March 2018, the Group's total workforce stood at 1,861 employees on permanent and fixed-term contracts.

The Group recruited 292 people, mainly in the sales teams (17.8%), production roles (16.1%), finance (11.6%) and marketing (18.2%). 62% of the recruitment was for permanent contracts.

At the same time and within the same scope, there were 241 departures, of which 44.4% were resignations, 17.8% were mutually agreed, 23.7% were as a result of fixed-term contracts coming to an end and 7.5% were retirements. Redundancies on personal grounds accounted for 6.6% of departures.

WORKFORCE BY GEOGRAPHIC AREA (GRI INDICATOR G4-LA1)

	MARCH 2018	%	MARCH 2017	%	MARCH 2016	%
France ⁽¹⁾	704	38.1	683	38.1	690	39.2
Europe (outside France) – Africa	384	20.2	363	20.2	353	20
Americas ⁽²⁾	377	19.7	354	19.7	342	19.4
Asia	396	22	394	22.0	377	21.4
TOTAL	1,861	100	1,794	100	1,762	100

(1) Excluding Domaine des Hautes Glaces (2 employees) in 2017.

(2) Excluding Westland (14 employees) in 2017.

WORKFORCE BY DIVISION (GRI INDICATOR G4-LA1)

	MARCH 2018	%	MARCH 2017	%	MARCH 2016	%
Group brands ⁽¹⁾	736	39.6	701	39.1	706	40.1
Distribution	1,050	56.4	1,027	57.2	994	56.4
Holding	75	4.0	66	3.7	62	3.5
TOTAL	1,861	100	1,794	100	1,762	100

(1) Excluding Domaine des Hautes Glaces (2 employees) and Westland (14 employees) in 2017.

The distribution business still accounts for more than half of the Group's workforce (56.4%).

WORKFORCE BY FUNCTION AND OCCUPATION

	MARCH 2018	%	MARCH 2017 ⁽¹⁾	%	MARCH 2016	%
Sales	537	28.9	501	27.9	480	27.2
Marketing	274	14.7	271	15.1	258	14.7
Production and purchasing	352	18.9	350	19.5	350	19.9
Supply Chain	157	8.4	148	8.2	145	8.2
Ageing	158	8.5	138	7.7	136	7.7
Finance & legal	207	11.1	220	12.3	225	12.8
Information systems	51	2.7	50	2.8	50	2.8
Human resources	53	2.9	46	2.6	45	2.6
General services	28	1.5	27	1.5	32	1.8
Senior management	44	2.4	43	2.4	41	2.3
TOTAL	1,861		1,794	100	1,762	100

(1) Excluding Domaine des Hautes Glaces (2 employees) and Westland (14 employees) in 2017.

The breakdown of the workforce by gender remained stable; men accounted for 56.5% of the workforce and women 43.5%, with different figures according to occupation and country (GRI indicator G4-LA1).

Analysed by occupation, men tend to make up the majority of personnel in ageing, maintenance and sales. There are more women in marketing, client services and packaging.

BREAKDOWN BY PROFESSIONAL CATEGORY

49.5% of the workforce is made up of managers, working mainly in sales, marketing and finance positions.

Production encompasses the majority of operator and technician positions, of which 77.3% are based in France at the Cognac, Angers and Domaine des Hautes Glaces sites. The remainder are

based in Scotland (Progressive Hebridean Distillers – formerly Bruichladdich), Barbados (Mount Gay) and in the USA (Westland).

AVERAGE AGE AND LENGTH OF SERVICE

The average age of Rémy Cointreau's workforce is 41 years, although in France it is higher, at 43.

The average length of service of the Group's workforce is 8.4 years, although in France it is higher, at 11.8.

WORK-LINKED TRAINING CONTRACTS IN FRANCE

The Rémy Cointreau Group continued its proactive work-linked training policy, with the renewal of all work-linked training contracts where necessary and additional recruitment in new positions. These contracts accounted for 4.4% of the workforce in France at the end of March 2018.

2.2.3 ORGANISATION OF WORKING HOURS

The Rémy Cointreau Group complies with all laws and regulations pertaining to working hours applicable in the countries in which it operates. To take into account the particular characteristics of different markets, the working week in France is either annualised or adjusted for packaging operations in accordance with high and low activity periods using shift work. Other operations feature cyclical work organisation, *i.e.* ageing, where the organisation is linked to *eaux-de-vie* delivery periods. The Rémy Cointreau Group may make individual adjustments to working hours for employees who make such requests, if permitted by activity and scheduling requirements and constraints. The new telework provisions implemented in the organisation add flexibility to employees' organisation of working hours thus allowing them to better reconcile working and family life. In strict compliance with laws and collective bargaining agreements, operational requirements may occasionally require overtime.

2.2.4 REMUNERATION

To ensure consistency in the Group's approach to management, evaluation of the levels of responsibility is carried out using a common method in all countries. The competitiveness of remuneration packages is measured on a local basis, close to the markets. They are compared with groups and/or companies with similar features, to ensure attractive positioning.

This policy helps mobilise the Group's teams and motivate each employee to achieve its ambitious targets on its new markets.

The 2017/2018 salary policy in all countries was measured with respect to inflation, with an average salary increase above inflation even where the local economic context was sometimes adverse or depressed. This salary policy is based on individual salary increases deliberately focused on the best-performing employees.

Conversely, the variable remuneration (bonus) of Group managers is applied on the basis of a common structure for all countries, while at the same time taking into account specific local factors and practices. It was thereby linked to business and financial targets, measured as close as possible to the scope of responsibility and according to consistent weighting for all occupations.

Finally, depending on the country and on the social and tax regulations, savings plans benefiting from tax exemptions or other benefits are monitored and implemented when they are compatible with allocated budget resources.

2.2.5 SOCIAL SECURITY AND WELFARE

The Group finalised the implementation of new life and disability policies in its main subsidiaries, in line with Group service provision standards. This enables the provision of competitive guarantees in light of market practices, including a significant employer contribution.

2.2.6 A POLICY THAT ADDRESSES THE GROUP'S CHALLENGES

The human resources policy must anticipate the needs of the Group, particularly where training is concerned.

A priority for Rémy Cointreau, the main purpose of the policy is to ensure the employability of all of its employees and the sustainability of its know-how. This year, however, was notably marked by the drive to share the values of our Group on an international scale.

Two major international programmes were trialled this year:

- the Brand Academy tackles the sales and marketing aspects of the Group's brands and the luxury goods sector from a strategic angle. The content of this Academy reflects the Group's new strategic directions and is based on the marketing and communication tools prepared by Strategic Planning. The brands, the markets and the Group's Executive Committee are all invested in this training, from drafting its content to taking part in the trial, as well as approving its content and the teaching methods used;
- the Management Academy was simultaneously launched in three regions: the Americas, Asia/China and France. Supported by the Group's behavioural skills guidelines, it was designed to offer our managers a blended training course that combines group training and individual support over twelve months. The success of the three trials is testament to the quality of the training delivered as well as the appropriateness of the teaching methods selected to overcome cultural differences and speak to Rémy Cointreau employees all over the world. Essential in sharing our values and creating a Rémy Cointreau managerial signature, this training will be steadily rolled out over the coming years.

The year was also marked by the design of two digital training modules, on: The Rémy Cointreau Group Code of Ethics and the Sapin II Law. Launched at the end of the 2017/2018 financial year and exclusively designed and developed in-house, these modules have been the subject of a mandatory training campaign within the Group. To this end, the Group has invested in digitisation tools and a training platform.

In addition, the new employee induction system is still the subject of a joint study with the sites to harmonise approaches, capitalise on local success and share best practices. The result is a complete integration process offering mentoring, digital content and site visits.

Information security remains a significant training focus. The purchase of a library of e-learning modules means we can offer specific programmes throughout the year. An annual calendar (currently being formalised) will allow us to schedule the launch of future modules.

In addition to individual training, group courses are sometimes provided for particular employee categories. The employees on the Cognac site attended technical training on the changes to industrial tools, as well as management training relative to organisational changes.

CSR training is also built into the induction process for all new arrivals at Cognac. In addition, Quality, Safety and Environmental information is provided *via* regular newflashes (indicators, first aid, noise pollution, etc.).

In Angers, a specific crisis management support programme to train all stakeholders in the site's crisis cell using real-life situation simulation, led to the introduction of an action plan during the 2017/2018 financial year. This has enabled the preparation of tools that are effective in the event of a crisis and the creation of a file shared by all stakeholders. Lastly, sensitive call exercises were carried out to test the working methods and prepare the employees concerned to react appropriately in such situations.

After the launch of the telework initiative last year, we have introduced an assessment for teleworkers and their managers. The main goals were to promote well-being at work and a good work-life balance.

The number of training hours declared in 2017/2018 for the entire Group scope, including outside of Europe and France, for employees on permanent contracts, was 24,243 hours, of which 10,436 were for women and 13,807 for men (GRI indicator G4-LA9).

2.2.7 CAREER SUPPORT AND DEVELOPING TALENT

Rémy Cointreau encourages and supports the development and enhancement of its teams' skills through forward-thinking and continuous management of their talents.

The Group is committed to the development of each individual employee. The Human Resources policy encourages and helps each employee to define his/her professional plans and to implement them.

The mentoring programme introduced at the end of the last financial year is still in place in the various Group entities. New employees are allocated a mentor on their arrival. This 3-month programme aims to facilitate their integration into corporate life through social sharing.

Rémy Cointreau identifies talent in all of the Group's business sectors and geographic areas, and provides personalised support. Within this mindset of developing potential, the current recruitment policy is based on the Group's values, in order to attract new professionals and increasingly to support Rémy Cointreau's growth strategy.

Rémy Cointreau offers traineeships to train the talents of tomorrow. On the three French sites, young trainees (from vocational Baccalauréat to Masters level) learn a trade, with a view to quickly developing the meticulousness, creativity and professionalism required by the professional world. Each trainee is also interviewed before their departure, in order to go over their training with the Group and share ideas for their future direction.

In order to develop young talent and skills at an international level, Rémy Cointreau offers worldwide contracts under the international volunteer programme (VIE).

2.2.8 SMOOTH SOCIAL DIALOGUE TO FOSTER THE INTEGRATION AND WELL-BEING OF EMPLOYEES

Depending on the size of the organisation, and more specifically when employees are represented by recognised trade union organisations, Rémy Cointreau takes a pro-active approach to social dialogue.

In addition to the fastidious application of collective agreements in these countries, Rémy Cointreau engages regularly with trade unions and employee representatives on employee-related issues through specific company agreements.

2.2.9 MAKING DIVERSITY AN OPPORTUNITY

The Group aims to offer all its employees the opportunity for career development. Recruitment methods and workstations are thus continuing to be adapted to accommodate an increasing number of disabled employees. In Angers, the Group has opted to pay its traineeship taxes to organisations, schools or entities that promote the employment of disabled people.

In 2017, the percentage of workers with a disability at the Cognac site complied with the legal requirement of 6%, despite a strong increase in temporary workers who were taken into account. Rémy Martin has successfully continued its efforts to integrate disabled people in both permanent and temporary roles, or through the Cognac work-based support centres.

Rémy Martin also took part in the 8th "Handi Rencontres" Forum held in Cognac in 2017. A dynamic Rémy Martin stand manned by the HR department received large numbers of jobseekers with a disability.

The partnership with *Nos Quartiers ont du Talent*, initiated at Rémy Martin in 2014, continued to gain momentum. In June 2017, a large regional round table was organised by the Rémy Martin HR department in Cognac at which more than 80 sponsors from 20 businesses in the area shared their experiences. Many young people who have found stable permanent employment through this initiative also shared their experiences.

Rémy Martin also continued its proactive professional development policy on its various Cognac sites. In 2017, some 69 professional changes were formalised through work contract amendments (33 blue-collar workers and 36 managers, employees and supervisors were promoted within their function or to another function). This professional momentum is supported by the implementation in 2016 of a new HR process which enables any employee who wishes to spend one week in another department to learn about the business and meet colleagues from other sites. High numbers of employees took part with interest and enthusiasm, expanding their professional knowledge through immersion in another sector (GRI Indicator G4-LA10).

2.2.10 EQUAL TREATMENT

In terms of equal treatment for men and women and non discrimination in general, the Rémy Cointreau Group has taken the decision to implement international procedures and processes that guarantee equal treatment for the Group's employees. Non-discrimination in terms of race, religion, colour, age, gender, nationality or any other discriminatory factor not based on criteria of occupational requirement forms an integral part of Rémy Cointreau's policies and practices, particularly with respect to recruitment, promotion, transfers, salary increases and training.

For example, the remuneration policies are governed by occupational evaluations informed by an external method and appraisal and by a performance assessment based on identifying skills and shared goals. The recruitment and internal mobility policies are subject to procedures and/or international charters that guide managers and encourage joint decision-making based on objective criteria.

Moreover, in France, collective agreements on gender equality and the employment of older workers have helped formalise objectives and progress indicators in the areas of recruitment, remuneration, careers and training, working conditions and work-life balance.

As regards remuneration, in France, the Group has undertaken to implement its policy in such a way as to ensure that the distinction between men and women is not taken into account. Three initiatives have thus been formalised with a shared objective and shared measurement indicators:

- no difference between men and women in terms of starting salary where the employees are equally qualified;
- no difference between men and women in terms of individual salary increases where the employees' performance level and market ratio are the same;
- analysis of differences between men and women in terms of basic salary where the employees' employment, experience and performance levels are the same, and action plans aiming to reduce any differences.

Rémy Cointreau also strives to ensure that its practices in terms of working hours and other time spent within the Company aim as far as possible to maintain a healthy work-life balance, particularly in order to help employees fulfil their parental duties.

For example, in France, working time arrangements can be made to allow employees to accompany their children on hospital visits. Moreover, wherever possible, meetings are arranged during 2 working hours and training sessions scheduled early to allow parents to arrange childcare where required. Finally, aware of the difficulties encountered by employees when they are required to manage an event that threatens the life of someone close to them, the parties sought to adapt the application of compassionate leave for this eventuality and allow the employee in question to discuss with his or her manager a way of adjusting his or her work to part-time hours.

2.2.11 HEALTH AND SAFETY

The Rémy Cointreau Group strives to provide and maintain a working environment that ensures the health and safety of staff, clients, contractors, visitors and the general public who may reasonably be affected by its activities. The Group's policy in this area is to prevent workplace accidents, illnesses and other injuries from occurring by ensuring that the risks are taken into account in the operational management of production processes.

INVOLVING TRADE UNIONS AND EMPLOYEE REPRESENTATIVES IN DISCUSSIONS

In accordance with local legal requirements, committees bringing together employee and management representatives are in place in Cognac, Angers and Barbados to examine issues relating to health and safety in the workplace and make sure that prevention rules are applied. These representatives are thus closely involved in the examination of health and safety issues when key projects are conducted on the Group's production sites. Dialogue between all stakeholders on health and safety issues is constantly sought and fostered.

COMMITMENTS

In France, the Group is committed through the agreement on older workers to carrying out an analysis of the main jobs and professional situations deemed to be at risk, with a view to identifying situations that call for improvements to be made to ergonomics and/or the working environment.

LOCAL INITIATIVES

Each production site has implemented a specific system to monitor and continually improve its employees' working conditions (GRI indicator G4-LA8).

The Angers site regularly develops and provides information on new tools to protect employees and make their daily lives easier, primarily *via* a professional travel charter and a charter on the proper management of meetings, e-mails and professional mobile phones. The internal carpooling database continued to promote communication between employees and optimise transportation.

Both at Angers and Cognac, various ergonomic improvements have been made to certain administrative or industrial workstations to improve working conditions.

In terms of safety, the Group offers training courses to all new employees and on-site operators to inform them of the site's particular safety conditions, the rules to be followed and the possible hazards. As part of the site's safety procedures, areas deemed to present hazards are regularly reviewed in order to update posters and information aimed at staff and external contractors.

At Angers, specific training sessions were created and adapted on the theme of eco-driving for those who drive regularly as part of their professional duties, as well as those who live some distance from their place of work.

Various preventive measures were also taken on the Angers site. These related, in particular, to noise pollution and road safety, with the installation of acoustic panels which has considerably reduced noise on packaging lines. During the 2017/2018 financial year, the Angers site introduced a tyre pressure station and electric vehicle charging points for employees, to promote employees' commitment to the environment.

At the Cognac sites, a number of projects were carried out to improve working conditions and employee safety: at the product manufacturing centre, the safety of at-height work was improved with the introduction of baseboards and guard rails on the stainless steel vats and the replacement of access ladders to the barrels and vats; many of the sprinklers and hose systems were brought into compliance in our ageing and fermentation cellars. The Merpins packing unit was the subject of a project to secure access for people working at-height on the palletisers and fall-protection systems were introduced for the palletisers on the various bottling lines.

At the Mount Gay site, improvements to employee health and safety signalling have enabled risks and dangers on the site to be reduced and promote better work ergonomics. Moreover, increased employee awareness-raising on the issue of environmental protection was carried out based on team workshops leading to the creation of a greenhouse and the restoration of an orchard belonging to the site. Employees decided to prohibit the use of polystyrene, a polluting and little recycled material, on the site.

HEALTH AND SAFETY INDICATORS

For more information on the scope used, please see the note on methodology.

For the scope comprising France, Barbados and Islay, the cumulative absenteeism rate, measured in hours of absence against theoretical hours worked, was 2.3% for 2017/2018 (GRI indicator G4-LA6). This rate does not include sick leave periods of more than 90 days.

Lastly, in France, one occupational illness was reported and recognised by the relevant Health Insurance authorities during the 2017/2018 financial year.

The workplace accident frequency rate on the production sites in France (excl. DHG), Barbados and Islay for 2017/2018 was 9.13, expressed as the number of workplace accidents with workdays lost per million actual hours worked (GRI indicator G4-LA6).

The severity rate was low at 0.38, expressed as the number of days lost to workplace accidents per thousand actual hours worked (GRI indicator G4-LA6). In order to remedy the causes of each accident, the members of the Health and Safety Committee systematically carry out a root cause analysis and report their findings and recommendations to the committee.

— 2.3 ENVIRONMENTAL INFORMATION

One of the 2020 CSR plan's priorities is environmental protection, "giving back to the land what it gives us". Through this goal, Rémy Cointreau protects both its terroirs and the natural resources from which it derives its raw materials. Since its creation, Rémy Cointreau has made its environmental commitment a long-term driver of its economic success, thanks notably to an ambitious certification policy.

2.3.1 WINEMAKING AT THE HEART OF AN INCREASINGLY ENVIRONMENTALLY-FRIENDLY POLICY

The excellence of Rémy Martin's cognac eaux-de-vie comes from the vine and its fruit. To get the best out of them, Rémy Martin builds on a relationship of trust by sourcing its supplies exclusively from the Alliance Fine Champagne (AFC) since 1966. This cooperative structure accompanies its growth. This partnership needs to reflect the Group's efforts in environmental protection. Rémy Martin also has its own vineyards, grouped under Domaines Rémy Martin. They are now used as a testing platform to promote the Group's innovative and environmentally-friendly winemaking policy.

PRACTISING ENVIRONMENTALLY FRIENDLY WINEMAKING

Taking care of vines means adopting environmentally-friendly growing methods.

Domaines Rémy Martin have continued to contribute to the quest for environmental excellence in French winemaking, associated with the reduction in the use of pesticides and fertilisers.

Domaines Rémy Martin are members of the Ecophyto network, a national initiative originating from the *Grenelle de l'Environnement* and steered by the French Ministry for Agriculture. This initiative seeks to gradually decrease the use of pesticides and thus cut soil pollution. This year Domaines Rémy Martin have again increased their R&D activity with 10 research projects devoted to this subject.

Special attention is given to:

- using biocontrol products to combat vine diseases:

Within the framework of the Ecophyto national plan, tests are carried out in collaboration with the *Institut Français de la Vigne et du Vin* (IFV) (French Institute of the vine and wine) in order to reduce the use of agrochemicals in vineyards. The study is concerned with researching technical methods that promote the use of biocontrol products using natural mechanisms as part of an integrated approach to combating insects or species that threaten the vines. The principle of biocontrols is accordingly based on the interactions governing relations between species in the natural environment;
- using green fertilisers:

Improvements to soil fertility potential over the long term require environmentally-friendly winemaking practices and water resource quality. Domaines Rémy Martin are studying

the use and management of winter coverings such as green fertiliser. The aim is to generate significant plant biomass during the vine's rest period (Autumn-Winter-Start of Spring), to capture the nitrogen (soil and atmospheric) and to return it to the vine during the growing period in order to reduce external inputs. This technique, which promotes biodiversity, also has a positive impact on soil texture and structure. Demonstration and experimentation platforms launched in 2014 combine green fertiliser/soil management modes/fertiliser management. The vine's response will be studied over 5 to 7 years minimum, with a 2 to 3-year period required before measuring the first effects;

- using robotics in vineyards:

The purpose of the study conducted with Naïo Technologies is to test a prototype autonomous robot in order to make it suitable for vine management methods in Cognac. The tasks mainly concern soil maintenance (between rows and cultivation underneath rows);
- selecting resistant grape varieties:

The study is focusing on new alternatives for combating mildew and powdery mildew with the assistance of new grape varieties selected by the Bureau National Interprofessionnel du Cognac (BNIC) (the national body representing growers in Cognac) and the Institut National de la Recherche Agronomique (INRA) (the French institute for agricultural research). The selection phase that is ongoing has enabled four different grape varieties to be selected, planted on four plots belonging to Domaines. The purpose of these trials is to measure the potential and the quality of production in order to verify that these new varieties meet current quality standards. The first production will be achieved in three years and the trial will be conducted over 10 years;
- combating mildew:

A Mildew platform aims to test different mildew treatment programmes with lower environmental impacts. These programmes focus on reducing doses and promoting the use of alternative products (for example, natural vine defence stimulators). Implemented in 2016, this platform was renewed in 2018. The programme's modalities are likely to change over the coming years along with new progress in alternative products. This study is being carried out in partnership with the Chamber of Agriculture and will be extended to powdery mildew;
- natural forms of control such as releasing trichogramma:

A biocontrol platform has been in place since 2014 with the Charente Chamber of Agriculture and the company Biotop. This partnership was the sole French platform in vineyard research to test the technique in which trichogramma (insects from the same family as bees) are released to fight against vine moths. This year, work focused on establishing an experimental platform involving the use of trichogramma to combat grapevine moths (partnership with the Charente Chamber of Agriculture and the company Bioline). The success of this biocontrol work was the subject of a public presentation during the sixth Conference on alternative protection means for integrated production (COMAPPI) in Lille in March 2017.

Domaines Rémy Martin have used the treatment frequency indicator (TFI) since 2016. TFI is a monitoring indicator for the use of pesticides at an agricultural production site or group of sites. The reduction in the TFI value enables a production site to assess its progress in reducing pesticide use. The indicator is also used to implement the national Ecophyto plan.

This year, the TFI value is 15.4, *i.e.* a reduction of 19% compared with the 2016/2017 value (19.1), due to specific treatments because of exceptional climatic conditions during the previous year (rain and hail).

The average TFI value over the last five years is 17.2, a reduction of 2.5% compared with the average 2016/2017 value (17.6).

These values are below the regional benchmark validated by the Ministry for the Environment of 18.2 (source: SSP – Agreste, survey on the use of pesticides in winemaking, 2013).

It should however be noted that more than 16% of the TFI value (*i.e.* 2.5 TFI points) is the result of the obligation to treat against the disease *flavescence dorée*, as Domaines Rémy Martin are situated in the geographical area in which the national fight against this disease is mandatory.

The 2020 CSR plan target is to reduce the TFI value by 10% (benchmark value: 2016/2017 TFI value of 17.6) and achieve a maximum value of 15.8 in 2020.

It should be noted that all pesticides used by Domaines Rémy Martin are classified as harmless to neighbouring wildlife and plant life.

Domaines Rémy Martin has demonstrated its desire to be involved in various tests: More than 30 soil and leaf analyses, which are essential for monitoring vines, have been carried out. This allows fertilisers and trace elements to be applied as precisely as possible.

A CERTIFICATION POLICY TO RECOGNISE EFFORTS MADE AND GUIDE PRACTICES

Rémy Cointreau's ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. The Group endeavours to keep and extend this ambitious bet year after year. The integration of the Domaines Rémy Martin vineyards into the CSR reporting scope strengthens the Group's desire to measure, report on its innovative practices and to improve.

Domaines Rémy Martin, "integrated agriculture" certified since 2009, obtained level 3 in AFNOR's "high environmental value farming" certification in 2012. In addition to rewarding action to preserve biodiversity and reduce pesticides, this is also a recognition of the efforts made and a guideline for daily activity.

This certification was renewed again for three years at the beginning of 2018. Domaines Rémy Martin are now registered in the national directory of HVE level 3 certified agricultural holdings.

In line with this certification, employee training regularly focuses on the use of new spraying equipment to promote the efficient application of treatment products (GRI Indicator: G4-LA9).

PROMOTING OUR PARTNERS' WINEMAKING PRACTICES

Rémy Cointreau would like all of its internal partners and all Alliance Fine Champagne (AFC) winemakers and distillers to follow its lead by obtaining AHVE certifications.

A specific 2020 CSR working group was created within the AFC in December 2016 to establish an AHVE certification programme and communicate the objectives of the new CSR plan to the cooperative.

The aim is for 100% of cooperative members to be committed to the environmental approach by 2020 with a majority of winemakers level 3 AHVE certified by 2022. The AFC and Rémy Martin have agreed that by 2020, all cooperative members should have taken part in the environmental training sessions organised jointly with the local chambers of agriculture. AHVE certification is based, amongst other criteria, on the reduction in the Treatment Frequency Index (TFI). This "High Environmental Value" certification, approved by the Ministry for Agriculture, will be monitored by independent third-party organisations.

The Ministry for Agriculture and Food's AHVE environmental information brochure has been circulated to all of the AFC's winegrowers. Several "Meetings with Maison Rémy Martin" events have been organised in order to encourage winegrowers to become involved in the AHVE system.

By meeting these AHVE targets, the AFC will also meet the objectives set by the National Inter-professional Cognac Office (BNIC), which is now committed to an environmental certification approach thanks to new local "sustainable winemaking" guidelines.

In 2017/2018, 208 winegrowers followed the two-day AHVE level 1 training course which includes the local Sustainable Winemaking guidelines. For four years, 363 winegrowers have been following the environmental approach, *i.e.* 45% of the cooperative's members (representing 64% of the cooperative's vineyards)

This year 62 winegrowers obtained level 3 AHVE certification, the certification's highest level of commitment, bringing total certified winegrowers to 85 over a four-year period, *i.e.* 11% of the cooperative's members (representing 23% of the cooperative's vineyards)

Since 2018, Rémy Martin has awarded a "Centaur of the Environment" prize, to reward the 69 new HVE-certified winegrowers in 2017, acknowledging their efforts and their commitments to environmental excellence in their agricultural holdings.

Rémy Martin aims to establish close ties with winegrowers and to provide them with all the necessary information about the partnership and the Company itself. For this reason, it created the Rémysphère Newsletter. It is timed to coincide with the different winemaking phases, *i.e.* flowering, harvest and distillation.

The newsletter, distributed in hard copy and also available on the remysphere.com website, also provides regular information to winegrowers on the Group's results, brand updates and news on the economic climate as well as technical developments. The website now includes a regular CSR update in a dedicated section and information on the AHVE project.

2.3.2 TERROIR AND REGIONS: ANCHORAGE, CHALLENGES AND PROTECTION

Wherever in the world that the Group operates, Rémy Cointreau's Houses are involved in protecting the land that they cultivate, both directly and indirectly. Looking after and respecting the terroirs from which they extract the character and authenticity of their products is essential. Soil, climate, air, biodiversity, production methods: every region is distinctive. The terroirs are the melting pot in which traditions are handed down and new expertise is developed. As small plots on an enormous planet, they are the places where women and men repeat ancient traditions that are enhanced at every step by each person's experience and intuition. Every aspect of a terroir – geographical, human, cultural – contributes to the individuality of Rémy Cointreau's spirits. The quality of the environment and the wealth of biodiversity contribute directly to the excellence of the products.

SUSTAINING AND PROTECTING AGRICULTURE, RAW MATERIALS & KNOW-HOW

Environmental protection is one of the 2020 CSR plan's priorities. Through the objective of "giving back to the land what it gives us", Rémy Cointreau protects its terroirs and their natural resources.

This is reflected in responsible and sustainable agricultural practices to produce all our raw materials and the ambition that all of the land used be covered by a responsible and sustainable agricultural framework or label.

This year has been dedicated to creating a new indicator in order to demonstrate and steer this commitment. The first stage was to estimate the agricultural land used for Rémy Cointreau's strategic supplies:

- vineyards for Rémy Martin and LOUIS XIII cognacs and Saint-Rémy brandy;
- cereal production land for the Bruichladdich, Westland and Domaine des Hautes Glaces whiskies;
- land devoted to growing sugar cane for Mount Gay rum;
- land devoted to growing oranges for the Cointreau liquor.

Based on the information collected to date, almost 18,000 hectares of agricultural land and vineyards are used by Rémy Cointreau. The Group's ambition is that all of this land will be cultivated in accordance with a responsible and sustainable agricultural model by 2024.

Revealing the potential of the terroir of the isle of Islay

Bruichladdich employees play a role in revealing their terroir's potential. The introduction of different varieties of traditional barley and preserving Bere barley are now assets for the House, which is also supplied with barley produced on the banks of the Moray Firth in north-east Scotland. A product of organic farming, a five-year crop rotation system is followed in order to preserve soil fertility and to encourage positive impacts for local biodiversity.

The Botanist has also created a Foundation, with the main purpose of working with the isle's residents to improve understanding and conservation of the island's botanical diversity. Protecting species is a vital aspect for the future of The Botanist, the one and only gin on Islay. A total of 22 plants will be harvested for the distillation

process. Ensuring that the harvesting of the plants on the isle is carried out sustainably and responsibly perpetuates the Group's work in Scotland and emphasises the consistent nature of its policy.

#1Orange1Tree for orange trees in Senegal

In Angers, the #1Orange1Tree initiative carried out on social networks in 2017 and in partnership with Nazih Mestaoui, the artist-activist behind 1 Heart 1 Tree app, and with the charity Oceanium in Dakar, has enabled a reforestation project in Senegal to be financed, including the planting of orange trees. More broadly, this initiative aims to restore biodiversity in Casamance, a region of Senegal that is threatened by the disappearance of resources.

Protecting natural resources in Barbados

In Barbados, Rémy Cointreau incorporates the protection of natural resources in all of its activities. Rémy Cointreau is contributing to the renewal of traditional expertise in sugar cane cultivation. While organising improved management of the raw material, the Group's work to rediscover the local specifics relating to sugar cane is behind the development of a shared awareness. Following the purchase of the Mount Gay distillery, the Group has acquired 134 hectares of sugar cane production land: it is experimenting with organic cultivation and permaculture methods, which also benefit local farmers involved in this scheme.

Domaine des Hautes Glaces and local development

In 2017, Rémy Cointreau established a foothold between the Les Ecrins massif and the cliffs of the Vercors in order to rise to the challenge of creating a "French whisky". Using the surrounding cereal crops, Domaine des Hautes Glaces is creating – at the moment on a small scale – products that are the fruit of a local development project in which farmers are committed partners. The young brand proudly demonstrates its relationship with the region, for example, encouraging crop rotation for improved soil life and new equilibriums based on agricultural economics.

The project, which began two years ago, resonates effortlessly with the Group's values. Domaine des Hautes Glaces is working with local farmers to develop new varieties of organic barley, rye, spelt, oats and triticale. The creation of this new rural whisky offering brings a new vision for regional development and sustainable opportunities from converting farms to organic agriculture.

The Group is exploring and bringing about the rebirth of expertise that is many centuries old, far removed from standards and stereotypes. Take the example of the still, made by a neighbouring coppersmith and heated by a wood pellet stove: the heat from this stove, which uses resources that are renewable and abundantly available in the region, allows the temperature to be controlled very accurately. The Group clearly reflects the true nature of the soils, climates, spaces and man's humility in the face of time and nature's work.

Protecting forests and biodiversity

In France, the Group has already been involved for several years in protecting forests through a sponsorship initiative in partnership with the Office National des Forêts (the French National Forestry Office). Because forest cover helps to protect the biodiversity of natural habitats, Rémy Cointreau has contributed to the planting of more than 115,000 oak seedlings since 2015. In the coming years, particular efforts will be made to grow the pedunculate oak, characteristic of the production of Rémy Martin.

In partnership with the French Bird Protection League, employees of the Group are conducting ecological monitoring of a plot belonging to Domaines Rémy Martin: from this year, flora and fauna censuses are being carried out in order to improve forest management and to preserve the plot's biodiversity. Other tree species (poplar, ash, etc) also play an important role in filtering drinking water and contribute to preserving biodiversity (GRI Indicator G4-EN13). In addition, after taking part in the creation of a "biodiversity" forest path in the Braconne Forest near Angoulême, Rémy Martin took part this year in a sponsorship initiative to ensure the future of the Moulières state forest, in the Vienne area: the project plans to renew the forest with the replanting of some 12 hectares with more drought-resistant oaks.

These initiatives strongly resonate with those undertaken by the Westland distillery in support of the Gariana oak plantation in the Pacific Northwest. The distillery which joined the Group at the beginning of 2017, also pays special attention to the different varieties of oak in local forests.

SUPPORTING LOCAL COMMUNITIES AND ACTING AS A RESPONSIBLE STAKEHOLDER

Throughout the world, Rémy Cointreau's employees are joining forces to serve the community and connect with local people. In the different regions in which it operates, the Group participates, through its activity, its direct and indirect impacts, and thanks to the enthusiasm of its employees, in creating environments for interaction and mutual assistance.

True to Rémy Cointreau's values, various solidarity initiatives provide inspiration to employees and play a full role in the Group's societal commitments.

In the United States, employees have been organising a "national community service week" for several years now. In 2017, this "Community Week" brought together around 100 employees who spent more than 980 hours working to help other people. Six initiatives were supported in different US locations. Some people devoted their talent, time and effort to delivering meals to people in need, preparing packed lunches as part of the #hashtaglunchbag and sorting and repackaging food for the Orange County food bank.

In New York, Rémy Cointreau employees gave their time to a "Volunteer Day" at the city's famous Botanic Gardens. Weeding, cleaning and an introduction to horticulture allowed volunteers to discover the very popular Peggy Rockefeller Rose Garden from a new angle.

In France, in Cognac, Rémy Martin employees also joined in with the "Foulées de Rose" event, an obstacle course to support a disabled child suffering from a rare genetic disease. This solidarity initiative should allow this child to receive intensive treatment in an institution with appropriate facilities for her care.

In Barbados, Rémy Cointreau is one of the main economic stakeholders on the island and is fully aware of its role and responsibilities. The Group encourages and supports its employees' involvement in group plastic waste collection initiatives, implementing selective waste collection and waste transformation activities, training in best practices, promoting the responsible consumption of alcohol at large festive events, mobilising in support of communities devastated after Hurricane Irma and also helping disadvantaged families in order to provide them with decent housing.

Employees also contribute to protecting and safeguarding the terroir. During the "Give forward to our community" day, they came together in order to improve the quality-of-life in Mount Gay village in Saint Lucy. More than 140 employees took part in strengthening buildings, repairing bus stops, landscaping at the entry to the village and planting palm trees. Increased awareness about environmental protection enabled the construction of a greenhouse and the restoration of an orchard belonging to the distillery. Employees decided to prohibit the use of polystyrene, a polluting and little recycled material, across the entire site.

The younger generations are also involved: at the end of 2017 and for several months, agronomy students at the Barbados Community College were able to use the agricultural land acquired by Mount Gay in order to put their knowledge into practice. This exemplary collaboration gave them an opportunity to directly apply what they had learned, with a specific focus on organic and permaculture cultivation methods.

In order to measure the impact of Rémy Cointreau's commitment and its employees in all areas of the company, an initial in-depth study of the overall societal impact of the Group's activities in Barbados was carried out in October 2017. Its purpose is to measure the societal footprint of Mount Gay within the region according to three basic axes: environmental viability, economic viability and social viability. This study will provide a useful decision-making tool to guide future initiatives to be carried out on the island and will allow a common methodological framework to be defined in order to establish the Group's contribution to its terroirs.

2.3.3 MAKING EMPLOYEES INTO ENVIRONMENTAL AMBASSADORS

Rémy Cointreau is aware that its employees are the Group's backbone. To apply its CSR policy in a solid and consistent way, the Group intends to involve everyone both upstream and downstream of the production process in order to reduce the environmental impact of Rémy Cointreau's activities. In this way they all become true ambassadors for environmental protection in France and abroad. This year, CSR reporting was further extended to Westland and Domaine des Hautes Glaces.

In 2017/2018, Rémy Cointreau invested €3.1 million in quality, safety and environmental improvements (GRI indicator G4-EN31) on all of its production sites.

Training on these three components increased sharply in France in 2017/2018, with a total of 4,543 hours of training for 456 people (2,649 hours in 2016/2017 – GRI indicator G4-LA9). Training primarily covered the eco-design of products, well-being in the workplace, electrical accreditations, and training on "Disability and health in the workplace", which took the form of a theatrical performance.

The companies Cointreau and E. Rémy Martin have Quality Environment and Food Safety certifications (ISO 9001, ISO 14001 and ISO 22001). Cointreau is also OHSAS 18001 certified. The companies Bruichladdich and Mount Gay hold the ISO 9001 quality certification.

This year Cointreau also renewed its ISO 9001, ISO 14001, ISO 22001 and OHSAS 18001 certifications. Some 30 strengths were cited, such as the Group's CSR commitment, the tools deployed to meet the requirements of new versions of standards and supplier assessment by the Purchasing department.

In Cognac, the ISO 9001, ISO 14001 and ISO 22001 QSE monitoring audit also highlighted a number of strengths, such as the roll-out and monitoring of the Group's CSR policy, process reviews, promoting environmental aspects in the field, emphasising the HVE requirement to the AFC's winegrowers and the control by suppliers of packaging items (integrating compliance with Global Compact principles).

To better meet the changes required by ISO 14001 and ISO 9001, discussion groups were constituted for the Cognac and Angers sites to strengthen the link between their environmental policy and the Group's CSR policy. Process managers were trained within the Group's different sites. Preparations to move to the new versions of the 2015 ISO 9001 and ISO 14001 standards enabled risk mapping and stakeholder mapping to be performed at the two sites.

The Group is keen to involve its employees in the QSE initiative. To do this it, it appeals to volunteers in order to create a dense network within the company. In 2017/2018, on the Cognac site, 35 Health, Safety and Environment reference contacts are deployed in different departments. They are relays and spokespeople for staff in their business sector. They take part in assessing practical arrangements for reducing environmental impacts (solid waste sorting, incidents, near misses, etc.) and to pass on any suggestions for improvement to our Environment and Safety Management System. SSE reference contacts help to achieve safety and environment objectives, and are notably brought together on a quarterly basis in order to reflect on change in practices. This year, three meetings took place with regards to the review of environmental and safety indicators, the results of internal audits and 2018/19 proposed activities. Health, Safety and Environment meetings also took place three times per year between the Angers and Cognac production sites to monitor regulatory decisions on the legal provisions contained in these topics, and to summarise the actions carried out in line with the Group's CSR policy.

This year an international conference brought together all of the Group's "creators" (cellar masters and master distillers / the "Creators' Conference") and their teams at the Cognac site. One of the major items at this meeting was the integration of responsible and sustainable agriculture within the Group's agricultural and winemaking supplies.

In parallel with these actions, the Group's intranet site, which is currently being updated, now includes a CSR section. The information shared will cover the Group's charters and codes in the context of the CSR strategy, CSR commitments and examples of initiatives that will be updated on a regular basis.

2.3.4 THE GROUP'S QUANTITATIVE EFFORTS IN ENVIRONMENTAL PROTECTION

Environmental information currently covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), the Paris administrative site, the companies Domaines Rémy Martin, Domaine des Hautes Glaces and Westland. The distribution subsidiaries are excluded from providing the information referred to below as their environmental impact is not deemed to be significant. The scope of application of each indicator is specified in the "note on methodology" section.

Provisions and guarantees for environmental risks are limited to a guarantee granted to E. Rémy Martin & Co for €2.65 million with respect to the Seveso risk.

ENERGY AND NATURAL RESOURCES

Energy consumption

The Group has chosen to view the regulatory constraints as an opportunity to reflect the aims of the 2020 CSR plan.

In 2016, based on the energy diagnosis carried out in 2015, an energy consumption reduction plan was drafted for the Angers and Cognac sites, with the choice of targets for reductions in energy consumption (electricity and gas) by 2020 (GRI indicator G4-EN6). The target to be achieved by the end of the 2020 CSR plan is a 900 MWh reduction in energy consumption on the French sites. The main actions include optimising air compressor operation, replacing compressors, monitoring heating modes, managing lighting and renovating buildings.

This year, the initiatives carried out are in line with the plan and correspond to reductions in energy consumption of 423 MWh, or 47% of the 2020 targets.

The main actions included:

- compressor operation (reduction in operating time, reduction in operating pressures, detection of leaks);
- renewal of lighting;
- optimisation of boiler rooms, replacement of gas heaters with reversible air/air rooftop systems;
- regular employee awareness raising about energy saving (flash information).

Information sheets were also installed next to the air conditioning thermostats, particularly in meeting rooms, to ensure the optimal use of this equipment.

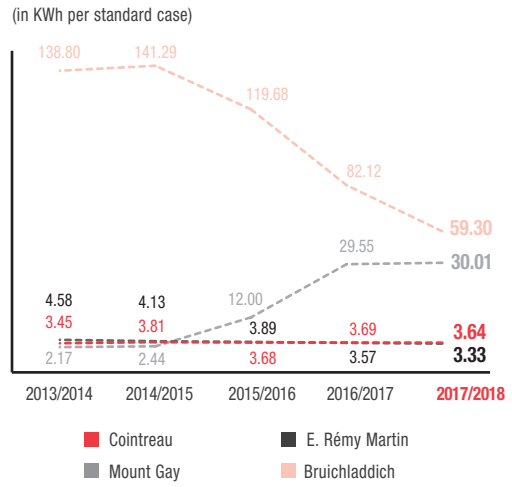
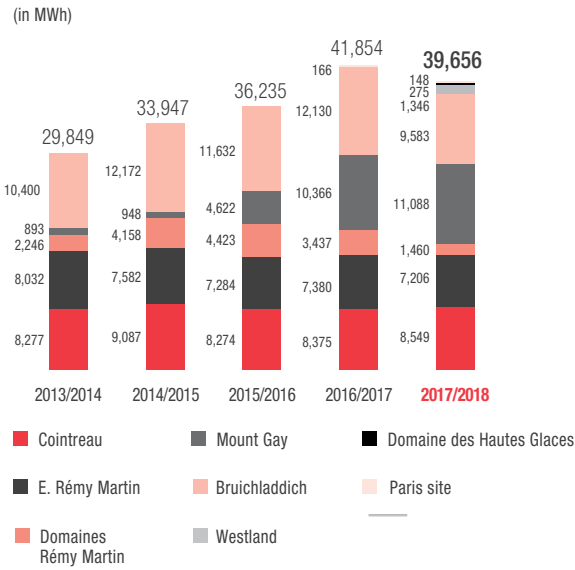
On the Angers site, several actions from the Energy working group were deployed on an everyday basis: the automatic switch-off of computers, screens and printers at the end of the day, automatic lighting in sanitary facilities; new tools were proposed such as programming printer operation times and a master off-switch for computer hardware in offices.

The studies carried out on sites to assess the potential for integrating green energy into the production processes enabled the signing of contracts to procure renewable energy. Since 2017, all energy consumption on the Group's French sites (except for Domaine des Hautes Glaces) comes from renewable sources (energy from hydraulic production). For Domaine des Hautes Glaces, 91% of total energy consumption is from renewable sources (wood-heated stills).

The sales subsidiaries are also beginning to implement initiatives. The Rémy Cointreau offices in Geneva have introduced a plan to reduce energy consumption by replacing electric bulbs with LED lights and introducing a system that automatically switches off lighting.

The Group's total energy consumption in 2017/2018 was 39,656 MWh, a reduction of 5% compared with the previous year.

TOTAL ENERGY CONSUMPTION (GRI INDICATOR G4-EN3)

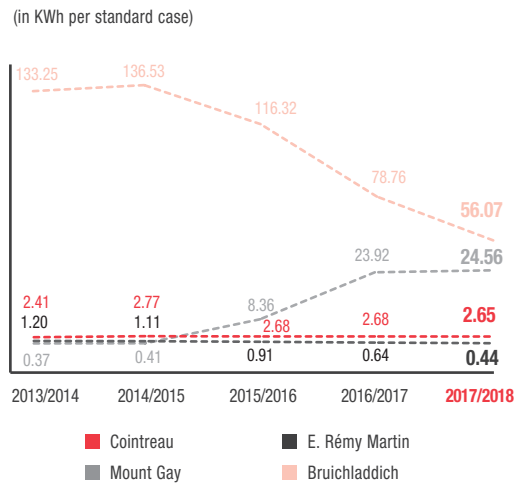
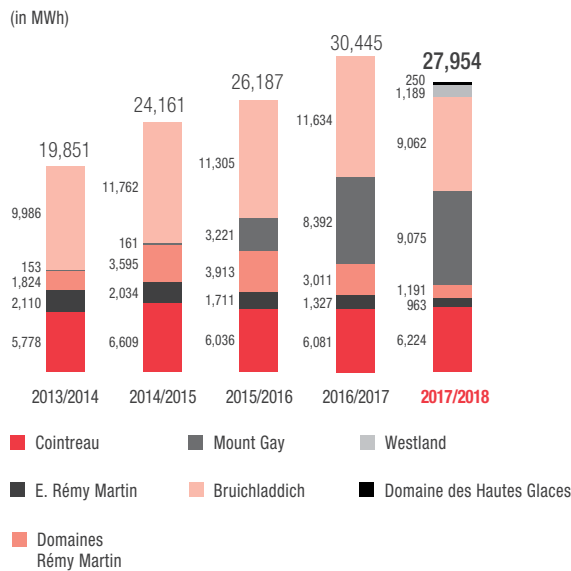


2012/2013: integration of the Barbados site
2013/2014: integration of the Islay site
2015/2016: integration of the Barbados site distillery
2016/2017: integration of the Paris site
2017/2018: inclusion of Westland and Domaine des Hautes Glaces

Total energy consumption amounted to 7.5 kWh per standard case, excluding Domaines Rémy Martin and the Paris site. This value is down by 5% compared with the previous year, principally because of the reduction in direct energy consumption including gas, fuel oil and diesel consumption (GRI indicator G4-EN3).

Consumption of this direct energy came to 27,954 MWh, down 8% compared to the previous year. Per standard case, this is down 7%, from 5.67 to 5.30 kWh (GRI indicator G4-EN5), excluding Domaines Rémy Martin and the Paris site. This was principally due to energy-saving initiatives introduced by the Cognac site and optimisation of distillation processes at the Islay site.

DIRECT ENERGY CONSUMPTION (GAS, FUEL OIL, DIESEL) (GRI INDICATOR G4-EN3)



2013/2014: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery
2017/2018: inclusion of Westland and Domaine des Hautes Glaces

Direct energy consumption for the Cognac site (963 MWh) was down 27%. The indicator per standard case was down 31%, from 0.64 to 0.44 kWh, mainly due to the replacement of old gas boilers by more energy-efficient equipment (condensing boilers, reversible air conditioning, electrical heating/air conditioning equipment).

Consumption at the Angers site (6,224 MWh) was up 2%, however per case it fell 1%, from 2.68 to 2.65 kWh, demonstrating good control of energy consumption.

Direct energy consumption at the Islay site (9,062 kWh) was down 22%. It was down 29% per case, from 78.76 to 56.07 kWh.

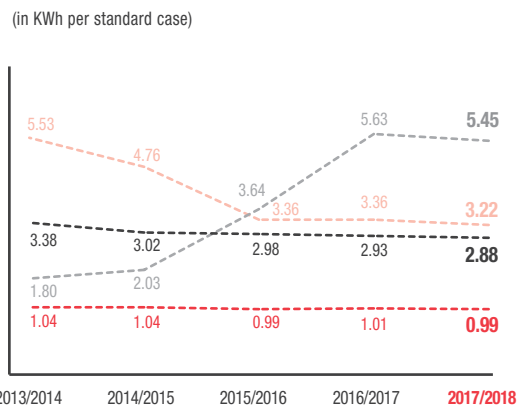
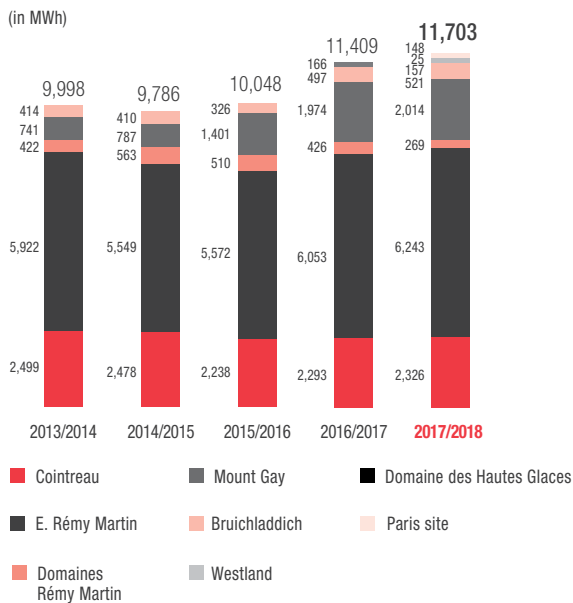
With regards to the Barbados site, direct energy consumption (9,075 MWh) was up 8% (increase in distillery activities) and up 3% per case.

For the first time, CSR reporting includes direct energy consumption by Westland and Domaine des Hautes Glaces, which amounted to 1,189 MWh and 250 MWh respectively.

Direct energy consumption for Domaines Rémy Martin (1,191 kWh) decreased by 60% following a decrease in the volume of wine distilled because of poor weather conditions (Cognac vineyards affected by frost).

For indirect energy, electricity consumption (11,703 MWh) was up 3%, mainly due to the first-time incorporation of electricity consumption from the Westland and Domaine des Hautes Glaces sites (GRI indicator G4-EN3). Total indirect energy consumption per standard case was stable compared to the previous year at 2.2 kWh, excluding Domaines Rémy Martin and the Paris site.

INDIRECT ENERGY CONSUMPTION (ELECTRICITY) (GRI INDICATOR G4-EN3)



2012/2013: integration of the Barbados site
 2013/2014: integration of the Islay site
 2015/2016: integration of the Barbados site distillery
 2016/2017: integration of the Paris site
 2017/2018: inclusion of Westland and Domaine des Hautes Glaces

At the Angers site, electricity consumption (2,326 MWh) was stable. Consumption per standard case was down 2%, from 1.01 to 0.99 kWh.

On the Cognac site, it increased by 3% (6,243 MWh). Consumption per standard case was down 2%, from 2.93 to 2.88 kWh, following an increase in the site's production while still controlling energy consumption.

On the Islay site, electricity consumption (521 MWh) was up by 5% because of the creation of a new bottling line, however consumption per standard case was down 4%, thanks to control of the energy process.

Electricity consumption at the Barbados site (2,014 MWh) increased by 2%, while consumption per standard case was down 3%.

For the first time, CSR reporting includes direct electricity consumption by Westland and Domaine des Hautes Glaces, which amounted to 157 MWh and 25 MWh respectively.

Electricity consumption for Domaines Rémy Martin (269 MWh) decreased by 37%, mainly due to the decrease in the volume of wine distilled.

Total indirect energy consumption for the Paris site (148 MWh) was down 11%, following an office refurbishment which boosted natural lighting and incorporated new low-consumption lighting technologies.



Water consumption

For the last three years, Rémy Cointreau has met CDP Water reporting requests. In line with this reporting, the Group has improved its water resource protection targets. Accordingly, at its Paris site and in all of its main subsidiaries worldwide, Rémy Cointreau has introduced water fountains, makes jugs of water available in meeting rooms for its employees and no longer uses bottled water.

Total water consumption (174,945 m³) was up by 31% (GRI indicator G4-EN-8). Water consumption per standard case increased by 24%, from 26.2 to 32.4 litres per standard case, excluding Domaines Rémy Martin. This is principally because of the inclusion for the first time in CSR reporting of water consumption at the Westland site and water consumption from a well used at the Barbados site.

Water consumption at the Angers site (26,786 m³) decreased by 2% (-5% per case).

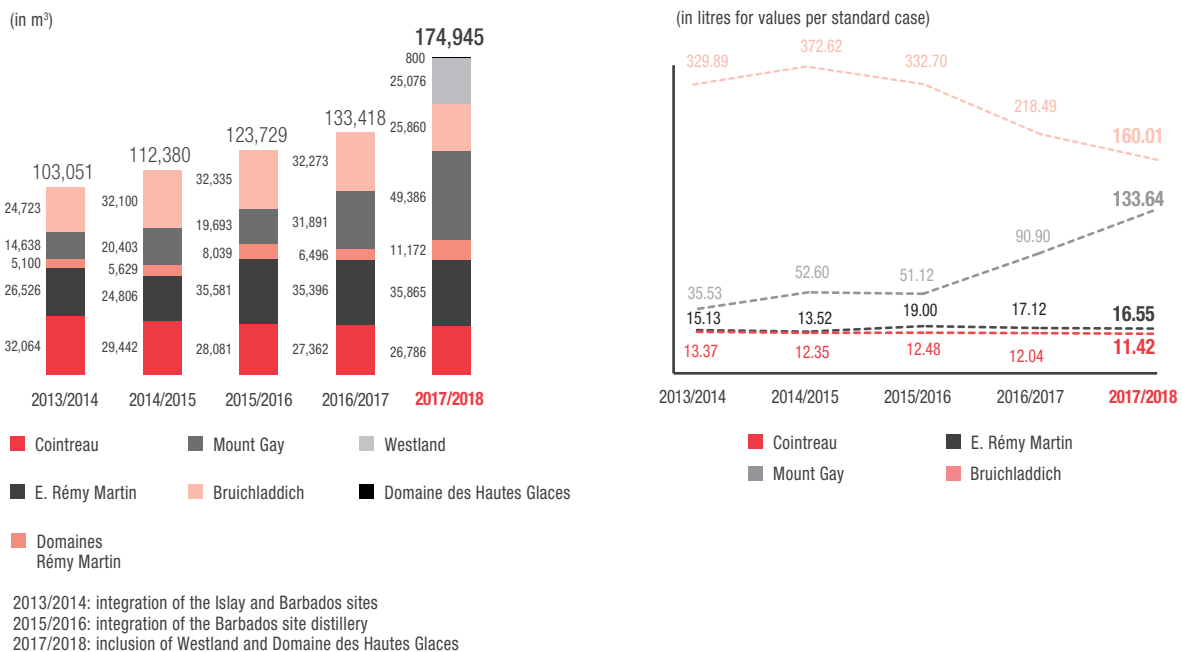
Water consumption at the Cognac site (35,865 m³) was stable and decreased by 3% per case.

At the Islay site, water consumption (25,860 m³) decreased by 20% (reduction in distillation activities). Consumption per standard case was down 27%.

At the Barbados site, water consumption (49,386 m³) increased by 55%, of which 50% was due to scope effects following the inclusion for the first time of the measurement of the consumption of water from the on-site well (16,157 m³). On a like for like basis, water consumption would have only increased by 4% following the increase in distillation activities. This increase in the CSR reporting scope is related to the water management plan for the site, which is located in an area of water stress, the first stage of this plan having been to draw up a complete and reliable mapping of water consumption through measures such as the fitting of a water meter to measure water consumption from the well. Flow meters were also introduced to measure the volume of liquid waste.

Also for the first time, CSR reporting this year includes water consumption from the Westland site and Domaine des Hautes Glaces, which amounted to 25,076 m3 and 800 m3 respectively.

WATER CONSUMPTION (GRI INDICATOR G4-EN8)



The consumption of Domaines Rémy Martin (11,172 m³) increased by 72%. A major water leak was detected this year at one of the production sites. The necessary works were carried out and a more rapid leak detection procedure was introduced.

NOISE POLLUTION

Since 2017, several actions have been carried out at the Cognac and Angers sites to implement a Health Safety Environment plan for noise pollution.

At the Cognac site, CARSAT (Retirement and Work Health Office – Caisse de retraite et de santé au travail) was asked to measure workstation and workshop noise levels. As soon as the report was

received, initiatives were put in place this year in order to reduce noise levels: controls on conveyors, installation of silencers on compressed air compressors, introduction of noise reduction enclosures. The initiatives are monitored by the occupational health nurse.

On the Angers site, a personal dosimetry campaign was carried out at packing and operating stations in 2017. New investments were made this year in new noise reduction initiatives for conveyors, installation of acoustic panels on a palletising machine, the installation of an acoustic enclosure on a bottle bank and the installation of a noise reduction wall in the packaging workshop (improvement of 6 dB(A)).

The Group's noise pollution is managed inside and outside. The studies carried out on the sites by an external service provider relating to noise pollution on the property line (during the day and at night) have ensured that the values measured were below regulatory limits. These regulatory limits are also complied with internally.

SOLID WASTE

Rémy Cointreau takes measures to reduce the amount of solid waste on its sites with a policy of educating staff about waste sorting and recycling. In view of its activities, the type and stability of its products, the Group is not concerned by the fight against food waste.

At the Group's Paris administrative site, sorting has been in place since December 2016 with the company Greenwishes. Office bins have been replaced by three centralised sorting bins and waste collected is guaranteed to be 100% locally recycled. Note that after this initiative was shared with all of the companies who occupy the same building, the solid waste sorting and recycling initiative was extended to the entire building. The Paris site also replaced traditional paper towel rolls with electric hand driers.

Generally, solid waste from the Group's production sites supplies energy or materials recycling channels. It is mainly comprised of packaging waste (glass and cardboard). For the first time, solid waste monitoring and processing indicators this year make the distinction between materials recycling and energy recovery. The Group's priority objective is to reduce the tonnage of solid waste and then to encourage material recycling rather than energy recovery. These new indicators have been calculated retrospectively over the last three years.

Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been recycled by a combined energy unit (urban heating). Since October 2017, at the Cognac site, OIW is recovered for use as solid recovered fuel (SRF) to produce energy.

The Cognac site has introduced the sorting and recycling of plastic cups this year. Recycling initiatives are carried out by an organisation offering stable employment to people who find it difficult to enter the workplace or with disabilities and the plastic material is reused in the plastics industry. This has now been extended to the Angers site. From this year, solid waste from the Cognac company restaurant is also being sorted and recycled. A new channel for recycling this type of solid waste is currently in place at the Angers site.

Total solid waste (2,443 tonnes – GRI indicator G4-EN23) increased by 5%, mainly because of the increase in the volume of solid waste at the Islay site (see below). Per standard case, the quantity of solid waste was nevertheless stable at 0.47 kg (excluding Domaines Rémy Martin and the Paris, Westland and Domaine des Hautes Glaces sites),

Solid waste tonnage (872 tonnes) increased by 7% at the Cognac site (up 3% per case), due to the increase in site activity.

Solid waste tonnage (1,211 tonnes) increased by 4% at the Angers site (up 1% per case).

At the Islay site, solid waste tonnage (156 tonnes) increased by 239%, due to an increase in packaging activities and the creation of a new bottling line.

At the Barbados site, the solid waste tonnage (150 tonnes) fell by 11% and by 15% per case.

As regards Domaines Rémy Martin, the quantity of solid waste (54 tonnes) decreased by 21%, following exceptional cleaning operations conducted in 2016/2017.

The rate of materials recycling and energy recovery increased and were measured respectively at 83.0% and 8.7% compared with 83.7% and 5.3% the previous year. The total rate of solid waste recycling stood at 91.6% this year.

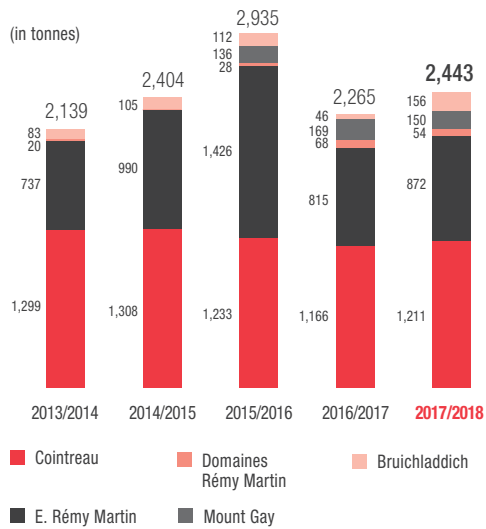
At Angers, the rates of materials recycling and energy recovery were respectively 96.7% and 3.3% (total recycling rate of 100%). The rate of materials recycling increased by 0.9% following the introduction of new waste recycling channels.

At Cognac, the rates of materials recycling and energy recovery were respectively 79.6% and 19.7% (85.3% and 8.7% in 2016/2017), *i.e.* a total recycling rate of 99.3%. The rate of energy recovery increased by 11% following the increase in energy recovery from OIW waste as solid recovered fuel (SRF).

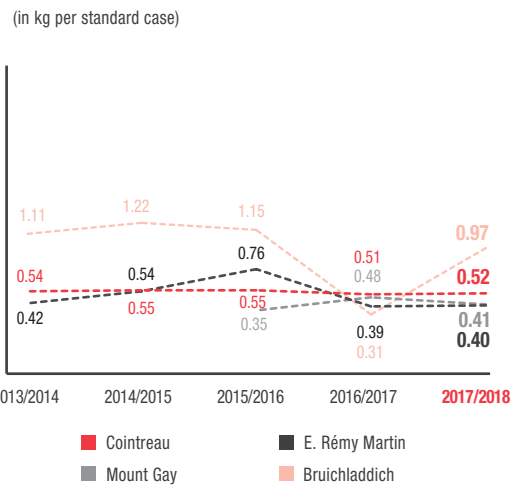
The Islay site only carries out materials recovery for its solid waste. A rate of 70.5% was achieved, an increase compared with 2016/2017 (47.8%).

On the Barbados site, unsorted waste is sent to the local collection centre. New solid waste treatment channels are being studied with a particular focus on materials recycling. This has led the site to introduce, from this year, selective sorting of its solid waste (skips dedicated to each type of waste, particularly glass collection).

QUANTITY OF SOLID WASTE (GRI INDICATOR G4-EN23)



2013/2014: integration of the Islay site
2015/2016: integration of the Barbados site (including the distillery)
2016/2017: integration of the Paris site



LIQUID WASTE

As part of the 2020 CSR plan, special attention is given to processing liquid waste from production sites. The majority of this liquid waste takes the form of vinasse.

For the Cognac and Angers sites, all liquid waste is processed by local treatment plants.

The Barbados site uses part of its vinasse as fertiliser in accordance with specifications that comply with local regulations, with the remainder being discharged to the natural environment in compliance with local practices.

At the Islay site, and in accordance with local regulations, the vinasse is sent to a reprocessing plant shared with other distilleries on the island. The vinasse is diluted then discharged to sea by pipeline to a point far from the coast in order to ensure that the discharge has no environmental impacts.

All of the Domaines Rémy Martin vinasse is entrusted to a local vinasse methane conversion and green energy production plant (Revico site in Cognac).

Domaine des Hautes Glaces spreads all of its vinasse on agricultural land in accordance with spreading specifications that comply with local regulations. This enables a reduction in the amount of chemical fertilisers used for future crops.

All liquid waste from the Westland site is treated by a local liquid waste processing plant.

Liquid waste volumes (84,047 m³) increased by 33% (GRI indicator G4-EN22). The quantity of liquid waste per standard case increased by 35% from 11.9 litres to 16.0 litres. This is principally because of the inclusion for the first time this year in CSR reporting of liquid waste volumes from the Westland site. On a like-for-like basis with 2016/2017, the liquid waste volume decreased by 8%, following a reduction in distillation activities at the Islay site.

Volumes of liquid waste for the Cognac site (6,639 m³) decreased by 31%. The volume of liquid waste per standard case fell by 34%, from 4.64 to 3.06 litres, principally due to exceptional circumstances last year that had a major impact on the volume of site discharges (industrial discharges).

The volume of liquid waste for the Angers site (9,833 m³) was stable. The quantity of liquid waste per standard case decreased by 5% from 4.4 litres to 4.19 litres.

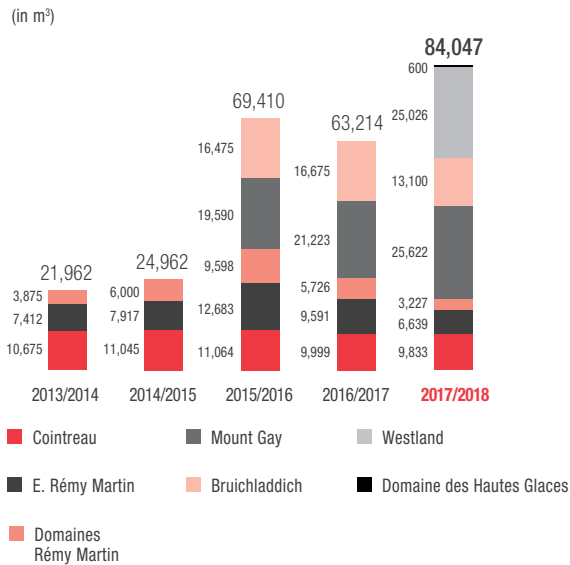
Volumes of liquid waste for the Barbados site (25,622 m³) increased by 21%. The increase per case was 15% due to the increase in distillation activities.

On the Islay site, the volume of liquid waste (13,100 m³) decreased by 21% (reduction in distillation activities) and by 28% per case.

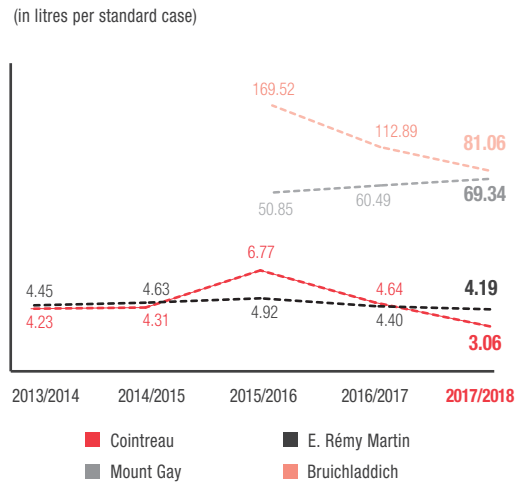
For the first time, CSR reporting this year includes volumes of liquid waste from the Westland site and Domaine des Hautes Glaces, which amounted to 25,026 m³ and 600 m³ respectively.

Liquid waste volumes decreased by 44% for Domaines Rémy Martin (3,227 m³), due to a reduction in the volume of wine distilled.

VOLUME OF LIQUID WASTE (GRI INDICATOR G4-EN22)



2015/2016: integration of the Islay and Barbados sites
 2017/2018: inclusion of Westland and Domaine des Hautes Glaces



For the Angers and Cognac sites, overall liquid waste pollution discharged from the site (pre-treatment) was down overall to 13.9 tonnes of biochemical oxygen demand (BOD), down 13%, and 27.5 tonnes of chemical oxygen demand (COD), down 5%. After the waste was treated by external treatment plants and returned to the natural environment, pollution was down on the previous year with 0.5 tonne of BOD (down 19%) and 1.8 tonne of COD (down 3%) with average reduction rates of 98% for BOD and 95% for COD.

For the Cognac and Angers sites, pollution per standard case was down from 0.14 to 0.11 gram of BOD and from 0.43 to 0.40 gram of COD, respectively down 21% and 7% compared to the previous year.

Liquid waste pollution for Domaines Rémy Martin decreased compared with the previous year, with 0.24 tonne of BOD (down 41%) and 1.10 tonne of COD (down 42%) after treatment and return to the natural environment. This is due to the decrease in distillation activities.

Liquid waste pollution discharged from the Barbados site was 533 tonnes of BOD and 1,839 tonne of COD. These values represented reductions of 13% and increases of 18% respectively. BOD pollution per standard case fell by 18%, from 1.75 to 1.44 kg and COD pollution per standard case increased by 12%, from 4.45 to 4.98 kg. This is related to the increase in the site's distillation activities.

For the Islay site, liquid waste pollution discharged from the site comprised 228 tonnes of BOD (down by 6%) and 481 tonnes of COD (down by 23%). BOD pollution per standard case fell by 14%, from 1.64 to 1.41 kg and COD pollution per standard case fell by 30%, from 4.25 to 2.98 kg, following a reduction in distillation activities.

For the first time, CSR reporting this year includes the measurement of liquid waste pollution from Domaine des Hautes Glaces. The site discharged 11 tonnes of BOD and 20 tonnes of COD.

Total liquid waste pollution discharged from the Barbados, Islay and Domaine des Hautes Glaces sites was accordingly 772 tonnes of BOD and 2,340 tonnes of COD. These figures lead to a liquid waste pollution rate per standard case discharged from the Barbados, Islay and Domaine des Hautes Glaces sites of 1.45 kg of BOD and 4.40 kg of COD.

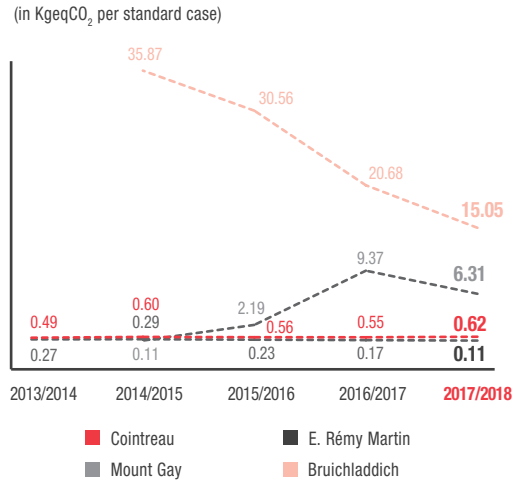
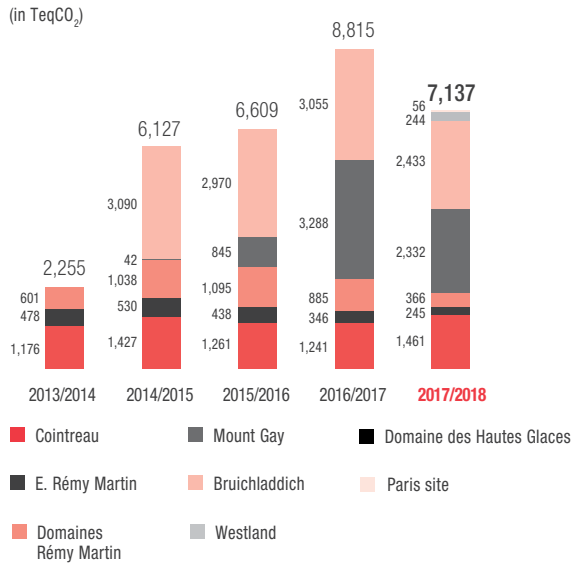
GREENHOUSE GAS EMISSIONS

Since 2006, Rémy Cointreau completes the annual *Climate Change* survey from the *Carbon Disclosure project*. A number of measures have been implemented in order to control Greenhouse Gas Emissions (GHG). Since 2011, eco-design actions, the increasingly systematic use of videoconferencing and the introduction of electric vehicles on the Angers and Cognac sites have all helped reduce CO₂ emissions.

For the first time, CSR reporting this year includes scope 1 and 2 carbon emissions from the Westland site and Domaine des Hautes Glaces.

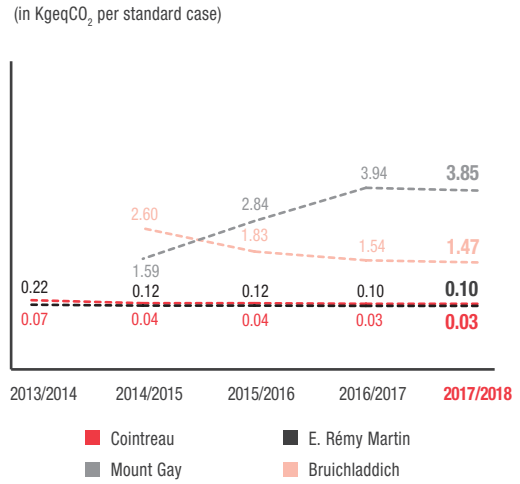
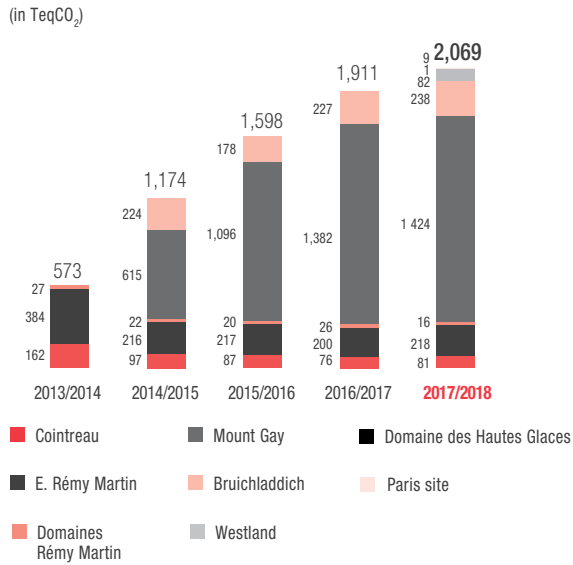
Scope 1 and 2 CO₂ emissions decreased by 10%, to 9,206 Teq CO₂ (scope 1: 7,137 Teq CO₂/scope 2: 2,069 Teq CO₂ – GRI indicator G4-EN15/G4-EN16). Per standard case, these emissions, which decreased by 14%, represent 1.7 kgeq CO₂. This is principally because of reduced energy consumption at the Cognac and Bruichladdich sites.

GREENHOUSE GAS EMISSIONS/SCOPE 1 (GRI INDICATOR G4-EN15)



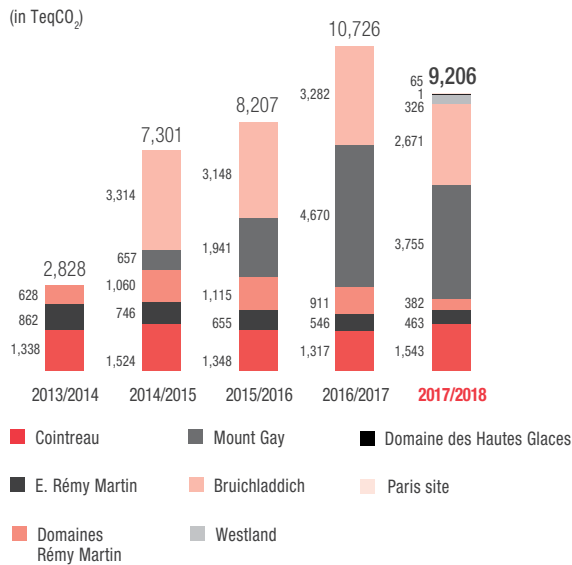
2014/2015: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery
2017/2018: inclusion of Westland and Domaine des Hautes Glaces

GREENHOUSE GAS EMISSIONS/SCOPE 2 (GRI INDICATOR G4-EN16)

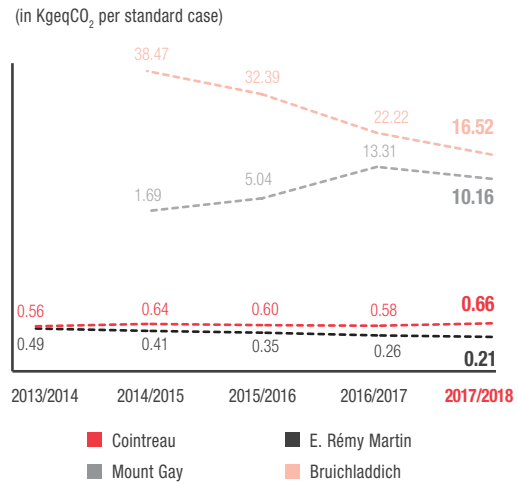


2014/2015: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery
2017/2018: inclusion of Westland and Domaine des Hautes Glaces

GREENHOUSE GAS EMISSIONS/SCOPES 1 & 2



2014/2015: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery
2017/2018: inclusion of Westland and Domaine des Hautes Glaces



GHG emissions from the Angers site (1,543 Teq CO₂/scope 1: 1,461 Teq CO₂/scope 2: 81 Teq CO₂) increased by 17.1%. Emissions per standard case increased by 13.4%, from 0.58 to 0.66 kgeq CO₂ because of the site's increased energy consumption.

GHG emissions dropped 15% at the Cognac site (463 Teq CO₂/scope 1: 245 Teq CO₂/scope 2: 218 Teq CO₂). Emissions per standard case fell by 18%, from 0.26 to 0.21 kgeq CO₂, principally because of lower gas consumption.

As regards Domaines Rémy Martin, GHG emissions were down sharply by 58% (382 Teq CO₂/scope 1: 366 Teq CO₂/scope 2: 16 Teq CO₂). This decrease is because of a reduction in distillation activities.

GHG emissions fell by 19% at the Islay site (2,671 Teq CO₂/scope 1: 2,433 Teq CO₂/scope 2: 238 Teq CO₂). Emissions per standard case decreased by 26%, from 22.22 to 16.52 kgeq CO₂, principally because of a reduction in distillation activities.

As regards the Barbados site, CO₂ emissions fell by 20% (3,755 Teq CO₂/scope 1: 2,332 Teq CO₂/scope 2: 1,424 Teq CO₂). Emissions per standard case fell by 24%, from 13.31 to 10.16 kgeq CO₂, principally because of a reduction in the use of refrigerant fluids.

For the first time, CSR reporting this year includes scope 1 and 2 carbon emissions from the Westland site and Domaine des Hautes Glaces.

As regards Westland, GHG emissions were 326 Teq CO₂, with scope 1 of 244 Teq CO₂ and scope 2 of 82 Teq CO₂.

For Domaine des Hautes Glaces, GHG emissions were 1 Teq CO₂, solely comprising scope 2. The use of wood for heating the stills means that there are no scope 1 CO₂ emissions.

Aware of the impact of its activities, Rémy Cointreau measures its carbon emissions using the Bilan Carbone® benchmark. As a listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth. This year, scope 3 of the carbon footprint has now been extended to 97% of Rémy Cointreau's production activities (production activities at the Angers, Cognac and Barbados sites and the associated upstream and downstream impacts-GRI Indicator G4-EC2). For the first time, CSR reporting this year includes CO₂ emissions from the transportation of products in the USA and Asia (China, Japan, Taiwan and Vietnam). The information given below is part of the management report.

Risks linked to the effects of climate change

Rémy Cointreau has been mapping the various risks since 2008. Climate change was identified as one of these risks. In 2008, this was not considered critical, i.e. it did not have a significant impact and require a dedicated action plan to be put in place.

However, the latest updates to the Group's risk map reflect a growing awareness of the risks of climate change. Rémy Cointreau's new motto, "Terroirs, people and time", underscores the importance of nature for its business. It has been shown that climate change would have a highly significant impact on the level of production and quality of our products, whether it be cognac, whisky and gin from Islay, whisky from Isère, or whisky from Washington State.

The main consequences in terms of risks would be:

- a change in meteorological conditions (warming or cooling) which could affect harvests and production:
- in a few years, Rémy Cointreau could face smaller harvests, forcing it to scale back production,



- in the longer term, the displacement of growing areas would have a critical impact on Rémy Cointreau, calling into question the notion of terroir;
- an impact on Rémy Cointreau's financial performance, since any decline in production would necessarily entail a sharp rise in the price of raw materials.

To that end, Rémy Cointreau has already embarked on a raft of measures to help its producer and winegrower partners adapt. Depending on the outcome of the next risk mapping, it will adjust the scope and scale of these efforts.

Introduction of a low-carbon strategy across all areas of the business

As regards environmental issues, the Group has made long-standing and strong commitments, as it shares the concerns expressed during the 2015 COP21 conference held in Paris. The conference brought together countries from around the world to discuss these issues. The 21st Conference of the Parties reached an agreement to limit the temperature rise to less than 2°C, or even 1.5°C, by 2100. These targets are consistent with those set internally by Rémy Cointreau for 2020. The Group has integrated the reduction in carbon emissions in its 2020 CSR plan.

The Group's objective for the 2020 CSR plan is to transform CSR into a truly unifying project involving all Brand, Region and Support teams. The project is set to adopt a mindset in keeping with the Group and Brand values, in order to strengthen both internal and external cohesion.

The main challenges covered by the 2020 CSR plan have been set out in line with this desire to involve the whole Company:

- the measurement, reduction and offsetting of Greenhouse Gas (GHG) emissions at all levels of the business, including the eco-design of products and their transportation;
- responsibility for the consumption and conservation of natural resources, both for water and the raw materials used in production.

The plan to reduce the Group's GHG emissions and carbon footprint is an indicator shared by the whole Group, and enables each contributor to assess itself and be aware of its responsibilities in its own area. The initial priorities have already been defined; these include wine-making practices, energy efficiency, the eco-design of packaging and optimised product transportation.

Rémy Cointreau's new motto, "Terroirs, people and time", echoes the new CSR goals to be achieved based on the Sustainable Development Goals (SDGs) defined by the United Nations.

More than ever, Rémy Cointreau has its sights set on these 17 objectives, which reflect its CSR ambitions by including issues such as climate change and sustainable agriculture.

As a true corporate governance tool and in line with Rémy Cointreau's required standards, a materiality analysis was carried out. Its aim is to set priority objectives and identify those that will have a significant impact on the Group's growth, value creation and sustainability, while taking all stakeholder expectations into

account. Out of the 17 goals, Rémy Cointreau has selected 10, among which:

- SDG 13: Take urgent action to combat climate change and its impacts;
- SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

In terms of governance, this year the Group's senior executives will see part of their variable remuneration linked to CSR targets, in line with the 10 SDGs selected. Each Executive Committee member will become an ambassador for a CSR indicator and its improvement for all Group employees worldwide. The CSR Committee created within the Board of Directors, will monitor compliance with these commitments (GRI Indicator G4-34/ G4-48).

Information on the main sources of greenhouse gas emissions

Total CO₂ scopes 1, 2 and 3 emissions amounted to 135,528 Teq CO₂, broken down as follows (GRI indicator G4-EN17):

- Cognac site: 45,272 Teq CO₂;
- Angers site: 36,199 Teq CO₂;
- Barbados site: 29,145 Teq CO₂;
- Domaines Rémy Martin site: 702 Teq CO₂;
- product transportation: 24,209 Teq CO₂.

CO₂ emissions from product transportation were sharply down compared with the previous year because of a more accurate analysis of the modes of transport (air and maritime) used. The information gathered directly from carriers, particularly in the maritime field, has enabled the overestimation of CO₂ emissions in 2016/2017 to be significantly reduced.

The main sources of greenhouse gas emissions for Rémy Cointreau are as follows:

- transportation of products and miscellaneous freight: 30,780 Teq CO₂ (22.7% of total emissions);
- product packaging: 50,172 Teq CO₂ (37.0% of total emissions);
- raw materials: 41,531 Teq CO₂ (30.6% of total emissions).

Compared with the previous year, the increase in CO₂ emissions related to raw materials is primarily due to the costs of the integration of the Barbados site within the Group's scope 3 measurement perimeter. As regards packaging, CO₂ emissions were down in comparison with 2016/2017 following a reduction in glass consumption at the Angers site and an overestimation of glass tonnage used at the Cognac site. This was corrected this year.

The 2020 CSR plan aims to extend the measurement of CO₂ scope 3 to the Islay, Westland and Domaine des Hautes Glaces sites within two years in order to cover 100% of the Group's production activities. An additional target is to prepare a scope 3 CO₂ emissions reduction plan from next year onwards linked to the SBT (Science Based Targets) global initiative.

At the same time, Rémy Cointreau continued its indirect greenhouse gas emission reduction initiatives. These resulted in savings in these emissions of 1,463 Teq CO₂ (GRI indicator: G4-EN19).

The main initiatives this year were:

- energy consumption reduction with 756 Teq CO₂ avoided;
- use of videoconferencing with 661 Teq CO₂ avoided;
- the optimisation of site vehicle journeys: 46 Teq CO₂ avoided.

A new indicator was introduced this year in collaboration with the travel agency, Frequent Flyer Travel Paris, which provides business travel services for the Group's employees.

It focuses on the reduction of "short" business journeys by air, replacing them with train journeys, which emit less CO₂ (scope: France and adjacent European countries, train journeys not exceeding a duration of three hours).

A substitution rate serves to illustrate this initiative. An initial assessment of business journeys gave a value of 87.8% in 2016/2017. This year, this rate improved, to stand at 91.9%, which demonstrates the Group's commitment to prioritising business travel by train.

From 2017, the implementation of the CO₂ emissions reduction plan for the company vehicle fleet has led to a new internal policy for company and service vehicles in France. Each vehicle renewal or acquisition must be a rechargeable hybrid or electric vehicle. Depending on technological availabilities, the target is to reach a level of 80% clean vehicles by 2020. For example, in accordance with this, electric vehicle recharging points have been installed in the car park at the Paris site. The percentage of "clean" vehicles increased this year to 41% compared with 22% in 2016/2017.

In accordance with the regulations in effect since the beginning of 2018, the Angers site has prepared its mobility plan and submitted it to the relevant local authorities. This plan has enabled initiatives which have been implemented for several years to be highlighted. They include the mobility survey carried out in 2017, alternatives to individual cars for site access (two bike shelters, three car-sharing spaces, two electric vehicle recharging points), implementation of telecommuting, the reduction and improvement of business travel (videoconferences, audio conferences, the Skype for Business tool, e-learning) and the 2020 action plan (creation of a third bike shelter, eco-driving training and the installation of a car tyre inflation point).

Currently, average emissions for the Group's entire French vehicle fleet are 92 g CO₂/km. They amounted to 124 g CO₂/km the previous year, representing a decrease of 35%.

As regards company cars in France in 2017/2018, six vehicles were acquired including one electric vehicle, replacing 11 diesel or petrol vehicles. The average emissions level for new vehicles is 46 g CO₂/km, compared with 140 g previously for the vehicles replaced, representing a 67% drop in emissions.

ECO-DESIGN OF PRODUCTS

In line with the achievement of the 2020 CSR plan, a CSR eco-design Steering Committee, comprising representatives of the Product Development, Liqueurs & Spirits and CSR departments,

was set up in 2017 with a project to train the Purchasing, Marketing and Product Development teams in eco-design. The aim is to raise awareness on reducing the environmental impact of packaging by analysing and improving the product life cycle. For these teams, the aim is to work upstream with simple indicators, shared by the three business sectors, with well-defined objectives such as reducing raw materials or increasing the use of recycled materials.

These indicators need to be taken into account when designing products. The first product eco-design study carried out in 2017 had shown that cases and boxes manufactured included respectively 58% and 67% recycled cardboard (GRI indicator G4-EN2).

This year, the eco-design Steering Committee undertook to define the operating plan for 2020 initiatives, incorporating eco-design in the stages of the product development process.

Two types of training were provided:

- general training in eco-design for employees in Marketing, Purchasing and Product Development, for 24 people;
- technical training in eco-design for Product Development employees at the Cognac and Angers sites, for 14 people.

The general eco-design training module was included in the Group's internal training catalogue.

Life cycle assessments (LCA) for key Rémy Martin and Cointreau products were also carried out and have helped to support technical training for employees.

These different initiatives are the basis for the operational launch of the "packaging environmental performance index" project, which will be rolled out in 2018. The objective is to create internal software that will allow the environmental impacts of Rémy Cointreau product packaging to be measured. Particular attention will be paid to CO₂ emissions and to water consumption (GRI Indicator G4-EN27).

The tool will then be used for all new products developed in 2018/2019 and for current flagship products in the Cointreau, Rémy Martin, LOUIS XIII, Saint-Rémy and Mount Gay ranges.

For three years, Rémy Cointreau has been using software which can estimate the quantities of materials used in the manufacture of products on the Angers and Cognac sites and sold throughout the world, *i.e.* 90% of the Group's production (GRI indicator G4-EN1). Since 2017, the wastage rate for packaging workshops has been included in the calculations.

Tonnage totalled 37,693 tonnes (compared with 35,397 tonnes in 2016/2017) mainly comprising glass (32,726 tonnes), cardboard (4,078 tonnes), plastics (381 tonnes), metals (188 tonnes), paper (62 tonnes) and miscellaneous materials (259 tonnes).

This represents an average packaging waste of 1,001.4 grams per litre of product (based on 2017/2018 production data), which was stable compared with 2016/2017 (998 grams per litre of product). The associated carbon emissions correspond to 42,345 Teq CO₂, or 1.13 kgeq CO₂ per litre of product, which was stable compared with 2016/2017.

PRODUCT TRANSPORTATION

As part of the 2020 CSR plan, a “CO₂ Transport Emissions” project was launched in 2017. For the first time, CSR reporting this year includes CO₂ emissions from the transportation of products in the USA and Asia (China, Japan, Taiwan and Vietnam).

Total CO₂ scope 3 emissions associated with product transportation amounted to 24,209 Teq CO₂ (GRI indicator G4-EN30). This is one of the significant greenhouse gas emission generators for Rémy Cointreau.

This value includes product transportation:

- in France, between production sites and logistics platforms;
- between logistics platforms and the first shipping ports or airports;
- maritime and air transport between the first shipping ports or airports and the arrival ports or airports worldwide;
- in Europe;
- in the USA and in Asia (China, Japan, Taiwan and Vietnam), included in the CSR reporting for the first time.

A new tool for collecting data for transportation originating in France has been introduced based on mapping transportation flows. For this, an audit of data collection methods was carried out, leading to the design of an optimised spreadsheet of CO₂ emissions, which is based on identifying the main destinations, developing transportation scenarios for the main destinations and, in particular, identifying air transportation. There will now be a specific focus air freight transport in order to prioritise the reduction of its CO₂ emissions.

The integration of specifications covering environmental conditions applicable to the Group’s products in “transport” calls for tender has been repeated this year. All selected carriers must report the greenhouse gas emissions for their transportation services each year. Carriers must also demonstrate their commitment to the voluntary commitment charter to reduce CO₂ emissions, known as “Objective CO₂”.

It should be noted that this year, initial discussions with the main maritime carrier have enabled the validation of the model for reporting CO₂ information for maritime shipments. The carrier provided the first direct information at the end of the first quarter of 2018.

— 2.4 SOCIETAL INFORMATION

Rémy Cointreau helps to ensure progress for all by supporting sustainable local economic development and community initiatives. In order to achieve success with its all stakeholders, the Group must be fully aware of its societal impact. It will continue its effort in this respect with the objectives of its 2020 CSR plan. Rémy Cointreau shows local commitment by sharing its responsibility requirements with its suppliers and ensuring the sharing of ethical practices. Despite its global scope, the Group does not forget its privileged relationship with its clients.

2.4.1 SOCIETAL IMPACT OF RÉMY COINTREAU

With its numerous international investments, Rémy Cointreau is mindful of its societal impact in relation to the sustainable economic development of the areas in which it operates. At the heart of its 2020 CSR plan, particular importance is thus given to initiatives that support the community. The Group contributes to community progress by helping to create value in its regions of operation.

SUPPORTING LOCAL NGOS

As a notable player in local economic life, Rémy Cointreau provides its expertise on numerous topics and promotes the merits of corporate social responsibility. The Group works alongside schools, universities and organisations dedicated to economic development. Its commitment is also reflected in its support for regional associations that work to promote sustainable development. The Group also supports business associations which promote discussions on CSR-related topics, such as the association *Dirigeants Responsables de l'Ouest* (Responsible Directors in the West of France) in the Pays de Loire region. The Group played a role in creating this association in 2009.

The Group also participates in the activities of the Altère business association in Poitou-Charentes. This year, the Group shared its experiences in a workshop on non-financial reporting related to the new European directive and took part in two workshops on the topics of the quality of life at work and employee commitment to CSR.

The Group is a member of the Club Carbon'At created in 2008 in the Pays de Loire region. This Club brings together some 30 companies – including Rémy Cointreau – in the Grand Ouest region of France to share best CSR practices through meetings. This year, for example, topics have included promoting the CSR approach at a corporate level and at a regional level in order to improve performance.

This year, the Group took part in discussions on several occasions to share its CSR policy and its commitments to reduce its energy consumption at the Angers site (Angers Loire Métropole Development Council/working group on “Climate Energy Transport”; on CSR “just a trend or genuine awareness” (CSR Café/Angers); on protecting biodiversity (Colbert Committee/meeting of the sustainable development managers’ network); and, on incorporating the UN’s Sustainable Development Goals within the Group’s CSR strategy (conference organised by Dii/GC Advanced club workshop).

ACTIVE INVOLVEMENT IN PROJECTS

Aware of its responsibility with respect to the consumption of its products, Rémy Cointreau strives to go further in its support for research into alcohol and responsible consumption.

In particular, Rémy Cointreau is involved in initiatives within the *Fondation pour la Recherche en Alcoologie* (FRA) (Foundation for Alcohol Research), which it has chaired since it was founded in 2015. The FRA is dedicated to developing and sharing knowledge on alcohol. Under the aegis of the Fondation de France, its missions, recognised as being of public interest, consist in supporting research and disseminating knowledge, in the aim of improving public health.

In collaboration with the teams working on alcohol research, the FRA is involved in a four-year research programme. It is aimed at determining the initial causes of excess alcohol use, the impacts of its various forms of consumption (chronic, acute, moderate) and how to overcome addiction. In conjunction with this programme, a working group on “Young Adults and Alcohol” has been formed.

The FRA’s award for alcohol research was awarded for the second time to the Collège de France in February 2018. A second “Young Researcher” award was also made in the field of human and social sciences.

In 2017, the FRA supported 30 research projects through an annual call for tenders. It also organised two *Café des Chercheurs* meetings on the topics of “Alcohol and sexuality: women must remain vigilant” and “Gut microbiota: a natural system for preventing or curing alcoholism”. It also held its first research colloquium, which enabled a summary to be drawn up of the results of studies financed by the FRA during the last two years. The FRA has also published a document on key figures on alcohol consumption: global consumption, alcohol consumption trends over a 50-year period, etc.

As a member of the network of “Sustainable Development” correspondents of the Colbert Committee, which upholds the values of the French luxury industry, Rémy Cointreau contributes to the pooling of CSR best practices, in particular through the dissemination of fact sheets on the topic. This year, the Group took part in a morning of discussions between sustainable development managers on the topic “Biodiversity, a natural heritage to protect”.

Rémy Cointreau also shared examples of its CSR initiatives through its involvement in the publication of the Colbert Committee’s Guide, “Values of French luxury goods and corporate and social responsibility goals”, which brings together examples of best practice for 15 sustainability goals grouped into four values: aesthetics, high standards, sustainability and compliance.

The Group is also a member of the BNIC (National Interprofessional Cognac Office) Sustainable Development Project group.

Rémy Cointreau is very keen to promote a positive corporate responsibility culture in educational syllabuses, and has been involved, for example, with students graduating from France’s Grandes Écoles and universities. The Group presented its CSR policy, its commitments and initiatives to students at colleges such as Audencia Nantes, Oniris Nantes and ESSCA Nantes.

2.4.2 SUPPLIERS: SHARING RESPONSIBILITY REQUIREMENTS

For Rémy Cointreau, CSR implies the involvement of all its stakeholders, including its suppliers. To meet the objectives of the 2020 CSR plan, the Group has further increased the efficiency of its responsible purchasing policy by simplifying it through common tools.

Rémy Cointreau's involvement with its suppliers earned the Group a prize, awarded in 2016 by Vigeo Eiris – a French agency that analyses companies based on environmental, social and governance criteria. The Group won the 2016 Top Performers Award in the category "Responsible Supply Chain Management: Sustainable Relationship with Suppliers".

This award recognises Rémy Cointreau's increasingly demanding requirements with its suppliers. In January 2016, Rémy Cointreau joined SEDEX (Supplier Ethical Data Exchange), an international organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains.

This platform has greatly simplified the Group's purchasing practices, also enabling it to save time. Prior to joining SEDEX, the Group asked its suppliers to complete questionnaires, and used these as a basis on which to decide whether or not to conduct an audit. SEDEX currently shares supplier audits performed by their other customers: information on working standards, health and safety, the environment and sales ethics is available online.

In an effort to improve transparency and the ethics of its trade practices, Rémy Cointreau now expressly asks its suppliers to join SEDEX.

In 2017/2018, the number of strategic suppliers that are SEDEX members (excluding sub-contractors, as this is very limited and mainly concerns activities performed in France) was 89% (GRI indicators G4-EN32/G4-HR10). The 2020 target is 100%. This is an ambitious, but feasible objective: it mainly involves convincing the smallest suppliers that joining the platform will enable everyone to save time and drive everyone's CSR ambitions forward. Rémy Cointreau is aware that it needs to encourage its stakeholders to adopt such an approach, which is sometimes seen as an additional burden.

This year, thanks to SEDEX, two audits were conducted, mainly on raw material suppliers.

SEDEX has entered into an agreement with the CDP Carbon Disclosure Project, a non-profit organisation focused on studying the impact of the major listed companies globally on climate change. In parallel, Rémy Cointreau has been taking part in CDP surveys since 2006 (CO₂ emissions and water management). In the upcoming years, the Group will be developing initiatives with its suppliers to incite them to reduce their carbon emissions.

2.4.3 ETHICS OF RÉMY COINTREAU PRACTICES

(GRI indicator G4-15)

The search for excellence in the sustainable development of Rémy Cointreau's brands leads the Group to take a close look at its corporate behaviours. Throughout the world, the Group wants to show the same level of requirements in its relations with all its stakeholders. This starts with trust, which underpins the solidity of the Group's trade relations and their success. At the heart of this trust is the ethics of the Group's practices.

In 2016, Rémy Cointreau updated its Code of Business Ethics (GRI indicator G4-56). It supplements the Sustainable Development aspect of the Global Compact, to which the Group is committed and which underpins its culture of integrity and ethics.

This code of business ethics reiterates the Group's values:

- its business values: by complying with applicable laws and regulations in the countries where the Group operates, particularly concerning healthy and fair competition. The Group is also committed to communicating in a responsible way on alcohol consumption;
- its community values: by respecting people, including its employees and the partners accompanying them in their development;
- its professional values: Rémy Cointreau puts emphasis on the quality and excellence of its work – in particular its traditional work. It also puts emphasis on loyalty toward the company by inciting its employees to only undertake commercial initiatives if they are in the best interest of the Group.

To convey these values, this Code has been used as a basis for the creation of two MOOCS (Massive open online courses) for employees. Three training videos (in French, English and Chinese) were created this year and made available on the Group's e-learning portal (GRI indicator G4-SO4). Training is ongoing and the rate of training is currently 80%. These training courses have been included in the Group's internal training catalogue.

In response to the French Sapin II law, the Group is committed, through the internal control officer, to respond to whistleblower concerns (GRI Indicator: G4-58). This legal commitment proves to be a real opportunity for the Group. It requires it to work upstream on the responsibility and transparency requirements – which it has set itself – in order to be irreproachable in all aspects. The Whistleblowing Code was circulated to all Group employees this year.

All of these codes, the Code of Ethics and the Whistleblowing Code, reflect a set of reference documents used by Rémy Cointreau to ensure the transparency of its transactions and to combine know-how and life skills (see chapter 3).

For its communications on alcohol consumption, Rémy Cointreau abides by its Responsible Communication Charter. It ensures self-regulation of advertising campaigns and compliance with principles promoting moderate alcohol consumption. In addition, a guide to responsible consumption in the workplace has been given to all French employees. Translated into several languages, it has also been distributed to teams in Asia.

As Rémy Cointreau's lobbying forms part of a transparent decision-making process within the European Union, this year the Group renewed its membership of the Transparency Register to provide the required transparency on the lobbying operations in which it may participate across Europe. This message has been put out for several years now, ever since the Group joined the Global Compact. This commitment is very dear to the Group, as it guarantees its responsibility and the compliance of its policy with international ethics standards.

The Corporate Social Responsibility Charter, which is aligned with ISO 26000, forms the basis of the Group's CSR policy. This charter is disseminated in French and English to all Group employees, as Rémy Cointreau is determined to put it to use on a daily basis. In the belief that responsibility concerns everyone, Rémy Cointreau supports the dissemination of the CSR Charter with awareness-raising initiatives for all staff.

For greater consistency, this ethics and transparency requirement is also implemented by the Group in terms of Socially Responsible Investment (SRI) and non-financial rating. Since 2010, Rémy Cointreau has been assessed by the non-financial Gaïa (EthiFinance) index, the benchmark sustainable development index that assesses the level of transparency of more than 400 intermediate-sized listed and unlisted European companies, based on CSR-related environmental, social and governance criteria.

This year, the Group improved and was ranked fourth out of 230 companies making up the Gaïa index (eleventh out of 230 in 2016/2017). Its ranking also improved in the category of companies with net sales higher than €500 million, where it was ranked fourth out of 87 (tenth out of 85 in 2016/2017). The Group also achieved the maximum score of 100 with regards to relations with external stakeholders, following a materiality study involving suppliers, clients, civil society, etc., (86 in 2016/2017) and a score of 98/100 for its environmental commitments (the same score as in 2016/2017).

The Group is also assessed by the Vigeo Eiris non-financial agency. For the latest rating carried out at the beginning of 2018, Rémy Cointreau made progress in a number of areas compared with the previous rating conducted in 2016:

- in the field of governance with the quality of shareholder relations and the method of executive remuneration based on CSR targets;
- in the HR field with career management and the development of employability;
- in the environmental field with the use of renewable energies, the account taken of the environmental impacts of product transportation and the management of health and safety conditions in the workplace.

Areas of improvement are expected, for example, for societal commitments and the running of the company. The initiatives carried out and referred to above (Code of Ethics, Whistleblowing Code, mandatory employee training in business ethics) form part of the responses to these expectations. This forms part of the 2020 CSR Plan, which aims to improve the Vigeo Eiris rating by 2020.

Rémy Cointreau also regularly responds to information requests from SRI funds wanting to find out about the Group's CSR policy.

2.4.4 MAINTAINING RESPONSIBLE RELATIONSHIPS WITH CLIENTS

Sometimes far away, but always close, the clients of Rémy Cointreau are at the heart of its concerns. Intent on creating authentic products today and in a century's time, the Group strives to be irreproachable upstream, from the cultivation of raw materials to their processing, while ensuring the responsible marketing of its products.

PROMOTING RESPONSIBLE CONSUMPTION

The promotion of responsible consumption is a particularly important aspect of CSR for Rémy Cointreau. The fact that the Group's products are positioned at the high end of the range brings with it a major commitment to responsible consumption and the protection of our exacting clients, from both an ethical and performance point of view.

This responsibility is embodied in two priorities:

- promoting responsible consumption;
- promoting responsible advertising.

THE KEY ROLE OF REPRESENTATIVE ORGANISATIONS

By actively participating in the "Alcohol and Society" or "Alcohol and Health" working groups of professional organisations, Rémy Cointreau contributes to implementing a "strategy developed by the spirits industry" (GRI indicator G4-16).

The main organisations are:

- in France: the FFS (French Spirits Federation), the FEVS (Federation of Wines & Spirits Exporters), Avec Modération! and the *Fondation pour la Recherche en Alcoologie* (Foundation for Alcohol Research), which Rémy Cointreau has chaired since its inception in November 2015;
- in Europe: spiritsEUROPE (the European Spirits Industry Federation);
- in the United States: DISCUS;
- in China: FSPA.

One of the objectives shared by all these groups is to contribute to the development of alcohol action plans to assist governments to protect consumers, through their members' ethical commitments and advertising self-regulation.

By their very nature, it is impossible to measure quantifiable results on these major and long-term measures. Nonetheless, the outcomes of these programmes mean that international bodies (WHO, OECD) consider that:

- the primary objective of the actions is to combat excess alcohol consumption;
- the voice of the spirits industry is important in establishing consumer protection programmes and, as a result, representative organisations must be present during discussions addressing the issue of responsible consumption by consumers;
- the principle of ethical self-regulation of the promotion and advertising of spirits provides a guarantee of safety for the consumer;
- the spirits industry continues to improve the information provided to consumers (packaging, development of online information) by developing web sites dedicated to disseminating knowledge about the health risks of alcohol.

INITIATIVES TO PROMOTE RESPONSIBLE CONSUMPTION

A raft of initiatives conducted over recent years reflect Rémy Cointreau's commitment to promoting responsible consumption of its products:

- the Group is gradually rolling out voluntary decisions in Europe and Asia to include logos on its packaging designed to inform pregnant women (GRI indicator: G4-PR3);
- a willingness, in Europe, to include the responsibledrinking.eu URL on packaging. This is the EU portal for consumers of 28 European countries, which provides comprehensive information on the risks of alcohol abuse;
- the development of a responsible consumption page on the Rémy Cointreau Intranet;
- a responsible consumption awareness campaign on the French production sites;
- posting of information on our three French websites on "How to plan for reasonable consumption of our products when welcoming and receiving guests";
- distribution of Responsible Consumption materials to the sales teams: the Responsible Communication Charter, Responsible Consumption guide, a booklet on "How to plan for responsible consumption of Rémy Cointreau products when hosting and receiving our guests", and a "Responsible Consumption menu";
- update and new distribution of the RC Alcooflash app for iPhone users (internal audience);
- broadcasting of Drink Responsibly videos and messages in the United States and China, with the participation of external personalities (internal and external audiences);
- Responsible Consumption kit given to all new employees (internal audience).

This year, these initiatives were supplemented by:

- signing the DFWC (Duty Free World Council) code of conduct, which focuses principally on responsible advertising and the responsible management of points of sale;
- an awareness-raising campaign of responsible consumption in Barbados.

ADVERTISING CONTROL FOR RÉMY COINTREAU BRANDS

Compliance with the Rémy Cointreau code of ethics concerns the following points:

- responsible consumption;
- specific properties of alcohol;
- minors and other vulnerable groups;
- alcohol content;
- activities involving risk;
- respectful communication.

This is ensured by the Responsible Communication Committee (CCR), which is made up of members representing the Public Relations and CSR, Legal, Marketing, Communications and Sales departments.

The CCR is tasked with carefully analysing all new advertising campaigns involving amounts in excess of €100,000 (including creation and the media plan) on the basis of Rémy Cointreau's ethical undertakings.

The Public Relations teams heading up the CCR this year checked with the Rémy Cointreau brand directors that all new advertising had indeed been sent to the committee.

This year, the CCR approved seven new campaigns for the Cointreau, LOUIS XIII, Mount Gay and Metaxa brands.

The other adverts used throughout the past year had been created and validated during previous years.

Since 2014, the CCR has been using an audit tool to analyse the cost of advertising campaigns (by country, brand and type of expenditure) to guarantee that the CCR's audit process is duly complied with and applied systematically.

The tool, which is used every year, has once again provided proof this year that all new creative advertising work and initiatives are sent to the CCR for approval.

MAINTAINING HIGH-QUALITY RELATIONSHIPS WITH CLIENTS

Clients are a core concern for Rémy Cointreau, which constantly strives to closely meet their needs and expectations. To respond to them as precisely and as quickly as possible, Rémy Cointreau keeps a very close eye on client demand through constant monitoring, especially on social networks. Rémy Cointreau wants to cultivate this indispensable closeness with its clients worldwide. They are attached to the brands' essential traditional values. The Group strives to always remain attractive while preserving the authenticity of its products.

For several years now, Rémy Cointreau has been carrying out internal rating twice a year. Areas for improvement are then systematically examined and shared to assess the satisfaction level of all retailer customers. This year, the rating was 17 out of 20, stable in relation to the previous year (GRI Indicator G4-PR5).

The Group also replied to the questions of retailer customers operating in the USA and Belgium concerning best environmental practices and its CSR policy.

The site visits offered by the Group also reflect its quest for excellence. Rémy Martin's oenotourism offer features tailor-made programmes and a warm welcome. It puts emphasis on developing warm relationships with visitors, while offering tours highlighting know-how related to spirits, their heritage and their history. More than 430 visitors took part in visits organised as part of the "Heritage Days".

Internally, the Cognac and Angers sites published a welcome, visits and reception Quality Charter incorporating responsible consumption.

After winning the national oenotourism award in 2012/2013 in the "development of a cellar or viticulture site" category, at the end of 2017 the Cognac site once again awarded the Trip Advisor certificate of excellence.

The Angers site still holds its "Quality Tourism" certification.

At Cognac and Angers, the visitor circuit guides are trained each year in the CSR policy so that they can explain and promote the Group's best practices to visitors. In 2018, the guides benefited from revamped CSR training.

Since 2012, the Cognac site has also held the French government's *Entreprise du Patrimoine Vivant* (Living Heritage Company) label, which was established to reward businesses who promote French craftsmanship and tradition. The certification has been renewed for five years.

— 2.5 TABLE OF ENVIRONMENTAL INDICATORS BY SITE

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
Total energy consumption, in MWh and in kWh, for values per standard case or hectolitre of wine (GRI indicator G4-EN3)									
TOTAL	36,235	6.91	66.35	41,854	7.91	78.13	39,656	7.53	72.60
o/w Angers site	8,274	3.68		8,375	3.69		8,549	3.64	
o/w Cognac site	7,284	3.89		7,380	3.57		7,206	3.33	
o/w Domaines Rémy Martin	4,423		66.35	3,437		78.13	1,460		72.60
o/w Barbados site	4,622	12.00		10,366	29.55		11,088	30.01	
o/w Islay site	11,632	119.68		12,130	82.12		9,583	59.30	
o/w Westland							1,346		
o/w Domaine des Hautes Glaces							275		
o/w Paris site				166			148		
Direct energy consumption (gas, fuel oil, diesel), in MWh and in kWh, for values per standard case or hectolitre of wine (GRI indicator G4-EN3)									
TOTAL	26,187	4.84	58.70	30,445	5.67	68.44	27,954	5.30	59.21
o/w Angers site	6,036	2.68		6,081	2.68		6,224	2.65	
o/w Cognac site	1,711	0.91		1,327	0.64		963	0.44	
o/w Domaines Rémy Martin	3,913		58.70	3,011		68.44	1,191		59.21
o/w Barbados site	3,221	8.36		8,392	23.92		9,075	24.56	
o/w Islay site	11,305	116.32		11,634	78.76		9,062	56.07	
o/w Westland							1,189		
o/w Domaine des Hautes Glaces							250		
Total indirect energy consumption (electricity), in MWh and in kWh, for values per standard case or hectolitre of wine (GRI indicator G4-EN3)									
TOTAL	10,048	2.07	7.65	11,409	2.24	9.69	11,703	2.23	13.39
o/w Angers site	2,238	0.99		2,293	1.01		2,326	0.99	
o/w Cognac site	5,572	2.98		6,053	2.93		6,243	2.88	
o/w Domaines Rémy Martin	510		7.65	426		9.69	269		13.39
o/w Barbados site	1,401	3.64		1,974	5.63		2,014	5.45	
o/w Islay site	326	3.36		497	3.36		521	3.22	
o/w Westland							157		
o/w Domaine des Hautes Glaces							25		
o/w Paris site				166			148		

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
Water consumption, in m³ and litres, for values per standard case or hectolitre of wine (GRI indicator G4-EN8)									
TOTAL	123,729	25.12	120.60	133,418	26.23	147.66	174,945	32.42	555.66
o/w Angers site	28,081	12.48		27,362	12.04		26,786	11.42	
o/w Cognac site	35,581	19.00		35,396	17.12		35,865	16.55	
o/w Domaines Rémy Martin	8,039		120.60	6,496		147.66	11,172		555.66
o/w Barbados site	19,693	51.12		31,891	90.90		49,386	133.64	
o/w Islay site	32,335	332.70		32,273	218.49		25,860	160.01	
o/w Westland							25,076		
o/w Domaine des Hautes Glaces							800		
Quantity of waste, in tonnes and in kg, for values per standard case or hectolitre of wine (GRI indicator G4-EN23)									
TOTAL	2,935	0.63	0.42	2,265	0.45	1.55	2,443	0.47	2.69
o/w Angers site	1,233	0.55		1,166	0.51		1,211	0.52	
o/w Cognac site	1,426	0.76		815	0.39		872	0.40	
o/w Domaines Rémy Martin	28		0.42	68		1.55	54		2.69
o/w Barbados site	136	0.35		169	0.48		150	0.41	
o/w Islay site	112	1.15		46	0.31		156	0.97	
Volume of solid waste recycled in %									
TOTAL	90.6			89.0			91.6		
o/w Angers site	100.0			100.0			100.0		
o/w Cognac site	92.3			94.0			99.3		
o/w Domaines Rémy Martin	100.0			91.2			96.3		
o/w Barbados site	0.0			0.0			0.0		
o/w Islay site	72.3			47.8			70.5		
Volume of Materials waste recycled in %									
TOTAL	88.8			83.7			83.0		
o/w Angers site	96.2			95.8			96.7		
o/w Cognac site	91.9			85.3			79.6		
o/w Domaines Rémy Martin	100.0			91.2			96.3		
o/w Barbados site	0.0			0.0			0.0		
o/w Islay site	72.3			47.8			70.5		
Volume of energy recovered from waste in %									
TOTAL	1.8			5.3			8.7		
o/w Angers site	3.8			4.2			3.3		
o/w Cognac site	0.4			8.7			19.7		
o/w Domaines Rémy Martin	0.0			0.0			0.0		
o/w Barbados site	0.0			0.0			0.0		
o/w Islay site	0.0			0.0			0.0		

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
Volume of liquid waste, in m³ and litres, for values per standard case or hectolitre of wine (GRI indicator G4-EN22)									
TOTAL	69,410	12.99	143.99	63,214	11.88	130.15	84,047	16.00	160.50
o/w Angers site	11,064	4.92		9,999	4.40		9,833	4.19	
o/w Cognac site	12,683	6.77		9,591	4.64		6,639	3.06	
o/w Domaines Rémy Martin	9,598		143.99	5,726		130.15	3,227		160.50
o/w Barbados site	19,590	50.85		21,223	60.49		25,622	69.34	
o/w Islay site	16,475	169.52		16,675	112.89		13,100	81.06	
o/w Westland							25,026		
o/w Domaine des Hautes Glaces							600		
Liquid waste: BOD, after treatment, in tonnes, and in grams for values per standard case or hectolitre of wine									
TOTAL	1.52	0.19	10.94	1.03	0.14	9.24	0.74	0.11	11.94
o/w Angers site	0.78	0.35		0.60	0.27		0.49	0.21	
o/w Cognac site	0.01	0.00		0.02	0.01		0.01	0.005	
o/w Domaines Rémy Martin	0.73		10.94	0.41		9.24	0.24		11.94
Liquid waste: BOD discharged from the site, in tonnes and in grams, for values per standard case or hectolitre of wine									
TOTAL	434.11	899.81		857.25	1,719.55		771.90	1,451.71	
o/w Barbados site	215.49	559.34		615.47	1,754.35		532.68	1,441.50	
o/w Islay site	218.62	2,249.46		241.79	1,636.91		228.07	1,411.23	
o/w Domaine des Hautes Glaces							11.15		
Liquid waste: COD, after treatment, in tonnes, and in grams for values per standard case or hectolitre of wine									
TOTAL	5.42	0.59	44.64	3.78	0.43	43.34	2.91	0.40	54.71
o/w Angers site	2.36	1.05		1.73	0.76		1.76	0.75	
o/w Cognac site	0.09	0.05		0.14	0.07		0.05	0.02	
o/w Domaines Rémy Martin	2.98		44.64	1.91		43.34	1.10		54.71
Liquid waste: COD discharged from the site, in tonnes and in grams, for values per standard case or hectolitre of wine									
TOTAL	1,788.06	3,706.22		2,191.11	4,395.11		2,340.37	4,401.52	
o/w Barbados site	1,272.72	3,303.54		1,562.63	4,454.18		1,838.87	4,976.20	
o/w Islay site	515.34	5,302.43		628.48	4,254.83		481.16	2,977.27	
o/w Domaine des Hautes Glaces							20.34		
GHG emissions (scope 1) in Teq CO₂ and in Kgeq CO₂ for values per standard case or hectolitre of wine (GRI indicator G4-EN15)									
TOTAL	6,609	1.20	16.43	8,815	1.64	20.12	7,137	1.34	18.20
o/w Angers site	1,261	0.56		1,241	0.55		1,461	0.62	
o/w Cognac site	438	0.23		346	0.17		245	0.11	
o/w Domaines Rémy Martin	1,095		16.43	885		20.12	366		18.20
o/w Barbados site	845	2.19		3,288	9.37		2,332	6.31	
o/w Islay site	2,970	30.56		3,055	20.68		2,433	15.05	
o/w Westland							244		
o/w Domaine des Hautes Glaces							0		
o/w Paris site							56		

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
GHG emissions (scope 2) in Teq CO₂ and in Kgeq CO₂ for values per standard case or hectolitre of wine (GRI indicator G4-EN16)									
TOTAL	1,598	0.34	0.30	1,911	0.39	0.59	2,069	0.41	0.80
o/w Angers site	87	0.04		76	0.03		81	0.03	
o/w Cognac site	217	0.12		200	0.10		218	0.10	
o/w Domaines Rémy Martin	20		0.30	26		0.59	16		0.80
o/w Barbados site	1,096	2.84		1,382	3.94		1,424	3.85	
o/w Islay site	178	1.83		227	1.54		238	1.47	
o/w Westland							82		
o/w Domaine des Hautes Glaces							1		
o/w Paris site							9		
GHG emissions (scopes 1 & 2) in Teq CO₂ and in Kgeq CO₂ for values per standard case or hectolitre of wine									
TOTAL	8,207	1.54	16.73	10,726	2.03	20.71	9,206	1.75	19.00
o/w Angers site	1,348	0.60		1,317	0.58		1,543	0.66	
o/w Cognac site	655	0.35		546	0.26		463	0.21	
o/w Domaines Rémy Martin	1,115		16.73	911		20.71	382		19.00
o/w Barbados site	1,941	5.04		4,670	13.31		3,755	10.16	
o/w Islay site	3,148	32.39		3,282	22.22		2,671	16.52	
o/w Westland							326		
o/w Domaine des Hautes Glaces							1		
o/w Paris site							65		
GHG emissions (total scopes 1, 2 & 3) in Teq CO₂ and in Kgeq CO₂ for values per standard case or hectolitre of wine									
TOTAL				145,789	30.13	65.65	135,528	22.65	34.94
o/w Angers site				40,628	17.88		36,199	15.43	
o/w Cognac site				54,032	26.14		45,272	20.89	
o/w Domaines Rémy Martin				2,888		65.65	702		34.94
o/w Barbados site							29,145	78.87	
o/w Product transport				48,241	9.97		24,209	4.96	

— 2.6 2020 TARGETS

	INDICATORS	SCOPE	VALUES 2016/ 2017	VALUES 2017/ 2018	OBJECTIVES 2019/ 2020	
SDG 8	Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Responsible purchasing: percentage of suppliers having joined SEDEX	World	83%	89%	100%
SDG 13	Take action to combat climate change and its impacts	Reduction of CO ₂ emissions: potential reduction of direct and indirect energy consumption	France	0 MWh	423 MWh	900 MWh
		Reduction of CO ₂ emissions: percentage of “clean” vehicles	France	22%	41%	80%
SDG 15	Sustainable land management/Restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity	Sustainable winegrowing: Domaines Rémy Martin Treatment Frequency Index (TFI)	France	17.6	17.2	15.8
		Sustainable winegrowing: percentage of AFC cooperative members using an environmental approach (HAVE 1 or Sustainable Winegrowing guidelines)	France	19.6%	45.3%	100%

— 2.7 NOTE ON METHODOLOGY FOR REPORTING ENVIRONMENTAL AND EMPLOYEE-RELATED INDICATORS

Rémy Cointreau complies with the *Grenelle II* law requiring listed companies to apply Article 225: “publish information on the way in which the Company takes into account the environmental and employee-related consequences of its activities and its societal commitments towards sustainable development”.

Since 2003, Rémy Cointreau has been a signatory to the UN Global Compact, and aims to be an ambassador for the best practices of this worldwide commitment to human rights, labour standards, the environment and the fight against corruption.

The concept of Corporate Social Responsibility (CSR) is promoted within the Company, as well as externally, with clients, suppliers and all other stakeholders.

Rémy Cointreau’s Corporate Social Responsibility (CSR) Charter is based on six main commitments modelled on standard ISO 26000 and applied to the particular characteristics of the Group.

The measures implemented in the context of the CSR policy are regularly presented in the annual reports, which describe all the CSR indicators in line with the GRI (Global Reporting Initiative indicators).

These documents are available on the Rémy Cointreau website and are sent to all stakeholders. (<http://www.remy-cointreau.com>)

2.7.1 REPORTING PROTOCOL

The 2017/2018 reporting protocol is an internal document that describes Rémy Cointreau’s CSR commitments and presents the structure and the resources implemented to ensure that reports are of a high standard and reliable.

It acts as a guide for internal reporting and a standard for the external verification in 2017/2018 of the various CSR indicators set forth in Article 225 of the Grenelle law on the Environment.

The reporting protocol is established by Rémy Cointreau’s HR and CSR departments. It can be obtained on request from the Corporate Social Responsibility Director at the following address:

Christian Lafage

Corporate Social Responsibility Director

20, rue de la Société-Vinicole

BP 37

16102 COGNAC

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Tel: +33 (0)5 45 35 77 25

The reporting protocol is updated annually in order to take into account any changes in reporting requirements and CSR indicators.

2.7.2 SCOPE

Rémy Cointreau’s CSR commitments apply to all companies within the Group. There are three main areas of focus: employee-related, environmental and societal.

The CSR reporting scope is based on the Group’s consolidated financial scope and includes 30 companies in accordance with Article 225 of the *Grenelle II* law (production sites and distribution companies).

Companies that are exclusively financial and joint ventures not controlled by the Group are not included in the CSR reporting scope. The same applies to companies disposed of and acquired during the year.

ENVIRONMENTAL REPORTING SCOPE

Generally, environmental information covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), as well as the companies Westland (USA), Domaine des Hautes Glaces (France) and Domaines Rémy Martin (Cognac).

All production sites are therefore included in the environmental reporting scope. The distribution subsidiaries are excluded, as their environmental impact is not deemed to be significant.

EMPLOYEE-RELATED REPORTING SCOPE

The methodologies used for certain employee-related indicators may have limitations, owing mainly to:

- the absence of common definitions at national or international level;
- necessary estimates, the representativeness of the measures taken or the limited availability of external data required for the calculations.

The definitions and methodologies used for the following indicators are as follows:

1. Employees

The employee-related reporting scope covers all 30 companies.

2. Training

Companies based in Europe (excluding France), as well as Bruichladdich, are not covered by the training indicator.

The training data of the French subsidiaries takes into account training programmes taken both as part of and outside continued professional development. The number of employees trained takes into account all employees who took at least one training course during the calendar year, including those who were no longer present as of 31 December 2017. For all companies, only training courses lasting for at least one hour are listed.

3. Other indicators

Only the production sites at Angers, Cognac, Barbados and Islay, as well as the Paris site, are included in the indicators relating to employee relations, absenteeism and workplace accidents. The indicator for the number of occupational illnesses recorded only covers the Cognac, Angers, Paris sites and Domaine des Hautes Glaces.

Absenteeism: scope limited to French companies, the Barbados and Islay sites.

- Sick leave only for employees recorded in the total Group workforce, *i.e.* for France, employees on permanent and fixed-term contracts. For permanent employees outside France, on the last day of each quarter with the exception of paid leave, special leave (weddings, christenings, house moves, etc.), absences for training, authorised unpaid leave, leave for trade union activities, sabbaticals and business creation, time off in lieu, compensatory leave, bank holidays and parental leave.
- For CSR reporting, the number of employees is recorded as at 31 March. The indicator is calculated over the last 12 months.
- The absenteeism rate is equal to the number of hours of absence divided by the number of theoretical hours worked (hours at workstation plus hours absent for illness, leave, training, travel, etc.)
- The calculation of the absenteeism rate excludes long-term illness (absence of more than 90 days).

Workplace accident frequency rate: scope limited to French companies and the Barbados and Bruichladdich sites.

All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.

- This rate is expressed as the number of workplace accidents with lost time per million actual hours worked, calculated as the number of accidents with lost time multiplied by one million and divided by the actual number of hours worked.
- An actual hour worked is one hour of work carried out within the Group by an employee during a tax period, that is to say an hour actually spent at a workstation. Hours of absence are not included (illness, leave, training, travel, etc.).
- Where hours actually worked not available, the frequency rate may be calculated using the number of theoretical hours worked.

Workplace accident severity rate: scope limited to French companies and the Barbados and Islay sites.

- All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.
- This rate is expressed as the number of days lost to workplace accidents per thousand actual hours worked calculated as the number of days lost multiplied by 1,000 and divided by the actual number of hours worked.
- The number of lost days has to be calculated as calendar days from the day of the accident
- An actual hour worked is one hour of work carried out within the Group by an employee during a tax period
- Where hours actually worked not available, the severity rate may be calculated using the number of theoretical hours worked.

Occupational illnesses: scope limited to French companies.

The occupational illnesses listed are those declared and acknowledged by the Health Authorities during the year.

2.7.3 INDICATORS USED

The 2017/2018 protocol presents the indicators available at the end of the year.

SOCIAL INDICATORS

- Total Group workforce
- Breakdown of employees by gender and position
- Breakdown of employees by geographic area
- Number of recruitments by position and contract type
- Number of departures detailed per reason
- Average age by gender and by professional category
- Average length of service by gender and by socio-professional category
- Average salary by gender and professional category
- Absenteeism rate
- Workplace accident frequency rate
- Workplace accident severity rate
- Number of occupational illnesses recorded
- Percentage of disabled employees in the total workforce
- Number of training hours by gender
- Workforce trained by gender
- Number of training hours per person

ENVIRONMENTAL INDICATORS

Energy

- Total energy consumption: Angers, Cognac, Paris, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces, Westland
- Direct energy consumption (fuel): Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- Indirect energy consumption: Paris, Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland

Water and liquid waste

- Water consumption: Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- Volumes of liquid waste: Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- Liquid waste pollution rate after treatment (BOD & COD): Angers and Cognac sites, DRM
- Liquid waste pollution rate, discharged from the site (BOD/COD): Barbados and Islay sites, and Domaine des Hautes Glaces

Winemaking

- Reduction in the use of pesticides (TFI index): DRM

Raw materials for packaging

- Raw materials: Angers and Cognac production sites
- Quantities of glass saved in packaging by eco-design of bottles and containers

Solid waste

- Quantity of solid waste: Paris, Angers, Cognac, Barbados and Islay sites, DRM
- Volume of solid waste recycled: Paris, Angers, Cognac, Barbados and Islay sites, DRM
- Volume of material and energy recovered from solid waste: Paris, Angers, Cognac, Barbados and Islay sites, DRM

Carbon footprint (Référentiel Bilan Carbone®)

- Regulatory GHG Footprint – GHG emissions (scopes 1 & 2): Angers, Cognac, Barbados and Islay sites, Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- Scope 3 carbon footprint: Angers, Cognac and Barbados sites, DRM and product transportation
- Reduction in Greenhouse Gases (GHG)
- Use of videoconferences
- Monitoring of business travel: Angers, Cognac and Paris sites
- Vehicle fleet GHG emissions: Angers and Cognac sites

Investment and training

- QSE training hours: Angers and Cognac sites
- Amount of annual investment in quality, safety and the environment

2.7.4 RELEVANCE OF INDICATORS

The CSR indicators used by Rémy Cointreau demonstrate the concrete nature and reliability of the measures it implements in relation to its CSR commitments.

They contribute to the decision-making process of the users of these indicators in respect of plans designed to enable Rémy Cointreau to make the necessary progress and achieve its CSR objectives.

— 2.8 CROSS-REFERENCE TABLES

CSR CROSS-REFERENCE TABLE BASED ON DECREE NO. 2012-557 OF 24 APRIL 2012

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Employee-related information**Employment**

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Organisation of working hours

Organisation of working hours (duration of working hours for full-time and part-time employees, overtime, external labour)	35
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CSR CROSS-REFERENCE TABLE BASED ON DECREE NO. 2012-557 OF 24 APRIL 2012

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CROSS-REFERENCE TABLE OF CSR/SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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CROSS-REFERENCE TABLE OF CSR/SUSTAINABLE DEVELOPMENT GOALS (SDGs)		PAGES
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— 2.9 INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC⁽¹⁾, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Rémy Cointreau, we present our report on the consolidated social, environmental and societal information established for the year ended on the March 31st, 2018, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company composed of the HR, environmental and societal reporting protocol in its version dated April 2018 (hereafter referred to as the "Criteria"), and of which a summary is included in the management report and available on request to the CSR manager at the following address: christian.lafage@remy-cointreau.com.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Nonetheless, it is not our role to give an opinion on the compliance with other legal dispositions where applicable[, in particular those provided for in the Sapin II law n°2016-1691 of 9 December 2016 (anti-corruption).

Our verification work mobilized the skills of four people between February and June 2018 for an estimated duration of six weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000⁽²⁾.

(1) Scope available at www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

1. ATTESTATION OF PRESENCE OF CSR INFORMATION

Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (*Code de commerce*) with the limitations specified in the Methodological Note in chapter 2.7 of the management report.

Conclusion

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. LIMITED ASSURANCE ON CSR INFORMATION

Nature and scope of the work

We undertook interviews with the people responsible for the preparation of the CSR Information in the following departments CSR, Human Resources and Remuneration and Public Affairs, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important⁽¹⁾:

- at the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of the representative selection of entities that we selected⁽²⁾, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook

(1) Social information:

- KPIs (quantitative information): group workforce (Soc.1 Total Group workforce), departures (Soc. 5 Number of staff departures analysed by reason), absenteeism (Soc. 9 Rate of absenteeism), work accidents, especially frequency rate (Soc.10 Rate of frequency of workplace accidents), and severity rate (Soc. 11 Rate of severity of workplace accidents in total workforce), occupational illness (Soc. 12 Recognized occupational illness) and the total number of training hours (Soc. 14 Number of hours of training by gender).
- Qualitative information: salary and their evolution, organization of working time, health and safety conditions at work.

Environmental and societal information:

- KPIs (quantitative information): energy consumption (Env. 1 Total Energy Consumption, Env.1a - Direct energy consumption (fuels), Env.1b - Indirect energy consumption), water consumption (Env. 2 - Water consumption), liquid waste (Env. 3 - Volumes of liquid waste, Env. 3a - Pollution rate of liquid waste/Biological Oxygen Demand, Env. 3b - Pollution rate of liquid waste/Chemical Oxygen Demand), solid waste (Env. 10 - solid waste produced, Env. 10a - Rate of Material valuation of solid waste, Env. 10b - Rate of Energy valuation of solid waste); significant greenhouse gas emissions generated as a result of the company's business, especially the use of produced goods and service (Env. 11 - Regulatory GHG audit - GHG emissions (scopes 1 and 2)).
- Qualitative information: Overall environmental policy (the environmental assessment approaches or certifications, amount of provisions and guarantees for environmental risks), prevention, reduction or compensation measures for air rejections, water and soil discharge that seriously harm the environment, measures for prevention, recycling, other forms of recovery and disposal of waste, water supply based on local constraints, adaptation to climate change impacts.

(2) Environmental, social and safety information: Bruichladdich (Islay, United Kingdom).

Social information: French entities (E. Rémy Martin & Cie, CLS France Holding, Cointreau, Domaines Rémy Martin, RCIMS France companies).

Environmental and safety information: Cointreau (Angers, France).

detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 43% of the total workforce, 46% of energy consumption and 27% of liquid waste, that were considered as representative characteristics of the environmental and social domains.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, June 20th, 2018

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Partner, Sustainable Development
Eric Mugnier

Partner
Bruno Perrin

CORPORATE GOVERNANCE

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— 3.1 FRAMEWORK FOR IMPLEMENTING THE PRINCIPLES OF CORPORATE GOVERNANCE

Pursuant to the provisions of Article L. 225-37 *et seq.* of the French Commercial Code, the developments described below form the corporate governance report.

It contains information on:

- the composition of the Board of Directors and the implementation of the principle of the balanced representation of women and men on the Board;
- the conditions of preparation and organisation of the work of the Board of Directors;
- the Corporate Governance Code by which the Company abides, the provisions that have not been applied and the reasons why;
- the principles and rules established by the Board of Directors that govern the remuneration and benefits paid to executive officers;
- the principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional elements of total remuneration and benefits in kind that may be awarded to executive officers in respect of their term of office;

- the limitations that the Board of Directors has imposed on the powers of the Chief Executive Officer;
- with regards to internal control and risk management, the procedures relating to the preparation and processing of accounting and financial information, together with the main features of the internal control and risk management systems for all companies included in the scope of consolidation.

The other information is provided in chapter 7 of this registration document, namely:

- the items liable to have an impact in the event of a public takeover offer or an exchange within the meaning of Article L. 225-100-3 of the French Commercial Code;
- the table summarising the authorisations currently in force granted by the Shareholders' Meeting in respect of capital increases;
- the specific procedures relating to shareholders' attendance at Shareholders' Meetings.

This report was approved by the Board of Directors at its meeting of 5 June 2018, after consulting, on 31 May and 4 June 2018, the Nomination and Remuneration Committee and Audit-Finance Committee.

GOVERNANCE ARRANGEMENTS

In September 2004, the Board of Directors adopted a system of governance that separates the positions of Chairman of the Board and Chief Executive Officer.

The purpose of this arrangement is to balance the power between these two positions and between each of them and the Board of Directors.

This governance arrangement was retained at the time of Marc Hériard Dubreuil's appointment to the chairmanship of the Board of

Directors and the renewal of Valérie Chapoulaud-Floquet as Chief Executive Officer during financial year 2017/2018.

Only the Chief Executive Officer's resignation, for personal reasons, in 2014 resulted in the Board of Directors combining for one year, from 2 January 2014 to 27 January 2015, the roles of Chairman of the Board of Directors and Chief Executive Officer, following which the Company's historical governance arrangements resumed.

DECLARATION REGARDING THE CORPORATE GOVERNANCE SYSTEM

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, the Company declares that it abides by the AFEP/MEDEF Corporate Governance Code for Listed Companies. The version of this Code in force in November 2016 is

available for consultation at Rémy Cointreau's head office in Paris and on the website www.medef.fr. In accordance with the "comply or explain" principle, a table presents the recommendations of this Code which have not been applied (see table in section 3.2.5).

CHANGE IN GOVERNANCE DURING THE 2017/2018 FINANCIAL YEAR

- With regards to the composition of the Board of Directors:
 - Marc Hériard Dubreuil was appointed Chairman of the Board of Directors at the Board meeting of 29 September 2017, with effect from 1 October 2017, replacing François Hériard Dubreuil;
 - François Hériard Dubreuil was appointed Vice-Chairman of the Board of Directors at the Board meeting of 29 September 2017, with effect from 1 October 2017, replacing Marc Hériard Dubreuil;
 - the terms as Board members of Dominique Hériard Dubreuil, Laure Hériard Dubreuil, Guylaine Dyèvre and Emmanuel de Geuser were renewed for a term of three years by the Shareholders' Meeting of 25 July 2017.
- With regards to senior management:

During its meeting on 17 January 2018, the Board of Directors renewed Valérie Chapoulaud-Floquet's appointment as Chief Executive Officer for a term of three years, from 27 January 2018.
- With regards to the composition of the committees:
 - During its meeting of 7 June 2017, the Board of Directors appointed Gisèle Durand and Bruno Pavlovsky as members of the Nomination and Remuneration Committee;
 - During its meeting of 29 September 2017, the Board of Directors appointed François Hériard Dubreuil as a member of the Audit-Finance Committee, replacing Marc Hériard Dubreuil, with effect from 1 October 2017.

— 3.2 COMPOSITION OF THE BOARD OF DIRECTORS

3.2.1 MEMBERS OF THE BOARD OF DIRECTORS

The Board's membership is organised in order to achieve a balance between experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors.

At 31 March 2018, the Board of Directors had 12 members:

	AGE	NATIONALITY	FIRST APPOINTED	END OF CURRENT APPOINTMENT (SHAREHOLDERS' MEETING)	INDEPENDENT BOARD MEMBER	MEMBER OF BOARD COMMITTEE
Marc Hériard Dubreuil	66	French	2004	2019		
François Hériard Dubreuil	69	French	2004	2018		AFC ⁽¹⁾
Dominique Hériard Dubreuil	71	French	2004	2020		NRC ⁽²⁾ Chairman of CSRC ⁽³⁾
Guylaine Dyèvre	57	French	2014	2020	√	NRC ⁽²⁾
Emmanuel de Geuser	54	French	2014	2020	√	AFC ⁽¹⁾
Yves Guillemot	57	French	2013	2019	√	Chairman of NRC ⁽²⁾
Laure Hériard Dubreuil	40	French	2011	2020		
Olivier Jolivet	45	French	2013	2019	√	CSRC ⁽³⁾
Bruno Pavlovsky	55	French	2015	2018	√	NRC ⁽²⁾
Florence Rollet	52	French	2013	2019	√	CSRC ⁽³⁾
Jacques-Étienne de T'Serclaes	70	French	2006	2018	√	Chairman of AFC ⁽¹⁾
Orpar SA (represented by Gisèle Durand)	66	French	2016	2019		NRC ⁽²⁾

(1) Audit-Finance Committee

(2) Nomination and Remuneration Committee

(3) Corporate Social Responsibility Committee

Of these 12 Board members:

- five represent the majority shareholders, including four from the Hériard Dubreuil family (Marc Hériard Dubreuil, François Hériard Dubreuil, Dominique Hériard Dubreuil and Laure Hériard Dubreuil), and Orpar SA, represented by Gisèle Durand;
- seven are independent Board members: Guylaine Dyèvre, Florence Rollet, Emmanuel de Geuser, Yves Guillemot, Olivier Jolivet, Bruno Pavlovsky and Jacques-Etienne de T'Serclaes.

With regards to members elected by employees, the Company complies with the provisions of Article L. 225-27-1 of the French Commercial Code in this respect since it has no employees.

The Board is renewed on an annual rolling basis, so that renewal occurs as evenly as possible and the whole Board has been renewed at the end of a three-year period.

Any member of the Board of Directors who is over 85 years of age at the beginning of a financial year is deemed to have resigned from office effective at the end of the Annual Shareholders' Meeting called to approve the financial statements for that financial year. However, his/her term of office may be renewed annually, as long

as the number of Board members aged 85 or over does not exceed one-third of the number of serving members.

Experienced and complementary Board members

Competence and experience in the financial arena, the luxury goods sector and the management of large international companies are the selection criteria for Board members. The Board members come from varied backgrounds and are complementary because of their different professional experience and their skills. The presence of several members who are permanent residents in various other countries lends a welcome international and cultural dimension to the Board's work, either because they have performed a role outside of France during their career, or because they hold or have held one or more appointments in non-French companies.

Balanced representation of women and men on the Board

At 31 March 2018, out of a total of 12 Board members, 5 women sat on the Board of Directors of Rémy Cointreau, *i.e.* a proportion of more than 40%. In addition, the Corporate Social Responsibility Committee is chaired by a woman.

Independence of the Board

The process of assessing the independence of the Company's Board members is implemented by the Nomination and Remuneration Committee. On the recommendation of this committee, once a year the Board of Directors reviews the situation of each Board member in light of the independence criteria defined by the AFEP/MEDEF Code.

A Board member is classified as independent when he or she has no relationship of any kind with the Company, its Group or its management that may interfere with his or her freedom of judgement.

In considering this independence, the Board relies on the criteria specified by the AFEP/MEDEF Code:

- not to be, or have been during the course of the previous five years, an employee or executive officer of the Company, an employee or executive officer or director of a company consolidated within the Company, an employee, executive officer or director of the parent company or of a company consolidated within this parent company;
- not to be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the

Company, currently in office or having held such office during the last five years, is a director;

- not to be a customer, supplier, commercial banker or investment banker that is material to the Company or its Group or for a significant part of whose business the Company or its Group accounts;
- not to be related by close family ties to a corporate officer;
- not to have been a Statutory Auditor of the Company within the previous five years;
- not to have been a director of the Company for more than 12 years.

On 5 June 2018, the Board of Directors accordingly adopted the list of Board members qualified as independent on 31 March 2018:

Guylaine Dyèvre, Florence Rollet, Emmanuel de Geuser, Yves Guillemot, Olivier Jolivet, Bruno Pavlovsky and Jacques-Étienne de T'Serclaes.

The Board of Directors is regularly informed of the independence of each of its members.

The table below summarises the results of the process of assessing the independence of Board members in light of the criteria specified in the AFEP/MEDEF Code.

	EMPLOYEE OR EXECUTIVE OFFICER	ABSENCE OF CROSS- DIRECTORSHIPS	BUSINESS RELATIONSHIPS	FAMILY TIES	STATUTORY AUDITORS	12 YEARS ON THE BOARD	CLASSIFICATION
Marc Hériard Dubreuil	Yes	Yes	No	Yes	No	Yes	Non-independent
François Hériard Dubreuil	Yes	Yes	No	Yes	No	Yes	Non-independent
Dominique Hériard Dubreuil	Yes	Yes	No	Yes	No	Yes	Non-independent
Guylaine Dyèvre	No	Yes	No	No	No	No	Independent
Emmanuel de Geuser	No	Yes	No	No	No	No	Independent
Yves Guillemot	No	Yes	No	No	No	No	Independent
Laure Hériard Dubreuil	No	Yes	No	Yes	No	No	Non-independent
Olivier Jolivet	No	Yes	No	No	No	No	Independent
Bruno Pavlovsky	No	Yes	No	No	No	No	Independent
Florence Rollet	No	Yes	No	No	No	No	Independent
Jacques-Étienne de T'Serclaes	No	Yes	No	No	No	Yes	Independent
Orpar SA (represented by Gisèle Durand)	Yes	Yes	No	No	No	No	Non-independent

At its meeting on 5 June 2018, the Board of Directors reviewed with particular care the situation of Jacques-Étienne de T'Serclaes in respect of the AFEP/MEDEF Code, which recommends "not having been a director for more than 12 years". In accordance with the "comply or explain" rule in the Code, it was decided, on the recommendation of the Nomination and Remuneration Committee, to explain the decision not to use this criteria for this Board member for the reasons set out in the table in section 3.2.5.

The Board of Directors has also assessed the materiality or not of the business relationships between the Company's Board members in light of the nature and amounts involved in the context of these relationships. In this respect, the Board of Directors considered that there were no risks of conflict of interest between Guylaine Dyèvre and the management, the Company or its Group. In accordance with the "comply or explain" rule in the Code, it was decided, on the recommendation of the Nomination and Remuneration Committee, to explain the decision not to use this criteria for this Board member for the reasons set out in the table in section 3.2.5.

LIST OF OFFICES AND APPOINTMENTS HELD BY BOARD MEMBERS AT 31 MARCH 2018

MARC HÉRIARD DUBREUIL

CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 1 OCTOBER 2017

French nationality, 66 years old.

Date first appointed: 7 September 2004.

Date term of office expires: Shareholders' Meeting to approve the financial statements for the 2019 financial year.

Business address: Andromède SAS – 21, Bld Haussmann – 75009 Paris

Holds 106 RC shares

Marc Hériard Dubreuil is a graduate of ESSEC and has been a corporate officer of the Company since December 1991, after starting his professional career with General Foods and Leroy Somer. He has notably been Chairman of Rémy Martin and Rémy & Associés, then Chief Executive Officer of Rémy Cointreau from 1990 to 2000. He served as Chairman and Chief Executive Officer of Oeneo SA from 2004 to 2014, and then as Chairman of the Board of Directors of Oeneo SA from November 2014 to October 2016.

Marc Hériard Dubreuil has been Chairman of the Board of Directors since 1 October 2017.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chief Executive Officer and member of the Management Board of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Vice-Chairman, Deputy Chief Executive Officer and Board member of Orpar SA.
 - Member of the Management Committee of Récopart SAS.
 - Board member of Oeneo SA.
 - Chairman of LVL2 SAS.
 - Chairman of Mantatech.
-

Appointments within the Rémy Cointreau Group

- Non-Executive Chairman of Rémy Cointreau Amérique Inc.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Member of the Steering Committee of AUXI-A.
 - Chief Executive Officer of Andromède SA.
 - Member of the Management Board of Récopart SA.
 - Director of TC International Ltd.
 - Chairman of LVL2 SAS.
 - Board member and member of the Audit Committee of Bull SA.
 - Chief Executive Officer of Oeneo.
 - Chairman of the Supervisory Board of Crescendo Industries SAS.
 - Chairman of the Board of Directors of Oeneo SA.
-

FRANÇOIS HÉRIARD DUBREUIL

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 1 OCTOBER 2017

*French nationality, 69 years old.***Date first appointed:** 7 September 2004.**Date term of office expires:** Shareholders' Meeting held to approve the 2018 financial statements.**Business address:** Andromède SAS – 21, Bld Haussmann – 75009 Paris

Holds 122 RC shares

François Hériard Dubreuil holds a master's degree in science from the University of Paris and an MBA from INSEAD. He has been a corporate officer of the Company since December 1991. In particular, he was Chairman of Rémy Martin from 1984 to 1990 and Chief Executive Officer of Rémy Cointreau from 1990 to 2000, then Chairman of its Supervisory Board from 2000 2004 and Chairman of the Board of Directors from 2004 to September 2017. François Hériard Dubreuil is a member of the INSEAD French Council and Chairman of the INSEAD Foundation.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman of the Management Board of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Chairman and Chief Executive Officer of Orpar SA.
- Representative of Orpar, Chairman of Récopart SAS.
- Board member of Oeneo SA.
- Chairman of Financière de Nonac 2 SAS.
- Chairman of the INSEAD Foundation.
- Chairman of Vivelys SAS.

Appointments within the Rémy Cointreau Group

- Chairman of Rémy Cointreau Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Joint Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau Libra SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau International Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Storeco SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Financière Rémy Cointreau SA/NV.
- Director of Rémy Cointreau South Africa PTY Limited.
- Director of E. Rémy Rentouma Trading Limited.

- Legal representative of Rémy Cointreau Shanghai Limited.
- Director of Bruichladdich Distillery Company Limited.
- Director of Lochindaal Distillery Limited.
- Director of Port Charlotte Limited.
- Director of The Botanist Limited.
- Non-Executive Chairman of Rémy Cointreau Amérique Inc.
- Director of Rémy Concord Limited.
- Director of Rémy Pacifique Limited.
- Director of Rémy Cointreau UK Limited.
- Board member of Dynasty Fine Wines Group Limited.
- Chairman of Mount Gay Distilleries Limited.
- Director of Rémy Cointreau International Pte Limited.
- Member of the Supervisory Board Rémy Cointreau Nederland Holding NV.
- Non-Executive Chairman of Rémy Cointreau USA Inc.
- Non-Executive Chairman of S & E & A Metaxa ABE.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS*(held during the past five years and now terminated)*

- Chairman of the Board of Directors of Rémy Cointreau SA
- Chief Executive Officer of Andromède SA.
- Chairman of the Management Board of Récopart.
- Board member of Shanghai Shenma Winery Co Ltd.
- Permanent representative of Grande Champagne Patrimoine, Chairman of MMI.
- Chairman of Grande Champagne Patrimoine SAS.
- Chairman of Financière de Nonac SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Rémy Cointreau Aries SA.
- Vice-Chairman and Deputy Chief Executive Officer of Oeneo SA.

BOARD MEMBERS

DOMINIQUE HÉRIARD DUBREUIL

French nationality, 71 years old.

Date first appointed: 7 September 2004.

Date term of office expires: Shareholders' Meeting held to approve the 2020 financial statements.

Business address: Andromède SAS – 21, Bld Haussmann – 75009 Paris

Holds 2,763 RC shares

Dominique Hériard Dubreuil is a Public Relations graduate of IRPCS and has been a corporate officer of the Company since December 1991. She was notably Chairman of the Board of Directors of Rémy Cointreau from 1998 to 2000 and subsequently Chairman of the Management Board from 2000 to 2004. Dominique Hériard Dubreuil was Chairman of the Board of Directors of Rémy Cointreau from 2004 to 2012. Dominique Hériard Dubreuil is a Commander of the Legion of Honour and a Commander of the National Order of Merit.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Member of the Supervisory Board of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Orpar SA.
- Board member of the Bolloré Group.
- Vice-Chair of the Supervisory Board of Wendel SA.
- Board member of Fondation 2^e Chance.
- Board member of Fondation de France.

Appointments within the Rémy Cointreau Group

- Chair of E. Rémy Martin & C^oSAS.
- Chair of Cointreau SAS.
- Representative of E. Rémy Martin & C^o SAS, Chair of Domaines Rémy Martin SAS.

- Supervisory Director of Rémy Cointreau Nederland Holding NV.
- Chairman of Mount Gay Holding.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Chair and COO of Rémy Cointreau Amérique Inc.
 - Chair of the Board of Directors of Rémy Cointreau SA.
 - Director of Rémy Concord Limited.
 - Director of Rémy Pacifique Limited.
 - Chief Executive Officer of Andromède SA.
 - Chair of the Supervisory Board of Vinexpo Overseas SAS.
 - Member of the Supervisory Board of Vinexpo SAS.
 - Member of the Supervisory Board of Vivendi SA.
 - Board member of AFEP and member of the MEDEF Executive Committee.
 - Board member of INRA.
 - Board member of Comité Colbert.
 - Chair of Izarra – Distillerie de la Côte Basque SAS.
 - Chief Executive Officer and member of the Management Board of Andromède SAS.
-

GUYLAINE DYÈVRE

French nationality, 57 years old.

Date first appointed: 24 July 2014.

Date term of office expires: Shareholders' Meeting held to approve the 2020 financial statements.

Business address: BNP PARIBAS – 3, rue d'Antin – 75002 Paris

Holds 101 RC shares

Guylaine Dyèvre holds a bachelor's degree in economics and a master's degree in politics from the University of Paris II. She also holds a company director's qualification from IFA-Sciences Po. Ms Dyèvre has spent her entire career since 1989 with BNP, which subsequently became BNP -Paribas. She worked on the trading desk for more than ten years, and then in 2002 joined the investment bank as international key account manager. She was also responsible for international partnerships at BNP -Paribas Assurance. Guylaine Dyèvre is a Knight of the Legion of Honour.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Head of Corporate & Investment Banking Compliance at BNP Paribas Group.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Thalès.
- Board member of Veolia Eau.
- Board member of the Endowment Fund of the Institut des hautes études de défense nationale (circle of partners).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None

LAURE HÉRIARD DUBREUIL

French nationality, 40 years old.

Date first appointed: 26 July 2011.

Date term of office expires: Shareholders' Meeting held to approve the 2020 financial statements.

Business address: 1220 Collins Avenue, Miami Beach, FL. 33139 USA

Holds 102 RC shares

A graduate of the Institute of Oriental Languages and Civilisations and of the Fashion Institute of Technology, since 2000 Laure Hériard Dubreuil has served in various senior roles at Philipps-Van Heusen in Hong Kong and at Gucci in Paris and New York. In 2006, she founded The Webster in Miami, a high-end multi-brand fashion store concept which has seen steady growth in the United States.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

President and Chief Executive Officer of Webster USA, Inc.

OTHER APPOINTMENTS OUTSTANDING

- President of Laure HD Investissements SAS.
- President of LHD LLC.
- President and Chief Executive Officer of 1220 Collins Avenue, Inc.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None.

FLORENCE ROLLET

French nationality, 52 years old.

Date first appointed: 24 September 2013.

Date term of office expires: Shareholders' Meeting to approve the financial statements for the 2019 financial year.

Business address: Bank Julius Baer & Co. Ltd. Hohlstrasse 602, 8048 Zurich, Switzerland P.O. Box 820, 8010 Zurich, Switzerland
Holds 100 RC shares

Florence Rollet is a graduate of the EM Lyon business school (1987).

After more than 12 years' experience in sales and marketing roles within various Groups, including the Danone Group (Brasseries Kronenbourg), Pepsi Cola and Reckitt-Benckiser, Florence Rollet joined the Coty Group in 1999 as Chief Executive Officer of Coty Beauty France, where she spent over eight years.

In 2005, she also added the role of Chief Executive Officer of Coty Prestige France to her existing duties.

In October 2007, Ms Rollet joined the LVMH-Parfums Christian Dior Group as Development Director, Europe, strengthening her experience in luxury goods and retail.

Between June 2013 and July 2016, she held the post of Group Vice-President EMEA at Tiffany & Co.

Since September 2016, she has been Head of Marketing at Bank Julius Baer.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Head of Marketing, Bank Julius Baer, Zurich, Switzerland

OTHER APPOINTMENTS OUTSTANDING

None.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Chair of Tiffany & Co. (France), Tiffany & Co. (Jewellers) Ltd (Ireland), Tiffany & Co. (UK) Holdings Ltd (UK), Tiffany & Co. Ltd (UK).
 - Director of Tiffany & Co. (CR) s.r.o. (Czech Republic), Tiffany & Co. (Jewellers) Ltd (Ireland), Tiffany & Co. Italia SpA (Italy), Tiffany of New York (Spain) SLU (Spain), Tiffany & Co. (UK) Holdings Ltd, (UK), Tiffany & Co. Ltd (UK), Tiffany & Co. (GB) (UK).
 - General Manager of Tiffany & Co. Netherlands BV (Netherlands), manager of Tiffany & Co. Belgium SPRL (Belgium).
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EMMANUEL DE GEUSER

French nationality, 54 years old.

Date first appointed: 24 July 2014.

Date term of office expires: Shareholders' Meeting held to approve the 2020 financial statements.

Business address: Roquette Frères – 101, avenue de la République – 59564 La Madeleine cedex
Holds 100 RC shares

Emmanuel de Geuser graduated from the Institut d'études politiques de Paris and has a master's degree in monetary economics from Université Paris IX-Dauphine, as well as being a qualified Chartered Accountant. After eight years as a manager at the Arthur Andersen consultancy firm, Mr de Geuser served in turn, from 1996 to 2002, as audit director, coordinator of the "Performance 2001" plan and finance director of the cigarettes division of the Altadis Group (formerly Seita). From 2002 to 2011, Mr de Geuser was administrative and financial director and member of the Executive Committee of Générale de Santé.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Finance Director and member of the Group Management Committee, Roquette Frères.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Reverdia, Roquette management and Roquette CH.
- Representative of Roquette Frères, General Manager of Roquette BV.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None.

YVES GUILLEMOT

French nationality, 57 years old – Chairman and Chief Executive Officer of Ubisoft Entertainment SA.

Date first appointed: 24 September 2013.

Date term of office expires: Shareholders' Meeting to approve the financial statements for the 2019 financial year.

Business address: Ubisoft Entertainment SA – 28 rue Armand-Carrel – 93108 Montreuil

Holds 100 RC shares

Mr Guillemot grew up in a family of entrepreneurs and is a graduate of the Institut de petites et moyennes entreprises. Together with his four brothers, he founded Ubisoft in 1986. At the age of 26, and recently graduated, he was named Chairman of the Company. The Company grew rapidly in France and in its main export markets. Mr Guillemot has led Ubisoft to third place in independent publishers of video games. Ubisoft has teams in 31 countries and distributes games worldwide.

Yves Guillemot was voted Entrepreneur of the year by Ernst & Young in 2009.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman and Chief Executive Officer and Board member of Ubisoft Entertainment SA.

OTHER APPOINTMENTS OUTSTANDING

- Deputy Chief Executive Officer of Guillemot Corporation SA.
- Chief Executive Officer of Guillemot Brothers SAS.
- Director and Deputy Chief Executive Officer of Guillemot Brothers SE (United Kingdom).
- Board member of AMA SA.
- Member of the Supervisory Board of Lagardère SCA.
- Board member of Guillemot Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom).
- Director of Playwing Ltd (United Kingdom) AMA Corporation Ltd (United Kingdom).
- Chairman of Ubisoft Annecy SAS, Ubisoft EMEA SAS, Ubisoft France SAS, Ubisoft International SAS, Ubisoft Montpellier SAS, Ubisoft Motion Pictures Rabbids SAS, Ubisoft Paris SAS, Ubisoft Production Internationale SAS, Nadéo SAS, Owlent SAS, Ubisoft Création SAS, Ivory Tower SAS, Ubisoft Bordeaux SAS and 1492 Studio SAS.
- General Manager of Ubisoft Learning & Development SARL, Ubisoft Motion Pictures SARL, Script Movie SARL, Ubisoft Mobile Games SARL, Ubisoft Paris – Mobile SARL, Ivory Art & Design SARL.
- General Manager of Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft Sarl (Morocco), Blue Mammoth Games LLC (United States)
- Chairman and Board member Ubisoft Divertissements Inc. (Canada), Ubisoft Editions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Entertainment India Private Ltd (India), Ubi Games SA (Switzerland), Red Storm Entertainment Inc. (United States), Ubisoft L.A. Inc. (United States), Script Movie Inc. (United States), Ubisoft CRC Ltd (United Kingdom).

- Vice-Chairman and Board member of Ubisoft Inc. (United States).
- Chief Executive Officer and Board member of Ubisoft Emirates FZ LLC (United Arab Emirates).
- Executive Director of Shanghai Ubi Computer Software Co. Ltd (China), Chengdu Ubi Computer Software Co. Ltd (China).
- Board member of Ubisoft Pty Ltd (Australia), Ubisoft SA (Spain), Ubi Studios SL (Spain), Ubisoft Barcelona Mobile SL (Spain), Ubisoft Ltd (Hong Kong), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Netherlands), BMG Europe BV (Netherlands), Ubisoft Srl (Romania), Ubisoft Ltd (United Kingdom), Ubisoft Reflections Ltd (United Kingdom), Red Storm Entertainment Ltd (United Kingdom), Ubisoft Singapore Pte Ltd (Singapore), Ubisoft Entertainment Sweden AB (Sweden), RedLynx Oy (Finland), Future Games of London Ltd (United Kingdom), Ubisoft Fastigheter AB (Sweden), Ubisoft DOO Beograd (Serbia).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Board member of Guillemot Corporation SA.
- Chairman of Ubisoft Motion Pictures Far Cry SAS, Ubisoft Motion Pictures Ghost Recon SAS, Ketchapp SAS, Ubisoft Motion Pictures Assassin's Creed SAS, Ubisoft Motion Pictures Splinter Cell SAS, Krysalide SAS.
- Chairman and Board member of Ubisoft Vancouver (Canada), Ubisoft Canada Inc. (Canada), L'Atelier Ubi Inc. (Canada), Technologies Quazal Inc. (Canada), Ubisoft Musique Inc. (Canada), 9275-8309 Québec Inc. (Canada), Studio Ubisoft Saint-Antoine Inc. (Canada).
- Chairman of Ubisoft LLC. (United States)
- Managing Director of Spieleentwicklungskombinat GmbH (Germany), Related Designs Software GmbH (Germany), Ubisoft Entertainment SARL (Luxembourg).
- Deputy Chief Executive Officer and Board member of Guillemot Brothers SE (France), Gameloft SE (France).
- Board member of Gameloft Divertissements Inc.

OLIVIER JOLIVET

French nationality, 45 years old.

Date first appointed: 24 September 2013.

Date term of office expires: Shareholders' Meeting to approve the financial statements for the 2019 financial year.

Business address: COMO HOLDINGS, 50 Cuscaden Road, #08-01 HPL Building, Singapore 249,724

Holds 100 RC shares

Olivier Jolivet is a graduate of the University of Westminster, the University of Munich and IPAG. After a period at McKinsey's German subsidiary, Mr Jolivet spent nearly ten years with the Club Méditerranée Group, mainly in Asia-Pacific. A member of the Executive Committee, he was most recently International Business Development and Construction Director. In 2008 Olivier Jolivet joined the Aman Group, where he served as Group Chairman and Chief Executive Officer in Singapore until December 2016. Since January 2017, Mr Jolivet has been Chief Executive Officer of Como Holdings (a multi-brand "family office" in the luxury goods sector).

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman and Chief Executive Officer of Como Holdings.

OTHER APPOINTMENTS OUTSTANDING

Director of Como Holding Pte Ltd (Singapore), Leisure Ventures Pte Ltd (Singapore), Olympia Partners Pte Ltd (Singapore), HPL Olympia Pte Ltd (Singapore), The Dempsey Cookhouse Pte Ltd (Singapore), Venus Assets Sdn Bhd (Malaysia), Orchid Resorts management Pvt Ltd (Maldives), IVPL Ltd (Maldives), Como Hotels & Resorts (Australia) Pty Ltd, PT Begawan Giri Estate (Indonesia), PT Shambala Payangan Indah (Indonesia), Castello di Modanella (Italy).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Chairman and Chief Executive Officer of Société Nouvelle de L'Hôtel Bora Bora (French Polynesia).
 - Director of Amanresorts Limited (Hong Kong), Amanresorts Limited (British Virgin Islands), Amanproducts Limited (British Virgin Islands), Amanresorts Services Limited (British Virgin Islands), Amanresorts International Pte Ltd (Singapore), Andaman Development Co., Ltd (Thailand), Andaman Resorts Co. Ltd. (Thailand), Andaman Thai Holding Co., Ltd (Thailand), ARL Marketing Ltd. (British Virgin Islands), Balina Pansea Company Limited (British Virgin Islands), Bhutan Resorts Private Limited (Bhutan), Bodrum Development Limited (British Virgin Islands), Gulliver Enterprises Limited (British Virgin Islands), Hotel Finance International Limited (British Virgin Islands), Hotel Sales Services (Private) Limited (Sri Lanka), Jalisco Holdings Pte. Ltd. (Singapore), Lao Holdings Limited (British Virgin Islands), LP Hospitality Company Limited (Laos), Maha Holdings Limited (Bermuda), Marrakech Investment Limited (British Virgin Islands), Naman Consultants Limited (British Virgin Islands), NOH Hotel (Private) Limited (Sri Lanka), Palawan Holdings Limited (British Virgin Islands), Phraya Riverside (Bangkok) Co., Ltd (Thailand), Princiére Resorts Ltd (Cambodia), PT Amanusa Resort Indonesia (Indonesia), Regent Asset Finance Limited (British Virgin Islands), Regent Land Limited (Cambodia), Silverlink (Thailand) Co., Ltd (Thailand), Silver-Two (Bangkok) Co., Ltd (Thailand), Seven Seas Resorts and Leisure Inc (Philippines), Tangalle Property (Private) Limited (Sri Lanka), Toscano Holdings Limited (British Virgin Islands), Urbana Limited (Hong Kong), Zeugma Limited (British Virgin Islands), ARL Marketing, Inc. (USA), Guardian International Private Limited (India), Heritage Resorts Private Limited (India).
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BRUNO PAVLOVSKY

French nationality, 55 years old.

Date first appointed: 29 July 2015.

Date term of office expires: Shareholders' Meeting held to approve the 2018 financial statements.

Business address: 12 rue Duphot – 75001 Paris

Holds 100 RC shares

Bruno Pavlovsky is a graduate of the Bordeaux École Supérieure de Commerce and has an MBA from Harvard University. Mr Pavlovsky started his career in 1987 as an Audit/Organisation consultant at Deloitte. In 1990, he joined the Chanel Group where he was Administrative and Fashion director until 1998, then Chief in charge of Fashion (Haute-Couture, Prêt-à-Porter, Accessories) until 2004. He has been Chairman of Paraffection since January 2003, Chairman of the Fashion business since January 2004 and Chairman of Eres since July 2007. Mr Pavlovsky is also Chairman of the French trade association Chambre Syndicale du Prêt-à-Porter des Couturiers et des Créateurs de Mode and a Board member of the Institut Français de la Mode.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman of Chanel's Fashion business

OTHER APPOINTMENTS OUTSTANDING

Chairman of Chanel Coordination, Chanel Production, Lesage Paris, LMG, Goossens Paris, Desrues, Montex, Maison Massaro, Paraffection, Paloma, Eres, Barrie France, Établissements Bodin Joyeux, Gant Causse, Idafa, Lesage Intérieurs, Manufactures de Mode, Act 3, Mégisserie Richard, Textiles Henri Lacroix, Moulinages de Riotord, Hugo Tag, Eres US Inc. (USA), Les Ateliers de Verneuil-en-Halatte, Maison Michel, Partois, SCI Onurb, SCI Sarouleagain.

- General Manager of SCI Sarouleagain, SCI Tête à Tête, SCI N&B Saint Georges, SCI N&B Penthièvre, SCI N&B Terrasse, SCI N&B Jardin Public, SCI N&B Société Civile, SCI N&B Bassussary and SCI Brunic.
- Board member of Delta Drone. Director of Vastrakala (India), Barrie Knitwear (UK), Maison Michel (UK), Eres Paris SL (Spain), Eres Fashion UK Ltd, (UK).
- Advisor to Chanel Coordination srl (Italy), Roveda srl (Italy), Immobiliare Rosmini srl (Italy).
- manager of Eres Moda ve Lüks Tüketim Ürünleri Limited Sirketi (Turkey).
- Geschäftsführer of Eres GmbH (Germany).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None.

JACQUES-ÉTIENNE DE T'SERCLAES

French nationality, 70 years old.

Date first appointed: 27 July 2006.

Date term of office expires: Shareholders' Meeting held to approve the 2018 financial statements.

Business address: Résidence Baccarat, 3 rue Kartaja, 20100 Casablanca, Morocco

Holds 562 RC shares

Jacques-Étienne de T'Serclaes, chartered, accountant, graduated from ESSCA and Harvard Business School (OPM). He is a former member of Compagnie des Commissaires aux comptes. As Senior Partner with PricewaterhouseCoopers (1990-2005), he headed up the Global Retail and Consumer practice worldwide, and was Chairman of the Supervisory Board of PwC Audit France. Previously he spent seventy years within the Euromarché Group (acquired by Carrefour) where he was Chief Executive Officer.

He is currently founder of the charity Agence du Don en Nature (Goods to Give), Operating Partner at Advent International Global Private Equity and a Board member of the Institut français des administrateurs (IFA) (French Institute of Directors).

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Founder of the charity Agence du Don en Nature.

OTHER APPOINTMENTS OUTSTANDING

Board member of the Institut français des administrateurs (IFA).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Board member of Altran Technologie SA
- Board member of Banimmo (Belgium)

ORPAR SA

Date first appointed: 26 July 2016.

Date term of office expires: Shareholders' Meeting to approve the financial statements for the 2019 financial year.

Business address: rue Joseph Pataa, Ancienne Rue de la Champagne – 16100 Cognac

Ms Durand holds 225 RC shares

Orpar is the Group's main shareholder. At 31 March 2018, it held more than a third of Rémy Cointreau's share capital and over 48% of the voting rights.

Orpar's permanent representative is Gisèle Durand.

Between 1974 and 1980, Gisèle Durand, holder of a postgraduate degree in Economics and management from CNAM in Paris and a graduate of the *École supérieure de gestion et comptabilité (PARIS II)*, was Administrative Director for a service run by the French Ministry of Agriculture. She then joined the Cointreau Group (now known as the Rémy Cointreau Group) where she held a number of roles in accounting and finance until 2000, when she joined the holding company, ORPAR. Appointed as secretary general of OENEO in 2005, with particular responsibility for the development of Human Resources "managers", in 2007 she was made Deputy Chief Executive Officer of Andromède SAS.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Director of Oeneo SA since June 2012.
- Member of the Nominations and Human Resources Committee of Oeneo SA.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None.

3.2.2 OPERATION OF THE BOARD OF DIRECTORS

The operation of the Board of Directors and committees is primarily governed by internal regulations that were updated on 24 January 2017. The regulations can be found on the Company's website.

3.2.2.1 OPERATING RULES

Notification of Board meetings

The schedule of Board meetings for the following year is agreed among the Board members at the June meeting of the Board of Directors, at the latest. The members of the Board are subsequently notified of each meeting by email, approximately ten days in advance.

The Statutory Auditors are invited to attend the meetings of the Board of Directors called to examine the interim and annual financial statements.

Information Provided to Board members

Board members are provided with all the necessary documentation and information at least eight days prior to meetings of the Board and its various committees, subject to confidentiality requirements.

Documentation and information for Board meetings are subject to wide-reaching financial and commercial analysis, comprising very detailed corporate data allowing a thorough understanding by Board members of the trading environment, results and outlook for the Rémy Cointreau Group.

The prior and regular provision of information to Board members is fundamental to the performance of their duties. As such, the Chairman of the Board of Directors ensures that senior management

provides Board members with any strategic and financial information on an ongoing and unlimited basis. This includes information on the Company's cash flow and liquidity position, its commitments, the market trends, competition and key issues, including corporate social responsibility, which the Board members require in order to discharge their duties under the best possible conditions.

On the basis of the information provided, Board members can request any clarifications or information they deem necessary. The Board members undertake to maintain the strict confidentiality of information received. As this concerns, in particular, unpublished information acquired during the course of their work, Board members are therefore subject to a Code of professional secrecy.

Outside Board meetings, Board members regularly receive all significant information relating to the Company and the Group, in particular monthly operating reports compared against the budget, and are alerted to any event or development that may have a material impact on trading or on information previously submitted to the Board.

They also receive press releases issued by the Company as well as key press Articles and equity research reports.

Board members may meet the main Group managers without members of senior management being present, on the condition that they make a prior request to the Chairman of the Board of Directors.

Each Board member may receive, if he or she deems it necessary, additional training on specific matters relating to the Group, its business lines and sectors of activity.

Board members must devote the necessary time and attention to their duties and if offered a new position, must give ample consideration to whether accepting it would prevent them from fulfilling this responsibility.

Meetings

The meetings of the Board of Directors take place in Paris, at the administrative head office. However, the Board may hold meetings in other locations, in France or another country, at the Chairman's request.

Meetings of the Board of Directors may be held by video-conference and/or teleconference. The technical resources used must provide for the identification of the Board members and guarantee their actual participation.

Participation by videoconference is not allowed for meetings devoted to the approval of the annual and consolidated financial statements, or for the Company and Group management reports.

Minutes of meetings

The minutes of the meetings of the Board of Directors are prepared after each meeting and given in draft form to members at the subsequent meeting, during which they are approved.

Transparency rules

Upon taking office, and then on a regular basis during their term, Board members are given the Guide published by the French Financial Markets Authority (*Autorité des marchés financiers*, AMF), which is aimed at Board members of listed companies. It sets out their personal obligations with respect to holding Company shares.

Board members must hold their shares in registered form or deposit shares issued by the Company, its subsidiaries, the Company of which it is a subsidiary or other subsidiaries of that company, and which are owned by the Board members themselves, by spouses from whom they are not physically separated or by minors.

Each Board member must hold a minimum of 100 shares.

The Board members, Chief Executive Officer and members of the Executive Committee are regularly informed of the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and the Articles of the AMF General Regulation that have a direct bearing on them. Board members must therefore directly inform the AMF of any equity securities, debt securities or securities convertible to equity of the Company that they have bought, sold, subscribed for or exchanged, as well as any trading in derivative financial instruments, or any such transactions related to them, within three business days of the trade date. In addition to Board members, the Chief Executive Officer and members of the Executive Committee, this rule applies to all individuals or corporate entities related to them in accordance with the applicable regulations. This also applies to transactions carried out by their spouses from whom they are not physically separated or civil partner under French legislation, by minors, by any other relative living with them for at least a year as of the date of the transaction in question, or by any legal entity whose governance is under the responsibility of one of the aforementioned individuals, which is directly or indirectly controlled by that person, which was established for his/her own benefit, or of which the majority of the economic benefits flow to that person.

Finally, Board members must make themselves aware of periods during which they must not trade in the Company's shares, and of their general obligations under the applicable regulations.

For this purpose, in accordance with AMF recommendations, the Board members, Chief Executive Officer and Executive Committee members must refrain from trading in the Company's shares 30 calendar days before Rémy Cointreau issues a press release on its annual and interim results and 15 calendar days before it publishes its quarterly financial information. Outside these abstention periods, the Board members, Chief Executive Officer and members of the Executive Committee must not trade in the Company's shares if they have insider information.

Board members must inform the Board of Directors as soon as they become aware of any conflict of interest or potential conflict of interest, and abstain from taking part in deliberations and corresponding votes. In the case of a permanent conflict of interest, the Director must resign.

Stock market ethics Code and rumour management manual

At its meeting on 28 March 2017, the Board of Directors adopted a Stock Market Ethics Code relating to the confidentiality of information and the prevention of insider trading within the Rémy Cointreau Group. The Code reminds the Group's employees of the laws and regulations in force, the penalties for non-compliance, and the introduction of preventive measures to enable everyone to invest without infringing market integrity rules.

To this end, the Board of Directors decided to set up an "Insiders Committee" composed of the Group's Chief Executive Officer, Chief Financial Officer and a compliance officer.

The Stock Market Ethics Code is available on the Group's website.

At the same meeting, the Board of Directors also adopted a Rumour management Manual to inform members of the Insider Committee of the applicable regulations and best practices to follow in the event of market rumours about the Company or the Rémy Cointreau Group in general.

3.2.2.2 DUTIES OF THE BOARD OF DIRECTORS

Role and powers of the Board of Directors

The Board of Directors is a collegiate body, in that Board members collectively exercise the functions conferred on the Board by law. The Board members do not have any individual powers, apart from the Chairman, by virtue of the role and powers conferred by the Articles of Association and the internal regulations of the Board of Directors.

The role of the Board is to determine, upon a proposal from the Chief Executive Officer, the strategic, economic and financial direction of the Company and its Group and to oversee its implementation. The Board may be involved in any matters pertaining to the operation of the Company and its Group and may ask senior management to report and/or submit proposals on such matters. In this regard, the Board retains all decision-making powers.

The Board may perform or commission any audits and checks that it deems appropriate.

In general, any major decision affecting the Company and its Group, including decisions likely to affect their strategy, financial structure or scope, requires the Board's prior authorisation.

Any material transaction that does not relate to the Group's formal strategy is also subject to the prior approval of the Board.

The Board of Directors is informed of the Company's financial position, cash flow, liabilities and liquidity position.

Lastly, the Board verifies the content of information received by shareholders and investors, which must be relevant, balanced and informative regarding the strategy, development model, handling of non-financial issues by the Company and long-term outlook for the Group.

It reports To the Shareholders' Meeting on how the Board prepared and organised its work, the internal control and risk management procedures put in place by the Company, the limitations that the Board has placed on the powers of the Chief Executive Officer, the specific arrangements relating to shareholder participation at Shareholders' Meetings, and the principles and rules governing the remuneration and benefits granted to corporate officers.

The Board of Directors may appoint non-voting members directly, without ratification by the Shareholders' Meeting. Non-voting members examine issues that the Board of Directors or its Chairman submits for their consideration. Non-voting members are invited to Board meetings in the same way as regular Board members. They attend these meetings and take part in deliberations. However, their absence does not affect the validity of the proceedings.

Role and powers of the Chairman of the Board of Directors

The Chairman of the Board of Directors organises and presides over the Board's work, reporting on this To the Shareholders' Meeting.

He is responsible for the effective operation of the Company and ensures that Board members are able to discharge their duties.

He also makes sure that the senior management fully exercises the responsibilities delegated to it by law, by the Articles of Association and by these regulations.

The Board of Directors delegates the Group's public communications to the Chairman, who liaises closely with the Chief Executive Officer. The Chairman may appoint any representative of his choice for specific subjects. He reports regularly to the Board on the performance of his duties.

3.2.3 ACTIVITY OF THE BOARD OF DIRECTORS AND SPECIALISED COMMITTEES

During the financial year ended 31 March 2018, the Board of Directors met on seven occasions (including two additional meetings). Board meetings lasted for three hours on average. The attendance rate was 86%. During the 2017/2018 financial year, only the meeting of 11 September 2017 was held by video-conference.

The Board of Directors routinely meets without the Chief Executive Officer the day before a Board meeting.

With regards to its main areas of competence, the Board debated and ruled on the following items in particular:

The Group's strategy

In particular, the Board:

- approved the 2018-2023 medium-term plan following a detailed presentation from senior management and the directors of each division on the strategic options and areas of growth for the brands over the period under consideration;
- reviewed the strategies and performance of the competition and the Group's relative positioning;
- analysed the attractiveness of proposed acquisitions, their impact on the corporate financial structure and their long-term growth capacities;
- monitored acquisitions carried out in previous years;
- at each meeting, reviewed the Group's activity and results, net sales achieved by division, geographic areas and brands and gains in market share, thus allowing Board members to be aware on a continuous basis of the Company's current situation and challenges.

In order to obtain an in-depth knowledge of the Group's brands, the Board of Directors meets once a year at a production site. The meeting of the Board of Directors of 29 September 2017 was therefore held in Greece with visits to the sites in Athens and on Samos, including meeting employees. At this meeting, the Chief Executive Officer, Liqueurs & Spirits, presented the Metaxa brand development strategy to Board members.

A committee of Chairmen enables the Chief Executive Officer to meet with the senior management of Andromède, the parent of Orpar and the Group's ultimate parent company. This committee enables the Company's management to be better informed on the strategies adopted within the Group's sector of activity, and as such to prepare the work of the Board of Directors under the best possible conditions.

The Board also pays special attention to developing talented individuals. On this occasion, two international teams sponsored by two Executive Committee members, made a detailed presentation to Board members on the results of their work on issues related to the Group's brands.

Corporate governance

In particular, the Board, on the basis of the work of the Nomination and Remuneration Committee:

- appointed Marc Hériard Dubreuil to the chairmanship of the Board of Directors and set his remuneration;
- renewed the term of office of Valérie Chapoulaud-Floquet as Chief Executive Officer and renewed her remuneration package;
- approved the performance conditions in accordance with the provisions of the law of 6 August 2015 on the commitment to a defined-benefit pension scheme;
- adopted the list of independent Board members;
- formally evaluated its operation in 2016/2017, appointing an external consultant;
- discussed the composition of its specialised committees;
- agreed the remuneration package of the Chairman of the Board of Directors and the Chief Executive Officer for the 2016/2017 financial year;
- set the remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer for the 2017/2018 financial year;
- prepared the Shareholders' Meeting of 25 July 2017, in particular setting its agenda.

Financial statements and budget

In particular, the Board, on the basis of the work of the Audit-Finance Committee:

- approved the Group's consolidated financial statements and the Company's financial statements at 31 March 2017;
- agreed the appropriation of 2016/2017 earnings proposed To the Shareholders' Meeting and agreed the distribution of dividends;
- reviewed the interim consolidated financial statements at 30 September 2017;
- adopted the budget for the 2018/2019 financial year;
- agreed to implement the Company's share buyback programme and agreed that it be continued until 29 December 2017;
- reduced the share capital through the cancellation of 103,638 shares acquired as a result of the aforementioned buyback programme;
- approved the new Foreign Exchange Charter.

Regulated agreements

In particular, the Board:

- On the appointment of the Chairman of the Board of Directors (meeting of 29 September 2017)
 - in accordance with Article L. 225-42-1 of the French Commercial Code, authorised the commitment made to the Chairman of the Board of Directors relating to the supplementary pension plan and welfare plan, having deemed that this was in the Company's interests, having regard to the elements presented to it.
- On the renewal of the appointment of the Chief Executive Officer (meeting of 17 January 2018)
 - in accordance with Article L. 225-42-1 of the French Commercial Code, authorised the commitment made to the Chief Executive Officer relating to termination payments, non-compete compensation, the supplementary pension plan and welfare plan, having deemed that this was in the Company's interests, having regard to the elements presented to it.

It also:

- reviewed the regulated agreements entered into and authorised in prior years and whose performance continued in 2017/2018;
- authorised the extension of the current-account agreement with Orpar by means of an amendment to the agreement originally entered into on 31 March 2015. This amendment, signed on 31 March 2018, extends the period during which Orpar makes available €60 million for a period of three years from 7 April 2018. This advance bears interest at 0.60%. It is refundable *in fine*, or at any time at the request of Orpar or Rémy Cointreau with prior notice of three months.

ACTIVITY OF THE SPECIALISED COMMITTEES OF THE BOARD OF DIRECTORS

In order to carry out an in-depth review of the specific issues related to the duties of the Board of Directors, the latter has established three specialised Committees:

- Audit-Finance Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee.

These committees are established to study and prepare certain considerations and to give recommendations or advice to the Board. Their overall objective is to improve the relevance of the information provided to the Board and the quality of its deliberations. In no way are they a substitute to the Board of Directors. The recommendations of the committees are presented to the Board as part of the reports made to the Board meeting by their respective Chairmen.

The Board defines the composition and powers of these committees. The Board appoints a member of each committee as Chairman.

The committees may have regulations specifying their powers and modes of operation, but in the absence of specific regulations, the provisions of the internal regulations of the Board of Directors are considered to act as the regulations for each committee as regards their powers and modes of operation.

In the exercise of their powers, these committees may interview Group executives and Statutory Auditors after having informed the Chairman of the Board. The Board may entrust third parties with special assignments bearing on one or more specific topics, at the request of these committees. Their remuneration is then set by the Board. The committees report the opinions obtained in this manner to the Board.

The committees do not interact directly with Executive Committee members, but one of the members of the Executive Committee attends the meetings of the committee that addresses topics relating to his/her function. He/she then prepares and makes available all documentation necessary for the committee to perform its duties. The Audit Committee may request interviews with the Statutory Auditors without the attendance of an Executive Committee member.

The Chairman of the Board may attend any Committee meeting.

The secretariat of each committee is provided by a person designated by the Chairman or in agreement with him/her.

AUDIT-FINANCE COMMITTEE

Members of the Audit-Finance Committee have the necessary financial and accounting skills from their professional experience and their sound knowledge of the Group's accounting and financial procedures (see biographies on pages 81, 84 and 87).

Composition

Chairman: Jacques-Étienne de T'Serclaes.

Members: François Hériard Dubreuil, Emmanuel de Geuser.

Number of independent members: two

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE AUDIT-FINANCE COMMITTEE

The duties of the Audit-Finance Committee are as follows:

- review of the annual and interim financial statements and quarterly net sales and ensuring the appropriateness and consistency of the accounting principles used;
- monitoring of the process of preparing financial information;
- review of the debt and banking covenant positions;
- valuation and monitoring of intangible assets;
- valuation of inventories;
- off-balance sheet commitments;
- application of IFRS accounting standards;
- Group financial and tax policy;
- review of risk mapping and principal risks (litigation, receivables, intangible assets);
- internal control procedures;
- internal audit action plan, recommendations and follow-up actions;
- to be notified of any material failure or weakness in terms of internal control and any fraud of a significant nature;
- to be notified of the implementation of the Group's compliance programs, particularly those relating to the prevention of corruption and monitoring of the most significant cases brought to the attention of the Group;
- currency and interest rate risk management policy, particularly the review of the authorised maximum risk amount and the amount of the "disaster" risk, regular review of positions, accounting methods and instruments used, review of procedures;
- recommendation on the appointment of the Statutory Auditors; review of fees budget;
- interview of the Statutory Auditors; monitoring of the rules on the independence and objectivity of the Statutory Auditors;
- authorisation, in light of the applicable legal or regulatory provisions, of services other than certification of the financial statements that may be assigned to the Statutory Auditors and their network;
- review of the scope of consolidated companies and, where applicable, reasons for not including companies.

The Audit Committee fulfils the functions of a specialised committee and carries out monitoring of matters relating to the preparation and control of accounting and financial information, in accordance with Articles L. 823-19 and L. 823-20-4 of the French Commercial Code.

One day prior to Committee meetings, the members may hold a preparatory meeting to exchange and examine the information that has been provided to them. The committee ensures that information relating to agenda items is provided at least three days in advance of the meeting.

Activity

The Audit-Finance Committee met twice during the financial year with the participation of the Statutory Auditors and an attendance rate of 100%. It met four times without the presence of the Statutory Auditors, notably as part of the process of selecting a Principal Statutory Auditor through a call for tenders.

The following are the main items addressed during these meetings:

- review of the 2016/2017 annual and 2017/2018 interim financial statements, quarterly net sales and, more broadly, the Company's financial communications;
- review of the new standards IFRS 15 and 16;
- review of the cash, debt and banking covenant positions;
- review of the currency hedging positions and monitoring of client risk;
- review of the main litigation risks;
- risk assessment of intangible assets (brands) and financial assets;
- review of the value of investments in associates;
- review of the Group's tax situation;
- review of risk mapping;

- review of the internal audit action plan and its findings;
- review of the procedures introduced pursuant to the Sapin II law on transparency, combating corruption and modernising the economy;
- review of the personal data protection programme;
- review of the independence of the Statutory Auditors;
- expiry of the term of the Principal Statutory Auditors and selection process through a call for tenders.

It should be noted that on each occasion that financial statements were finalised, the committee met the Statutory Auditors without management being present, before the Finance department presented the financial statements to it. The committee also met the person responsible for internal control activities (audit, risk, compliance) at each meeting, particularly with regards to progress on the Sapin II implementation action plan and work on personal data protection.

NOMINATION AND REMUNERATION COMMITTEE

Composition

Chairman: Yves Guillemot

Members: Dominique Hériard Dubreuil, Guylaine Dyèvre and, from 7 June 2017, Gisèle Durand (Orpar) and Bruno Pavlovsky

Number of independent members: three

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE NOMINATION AND REMUNERATION COMMITTEE

The duties of the Nomination and Remuneration Committee are as follows:

- review of potential candidates for the Board of Directors and selection of independent Board members;
- review of the classification of independent Board member at the time of appointing a Board member and annually for all members in light of the independence criteria specified by the AFEP/MEDEF Code;
- interviewing candidates for the positions of Chief Executive Officer, Deputy Chief Executive Officer and non-voting member;
- succession plan for executive officers;
- recommendation on the total budget and arrangements for distributing of Directors' fees;
- review of the tools enabling improvements to the motivation and remuneration of the Group's executives and management;
- senior management remuneration;
- management bonus systems;
- review of the Group's policy on stock options and grant of bonus shares;
- review of supplementary pension plans.

Activity

This committee met five times during the 2017/2018 financial year with an attendance rate of 85%.

In particular, it discussed:

- approved the appointment of Marc Hériard Dubreuil to the chairmanship of the Board of Directors and the setting of his remuneration;
- the renewal of Valérie Chapoulard-Floquet as Chief Executive Officer and the renewal of her remuneration package;
- the review of performance conditions in accordance with the provisions of the law of 6 August 2015 on the commitment in respect of a defined-benefit retirement scheme;
- the composition of the Board of Directors and the Board's Committees;
- the extent to which the performance conditions in respect of the variable portion of the remuneration of the Chief Executive Officer and the members of the Executive Committee were achieved for the 2016/2017 financial year;
- the setting of the remuneration policy for executive officers for the 2017/2018 financial year;
- the table summarising the elements of remuneration payable to executive officers for the 2016/2017 financial year, in preparation for the shareholders' opinion pursuant to the AFEP/MEDEF Code;
- the formal assessment of the Board of Directors assigned, under the committee's guidance, to an external consultant;
- review of a new "expat" charter formalising international mobility principles within the Group and harmonising and standardising practices;
- the new medium/long-term performance incentive plan in the form of a grant of indexed bonus shares;
- the extent to which the performance conditions attached to the 2015 medium/long-term performance incentive plan in the form of a grant of indexed bonus shares were achieved;
- update of the COP targets of the cash plan approved in March 2014;
- distribution of Directors' fees;
- introduction of time savings, incentive, profit sharing, and pension savings plans.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

Chairman: Dominique Hériard Dubreuil

Members: Florence Rollet and Olivier Jolivet

Number of independent members: two

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The duties of the Corporate Social Responsibility (CSR) Committee are as follows:

- approval and implementation of the CSR policy;
- compliance with commitments (UN Global Compact and internal CSR charters);
- evaluation of initiatives implemented (2020 CSR plan);
- monitoring of indicator scorecard;
- result of CSR reporting verification checks (Grenelle law);
- changes in non-financial ratings;
- outlook (updating of 2020 CSR plan).

Activity

This committee met twice during the 2017/2018 financial year with an attendance rate of 84%.

The following are the main items addressed during these meetings:

- review of the implementation of the 2020 CSR performance indicators for Executive Committee members;
- review of changes to the CSR legal framework (energy transition, Grenelle/EU, etc.);
- progress in communicating the Group's CSR policy;
- review of the Group's CSR activity in the 2016/2017 financial year (CSR section of the registration document);
- acknowledgement of the work of the Rémy Cointreau Foundation.

3.2.4 ASSESSMENT OF THE BOARD OF DIRECTORS

In accordance with the recommendations of the AFEP/MEDEF Code, the Company includes this assessment on the agenda of one of the meetings of the Board of Directors each year.

Based on a detailed and transparent questionnaire sent to each Board member, which is used to collect comments and suggestions, the assessment concerns the Board's composition, organisation and information, its duties and powers, its practices and those of its committees, as well as any improvements to be made to improve its efficiency.

The results of this assessment and the areas for improvement are communicated to each Director, for the purpose of making changes to the Board's practices.

In accordance with the Board's internal regulations, this assessment was overseen by the Nomination and Remuneration Committee and was discussed at the Board meeting on 5 June 2018.

The results of this assessment indicated that all members of the Board of Directors are satisfied and motivated by their role. The Board's activities were found to be complementary to those of senior management, particularly when it came to the Group's high-end strategy and its development.

The main points taken from the assessment are:

- the balanced composition of the Board.
 - the quality of the Board's role in terms of strategy, and
- The Board noted that its duties had been carried out with the necessary competence and independence thanks to the presence of experienced professionals and a significant number of Independent Board members, particularly for a Group with a main shareholder. Consequently, the Board believes its composition to be balanced and that it is essential to continue to focus on high-quality candidates for the selection of directors and the cohesion of its members.
- The Board also highlighted the high quality of the information given to its members, particularly as regards medium- and long-term strategy and development (medium-term plan and strategic data) and financial, legal and tax matters. In addition, the directors deemed the Board's working procedures and the quality of its discussions to be satisfactory, as well as the work and recommendations of its committees.
- Nevertheless, some areas for improvement were identified concerning the governance and functioning of the Board and its committees, which should be specifically addressed by the Board. They include in particular the attention that the Board must pay to:
- changes in the composition of the Board, with greater internationalisation: broad profiles and profiles that are able to accompany the Group's digitisation;

- the succession plans for the major shareholder's representatives and for executive officers;
- the implementation of a welcome or integration programme for directors when they take office, so that they may be versed in the Group's trades, organisation, strategy, geographic positioning, product positioning, customers, and regulatory and financial aspects.

RECOMMENDATIONS OF THE AFEP/MEDEF CODE

Independent Board members

Article 8.5: *"The criteria to be reviewed by the committee and the Board in order for a Board member to qualify as independent and to prevent risks of conflicts of interest between the Board member and the management, the Company, or the Group, are the following: "not to have been a director of the Company for more than 12 years"*

3.2.5 "COMPLY OR EXPLAIN" RULE

The Company considers its practices to be consistent with the recommendations of the AFEP/MEDEF Code. However, some of the Code's recommendations have not been implemented or have been adapted for the reasons given below:

EXPLANATIONS

At its meeting on 5 June 2018, the Board of Directors reviewed the independence of Jacques-Étienne de T'Serclaes in light of the criteria set out in the AFEP/MEDEF Code;

On this occasion, the Board noted that Jacques-Étienne de T'Serclaes fulfils all of the independence criteria established by the AFEP/MEDEF Code, except for that relating to the duration of his appointment. In effect, the AFEP/MEDEF Code recommends that Board members whose appointment exceeds 12 years no longer be considered as independent.

The Board nevertheless considered that this criteria should be set aside for Jacques-Étienne de T'Serclaes.

Jacques-Étienne de T'Serclaes performs no role, whether executive or otherwise, in a company that is consolidated within Rémy Cointreau. In addition, he is not an employee, executive officer or Board member of a company consolidated within Rémy Cointreau.

Moreover, Jacques-Étienne de T'Serclaes, who is a well-known figure in the field of business, has performed management roles in major international Groups that have no significant relationship with Rémy Cointreau, guaranteeing his professional and financial independence with respect to Rémy Cointreau.

The various Board member appointments held by Jacques-Étienne de T'Serclaes also offer him perspective and a strategic overview which enhance discussions within the Rémy Cointreau Board of Directors.

The objectivity and independence of mind that Jacques-Étienne de T'Serclaes has always demonstrated at Board meetings, together with his ability to defend his points of view forthrightly and with conviction, have been welcomed by other Board members and have, moreover, led to his appointment to the chairmanship of the Audit-Finance Committee. Lastly, Jacques-Étienne de T'Serclaes has, during his successive appointments as a Board member of Rémy Cointreau, acquired an in-depth knowledge of the Group and unquestionable experience that allow him to understand the challenges facing Rémy Cointreau, to appreciate all of their implications and, therefore, to contribute effectively to the work of the Board of Directors and solely in the interest of the Group.

For all of these reasons, the Board of Directors has concluded that Jacques-Étienne de T'Serclaes is independent.

RECOMMENDATIONS OF THE AFEP/MEDEF CODE

Independent Board members

Article 8.5: “The criteria to be reviewed by the committee and the Board in order for a Board member to qualify as independent and to prevent risks of conflicts of interest between the Board member and the management, the Company, or the Group, are the following: (...)

- 8.5.3 not to be a customer, supplier, commercial banker or investment banker (or be directly or indirectly related to such a person);
 - that is material to the Company or its Group;
 - or for a significant part of whose business the Company or its Group accounts.

The evaluation of the significant or non-significant relationship with the Company or its Group must be debated by the Board and the quantitative criteria that lead to the evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the annual report.”

Committee practices

Article 14.3: “Each committee must have internal rules setting out its duties and mode of operation. The committees’ internal rules, which must be approved by the Board, may be integrated into the internal rules of the Board or be set out in separate provisions.”

EXPLANATIONS

Ms Dyèvre was appointed as Director by the shareholders’ Meeting of 24 July 2014. Ms Dyèvre is Head of Corporate & Investment Banking Compliance at BNP Paribas Group. In this capacity, she is in charge of financial security, business ethics, market integrity and protection of customer interests. Consequently, she does not assume any responsibility as a commercial or investment banker for the Company or for the Rémy Cointreau Group, her role being limited to overseeing compliance at BNPParibas.

The Board of Directors therefore concluded, on the basis of the examination of these criteria by the Nomination and Remuneration Committee, that there were no potential conflicts of interest between Ms Dyèvre and the management, the Company or its Group and that Ms Dyèvre qualified as an independent Board member. The Board of Directors therefore decided not to apply Article 8.5.3 of the AFEP/MEDEF Code in this case. This decision has no impact on the Company’s compliance with Article 8.2 of the AFEP/MEDEF Code, which stipulates that, in controlled companies within the meaning of Article L. 233-3 of the French Commercial Code, at least one-third of Board members must be independent.

Article 7.1 of the Board’s internal regulations stipulates that the Audit and Finance Committee and the Nomination and Remuneration Committee may each have specific rules. Failing this, the provisions of Article 7.1 of the Board’s internal regulations govern the powers and practices of each of these committees. The Board of Directors adopted the latter solution, amending Article 7.1 of its internal regulations accordingly.

The internal regulations are available on the Group’s website.

— 3.3 SENIOR MANAGEMENT AND EXECUTIVE COMMITTEE

During the meeting of 17 January 2018, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, renewed Valérie Chapoulaud-Floquet’s appointment as Chief Executive Officer for a term of three years from 27 January 2018.

Valérie Chapoulaud-Floquet studied international business and finance at the EM Business School in Lyon.

After starting her career in 1983 as an analyst with Crédit Lyonnais Italy, she held various positions within the L’Oréal Group from September 1984 to September 2008. She spent time in France, Italy, Asia and the United States, where she was notably CEO of the Luxury Products Division for Asia, and later Europe, before heading the Luxury Products division in the US.

Ms Chapoulaud-Floquet then joined the LVMH Group, where from September 2008 to August 2014 she served as CEO of Louis Vuitton Taiwan, President of Louis Vuitton South Europe, and President and CEO of Louis Vuitton North America and Louis Vuitton Americas.

Within the Rémy Cointreau Group, Ms Chapoulaud-Floquet is also President of Rémy Cointreau Travel Retail Americas, Inc. and a Director of Bruichladdich Distillery Company Ltd, Rémy Cointreau International Spirits Ltd, Rémy Cointreau UK Distribution and Rémy Cointreau USA, Inc.

Ms Chapoulaud-Floquet does not hold any appointments in listed companies outside the Rémy Cointreau Group.

3.3.1 ROLE AND POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer oversees the general management of the Company and reports to the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties. She is vested with the broadest powers to act in any circumstances in the name of the Company, provided that her actions comply with the purpose of the Company and that they are not specifically assigned to the Shareholders' Meeting or the Board of Directors.

If the Chief Executive Officer is also a Director, he or she may not hold more than two other directorships in listed companies outside the Group, including foreign companies, and may not accept the renewal of an external appointment if this would exceed that limit. The Chief Executive Officer shall also seek the Board's advice before accepting a new executive appointment in a listed company.

LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In a purely internal measure, not binding on third parties, the Chief Executive Officer must seek the approval of the Board before committing the Company to transactions that are outside the scope of normal management decisions, particularly in respect of:

- granting sureties, pledges and guarantees, except under the conditions provided below;
- making acquisitions, transferring property titles or exchanging goods or property and making investments of more than €10 million per transaction;
- concluding any investment or joint business operation with other companies, either French or foreign;

- granting to any existing company a contribution in cash, in kind, in property or in benefit, in excess of €10 million per transaction;
- making the Company party to any economic interest grouping or other businesses, associations or partnerships, in France or abroad, by forming such groupings or assisting in their formation, by subscribing or contributing cash or benefits in kind, by purchasing shares, rights of ownership or other securities, and generally, under any form and for an amount in excess of €10 million per transaction;
- transferring ownership of investments for amounts in excess of €10 million per transaction;
- granting loans, credit and advance payments to corporate bodies outside the Rémy Cointreau Group for an amount in excess of €10 million per borrower;
- signing any loan or obtaining credit facilities, with or without pledges or other securities on Group assets, for an amount in excess of €50 million in the same financial year.

On 5 June 2018, the Board of Directors also authorised, for a period of one year, the Chief Executive Officer to grant sureties, pledges and guarantees in the name of the Company for a total amount of €50 million. Any commitment exceeding this ceiling requires the specific approval of the Board.

The Board of Directors also authorised the Chief Executive Officer to grant sureties, pledges and guarantees in the name of the Company to the tax and customs authorities for an unlimited amount.

This authorisation, granted to the Chief Executive Officer, was renewed for a period of one year by the Board of Directors at its meeting of 5 June 2018.

3.3.2 EXECUTIVE COMMITTEE

The Chief Executive Officer has also formed an Executive Committee, whose members were submitted to the Board for approval. The task of the Executive Committee is to assist the Chief Executive Officer on an ongoing basis with operational matters, both in terms of decision-making and implementation.

Its members at 31 March 2018 were⁽¹⁾:

- Valérie Alexandre-Courbon, Senior Vice President Strategic Planning;
- Marc-Henri Bernard, Group Human Resources Director;
- Simon Coughlin, Chief Executive Officer of Bruichladdich Distillery Company;
- David Ennes, Chief Executive Officer Asia;
- Philippe Farnier, Chief Executive Officer Americas;
- Spyridon Gkikas, Chief Executive Officer EMEA;
- Patrick Marchand, Executive Vice President Operations;
- Luca Marotta, Chief Financial Officer;
- Ian McLernon, Chief Executive Officer Global Travel Retail;
- Jean-Denis Voin, Chief Executive Officer, Liqueurs & Spirits;
- Éric Vallat, Chief Executive Officer, Rémy Martin, LOUIS XIII and Mount Gay.

(1) Its composition changed on 1 June 2018 (Press release of 3 April 2018).

— 3.4 ADDITIONAL INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

ABSENCE OF CONVICTIONS

To the best of Rémy Cointreau's knowledge:

- there have been no convictions for fraud over the last five years against any members of the Board of Directors or the Chief Executive Officer;
- neither the Chairman, any members of the Board of Directors or the Chief Executive Officer have been party, over the past five years, to a bankruptcy, nor were assets impounded or liquidated while being a member of an administrative, management or supervisory body or serving as a Chief Executive Officer;
- no official public sanction and/or charge has been brought against any member of the Board of Directors, Chairman or Chief Executive Officer by statutory and regulatory authorities, including designated professional bodies. Thus, neither the Chairman, the Chief Executive Officer nor any member of the Board of Directors has been subject to any statutory disqualification from acting as a member of an administrative body or being involved in the management of an issuer or its business affairs in the past five years.

NATURE OF ANY FAMILY RELATIONSHIPS BETWEEN CORPORATE OFFICERS

François and Marc Hériard Dubreuil are Dominique Hériard Dubreuil's brothers.

Laure Hériard Dubreuil is the daughter of Marc Hériard Dubreuil.

Dominique and François Hériard Dubreuil are Laure Hériard Dubreuil's aunt and uncle.

SIGNIFICANT BUSINESS RELATIONSHIPS WITH THE COMPANY OR ITS GROUP

To the best of Rémy Cointreau's knowledge, there are no significant business relationships between the Company or any

of its subsidiaries and any members of the Board of Directors, its Chairman or the Chief Executive Officer.

A service provision agreement exists between Rémy Cointreau SA and Andromède SAS, as described in the paragraph on service agreements below. Treasury and current account agreements are also in place between Rémy Cointreau SA and Orpar SA, as mentioned in section 1.5 of this report and in the Statutory Auditors' special report.

Dominique, François and Marc Hériard Dubreuil are Board members or officers of Andromède SAS and Orpar SA.

ABSENCE OF POTENTIAL CONFLICTS OF INTEREST

To the best of Rémy Cointreau's knowledge, there are no potential conflicts of interest between the duties toward the issuer and the private interests and/or other duties of any members of the Board of Directors, the Chairman or the Chief Executive Officer.

SERVICE CONTRACTS BETWEEN MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

Neither the Chairman, the Chief Executive Officer nor any member of the Board of Directors, as an individual, is bound to Rémy Cointreau or to any of its subsidiaries by a service contract providing for the granting of benefits at the end of the contract.

Since section 16.2 of regulation (EC) No. 809/2004 of 29 April 2004 requires information to be provided about service contracts between members of the administrative bodies and the issuer or any of its subsidiaries, it is noted that a service provision agreement was entered into on 31 March 2011 between Rémy Cointreau SA and Andromède SAS, of which Dominique Hériard Dubreuil and François and Marc Hériard Dubreuil are executive officers. This agreement is mentioned in section 1.5 of this report and in the Statutory Auditors' special report.

— 3.5 REMUNERATION

3.5.1 PRINCIPLES AND RULES FOR SETTING REMUNERATION AND BENEFITS GRANTED TO EXECUTIVE OFFICERS AND BOARD MEMBERS

The overall remuneration paid to executive and non-executive officers is set by the Board of Directors, which decides on the basis of recommendations issued by the Nomination and Remuneration Committee. The committee, composed of three independent Board members, ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

Regardless of category or income, the objective of the Nomination and Remuneration Committee is to recommend an overall remuneration package that is both competitive and attractive. To that end, it draws on objective studies of the remuneration offered by companies comparable to Rémy Cointreau in the appropriate market, carried out by external experts.

The committee issues its recommendations on all the items comprising the overall remuneration, including:

- fixed remuneration

The fixed portion of remuneration is determined according to the responsibilities of the executive officers concerned.

A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's executive remuneration structure compares with that of other SBF 120 companies;

- annual variable remuneration (bonus)

For several years, the Board of Directors has defined a procedure for calculating the variable portion of executive remuneration so that it acts as an incentive while remaining fair. This procedure is based on ambitious quantitative and qualitative criteria that ensure that remuneration is in line with the Group's performance.

This variable portion is expressed as a percentage of annual fixed remuneration. It can range from 0% to 75% if the quantitative and qualitative targets are reached (target level), or up to 100% in the case of exceptional financial performance exceeding the targets set. The criteria are regularly reviewed and modified from time to time. During the 2017/2018 financial year, the Board, on the recommendation of the Nomination and Remuneration Committee, reviewed the quantitative and qualitative criteria and selected the following elements:

QUANTITATIVE CRITERIA

Four quantitative criteria based on financial performance (equivalent to 37.5%):

- current operating profit,
- cash flow generation,
- net profit excluding non-recurring items,
- ROCE (Return on Capital Employed).

QUALITATIVE CRITERIA:

Five qualitative criteria based on managerial and entrepreneurial skills (equivalent to 37.5%):

- optimising the distribution network and adapting it to the defined strategy,
- diversifying and enhancing the brand portfolio through targeted acquisitions,
- promoting diversity within the Group and developing a robust succession plan,
- achieving quantitative targets in the area of Corporate Social Responsibility,
- contributing through his actions to the Group's influence in France and abroad.

The criteria range from 0% to 11.25% of annual fixed remuneration. Each year the percentage doubles for one of the criteria. The Board of Directors conducts an annual performance review for each executive officer on the basis of the Nomination and Remuneration Committee's recommendations. The qualitative criteria are reviewed annually in line with the Group's strategic priorities. Due to the confidentiality of the Group's strategy, details of the qualitative objectives may only be disclosed at the end of each financial year;

- "deferred" remuneration:

- medium and long-term performance incentive plan:

The Board of Directors has introduced the principle of performance criteria (detailed in Table 5) as part of its policy for awarding bonus Performance shares,

- supplementary defined-benefit pension plan:

The objectives of the supplementary defined-benefit pension plan are to retain the loyalty of the executives concerned and to encourage long-term performance. The supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company, involves the payment of an annuity calculated as a percentage of remuneration on the basis of length of service. Payment of the annuity is subject to continued employment at the time of retirement. The amount of the annuity ranges from 8% to 15% of gross annual remuneration, depending on the age of the beneficiary at the time of retirement.

The benefit of this plan is contingent on length of service (a minimum of five years with the Company as a senior manager) and continued employment at the time of retirement.

The annuity is calculated on the basis of average gross remuneration for the last two years of employment.

It is also capped so that the total replacement income received from all pension plans (Social Security, ARRCO, AGIRC,

Article 83, Article 39) does not exceed 50% of the income earned from work. Should this ceiling be exceeded, the amount of the supplementary pension would be reduced accordingly;

- other employee benefits for executive officers:
 - executive unemployment insurance in the absence of an employment contract with the Group,
 - Group defined-contribution pension plan,
 - life and disability policy,
 - healthcare plan.

The last three plans are allocated according to the criteria applicable to the employee category that the Company uses to decide on the benefits.

These criteria now only apply to the Chief Executive Officer.

REMUNERATION OF THE NON-EXECUTIVE OFFICER

The Board of Directors sets the remuneration of the non-executive officer according to the terms proposed by the Nomination and Remuneration Committee, in line with the above-mentioned targets.

As Chairman of the Board of Directors for the period from 1 April 2017 to 30 September 2017, François Hériard Dubreuil did not receive annual or multi-year variable remuneration. The Chairman's remuneration has remained unchanged since the 2016/2017 financial year. The fixed remuneration received by François Hériard Dubreuil as Chairman accordingly amounted to €100,000 (pro rata temporis) in 2017/2018.

The lack of variable remuneration reflects the Chairman's independence from senior management.

As Chairman of the Board of Directors for the period from 1 October 2017 to 31 March 2018, Marc Hériard Dubreuil did not receive annual or multi-year variable remuneration. The Chairman's remuneration has remained unchanged in relation to that of his predecessor for the 2016/2017 financial year. The fixed remuneration received by Marc Hériard Dubreuil as Chairman accordingly amounted to €100,000 (pro rata temporis) in 2017/2018.

The lack of variable remuneration reflects the Chairman's independence from senior management.

Members of the Board of Directors receive Directors' fees, the total amount of which is set by the Shareholders' Meeting. In the light of this, the Board of Directors awarded François Hériard Dubreuil and Marc Hériard Dubreuil €40,000 each (pro rata temporis) for the year ended 31 March 2018.

3.5.2 REMUNERATION OF EXECUTIVE OFFICERS

executive officers' remuneration is presented hereinafter in accordance with the principles of the AFEP/MEDEF Code.

It consists of gross remuneration and benefits in kind paid or contributed by the Company and companies controlled by it, or paid by controlling companies.

TABLE 1 – SUMMARY OF REMUNERATION, OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE OFFICER

<i>(in €)</i>	2017/2018	2016/2017
François Hériard Dubreuil, Chairman from 27 January 2015 to 30 September 2017		
Remuneration due in respect of the period (details in Table 2)	€436,198	€423,166
Value of options granted during the financial year	-	-
Value of Performance shares granted during the financial year	-	-
TOTAL	€436,198	€423,166
Marc Hériard Dubreuil, Chairman from 1 October 2017		
Remuneration due in respect of the period (details in Table 2)	€523,554	-
Value of options granted during the financial year	-	-
Value of Performance shares granted during the financial year	-	-
TOTAL	€523,554	-
Valérie Chapoulaud-Floquet, Chief Executive Officer since 27 January 2015, reappointed on 17 January 2018 with effect from 27 January 2018		
Remuneration due in respect of the period (details in Table 2)	€1,496,805	€1,180,993
Value of options granted during the financial year	-	-
Value of Performance shares granted during the year (details in Table 6)	€554,905	€454,968
TOTAL	€2,051,710	€1,635,961

TABLE 2 – SUMMARY OF REMUNERATION PAID TO EACH EXECUTIVE OFFICER

	2017/2018		2016/2017	
	PAYABLE	PAID	PAYABLE	PAID
François Hériard Dubreuil, Chairman from 27 January 2015 to 30 September 2017				
Fixed remuneration – Rémy Cointreau ⁽¹⁾	€100,486	€100,486	€200,938	€200,938
Fixed remuneration – controlling companies	€286,008	€286,008	€185,470	€185,470
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees – Rémy Cointreau	€40,000	€39,000	€39,000	€33,000
Directors' fees – companies controlled by Rémy Cointreau	-	-	-	-
Directors' fees – controlling companies	-	-	-	-
Benefits in kind (car)	€1,704	€1,704	€3,758	€3,758
TOTAL	€437,198	€436,198	€423,166	€423,166
Marc Hériard Dubreuil, Chairman from 1 October 2017				
Fixed remuneration – Rémy Cointreau ⁽¹⁾	€104,217	€104,217	-	-
Fixed remuneration – controlling companies	€321,337	€321,337	-	-
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees – Rémy Cointreau	€40,000	€39,000	-	-
Directors' fees – companies controlled by Rémy Cointreau	€50,000	€50,000	-	-
Directors' fees – controlling companies	-	-	-	-
Benefits in kind (car)	-	-	-	-
TOTAL	€524,554	€523,554	-	-
Valérie Chapoulard-Floquet, Chief Executive Officer since 27 January 2015, reappointed on 17 January 2018 with effect from 27 January 2018				
Fixed remuneration ⁽²⁾	€696,649	€696,649	€649,965	€649,965
Annual variable remuneration ⁽³⁾	€721,620	€512,765	€512,765	€551,820
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	€60,000	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€18,536	€18,536	€18,263	€18,263
TOTAL	€1,496,805	€1,227,950	€1,180,993	€1,220,048

(1) On an annual basis, the gross annual fixed remuneration paid in 2017/2018 includes a gross fixed salary of €100,000 and related contributions.

(2) On an annual basis, the gross annual fixed remuneration paid in 2017/2018 includes a gross fixed salary of €578,000, a gross impatriation bonus of €100,000, and related contributions linked to surplus employer contributions towards the supplementary pension plan (Article 83) and a life and disability plan.

(3) Annual variable remuneration is based on the targets described in section 3.4.1. If all targets are achieved, this variable remuneration can represent 75% of the fixed annual salary (or 100% in the case of exceptional financial performance exceeding the targets set).

TABLE 3 – STOCK OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

None.

TABLE 4 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE OFFICER

None.

TABLE 5 – PERFORMANCE SHARES GRANTED DURING THE YEAR TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance, and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective.

The plans are aimed at a select group of individuals: the Group's Board members, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are

managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach Director level, or who could be promoted through two levels of management.

Valérie Chapoulaud-Floquet, Chief Executive Officer since 27 January 2015, reappointed on 17 January 2018 with effect from 27 January 2018

COMPANY RÉMY COINTREAU

Date of authorisation by the Shareholders' Meeting	26 July 2016
Details of the plan	PAG.21.11.2017
Date of Board of Directors' meeting	21 November 2017
Number of shares awarded	6,500
Share value	€554,905
Vesting date	21 November 2020
Date of availability	21 November 2022
Performance conditions	Rémy Cointreau's share performance compared with the share performance of a panel of eight other companies

The shares allocated will vest if the growth in Total Shareholder Return (TSR): the rate of return on one Rémy Cointreau share over a given period, including dividends received and capital gains realised, compared with a panel of nine companies in the Luxury and/or Spirits sectors reaches the target set, at the end of the 3-year vesting period, *i.e.* on 21 November 2020.

If the growth in Rémy Cointreau's TSR is in first, second or third position relative to the growth in TSR of the other companies in

the panel, a higher proportion of the shares will vest. If the growth in Rémy Cointreau's TSR is in fourth or fifth position relative to the growth in TSR of the other companies in the panel, 100% of the shares will vest. If the growth in Rémy Cointreau's TSR is in sixth, seventh or eighth position relative to the growth in TSR of other companies in the panel, fewer shares will vest. If the growth in Rémy Cointreau's TSR is in ninth position relative to the growth in TSR of the other companies in the panel, no shares will be awarded.

TABLE 6 – PERFORMANCE SHARES THAT VESTED DURING THE FINANCIAL YEAR FOR EACH EXECUTIVE OFFICER

Valérie Chapoulaud-Floquet, Chief Executive Officer since 27 January 2015, reappointed on 17 January 2018 with effect from 27 January 2018

COMPANY RÉMY COINTREAU

Date of authorisation by the Shareholders' Meeting	24 July 2014
Details of the plan	PAG 27.01.2015
on the authorisation of the Board of Directors held on 17 January 2018	27 January 2018
Number of shares that vested	9,000
Vesting date	27 January 2018
Date of availability	27 January 2020
Acquisition conditions	Presence within the Company on the vesting date and growth of +30% in the Rémy Cointreau share price during the vesting period

TABLE 7 – INFORMATION ON STOCK OPTIONS

Plans of this type no longer exist.

TABLE 8 – STOCK OPTIONS GRANTED TO THE TOP TEN BENEFICIARIES OTHER THAN CORPORATE OFFICERS

Plans of this type no longer exist.

TABLE 9 – HISTORY OF PERFORMANCE SHARE AWARDS

	PLAN 2015 B	PLAN 2016	PLAN 2017
Date of authorisation by the Shareholders' Meeting	24 July 2014	26 July 2016	26 July 2016
Date of Board of Directors' meeting	24 November 2015	22 November 2016	21 November 2017
Total number of shares awarded	88,800	73,600	50,900
Of which corporate officers (<i>Valérie Chapoulaud-Floquet</i>)	8,400	8,900	6,500
Share vesting date	24 November 2018	22 November 2019	21 November 2020
Transferability date	24 November 2020	22 November 2021	21 November 2022
Performance conditions	(1)	(1)	(1)
Number of shares vested as of 31 March 2018	-	-	-
Aggregate number of lapsed Performance shares	14,200	6,100	3,500
Number of awarded Performance shares outstanding at year-end	74,600	67,500	47,400

(1) The terms and conditions of the plans are set out in note 10.3 to the consolidated financial statements.

Bonus shares granted during the year to the ten non-corporate officer employees of the Group who received the highest number of shares

COMPANY GRANTING SHARES	DATE OF THE PLANS	TOTAL NUMBER OF SHARES	VESTING DATE	FINAL DATE	DATE OF AVAILABILITY
Rémy Cointreau	24/11/2015	45,700	24/11/2018	24/11/2018	24/11/2020
Rémy Cointreau	22/11/2016	37,900	22/11/2019	22/11/2019	22/11/2021
Rémy Cointreau	21/11/2017	28,200	21/11/2020	21/11/2020	21/11/2022

The Group has not issued any other options giving access to the securities reserved for executive officers or for the top ten beneficiaries of the issuer and any company included in the scope of the option grant.

Bonus shares vested during the year to the ten non-corporate officer employees of the Group who received the highest number of shares

COMPANY GRANTING SHARES	DATE OF THE PLANS	TOTAL NUMBER OF SHARES	VESTING DATE	FINAL DATE	DATE OF AVAILABILITY
Rémy Cointreau	27/01/2015	36,000	27/01/2018	27/01/2018	27/01/2020

TABLE 10 – CONTRACTS RELATING TO EXECUTIVE OFFICERS

	EMPLOYMENT CONTRACT	SUPPLEMENTARY PENSION PLAN	INDEMNITIES OR BENEFITS PAYABLE OR LIKELY TO BECOME PAYABLE DUE TO CESSATION OR CHANGE IN FUNCTION	NON-COMPETITION COMPENSATION
François Hériard Dubreuil	NO	NO	NO	NO
Chairman of the Board of Directors				
Date first appointed: 2 January 2014				
Date on which appointment as Chairman expired: 30 September 2017				
Marc Hériard Dubreuil	NO	YES⁽¹⁾	NO	NO
Chairman of the Board of Directors				
Date first appointed: 1 October 2017				
Date on which Chairman's appointment expires: Shareholders' Meeting called to approve the 2018/2019 financial statements				
Valérie Chapoulaud-Floquet	NO	YES⁽²⁾	YES⁽³⁾	YES⁽⁴⁾
Chief Executive Officer				
Date first appointed: 27 January 2015 renewed on 17 January 2018 with effect from 27 January 2018				
Date appointment expires: 27 January 2021				

- (1) Marc Hériard Dubreuil is eligible for a defined contribution plan falling within the scope of Article L. 242-1 of the French Social Security Code, which equates to 8% of the annual remuneration representing between eight and sixteen times the annual ceiling on social security contributions paid by the Company. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan. In addition, Marc Hériard Dubreuil, has a pension plan with defined benefits, falling within the scope of Article L. 137-11 of the French Social Security Code, for which funding is assured by Andromède. This plan provides for payment of a pension calculated according to the average gross annual remuneration of the last two years of activity, and is paid with a condition concerning presence at the time of retirement.
- (2) Like all Group executives based in France, Valérie Chapoulaud-Floquet is eligible for a supplementary pension plan (Article 39 of the French General Tax Code). The aim of the plan is to retain the key talent concerned and encourage long-term performance. Valérie Chapoulaud-Floquet is eligible for this supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company. This supplementary pension plan stipulates a seniority condition of at least five years within the Company as a "senior executive" manager and a condition of presence at the time of retirement. This system is founded on the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' seniority. Payment of the annuity is subject to continued employment at the time of retirement; its amount ranges from 8% to 15% of the reference annual remuneration, depending on the age of the beneficiary at the time of retirement. The annuity is calculated on the basis of average gross remuneration for the last two years of employment. It is also capped so that the total replacement income received from all pension plans (Social Security, ARRCO, AGIRC, Article 83, Article 89) does not exceed 50% of the income earned from work. Should this ceiling be exceeded, the amount of the supplementary pension would be reduced accordingly. When the appointment of Valérie Chapoulaud-Floquet was renewed on 17 January 2018, with effect from 27 January 2018, and in order make the acquisition of supplementary pension rights as part of this defined-benefit pension subject to performance conditions, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the Board of Directors decided that eligibility for this scheme would be subject to performance conditions that are identical to those for termination payments. The deferred rights acquired in respect of this supplementary pension plan prior to the date of the renewal of Valérie Chapoulaud-Floquet's appointment, i.e. for the period between 27 January 2015 and 27 January 2018, which are not subject to performance conditions, have in any event still been acquired by the Chief Executive Officer.
- (3) Valérie Chapoulaud-Floquet will receive a termination payment equivalent to two years' remuneration (including fixed salary, impatriation bonus and last annual bonus) prior to the date of the revocation or non-renewal of her corporate office. The termination payment will only be paid in the event of forced departure [that is related to a change of control or of strategy]. It will not be due in the event of serious grounds or misconduct or in the event of business failure. In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business will be deemed to have failed if the aggregate operating profit for the last two financial years is less than €250 million. Actual payment of this benefit is subject to the performance criteria defined below. Quantitative performance criteria: If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable. If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation will be the average percentage for the previous two financial years. Qualitative performance criterion: The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on results measured according to a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating from any environmental rating agency into consideration. The final compensation amount is limited to 24 months' salary as defined above.
- (4) Valérie Chapoulaud-Floquet is subject to a non-compete clause which prohibits her from working for a competitor for a period of one year. This clause, which may be waived by the Board of Directors, will be accompanied by compensation corresponding to one year's gross remuneration (fixed salary + impatriation bonus + last annual bonus). The termination payment and non-compete compensation will be capped at two years' pay, as explained above.

3.5.3 REMUNERATION OF BOARD MEMBERS

DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

The total amount of Directors' fees put to a vote by the shareholders is subject to a regular study of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

Directors' fees are allocated by the Board of Directors on the following basis:

- a fixed portion defined on an annual basis;
- a variable portion commensurate with each Board member's attendance at Board and Committee meetings. On 25 November 2014, the Board of Directors decided to make the payment of attendance fees contingent on a minimum attendance requirement. The amount of Directors' fees will therefore be reduced by 30% if members miss more than one in three meetings;
- an additional fixed portion may also be allocated to the Chairman of the Board and committee Chairmen.

BOARD MEMBERS		2017/2018	2016/2017
Dominique Hériard Dubreuil	Rémy Cointreau Directors' fees	€42,000	€33,000
	Other remuneration – controlling company	€5,000	€283,435
	Other remuneration – controlled companies	-	€94,321
Marc Hériard Dubreuil	Rémy Cointreau Directors' fees	€39,000	€33,000
	Other remuneration – controlling company	€321,337	€379,058
	Other remuneration – controlled companies	€50,000	€50,000
François Hériard Dubreuil	Rémy Cointreau Directors' fees	€39,000	€33,000
	Other remuneration – controlling company	€286,008	€185,470
	Other remuneration – controlled companies	€100,300	€106,838
Brian Ivory	Director	-	-
	Non-voting member	-	€6,000
Jacques-Étienne de T'Serclaes		€49,000	€44,000
Timothy Jones	Director	-	-
	Non-voting member	-	€6,000
Patrick Thomas	Director	-	-
	Non-voting member	-	€6,000
Bruno Pavlovsky		€39,000	€22,000
Laure Hériard Dubreuil		€39,000	€33,000
Florence Rollet		€39,000	€33,000
Yves Guillemot		€43,000	€39,000
Olivier Jolivet		€39,000	€33,000
Guyline Dyèvre		€39,000	€33,000
Emmanuel de Geuser		€39,000	€33,000
ORPAR		€39,000	-

3.5.4 ELEMENTS OF REMUNERATION PAYABLE TO EXECUTIVE AND NON-EXECUTIVE OFFICERS FOR 2017/2018, SUBJECT TO SHAREHOLDER APPROVAL (SAY ON PAY)

ELEMENTS OF REMUNERATION DUE OR ALLOCATED TO FRANÇOIS HÉRIARD DUBREUIL, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 SEPTEMBER 2017, IN RESPECT OF THE 2017/2018 FINANCIAL YEAR

ELEMENTS OF REMUNERATION DUE OR ATTRIBUTED IN RESPECT OF THE 2017/2018 FINANCIAL YEAR	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Fixed remuneration	€100,000 (amount paid on a pro rata temporis basis)	The gross annual fixed remuneration includes a gross fixed salary of €200,000, unchanged from the previous financial year.
Annual variable remuneration	n/a	
Deferred variable remuneration	n/a	
Multi-year variable remuneration	n/a	
Exceptional remuneration	n/a	
Long-term remuneration: stock options	n/a	
Long-term remuneration: Performance shares	n/a	
Long-term remuneration: other elements	n/a	
Directors' fees	€39,000	
Valuation of benefits of any kind	€1,704 (accounting valuation on a pro rata temporis basis)	This benefit in kind corresponds to the provision of a company car and coverage of maintenance, insurance and running costs.
Termination payment	n/a	
Non-compete compensation	n/a	
Supplementary pension plan	n/a	
Life and disability policies, (death, disability and incapacity for work)	€1,505 (accounting valuation on a pro rata temporis basis)	Life and disability policy (death, disability and incapacity for work): François Hériard Dubreuil is also eligible for the Group disability, death and incapacity for work scheme. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on tranche A and 2.25% on tranches B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

ELEMENTS OF REMUNERATION DUE OR ALLOCATED TO MARC HÉRIARD DUBREUIL, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 1 OCTOBER 2017, IN RESPECT OF THE 2017/2018 FINANCIAL YEAR

ELEMENTS OF REMUNERATION DUE OR ATTRIBUTED IN RESPECT OF THE 2017/2018 FINANCIAL YEAR	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Fixed remuneration	€100,000 (amount paid on a pro rata temporis basis)	The gross annual fixed remuneration includes a gross fixed salary of €200,000, unchanged in relation to that of his predecessor for the 2017/2018 financial year.
Annual variable remuneration	n/a	
Deferred variable remuneration	n/a	
Multi-year variable remuneration	n/a	
Exceptional remuneration	n/a	
Long-term remuneration: stock options	n/a	
Long-term remuneration: Performance shares	n/a	
Long-term remuneration: other elements	n/a	
Directors' fees	€89,000	
Valuation of benefits of any kind	n/a	
Termination payment	n/a	
Non-compete compensation	n/a	
Supplementary pension plan	€6,035 (accounting valuation on a pro rata temporis basis)	Marc Hériard Dubreuil is eligible for a defined contribution plan falling within the scope of Article L. 242-1 of the French Social Security Code, which equates to 8% of the annual remuneration representing between eight and sixteen times the annual ceiling on social security contributions paid by the Company. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan. In addition, Marc Hériard Dubreuil, has a pension plan with defined benefits, falling within the scope of Article L. 137-11 of the French Social Security Code, for which funding is assured by the controlling company. This plan provides for payment of a pension calculated according to the average gross annual remuneration of the last two years of activity, and is paid with a condition concerning presence at the time of retirement.
Life and disability policies, (death, disability and incapacity for work)	€1,673 (accounting valuation on a pro rata temporis basis)	Life and disability policy (death, disability and incapacity for work): Marc Hériard Dubreuil is also eligible for the Group disability, death and incapacity for work scheme. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on tranche A and 2.25% on tranches B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

ELEMENTS OF REMUNERATION DUE OR ALLOCATED TO VALÉRIE CHAPOULAUD-FLOQUET, CHIEF EXECUTIVE OFFICER, IN RESPECT OF THE 2017/2018 FINANCIAL YEAR

ELEMENTS OF REMUNERATION DUE OR ATTRIBUTED IN RESPECT OF THE 2017/2018 FINANCIAL YEAR	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Fixed remuneration	€678,000 (amount paid) (see item (2) of Table 2 – Summary of remuneration paid to each executive officer)	On an annual basis, the annual gross fixed remuneration comprises a gross fixed salary of €578,000 and a gross impatriation bonus of €100,000. The amount of the gross fixed salary was revalued on 1 July 2017 following a decision of the Board of Directors of 7 June 2017, on the recommendation of the Nomination and Remuneration Committee. The amount of the impatriation bonus has remained unchanged since 2015.
Annual variable remuneration	€721,620 paid in cash, representing 104.58% of the fixed portion	The variable portion of Valérie Chapoulaud-Floquet's remuneration corresponds to a percentage of the fixed portion. This could reach 75% if all performance targets are met, and may not exceed 116.3%. The Board of Directors made sure that the criteria used to calculate the variable portion of the Chief Executive Officer's remuneration are such that her interests are aligned with those of the Company and shareholders. At its meeting on 5 June 2018, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, estimated that the level of achievement of the quantitative criteria was 55.9% and the level of achievement of the qualitative criterion was 48.7%. Consequently, the variable remuneration for the 2017/2018 financial year, paid in the 2018/2019 financial year, is 104.58% of the fixed portion, <i>i.e.</i> €721,620 (compared with 79.87% of the fixed portion, <i>i.e.</i> €512,765, for 2016/2017).
Deferred variable remuneration	n/a	
Multi-year variable remuneration	n/a	
Exceptional remuneration	€60,000 paid in cash	In the light of the Group's exceptional results from its ultra premium strategy, which were reflected in significant share price performance over the financial year, Valérie Chapoulaud-Floquet has been awarded an exceptional cash bonus of €60,000, in accordance with the decision of the Board of Directors of 5 June 2018, and at the recommendation of the Nomination and Remuneration Committee.
Long-term remuneration: stock options	n/a	

ELEMENTS OF REMUNERATION DUE OR ATTRIBUTED IN RESPECT OF THE 2017/2018 FINANCIAL YEAR	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Long-term remuneration: Performance shares	€554,905 (accounting valuation)	<p>Exercising the powers conferred on it by the Combined Shareholders' Meeting of 26 July 2016, the Board of Directors, at its meeting on 21 November 2017, decided to allocate the Chief Executive Officer 6,500 Performance shares in respect of the 2017 financial year.</p> <p>The shares allocated will vest if the beneficiary is still an employee or corporate officer of the Group or an affiliated company at the end of the vesting period, <i>i.e.</i> on 21 November 2020, and if the growth in Total Shareholder Return (TSR) is as follows: the rate of return on one Rémy Cointreau share over a given period, including dividends received and capital gains realised, compared with a panel of eight companies in the Luxury and/or Spirits sectors over a period of three consecutive years, reaches the target set at the end of the vesting period, <i>i.e.</i> on 21 November 2020.</p> <p>If the growth in Rémy Cointreau's TSR is in first, second or third position relative to the growth in TSR of the other companies in the panel, a higher proportion of the shares will vest.</p> <p>If the growth in Rémy Cointreau's TSR is in fourth or fifth position relative to the growth in TSR of the other companies in the panel, 100% of the shares will vest.</p> <p>If the growth in Rémy Cointreau's TSR is in sixth, seventh or eighth position relative to the growth in TSR of other companies in the panel, fewer shares will vest.</p> <p>If the growth in Rémy Cointreau's TSR is in ninth position relative to the growth in TSR of the other companies in the panel, no shares will be awarded.</p> <p>Under the plan, the Chief Executive Officer is required to continue holding the shares after the vesting period. This follows a rule introduced by the Board of Directors whereby until the end of their term of office, executive officers must retain in registered form 33% of the shares resulting from the exercise of stock options or Performance shares. This percentage may be reviewed at the time of the grant, for example to reflect changes in the executive's position.</p>
Long-term remuneration: other elements	n/a	
Directors' fees	n/a	
Valuation of benefits in kind	€18,536 (accounting valuation)	This benefit in kind corresponds to the provision of a company car and coverage of maintenance, insurance and running costs, as well as the contribution to a benefits scheme for managers and senior executives

ELEMENTS OF REMUNERATION DUE OR ATTRIBUTED IN RESPECT OF THE 2017/2018 FINANCIAL YEAR	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Termination payment	No payment	<p>At its meeting on 17 January 2018, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, renewed Valérie Chapoulaud-Floquet's appointment as Chief Executive Officer. It also, in accordance with Article L. 225-42-1 of the French Commercial Code, authorised the commitments made to the Chief Executive Officer relating to termination payments. This decision was ratified by the Shareholders' Meeting of 24 July 2018 in its seventh resolution. Valérie Chapoulaud-Floquet will receive a termination payment equivalent to two years' remuneration (including fixed salary, impatriation bonus and last annual bonus) prior to the date of the revocation or non-renewal of her corporate office.</p> <p>The termination payment will only be paid in the event of forced departure [that is related to a change of control or of strategy]. It will not be due in the event of serious grounds or misconduct or in the event of business failure. In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business will be deemed to have failed if the aggregate operating profit for the last two financial years is less than €250 million. Actual payment of this benefit is subject to the performance criteria defined below.</p> <p><u>Quantitative performance criteria</u></p> <p>If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable. If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation will be the average percentage for the previous two financial years.</p> <p><u>Qualitative performance criterion</u></p> <p>The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on results measured according to a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating from any environmental rating agency into consideration. The final compensation amount is limited to 24 months' salary as defined above.</p>
Non-compete compensation	No payment	<p>At its meeting on 17 January 2018, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, renewed Valérie Chapoulaud-Floquet's appointment as Chief Executive Officer. It also, in accordance with Article L. 225-42-1 of the French Commercial Code, authorised the commitments made to the Chief Executive Officer relating to non-compete compensation between the Company and the Chief Executive Officer. This decision was ratified by the Shareholders' Meeting of 24 July 2018 in its seventh resolution. Valérie Chapoulaud-Floquet is subject to a non-compete clause which prohibits her from working for a competitor for a period of one year from the termination of her office.</p> <p>This non-compete commitment will apply in Europe and the United States. This clause may be waived by the Board and will be accompanied by a compensation corresponding to one year's gross remuneration (fixed salary + impatriation bonus + last annual bonus).</p> <p>The termination payment and non-compete compensation will be capped at two years' pay, as explained above.</p> <p>In the event of a breach of this non-compete clause, the Company will be entitled to claim damages.</p>

ELEMENTS OF REMUNERATION DUE OR ATTRIBUTED IN RESPECT OF THE 2017/2018 FINANCIAL YEAR	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Supplementary pension plan	€256,135 (accounting valuation)	<p>At its meeting on 17 January 2018, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, renewed Valérie Chapoulaud-Floquet's appointment as Chief Executive Officer. It also, in accordance with Article L. 225-42-1 of the French Commercial Code, authorised the commitments made to the Chief Executive Officer relating to the supplementary pension plan. Valérie Chapoulaud-Floquet is eligible for the supplementary group pension plan set up for the Group's senior management. The supplementary pension plan includes (i) a defined-contribution group plan and (ii) an add-on defined-benefit group plan. This was ratified by the Shareholders' Meeting of 29 July 2015 (eighth resolution).</p> <p>(i) Defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code: Ms Chapoulaud-Floquet is eligible for a defined-contribution plan, which equates to 8% of the annual remuneration representing between eight and sixteen times the annual ceiling on social security contributions paid by the Company. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.</p> <p>(ii) Top-hat group defined-benefit plan ("Article 39") pursuant to Article L. 137-11 of the French Social Security Code. The aim of the plan is to retain the key talent concerned and encourage long-term performance. Like all Group executives based in France, Valérie Chapoulaud-Floquet is eligible for this supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company. The benefit of this plan is contingent on length of service (a minimum of five years with the Company as a senior manager) and continued employment at the time of retirement. This system is founded on the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' seniority. Payment of the annuity is subject to continued employment at the time of retirement; its amount ranges from 8% to 15% of the reference gross annual remuneration, depending on the age of the beneficiary at the time of retirement. The annuity is calculated on the basis of average gross remuneration for the last two years of employment. It is also capped so that the total replacement income received from all pension plans (Social Security, ARRCO, AGIRC, Article 83, Article 39) does not exceed 50% of the income earned from work. Should this ceiling be exceeded, the amount of the supplementary pension would be reduced accordingly. When the appointment of Valérie Chapoulaud-Floquet was renewed on 17 January 2018, with effect from 27 January 2018, and in order to make the acquisition of supplementary pension rights as part of this defined-benefit pension subject to performance conditions, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the Board of Directors decided that eligibility for this scheme would be subject to performance conditions that are identical to those for termination payments. The Company's commitments towards its Chief Executive Officer as at 31 March 2018, based on her length of service at that date, are as follows:</p> <ul style="list-style-type: none"> ▪ €25,187 per annum under the defined-contribution pension plan (as at 31 March 2018). This amount corresponds to the contributions paid by the Company to the insurer for the last financial year; ▪ €230,948 in gross annual pension under the supplementary defined-benefit pension plan. This estimate has been validated independently by Deloitte Conseil.

ELEMENTS OF REMUNERATION DUE OR ATTRIBUTED IN RESPECT OF THE 2017/2018 FINANCIAL YEAR	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Life and disability policy (death, disability and incapacity for work) and healthcare plans:	€8,025 (accounting valuation)	<p>Ms Chapoulaud-Floquet is eligible for the group life and disability policies and healthcare plans set up within the Group for all employees. These plans comprise i) a death, disability and incapacity for work plan, and ii) a healthcare plan.</p> <p>(i) Life and disability policy (death, disability and incapacity for work): Ms Chapoulaud-Floquet is eligible for the group disability, death and incapacity for work plan. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on tranche A and 2.25% on tranches B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.</p> <p>(ii) Healthcare plan Valérie Chapoulaud-Floquet is also eligible for the Group health insurance plan. The remuneration taken into account to calculate the contributions is capped at the annual social security ceiling. The employer contribution rate is 2.67% on tranche A, subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.</p>

3.5.5 SECURITIES TRADING BY EXECUTIVE OFFICERS

BOARD MEMBERS' DECLARATIONS

PERSON CONCERNED	TYPE OF TRANSACTION	DATE OF TRANSACTION	AMF DECISION NO.
ORPAR SA legal entity linked to François Hériard Dubreuil, Chairman of the Board of Directors until 30 September 2017, and to Dominique Hériard Dubreuil and Marc Hériard Dubreuil, Board members and in the case of the latter, Chairman of the Board of Directors from 1 October 2017 Orpar is also represented on the Board of Directors of Rémy Cointreau (decision of the Shareholders' Meeting of 26 July 2016)	Payment of the dividend in shares	4 September 2017	2017DD511819
RECOPART legal entity linked to François Hériard Dubreuil, Chairman of the Board of Directors until 30 September 2017, and to Marc Hériard Dubreuil, Board member then Chairman of the Board of Directors from 1 October 2017 and to the company Orpar, a Board member	Payment of the dividend in shares	4 September 2017	2017DD452680
ANDROMÈDE legal entity linked to François Hériard Dubreuil, Chairman of the Board of Directors until 30 September 2017, and to Dominique Hériard Dubreuil and Marc Hériard Dubreuil, Board members and in the case of the latter, Chairman of the Board of Directors from 1 October 2017	Payment of the dividend in shares	4 September 2017	2017DD511702
Valérie Chapoulaud-Floquet	Grant of bonus shares	22 March 2018	2018DD542596

3.5.6 SHARES AND VOTING RIGHTS OF MEMBERS OF THE BOARD OF DIRECTORS
AT 31 MARCH 2018

BOARD MEMBERS (NATURAL PERSONS)	SHARES	%	SHARES WITH DOUBLE VOTING RIGHTS	VOTING RIGHTS	%
Dominique Hériard Dubreuil	2,763	0.01	2,667	5,430	0.01
François Hériard Dubreuil	122	0.00	109	231	0.00
Marc Hériard Dubreuil	106	0.00	100	206	0.00
Jacques-Étienne de T'Serclaes	562	0.00	552	1,114	0.00
Laure Hériard Dubreuil	102	0.00	102	204	0.00
Florence Rollet	100	0.00	0	100	0.00
Yves Guillemot	100	0.00	0	100	0.00
Olivier Jolivet	100	0.00	0	100	0.00
Guyline Dyèvre	101	0.00	0	101	0.00
Emmanuel de Geuser	100	0.00	0	100	0.00
Bruno Pavlovsky	100	0.00	0	100	0.00
Gisèle Durand (Orpar representative)	225	0.00	213	438	0.00
TOTAL	4,481	0.01	3,743	8,225	0.01

3.5.7 REPORT ON THE EXECUTIVE OFFICERS' REMUNERATION POLICY UNDER ARTICLE L. 225-37-2 OF THE FRENCH COMMERCIAL CODE

This report, approved by the Board of Directors on 5 June 2018 on the recommendation of its Nomination and Remuneration Committee, sets out the principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional elements of total remuneration and benefits in kind that may be awarded to executive officers in respect of their term of office.

In accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria set out in this report will be submitted for the approval of the Combined Shareholders' Meeting of 24 July 2018, under the terms of the sixteenth resolution in relation to the Chairman of the Board of Directors and the seventeenth resolution in relation to the Chief Executive Officer.

The definition of executive and non-executive officers used in this report is taken from the AFEP/MEDEF Corporate Governance Code of Listed Corporations.

1. GUIDING PRINCIPLES AND IMPLEMENTATION OF THE REMUNERATION POLICY

Rémy Cointreau's remuneration policy for its executive officers is designed to accompany its long-term growth strategy by focusing on investment decisions and competitiveness in its various markets. This policy thus establishes a close link between the performance of executives and their remuneration in the short, medium and long term, with the aim of aligning their interests with those of its shareholders.

Rémy Cointreau's remuneration policy seeks to attract and motivate highly qualified men and women, to enable them to improve significantly on their performance and to link their remuneration to the Company's performance. The policy comprises short-term remuneration consisting of a fixed and variable part, long-term incentives with Performance shares, and ancillary items such as defined-contribution and defined-benefit pension plans, life and disability plans and termination benefits.

When defining its remuneration policy, the Board of Directors takes into account the principles of comprehensiveness, balance, comparability, consistency, understandability and proportionality advocated by the AFEP/MEDEF Corporate Governance Code of Listed Corporations.

The overall remuneration paid to executive and non-executive officers is set by the Board of Directors, which decides on the basis of recommendations issued by the Nomination and Remuneration Committee. Since 7 June 2017, the committee has had three independent Board members. The committee ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

Regardless of the elements of remuneration concerned, the committee's objective is to recommend a general remuneration policy to the Board that is both competitive and attractive. To that end, it draws on objective studies of the executive remuneration offered by companies comparable to Rémy Cointreau in the appropriate market, carried out by external experts.

This report sets out the elements of remuneration and benefits in kind referred to in Article R. 225-29-1 of the French Commercial Code, as provided for in Decree No. 2017-340 of 16 March 2017.

2. REMUNERATION STRUCTURE AND CALCULATION CRITERIA

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, seeks to maintain a proportionate balance between fixed, variable and long-term remuneration. It follows a strict framework for attaining ambitious, clearly defined commercial and financial targets, delivering long-term sustainable performance and securing proven expertise in international team leadership. The Chief Executive Officer's performance-related pay is thus a substantial part of her remuneration package.

The remuneration elements described below concern both the Chief Executive Officer of the Company, an executive officer, and the Chairman of the Board of Directors, a non-executive officer as defined by the AFEP/MEDEF Code.

2.1 Executive officer

Directors' fees

Only executive officers who are Board members are eligible for Directors' fees, which is not the case for the Company's Chief Executive Officer.

Annual fixed remuneration

The fixed portion of remuneration is determined according to the experience and responsibilities of the executive officer.

A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's executive remuneration structure compares with that of other SBF 120 companies.

If the legal conditions are met, the Nomination and Remuneration Committee may propose to the Board of Directors that the fixed compensation include a proportion benefiting from the provisions of Article L. 155B of the French General Tax Code (known as an "impatriation bonus"). To benefit from this provision, the person must not have been resident in France for tax purposes over the five calendar years prior to their appointment. The provision has a limited duration.

Annual variable remuneration (bonus)

As in previous years, the Board of Directors has defined a procedure for calculating the variable portion of executive officers' remuneration so that it acts as an incentive while remaining fair. This procedure is based on ambitious quantitative and qualitative criteria that ensure that remuneration is in line with the Group's performance.

The short-term variable portion of the executive officer's remuneration is set annually by the Board, on the recommendation of the Nomination and Remuneration Committee, when closing the previous financial year. This method is based on economic and management parameters linked to the Group's performance. It sets a ceiling for each element expressed as a percentage of the target value.

The method consists of assessing the executive officer's performance according to quantitative criteria of a financial nature and qualitative criteria that are personal to the individual concerned.

During the 2017/2018 financial year, the Board, on the recommendation of the Nomination and Remuneration Committee, reviewed the quantitative and qualitative criteria and selected the following elements:

QUANTITATIVE CRITERIA

Four quantitative performance criteria based on financial performance representing 50 points of the target bonus, as for the 2017/2018 financial year:

- consolidated operating profit;
- cash flow generation;
- consolidated net profit;
- ROCE (Return on Capital Employed).

Each criterion has a specific weighting set each year by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

QUALITATIVE CRITERIA

Five qualitative criteria based on managerial and entrepreneurial skills representing 50 points of the target bonus, as for the 2017/2018 financial year:

- optimising the distribution network and adapting it to the defined strategy,
- diversifying and enhancing the brand portfolio through targeted acquisitions,
- promoting diversity within the Group and developing a robust succession plan,
- achieving quantitative targets in the area of Corporate Social Responsibility,
- contributing through his actions to the Group's influence in France and abroad.

Each criterion has a specific weighting set each year by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

The Chief Executive Officer's performance is assessed annually by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The qualitative criteria are reviewed annually in line with the Group's strategic priorities. Due to the confidentiality of the Group's strategy, details of the qualitative objectives may only be disclosed at the end of each financial year. Therefore, this document only mentions those relating to the 2017/2018 financial year.

Multi-year variable remuneration

Executive officers do not receive multi-year variable remuneration.

Stock option grants

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance, and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective. The plans are aimed at a select group of individuals: the Company's Chief Executive Officer, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would

be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach Director level, or who could be promoted through two levels of management. Once identified, the beneficiaries are divided into groups. Each group is assigned a target increase, expressed as a percentage of the average annual salary of each group at the time of the award. In the case of the Company's Chief Executive Officer, the Board of Directors applies the criteria set out in the Corporate Governance Code of Listed Corporations for Performance shares, i.e. a percentage of her total remuneration and a proportional award in view of the total budget approved by the shareholders at the Shareholders' Meeting, in line with the Company's previous valuation practices.

Bonus share awards

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance, and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective.

The plans are aimed at a select group of individuals: the Company's Chief Executive Officer, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach Director level, or who could be promoted through two levels of management.

Once identified, the beneficiaries are divided into groups. Each group is assigned a target increase, expressed as a percentage of the average annual salary of each group at the time of the award.

In the case of the Company's Chief Executive Officer, the Board of Directors applies the criteria set out in the Corporate Governance Code of Listed Corporations for Performance shares, i.e. a percentage of her total remuneration and a proportional award in view of the total budget approved by the shareholders at the Shareholders' Meeting, in line with the Company's previous valuation practices.

Exceptional remuneration

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors retains the option of granting exceptional remuneration to the executive officer in the event that a major economic operation is particularly successful and sustainable over the long term, although only if this was not envisaged when the qualitative criteria for her annual variable remuneration were set.

Remuneration, indemnities or benefits payable or likely to become payable upon taking up office

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, may grant a signing bonus to new executive officers from a company outside the Group. This bonus is mainly intended to compensate the individuals concerned for the loss of benefits they would have been eligible for. It also enables the Group to attract the talents it regards as being the best in the global industry.

Elements of remuneration, compensation or benefits due or likely to be due as a result of the termination or change of office, or subsequent thereto, or defined-benefit pension commitments meeting the characteristics of the plans referred to in Article L. 137-11 of the French Social Security Code

TERMINATION PAYMENT

In the event of her forced departure, except where there are serious grounds or misconduct, or in the event of business failure, the executive officer will receive a termination payment equal to two years' remuneration (including fixed salary, impatriation bonus and last annual bonus).

Actual payment of this benefit is subject to the performance criteria defined below.

Performance criterion relating to the business situation

In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million.

Quantitative performance criteria

This compensation will be subject to performance criteria assessed on the basis of the previous two financial years.

If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.

If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months.

The percentage used to calculate the compensation is the average percentage for the previous two financial years.

Qualitative performance criterion

The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the next results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating with the VIGEO rating agency into consideration.

The final compensation amount is limited to 24 months' salary as defined above.

NON-COMPETE COMPENSATION

The executive officer is subject to a non-compete clause which prohibits her from working for a competitor for a period of one year from the termination of her office.

This non-compete commitment applies in Europe and the United States.

The clause may be waived by the Board. It is accompanied by a compensation corresponding to one year's gross remuneration (fixed salary + impatriation bonus + last annual bonus).

The termination payment and non-compete compensation are capped at two years' pay, as explained above.

In the event of a breach of this non-compete clause, the Company will be entitled to claim damages.

SUPPLEMENTARY PENSION PLAN

The executive officer is eligible for the supplementary group pension plan set up for the Group's senior managers. The supplementary pension plan includes (i) a defined-contribution group plan and (ii) an add-on defined-benefit group plan.

(i) Defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code:

The executive officer is eligible for a defined-contribution plan, which equates to 8% of the annual remuneration representing between eight and sixteen times the annual ceiling on social security contributions paid by the Company.

The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

(ii) Top-hat group defined-benefit plan ("Article 39") pursuant to Article L. 137-11 of the French Social Security Code

The aim of the plan is to retain the key talent concerned and encourage long-term performance. Like all Group executives based in France, the executive officer is eligible for this supplementary pension plan, set up and funded by the Company and managed by a third-party insurance company.

The benefit of this plan is contingent on length of service (a minimum of five years with the Company as a senior manager) and continued employment at the time of retirement.

Moreover, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, eligibility for this scheme will be subject to performance conditions that are identical to those for termination payments.

This system is founded on the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' seniority. Payment of the annuity is subject to continued employment at the time of retirement; its amount ranges from 8% to 15% of the reference gross annual remuneration, depending on the age of the beneficiary at the time of retirement.

The annuity is calculated on the basis of average gross remuneration for the last two years of employment.

The annuity is also capped so that the total replacement income received from all pension plans (Social Security, ARRCO, AGIRC, Article 83, Article 39) does not exceed 50% of the income earned from work. Should this ceiling be exceeded, the amount of the supplementary pension would be reduced accordingly.

Elements of remuneration and benefits of any kind due or likely to be due to any of the persons referred to in the first paragraph of Article L. 225-82-2, under agreements concluded, directly or through an intermediary, by virtue of his or her office, with the company in which the office is held, any company controlled by it, as defined by Article L. 233-16, any company which controls it, as defined by the same article, or any other company placed under the same control, as also defined in that article

The Company's Chief Executive Officer does not benefit from any such agreements.

Any other element of remuneration that may be granted in view of the office held

The Chief Executive Officer does not receive any other elements of remuneration in respect of her office other than those mentioned above.

Other benefits in kind

The Chief Executive Officer benefits from the use of a company car. The maintenance, insurance and running costs are covered by the Company.

The Company also pays into a benefits scheme for managers and senior executives.

The Chief Executive Officer is eligible for the group life and disability and healthcare plans set up within the Group for all employees. The Company's liability is limited to the payment of contributions to the insurance company that manages the plans.

These plans comprise a death, disability and incapacity for work plan and a healthcare plan, as described in this document.

2.2 Non-executive officers***Directors' fees***

The total amount of Directors' fees put to a vote by the shareholders is subject to a regular study of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

The Board of Directors ensures that the amount of Directors' fees is commensurate with Board members' responsibilities and the amount of time they spend discharging their duties.

The Board of Directors distributes the annual amount of Directors' fees set by the Shareholders' Meeting among its members as follows:

- a fixed portion defined on an annual basis;
- a variable portion commensurate with each Board member's actual attendance at Board and Committee meetings;
- an additional fixed portion may also be allocated to the Chairman of the Board and committee Chairmen.

The variable part is preponderant. The amount of Directors' fees is reduced by 30% if members miss more than one in three meetings.

In addition, the Board of Directors may grant exceptional remuneration for specific assignments entrusted to members of the Board. This type of remuneration is subject to the legal provisions on regulated agreements.

Members of the Board of Directors are also reimbursed all expenses incurred in the course of their duties, subject to supporting documentation being produced.

The Chairman of the Board of Directors, as a non-executive officer, is therefore subject to the aforementioned rules regarding the allocation of Directors' fees.

Annual fixed remuneration

The fixed portion of remuneration is determined according to the responsibilities of the Chairman of the Board of Directors, who is a non-executive officer.

A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's remuneration structure for this executive compares with that of other SBF 120 companies for similar positions.

Variable annual remuneration (bonus)

The non-executive officer does not receive annual variable remuneration, given his independence from the Chief Executive Officer's role. The Board of Directors follows the recommendations of the AFEP/MEDEF Corporate Governance Code on this.

Multi-year variable remuneration

The non-executive officer does not receive multi-year variable remuneration.

Stock option grants

As previously stated, the Group no longer uses stock option plans. The Chairman of the Board of Directors is not eligible for any plan of this type, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Bonus share awards

The non-executive officer is not eligible for bonus share plans, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Exceptional remuneration

The non-executive officer is not eligible for bonus share plans, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Remuneration, indemnities or benefits payable or likely to become payable upon taking up office

The non-executive officer does not receive any remuneration of this type.

Elements of remuneration, indemnities or benefits due or likely to be due as a result of the termination or change of office, or subsequent thereto, or defined-benefit pension commitments meeting the characteristics of the plans referred to in Article L. 137-11 of the French Social Security Code

The non-executive officer has a defined-benefit pension plan falling within the scope of Article L. 137-11 of the French Social Security Code, for which funding is assured by the controlling company. In addition, the non-executive officer has a defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code.

The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

The non-executive officer does not receive other elements of remuneration, indemnities or benefits due or likely to be due as a result of his termination or change of office or at any time thereafter.

Elements of remuneration and benefits of any kind due or likely to be due to any of the persons referred to in the first paragraph of Article L. 225-37-2, under agreements concluded, directly or through an intermediary, by virtue of his or her office, with the company in which the office is held, any company controlled by it, as defined by Article L. 233-16, any company which controls it, as defined by the same article, or any other company placed under the same control, as also defined in that article

The non-executive officer is eligible for elements of remuneration under agreements entered into in view of his office as described in Table 2 – Summary of remuneration paid to each executive officer.

Since section 16.2 of Regulation (EC) No. 809/2004 of 29 April 2004 requires information to be provided about service contracts between members of the administrative bodies and the issuer or any of its subsidiaries, it is noted that a service provision agreement exists as mentioned in section 1.5 of the registration document and in the Statutory Auditors' special report.

Any other element of remuneration that may be granted in view of the office held

The non-executive corporate officer does not benefit from elements of remuneration other than those mentioned above.

Other benefits in kind

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, may decide to provide the non-executive officer with the use of a vehicle, covering the associated maintenance, insurance and running costs. The Chairman of the Board of Directors may be eligible for such benefits in kind.

The Chairman of the Board of Directors is eligible for the group disability, death and incapacity for work scheme. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

— 3.6 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES

This section was drafted and prepared on the basis of the new framework for risk management and internal control proposed by the AMF on 22 July 2010. This new edition – which includes a section on risk management – takes into account legislative and

regulatory changes in 2008, with the transposition into French law of European directives 2006/46/EC and 2006/43/EC, as well as the leading international benchmarks, namely COSO II and ISO 31000.

GENERAL PRINCIPLES OF RISK MANAGEMENT

For Rémy Cointreau, risk management is an integral part of the responsibilities of the various management teams at the Group level, as well as at the division and Company levels. Some risks

inherent to the Group's activities are described in section 1.6 "Risk factors and insurance policy", as well as the policies aimed at preventing and dealing with them.

DEFINITION AND OBJECTIVES OF RISK MANAGEMENT

Risk represents the possible occurrence of an event with a potential impact on people, assets, the environment and the objectives of the Company or its reputation. The definition used in this registration document goes beyond the financial aspects, and covers the reputation of the Group brands and the sustainability of the Company. It is therefore important that all staff and, in particular, management teams are completely aware of how to manage risk, with the following objectives:

- to create and preserve the value, assets and reputation of the Group;

- to safeguard decision-making and operational processes to ensure that objectives are achieved;
- to promote the consistency of the Group's activities with its values;
- to promote a shared vision among Group employees of the main risks weighing on their activities.

COMPONENTS OF RISK MANAGEMENT

RISK MANAGEMENT ORGANISATION

Ground rules on the definition of key risks, setting standards such as the assessment of their importance and tolerance limits, and procedures for collection of information, have been clearly defined since the formalisation of risk mapping in April 2008, the latest update of which dates from the current financial year.

The key players are the members of the Group and divisional Executive Committees. They are responsible for identifying the principal risks in their fields or in their geographic areas, the extent of the risk, taking into account their frequency of occurrence and the importance of the potential impact, either in terms of reputation, or in terms of the Company's accounts, and action plans to safeguard the business.

The information collected is summarised for distribution to all stakeholders. This system can be supplemented by feedback, allowing it to be strengthened virtually in real time.

RISK MANAGEMENT PROCEDURES

Risk management procedures comprise four distinct stages:

1. identification of key risks in all areas. These risks are classified by a predefined category and by location to allow for the analysis of either a particular category or a given country;

2. analysis of each risk, leading to an assessment of its importance, allowing risks to be prioritised and ensuring a focus on those risks identified as major;
3. implementation of action plans with the aim of eliminating risks, reducing them to a predetermined acceptable level, transferring them by taking out an insurance policy, or accepting them;
4. monitoring of the process over time by those responsible, who must provide information on their development, particularly during internal audit reviews, to ensure risks are appropriately managed.

The risk management process has helped promote a culture of risk and the sharing of best practice within the Group by the principal players in terms of both action plans and methodology. The result of this process is risk mapping that is regularly updated. It is aimed at identifying the major risks at a particular time, so that these can be reported to the Audit Committee for inclusion in annual internal audit programmes, and at ensuring that insurance policies are relevant, with adequate cover for the risks identified.

PERMANENT MONITORING OF RISK MANAGEMENT

All risks considered significant are subject to *ad hoc* reviews due to their inclusion in the audit programme for the year and to systematic reviews in which stakeholders are required to confirm the implementation of action plans provided, reassess their level of tolerance when these actions have been carried out, and advise on the emergence of new risks.

CONNECTION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control mechanisms complement each other for better control of the Group's activities.

The risk management system is designed to identify and analyse the main risks facing the Company. The internal control system relies on the risk management system to identify the key risks

to be managed. In addition, the risk management system is also controlled to ensure its correct functioning.

The relationship and balance between the two systems depends on the control environment that underpins them, particularly in terms of the risk and control culture inherent to the Company and its ethical values.

GENERAL PRINCIPLES OF INTERNAL CONTROL

The Rémy Cointreau internal control system is based on the framework recommended by the AMF on 22 July 2010.

THE DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

The system consists of a set of resources, behavioural patterns, procedures and actions implemented by senior management to enable the Company and its subsidiaries to better control their activities, to make their operations more efficient and to optimise the use of their resources and ensure the proper functioning of risk management. It therefore goes beyond simple procedures or accounting and financial processes.

It aims in particular to ensure:

- the implementation of instructions and guidelines set by senior management;
- the proper functioning of the internal processes of the Company, including those contributing to the safeguarding of its assets;
- compliance with laws and regulations;
- the reliability of financial information.

Like any control system, it has its limitations and cannot provide an absolute guarantee of achieving the objectives set by the Company. The likelihood of achieving these objectives relies not only on the will of the Company, but on many other factors, including the uncertainty of the outside world, the exercise of powers of judgment or malfunctions that may occur due to technical or human failure.

THE COMPONENTS OF INTERNAL CONTROL

The effectiveness of internal control is closely linked to the control environment, the five principal components of which are described below.

AN APPROPRIATE AND STRUCTURED ORGANISATION

In order to foster an exchange of best practice and cross-group control of its operations, the Group has chosen a matrix-based organisation, ensuring effectiveness and responsiveness for a Group combining a human scale with an international presence. Functional management provide their expertise to operating management, taking into account their specific local features. For the sake of clarity, regularly updated organisational charts are available on the Group's intranet.

A system of delegation of power that aims to reflect the Group's genuine decision-making centres, consistent with the size and complexity of Group structures and the various levels of responsibility, has been put in place to increase the effectiveness of the Group's men and women, and to make them aware of their responsibilities.

This organisation is enhanced by a human resources policy based on ability, knowledge and the aspirations of the men and women comprising the Group. The Group is committed to a recruitment policy that improves the professionalism of its staff and attracts talent, as well as a policy that develops skills that will maintain a high degree of expertise in its workforce.

It is based on an information system that is moving towards modern, high-performance Enterprise Resource Planning (ERP) solutions to meet the Group's growth ambitions. Their continuity in the event of a disaster is ensured by emergency procedures whose effectiveness is tested periodically. The protection of ERP software and related data is ensured by security, backup and access procedures.

Rémy Cointreau's reputation is built on strong ethical values, namely integrity, respect for the law and the individual, honesty in dealings with clients, suppliers and employees, as well as social and environmental responsibility. These principles have resulted in the development of a code of business ethics aimed at ensuring that all of the Group's employees, whatever their nationality or location in the world, understand the full range of its values. This unified code – which has been translated into the 13 languages used within the Group – is the cornerstone of the Group's internal control and risk management systems.

The organisation has established a culture of excellence and accountability. It takes the form of internal control self-assessments for financial processes and quality assurance audits or certifications for the various business processes.

AN INTERNAL DISTRIBUTION SYSTEM FOR RELEVANT INFORMATION

The timely publication and communication of relevant information to everyone within the Group – enabling them to be as well-informed and confident as possible in carrying out their responsibilities – is based on the following three main factors:

- departmental meetings organised on a periodic basis by the Group's various actors, in order to publish and share operational information, exchange points of view, set priorities and co-ordinate action plans;
- technical databases housed within the Group's intranet, which are accessible 24/7 worldwide and which enable the various participants to consult the information necessary for the proper performance of their duties;
- structured data warehouses, updated on a daily basis, providing the people concerned with relevant and reliable information to enable them to make timely decisions.

RISK MANAGEMENT

The Group has set up a risk management system to identify, analyse and address the major risks identified in relation to its objectives. It is described above in the section entitled "General principles of risk management".

CONTROL PROCEDURES

Each Group area or activity has its own reference documentation. It comprises charters, codes, standards, procedures and rules of best practice. These documents set out the manner in which a procedure, action or check must be performed, and are an integral part of the internal control process. They are based on the following key areas of expertise:

- purchasing: supplier relations are regulated by an ethical contract that makes reference to the UN Global Compact. It provides assurance to the Group that its suppliers adhere to the same values of respect for human rights, the environment and fundamental social principles. In addition, the code of conduct for purchasing ensures that best practices are adopted by all Rémy Cointreau purchasers, avoiding, wherever possible, any infraction that may be detrimental to the Group's interests;
- safety and quality: all production standards and rules issued by operations management are held in a single database. Their application is regularly reviewed as part of the ISO 9001, 14001 and 22000 certifications, as well as HACCP accreditations, thereby guaranteeing consumers a high level of quality and safety as well as respect for the production site environment. This is rounded out by a Quality/Safety/Environment Charter defining the Group's three priorities, namely product excellence, employee and consumer safety and protection of the environment;
- IT systems: in terms of IT security, the Head of Group IT Security supervises all of the procedures of Group entities and subsidiaries, including those located abroad. 562 coordinates the implementation of security policies and their associated procedures. In addition, production continuity plans including

back up sites have been successfully established for most of the Group's sites and in compliance with the specifications setting out the relevant performance objectives. These are tested on a periodic basis to guarantee their efficiency, as well as to improve the extent of their coverage and performance;

- central management of funding and cash: the Foreign Exchange Charter sets out the principles that must be followed to ensure greater security in this area. This document is supplemented by a summary of the risks of the principal processes managed by the Group's Treasury department. The Treasury department is responsible for laying down a policy and reporting procedures for managing credit;
- consolidation of financial statements and reporting: Rémy Cointreau has a set of principles and standards enabling the production of reliable financial information. The comparability of data is guaranteed by the existence of a single set of definitions and principles for valuation purposes and the processing of accounting and financial data for the three processes of budgeting, updating the budget and monthly closings. The calendar for the financial and accounting processes detailing the reporting dates for information and its distribution enables senior management to manage their priorities. The availability of these rules on the Group intranet is aimed at guaranteeing that it is consistently updated and ensuring that all financial personnel are in possession of the same information. In addition, the Chief executive officers and Chief Financial Officers of the subsidiaries must send a letter of representation to the Group Chief Executive Officer and Chief Financial Officer, in which they assume responsibility for the fairness of the financial statements and the implementation of an internal control process to detect and prevent fraud and errors.

Moreover, the Group's financial controllers can access an intranet portal at any time to view a wealth of different information: self-assessment questionnaires for internal control, best practice in a number of areas of competence, grids of separation of duties, instructions and formats for internal control reports, contacts, links to reference sites and even the latest news in the fields of risk management, internal control and auditing.

PERMANENT MONITORING

Internal control is implemented by Operational and Functional departments under the guidance of senior management.

Work is carried out on a regular basis to monitor the proper functioning of their procedures, either by dedicated internal teams or by specialised external organisations, ensuring the effectiveness of the internal control system in place. The findings of this work form the basis of a report, a summary of which is sent to site managers.

The Internal Audit department takes an active part in monitoring internal control procedures, using operating and compliance audits. It ensures the implementation of best practices and compliance with both local laws and regulations, as well as the Group's principles and standards.

The results of all this work are disclosed to the Statutory Auditors. Conversely, comments issued by the external auditors as part of their annual assignment are taken into consideration by the Internal Audit department.

SCOPE OF RISK MANAGEMENT AND INTERNAL CONTROL

The internal control system mirrors the Group's matrix organisation. The Group has put in place its own system and ensures that internal control is implemented in its consolidated subsidiaries.

These internal controls are adapted to the specific features of the subsidiaries and their relationship with Rémy Cointreau.

PERSONS INVOLVED IN RISK MANAGEMENT AND INTERNAL CONTROL

The respective roles of the principal internal and external players involved in internal control are as follows:

EXECUTIVE COMMITTEE

The Executive Committee – comprising senior operational and functional managers – lays down guidelines for the internal control and risk management process, defines the roles and responsibilities of the main stakeholders, co-ordinates their implementation and ensures their effective application.

BOARD OF DIRECTORS

The Board of Directors familiarises itself with the essential features of the internal control and risk management process established by the senior management, and ensures that the major risks identified and incurred by the Company are taken into account in its management. As such, the Board is kept informed by the senior

management of the main risks facing the Group and the action plans implemented to counter them. In respect of the process of preparing accounting and financial information, the Board ensures that the management and control process that has been established guarantees the reliability of accounting and financial information.

AUDIT-FINANCE COMMITTEE

The Audit Committee ensures that internal control procedures are in place and are applied, both in the accounting and financial field and other areas of the Company.

It is kept informed of the results of audit assignments and reviews the annual audit schedule together with the organisation of the Internal Audit department.

It keeps abreast of the major risks identified, their analysis and development over time.

INTERNAL AUDIT

The internal audit function – which reports to the Chairman of the Group's Board of Directors – works with all Group entities and, where necessary, with third-party companies in the case of distribution or production subcontracting.

Its work is planned in agreement with the senior management. Its assignments are identified based on risks listed in the risk mapping, the prevailing economic environment and specific requests from the management of the Group's various entities. They are subsequently classified according to priority, based on several criteria and included in the annual schedule.

The findings of the audit assignments – following a general debate – are sent to the management of the entity concerned. A summary of the findings, as well as an action plan to which the local entity management is committed, is subsequently presented to the senior management.

Once a year, the internal audit officer presents guidelines for the annual schedule and a summary of achievements of the previous year to the Audit and Finance Committee.

In addition to these audit assignments, the internal audit function is in charge of updating the risk mapping and promoting internal control within the Group. In that respect, it is the recipient of different summary reports on internal control prepared by the various entities, which provide an overview of Group risks.

In addition, and in order to cover the different types of risks, compliance management comes under the remit of the Internal Audit function, as does the Insurance department in order to ensure that the Group's insurance policies are appropriate for the risks identified. It sets up insurance cover guaranteeing, notably, risks regarded as strategic, such as general civil liability for "products" and "operations", damage to assets and subsequent loss of profit and the transportation of goods. The Group works closely with an insurance broker with worldwide coverage, and all policies have been taken out with the most respected insurance companies.

FINANCE DEPARTMENT

Its main task is to assist and monitor the operational departments in their financing activities. It establishes the rules for consolidation and management and ensures the definition and promotion of tools, procedures and best practice in areas such as management, accounting and consolidation, funding and treasury, taxation, financial communication and IT systems.

OPERATIONS DEPARTMENT

It has wide-ranging tasks, combining functions such as the supply chain, purchasing, quality, sustainable development, production organisation and industrial management. It establishes a set of standards and methods for achieving a high level of production quality, as well as safety and respect for the environment. It also supports the subsidiaries in implementing their supply-chain and industrial policies.

LEGAL DEPARTMENT

The Legal department, in addition to its function as corporate secretary, assists companies in significant legal matters and in litigation management. In particular, it coordinates the introduction of contractual clauses into the various distribution agreements and the legal protection of the Group's brands, intellectual property and other assets.

COMPANY OR DIVISION MANAGEMENT COMMITTEES

These committees are fully involved in the risk management and internal control processes. They are stakeholders in the development and updating of the Group's risk mapping. They analyse the results of self-assessment questionnaires and issue a report on their own internal control, which is then submitted to the Group. They develop action plans in response to the recommendations of the internal audit function. They are also involved in crisis management and the existence of business continuity plans whose effectiveness is periodically tested by means of dry runs.

THE INTERNAL CONTROL SYSTEM AS IT RELATES TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Our approach is part of a process of continuous improvement of the established internal control system.

The internal control procedures in relation to preparing and processing financial and accounting information apply to the parent company and all of the subsidiaries included in the consolidated financial statements.

For their financial and accounting processes, internal control is designed to ensure:

- compliance with laws and regulations and the correct application of instructions and directions set by Group management in the preparation of accounting and financial information;
- the reliability of information used in the preparation of financial and accounting information, as well as published information;
- the preservation of assets.

ACCOUNTING AND FINANCIAL ORGANISATION GUIDANCE PROCEDURE

Organisation

The process of preparing financial and accounting information is carried out by the Group Finance department. It supervises the management of the Accounting, Finance and Taxation department, the management control function, the Funding and Treasury department, IT Information management department and Financial Communications. Each of these departments co-ordinates internal control of a financial nature in its own area. The system is further enhanced by the presence of financial controllers within each division.

Financial and accounting procedures

The Finance department has created an intranet portal dedicated to the management principles and accounting standards adopted by the Group and the application of which is mandatory for all

subsidiaries. The portal also provides subsidiaries with the Group's chart of accounts, instructions on how to use the consolidation package, a list of companies included in the consolidation scope and information on exchange rates. It also ensures the consistency of data processing and its compliance with IFRS.

At every closing date, the instructions cover key dates in the calendar as well as matters that require specific attention to enable the various Group companies to be well prepared, so that the required information is disclosed within the appropriate timeframe and that the proper checks are carried out in advance of the preparation of financial and accounting information.

Other than the documentation presented above, the Group has monthly closings. Those before the interim or full-year closing serve as pre-closing reports used to identify and anticipate the different possibilities of treating specific and non-recurring transactions. They are disclosed to the Statutory Auditors for validation at preliminary meetings held when the accounts are closed.

IT systems organisation and safety

The Information Systems department has established procedures aimed at ensuring the continuity of accounting data processing. Some hardware has accordingly been duplicated so that the backup can automatically take over in the event of sudden failure. This system is supplemented by periodic dry runs testing the resumption of IT activity in the event of a major disaster.

In respect of data retention and protection, access to accounting and financial data is secured by individually granted rights that are non-transferable and password protected. All data are backed up on a daily basis, and a copy of the backup file is stored in a secure location off the IT operation site. Batch data processing work is also programmed in a specific sequence, with systems that alert the principal users in case of an incident. This procedure also applies to IT programmes developed by the Group.

In addition, other automatic control systems have been established, such as double entry locking, data entry thresholds, automatic reconciliation and limited access to critical transactions.

The Statutory Auditors

As part of the interim and annual closing of the financial statements, the Statutory Auditors carry out various forms of review:

- preliminary reviews, which may focus on the internal control of processes for the preparation of accounting and financial information;
- a limited half-year review of all accounting and financial data prepared by Group companies;
- a limited half-year review of the interim consolidated financial statements prepared by the Finance department;
- a review of all year-end accounting and financial data prepared by Group companies;
- a review of the year-end consolidated financial statements prepared by the Finance department.

This allows the Statutory Auditors to certify the legality, truthfulness and fair presentation of consolidated and parent company financial statements. The summary of their work is presented to the Group's Finance department, and to the Audit Committee.

PROCESSES CONTRIBUTING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Operating processes for preparing the financial statements

All the initial accounting production processes are subject to specific procedures as well as validation, authorisation and recognition rules. As such, procurement is carried out within a fully secured framework, with a list of pre-selected suppliers and previously negotiated terms and conditions. Order forms are required for all purchases exceeding a given threshold, and investment projects approved by the Executive Committee must be duly documented, justified and endorsed before they are implemented.

Closing process and preparation of the consolidated financial statements

The process of closing the financial statements is subject to specific instructions, which provide detailed schedules, exchange rates to be used, consolidation scopes and specific matters to be monitored. These instructions are sent to all companies, thereby ensuring compliance with deadlines, certainty that the same closing specifications are used, harmonisation of data reporting and better co-ordination between the various Group entities.

Procedures for validating the various stages of the consolidation process have also been established. Their main objective is to validate the following:

- correct application of accounting standards and principles;
- relevance of restatements of certain corporate data;
- identification, reconciliation and elimination of intersegment transactions;
- correct calculation of deferred taxation;
- correct analysis and explanation of movements in shareholders' equity, both at parent company and consolidated levels;
- consistency between management and accounting information.

Financial communication procedure

The people responsible for financial communication draw up a schedule summing up all of the Group's obligations in terms of accounting and financial disclosures. It specifies the nature of the information and the name of the person in charge of its drafting or preparation. Once the information is available, a proofreading procedure assesses its reliability and accuracy, whether the information is of an accounting nature or otherwise (workforce or volume). The Legal department ensures compliance with the prevailing laws and regulations in respect of both the nature of the information and the mandatory deadlines, and with the principle of providing the same disclosures to all shareholders.

— 3.7 ETHICS AND COMPLIANCE

3.7.1 COMMITMENTS

The Rémy Cointreau Group's ethical approach is based on the universal framework of overarching international principles, standards and agreements and governed primarily by:

- the Universal Declaration on Human Rights;
- the International Labour Organisation's Charter of Fundamental Rights, which covers in particular the freedom of association, forced labour, child labour and discrimination;
- sustainable development goals as established by the United Nations
- the Ten Principles of the Global Compact to which Rémy Cointreau has subscribed since 2003
- the European Union Charter of Fundamental Rights;
- the principles established by the GRI
- the OECD's guiding principles;
- the OECD's Convention on Combating Bribery of Public Officials.

The Rémy Cointreau Group and its employers are committed to complying with the applicable laws and regulations in all countries where they operate and undertake activities.

These principles are explicitly covered in the Group's code of business ethics and the Ethical Behaviour and Anti-Corruption Code, which are available on the Group intranet and are circulated to all employees.

CODE OF BUSINESS ETHICS

The Group's values are formally set out in a code of business ethics, which is signed by the Chairman of the Board of Directors and the Chief Executive Officer and circulated to all employees, as well as to new employees as soon as they join the Group. It is the bedrock of the culture of integrity and ethical behaviour of Rémy Cointreau Group Houses and its purpose is to provide guidance to the Rémy Cointreau Group, its Houses and its employees about how to behave and comply with the key principles governing relations between stakeholders and the Company. It also aims to promote compliance and to ensure that laws, applicable regulations and fundamental major principles are properly implemented.

The code of business ethics is also designed to encourage and motivate Rémy Cointreau Group employees to communicate and seek, both from their line managers and from the Public Affairs department, answers about how to behave in particular situations.

The code of business ethics sets out the values of the Rémy Cointreau Group and all of its Houses as well as its own ethical framework. These values, and these ethics, must inspire each of our employees in their daily activities and interactions, both internally and with the Group's partners. It sets out:

Business values and responsibilities

The values guiding Rémy Cointreau Group, its Houses and its employees in their business behaviour are

- **Compliance with the laws and regulations** in force in the countries where the Group operates, with Rémy Cointreau complying with its legal and tax obligations,

- **Respect for the principle of healthy competition**, with Rémy Cointreau supporting competition based on quality, reputation, service, price and respect for its competitors. The Rémy Cointreau Group therefore conducts its business honestly, sincerely and fairly,
- Adopting responsible communications, since the Rémy Cointreau Group wants to ensure that its products remain a source of enjoyment to be shared during social occasions. The best means of giving sense to our values is to perpetuate a culture of responsible consumption and prevent the risks associated with excessive alcohol consumption,
- **Preventing conflicts of interests**, the women and men of the Rémy Cointreau Group work in the interests of the Group and its Houses. No employee may obtain a personal benefit, whether directly or indirectly, from their job, a sale, a purchase or any other Company activity. Employees must avoid any situation of a conflict, or situation that may be perceived as a conflict, between their duties towards Rémy Cointreau and their personal interests,
- **Rejection of corruption**, Rémy Cointreau condemns corruption in all its forms, particularly extortion and bribery. The Rémy Cointreau Group believes that such behaviours are to the detriment of the countries in which it operates. The women and men of the Houses must demonstrate their integrity, particularly by refusing any gift which might contravene the Group's ethics;

Values and responsibilities towards others

Relations within the Rémy Cointreau Group are characterised by a duty of mutual respect between women and men who contribute with integrity to the corporate project and to the Company itself. Every day, the Houses of the Group undertake to respect and promote the following values: trust, acting as an example, excellence, high standards, appreciation, respect and discretion. These values are represented in the following initiatives:

- **A commitment to responsible consumption:** the Rémy Cointreau Group wants to promote, both internally and externally, the responsible consumption of its products,
- **Respect for the environment:** the Rémy Cointreau Group is committed to serving its clients, while accepting its environmental responsibilities and it therefore makes protecting the environment a key area of its strategic focus,
- **Commitment to its employees:** the Rémy Cointreau Group wants all of its employees to work in the best possible conditions and is committed to offering a healthy and safe workplace. The Rémy Cointreau Group is a long-term partner, supporting them in their development and fostering relationships based on trust and respect,
- **A firm commitment to the Group's clients and consumers:** the men and women in Rémy Cointreau's Houses must ensure that the Group honours its commitments towards its consumers and customers. Quality, health security, service and integrity must be their principal concerns in their daily work,

- **Rémy Cointreau Group's relations with its suppliers:** for the Rémy Cointreau Group, supplier relations is much more than a simple act of purchasing and the Group is committed to a sustainable partnership approach. Following the ratification of the Global Compact, the Group undertook to involve its suppliers in its social and environmental commitments, to ensure their involvement and to support them in improving their processes;

Employees' values and responsibilities towards the business and the Company

Among the values shared by the Rémy Cointreau Group and its employees, those of probity, integrity and confidentiality can be seen in the following commitments:

- **Protecting the reputation of the Group and its Houses:** the women and men of the Rémy Cointreau Group represent the image and reputation of its Houses and have a responsibility to protect them,
- **Relations between the Rémy Cointreau Group and its shareholders:** the women and men of the Rémy Cointreau Group have a responsibility to protect information relating to the Group's Houses. This confidential information must never be disclosed except within the strict framework of the Group's rules. The Rémy Cointreau Group also wishes to share with its shareholders, without distinction and respecting shareholder equality, its long-term strategy and values as well as the outcome of the development of the business,
- **Preserving the Group's assets and resources:** the Rémy Cointreau Group is committed to developing its business and its income, protecting its assets, ensuring that governance is in line with best practice and transparently reporting on the Group's activities. The women and men of the Group's Houses must also manage the Group's assets and resources with the highest level of integrity.
- **High "terroir-related" standards:** this can be identified through the quality and authenticity of our products: high standards in terms of raw materials and respect for the "terroir" of origin.

ETHICAL BEHAVIOUR AND ANTI-CORRUPTION CODE

Presentation

All employees receive the Ethical Behaviour and Anti-Corruption Code, which consists of almost 40 pages and is available in 10 languages. It sets out the Group's guiding principles on a number of operating issues. It provides for a whistleblowing system: the "Rémy Cointreau Ethic Line". The Code is circulated to all employees as soon as they join the Group; it is signed by the Chairman of the Board of Directors and the Chief Executive Officer.

The purpose of this Ethical Behaviour and Anti-Corruption Code is to raise employees' awareness about certain risks and provide them with guidelines to follow, together with a whistleblowing system. It consists of chapters setting out the rules and positions to adopt when confronted by certain situations. This Ethical Behaviour and Anti-Corruption Code may be supplemented on a local basis by other procedures. In the event of a conflict with local regulations, the latter must be followed as a matter of priority if they are more restrictive.

The Code sets out the whistleblowing mechanisms. If employees are confronted by situations that raise ethical issues, or they

identify behaviours that provoke questions, the Code establishes the principle that they must raise any questions, concerns or issues. This whistleblowing process has several stages:

- the first stage of discussion is with the relevant employee's administrative or functional line management. The management's duty is to listen and to seek to resolve the issue in an objective and transparent manner;
- next, the employee has the option of contacting either, locally, the Human Resources or Finance departments or, at Rémy Cointreau's head office, the Human Resources, Legal or Audit and Compliance departments. These contacts are, of course, made with due regard to confidentiality and the applicable legal framework;
- lastly, it is possible for each employee to issue a whistleblowing alert, which may or may not be done anonymously, directly to the Group Compliance department.

This alert system is also open to Rémy Cointreau Group's partners.

Issues covered

The Ethical Behaviour and Anti-Corruption Code covers the following subjects:

Corruption

Corruption and combating corruption is one of the first subjects addressed in the Ethical Behaviour and Anti-Corruption Code. It clearly and explicitly states that corrupt practices are contrary to the Rémy Cointreau Group's values. It sets out the broad principles that the Group's employees must follow in conducting business, their relations with third parties, the principal regulations in relation to the issue and the potential impacts for the Group and for employees. It details a number of examples and underlines the principle of zero tolerance in the event of infringements in these areas;

Employees' non-work related activities

Employees' non-work-related activities must take place outside of the context of the Group. They cannot take advantage of belonging to the Rémy Cointreau Group and must not compete with the Group's business activities;

Benefits and gifts

The Ethical Behaviour and Anti-Corruption Code sets out the rules and principles regarding gifts offered or received by the Group's employees. Although these are not prohibited, they must however be made in compliance with local regulations, the Group's ethics and procedures and in a completely transparent manner;

Money laundering and tax evasion

The Ethical Behaviour and Anti-Corruption Code raises employees' awareness about the risks related to the practices of money laundering and tax evasion and explains how to react to requests that may originate from certain commercial partners. It refers to the Group's mandatory procedures on the subject and, in particular, the due diligence to be carried out in order to ensure that a commercial partner, whether current or prospective, does not involve the Group in transactions that may promote these practices or which are located in the countries that appear on the lists of France, the European Union or the United States.

Confidentiality

The Ethical Behaviour and Anti-Corruption Code explains the concept of confidential information and gives examples regarding data security, good communication and specific prohibitions. Among other things, it addresses the subjects of social networks, financial information and customer data;

Conflicts of interest

The Ethical Behaviour and Anti-Corruption Code describes the concept of a conflict of interest and, in particular, provides a list of conduct to avoid. It emphasises the duty of transparency and loyalty. Group employees are invited to refer to the Legal, Public Affairs or Audit, Insurance and Compliance departments if they are confronted by a situation that may put them at risk of a conflict of interest;

Insider trading

The Ethical Behaviour and Anti-Corruption Code sets out the challenges, risks and conduct to avoid in this area, in accordance with the French law and rules on the subject. In particular it refers to the Rémy Cointreau Group's Stock Market Ethics Charter;

Harassment (psychological or sexual)

By reaffirming the principle of zero tolerance on the subject, the Ethical Behaviour and Anti-Corruption Code sets out the features that enable identification of such issues, the Group's notification procedure (via the Rémy Cointreau Ethic Line), and the rules for managing cases in this area;

Use of the Group's resources

The Ethical Behaviour and Anti-Corruption Code emphasises the objective of protecting the Group's resources and of using them for business purposes. It lists a number of prohibited activities (particularly those arising from the Group's IT Charter).

Echoing the code of ethics, the Ethical Behaviour and Anti-Corruption Code explains in its introduction that the men and women who work for Rémy Cointreau share the Group's defining values. Their actions also take place in strict compliance with the laws and regulations that apply in the countries where the Group operates, as well as within the framework of fundamental principles such as the Universal Declaration on Human rights, ILO rules and the OECD's guiding principles.

3.7.2 ORGANISATION

COMPLIANCE DEPARTMENT

The Compliance department reports to the Audit and Insurance department, which has been the Audit, Insurance and Compliance department since 1 September 2017, and whose responsibility is to identify, assess and manage the risks to which the Rémy Cointreau Group is exposed, and to verify compliance with different legislation and regulations, while ensuring that compliance programmes are implemented and updated in close cooperation with the Group's different departments.

The Audit, Insurance and Compliance Director reports to the Chairman of the Board of Directors and to the Audit Committee and works in close cooperation with the Group Chief Executive Officer and the Executive Committee.

ETHICS COMMITTEE

An Ethics Committee has been created and its members are as follows:

- audit, Insurance and Compliance Director;
- Group Legal Director;
- public Affairs Director;
- Group Human Resources Director.

The Ethics Committee meets regularly. Its particular responsibility is to define compliance frameworks and design and implement initiatives for preventing and monitoring in the areas of supplier oversight, fraud and combating corruption in all Group entities in France and abroad, in particular through carrying out awareness-raising campaigns and providing training to the most exposed employees.

In general terms, the Ethics Committee must:

- provide expertise through the analysis of regulatory and legal requirements;
- disseminate a compliance culture;
- ensure coordination and consistency;
- develop Group policies in this area.

"SENSITIVE DATA" COMMITTEE

A "Sensitive Data" Committee has been created comprising the following managers, together with the Data Protection Officer:

- audit, Insurance and Compliance department;
- Group Legal Director;
- IT Systems department.

The responsibility of the "Sensitive Data" Committee is to oversee the initiatives led by the Audit, Insurance and Compliance department in order to comply with European regulation No. 2016/679 of 27 April 2016, the "General Data Protection Regulations", which entered into force on 25 May 2018.

DATA PROTECTION OFFICER

A Data Protection Officer has been appointed who is responsible for coordinating compliance with the General Data Protection Regulations and, more generally, to handle personal data-related issues. The Data Protection Officer is the principal point of contact for interested parties and for the authorities responsible for protecting personal data.

This function is part of the Audit, Insurance and Compliance department.

3.7.3 IMPLEMENTATION

CORRUPTION

Rémy Cointreau Group's values do not tolerate corruption. All Rémy Cointreau Group's employees are committed to fighting against it. The Rémy Cointreau Group has a dual requirement: zero tolerance towards infringements of integrity and probity, on the one hand, and a commitment to support an ethical culture, on the other hand.

To achieve this, Rémy Cointreau is committed to complying with all of the relevant laws and principles, particularly those of the countries in which the Group produces and distributes its products. Rémy Cointreau will continue to implement a firm policy to combat any unlawful conduct. In order to comply with the requirements of law no. 2016-1691 of 9 December 2016 on transparency, combating corruption and modernising the economy, the Rémy Cointreau Group has made the Audit, Insurance and Compliance department responsible for combating corruption and for implementing action plans to reinforce the strict procedures that are already in place, in accordance with the requirements of the so-called "Sapin II" law.

3.7.4 CONTROL

WHISTLEBLOWING LINE

The Group has set up a Group whistleblowing system to anticipate and manage its risks, known as the "Rémy Cointreau Ethic Line". It is described in the Ethical Behaviour and Anti-Corruption Code. This system is updated to take into account any regulatory, legislative, economic, societal, geopolitical and competitive changes.

Local whistleblowing systems are also in place within the main subsidiaries, for example, in the United States and China.

SYSTEM OF SANCTIONS INTRODUCED

The system of sanctions introduced for the compliance programmes corresponds to the system of sanctions described in the internal regulations. Any infringement of ethics and integrity is contrary to the Group's intrinsic values and to the internal rules in this area.

CONTROL ON THE IMPLEMENTATION OF ETHICAL VALUES

Internal and external audits of the Group's companies and of the Group's main suppliers and partners are conducted on a regular basis, focussing on the implementation of the Group's procedures. These audits primarily cover the following issues: combating

PERSONAL DATA AND RESPECT FOR PRIVACY

In order to fulfil the requirements of the European regulation No. 2016/679 of 27 April 2016, the "General Data Protection Regulations", the Audit, Insurance and Compliance department was designated to conduct an assessment and prepare a compliance plan in accordance with the following issues:

- Governance: roles and responsibilities involved in data protection;
- Respect for people's rights: consent, information from the people concerned, exercise of their rights;
- Compliant processing: processing records, identification and classification of processing activities, data retention periods, contract management;
- Data security: procedures and controls, management of security breaches, impact assessments and privacy-by-design mechanisms;
- Continuous improvement: monitoring, internal control, certifications

corruption, protection of personal data, respect for the environment, respect for human rights and fundamental freedoms.

ETHICAL ISSUES TRAINING PROGRAMME

An "ethics, integrity and anti-corruption" training module for all employees of the Rémy Cointreau Group was rolled out during the 2017/2018 financial year. The implementation of this programme will be ramped up in 2018, particularly for the most exposed employees (commercial teams liaising with intermediaries and subsidiaries operating in countries regarded as "at risk" according to the classification established by Transparency International).

NETWORK OF COMPLIANCE CORRESPONDENTS WITHIN THE GROUP

The legal and compliance teams located abroad, in particular in the United States, China and Switzerland, make up the network of "compliance" and "personal data protection" correspondents, working closely with the Audit, Insurance and Compliance department and the Data Protection Officer, in order to roll out, organise and coordinate compliance programmes within the Group.

Specific procedures are also incorporated in audit programmes and procedures in this area.

— 3.8 PROCEDURES FOR SHAREHOLDER ATTENDANCE AT SHAREHOLDERS' MEETINGS

The provisions relating to shareholders' attendance at Shareholders' Meetings are described in Article 23 of the Company's Articles of Association.

A reminder of the main provisions is included in section 7.2 of this registration document.

COMMENTS ON THE RESULTS FOR THE YEAR

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— 4.1 ANALYSIS OF THE BUSINESS AND CONSOLIDATED RESULTS

For the year ended 31 March 2018, the Group posted a current operating profit of €236.8 million representing organic growth of +14.1% (+4.7% in reported terms) on the previous year. The operating margin was 21.0%.

4.1.1 KEY FIGURES

All data for the year ended 31 March are given in millions of euros (€ millions). The organic change is calculated on a constant scope and exchange rate basis compared with the previous period.

<i>(in € millions)</i>	2018	2017	REPORTED CHANGE	ORGANIC CHANGE
Net sales	1,127.0	1,094.9	+2.9%	+7.2%
Current operating profit/(loss)	236.8	226.1	+4.7%	+14.1%
Current operating margin	21.0%	20.7%		22.0%
Other operating expenses	(13.7)	(4.8)		
Operating profit/(loss)	223.1	221.3		
Net financial income/(expense)	(22.0)	(31.9)		
Income tax	(53.5)	(44.5)		
Share in profit/(loss) of associates	0.5	(19.6)		
Profit/(Loss) from continuing operations	148.1	125.2		
Net profit/(loss) from discontinued operations	-	65.0		
Non-controlling interests	0.2	0.0		
Net profit/(loss) attributable to the owners of the parent company	148.2	190.3	-22.1%	-15.0%
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent company	151.3	135.0	+12.0%	+22.0%
Basic earnings per share:				
On net profit/(loss) excluding non-recurring items attributable to the owners of the parent company	€3.04	€2.75	+10.6%	
On net profit/(loss) attributable to the owners of the parent company	€2.98	€3.87	-23.1%	

4.1.2 GENERAL COMMENTS ON CURRENT OPERATING PROFIT

Change in the current operating profit compared with March 2017 was as follows:

(in € millions)

Current operating profit – March 2017	226.1
Change due to exchange rates (net of hedges)	(18.5)
Changes in consolidation scope	(2.6)
Change in volumes	24.7
Impact of changes in price/mix	50.0
Change in advertising expenditure	(21.7)
Change in other expenses	(21.3)
Current operating profit – March 2018	236.8

Exchange rate fluctuations had a negative overall effect of €18.5 million, mainly due to the change in EUR/USD exchange rates. The average rate was 1.17 compared to 1.10 during the previous financial year. The hedge rate on EUR/USD cash flows averaged 1.19 for the financial year compared to 1.11 obtained during the financial year ended 31 March 2017. Over the financial year, 82% of net sales were generated in currencies other than the euro and 50% in US dollar.

The acquisitions of Westland and Domaine des Hautes Glaces took place in January 2017. The operating profit for these two brands

for the first nine months of this financial year was classified as a scope effect as only the last quarter is comparable. The effect was negative €2.6 million in line with the strategic plans.

The volume impact of €24.7 million reflects the sustained growth over the financial year for the Group's brands across all zones, particularly Asia and the USA for Rémy Martin. It is net of a negative effect of €10.7 million for the deconsolidation of Passoã, which mainly affects the EMEA zone.

Activity for the *Qualités Supérieures* was exceptional for the financial year, leading to a price/mix effect of €50 million, which benefited all zones, and particularly Asia.

Advertising expenditure was up €21.7 million (+9.1% for the Group's brands), reflecting the stronger communication around the brands. For certain brands, the focus is now on establishing a direct relationship with customers, notably via the construction of an ambassador network. These expenses contributed to the increase in other costs of €21.3 million, of which €13.5 million concern structural expenses for servicing brands and the distribution network. Other expenses as a percentage of net sales remained relatively unchanged.

Current operating profit saw solid organic growth of 14.1%, while (organic) operating margin also rose significantly to 22.0% (2017: 20.7%).

4.1.3 BUSINESS OVERVIEW

All the changes and margins described in the following comments relate to organic changes and margins (at constant scope and exchange rates).

In the year to 31 March 2018, the Rémy Cointreau Group generated net sales of €1.13 billion, up 7.2% on the previous period in total, and 9.2% for Group brands.

BY GEOGRAPHIC AREA

(in € millions)	EUROPE/MIDDLE- EAST/AFRICA	AMERICAS	ASIA-PACIFIC	TOTAL
Net sales				
March 2018	342.3	435.8	348.9	1,127.0
March 2017	345.3	434.2	315.4	1,094.9
Reported change	-0.9%	+0.4%	+10.6%	+2.9%
Organic change	-0.9%	+6.5%	+17.1%	+7.2%

The Americas region (39% of net sales) recorded excellent performance for the financial year, with sustained growth of 6.5%.

The EMEA region (Europe/Middle-East/Africa), which accounted for 30% of net sales, posted a 0.9% drop but recorded growth of 5.4% on Group brands (restated for the Passoã effect). Very good performances were recorded in Russia, Central Europe, and the UK.

The Asia-Pacific zone (31% of net sales) saw sustained growth of 17.1%, driven by Greater China and also the performance of the other markets in the zone, such as Singapore and Japan. The Group strengthened its network in South-East Asia by opening a subsidiary in Malaysia during the financial year.

BY DIVISION

	RÉMY MARTIN	LIQUEURS & SPIRITS	TOTAL GROUP BRANDS	PARTNER BRANDS	EXPENSES HOLDING	TOTAL
Net sales						
March 2018	760.0	266.8	1,026.8	100.2	-	1,127.0
March 2017	707.5	276.3	983.8	111.0	-	1,094.9
Reported change	+7.4%	-3.4%	+4.4%	-9.8%	-	+2.9%
Organic change	+13.2%	-1.0%	+9.2%	-10.4%	-	+7.2%
Current operating profit/(loss)						
March 2018	204.4	42.8	247.2	5.3	(15.7)	236.8
March 2017	185.2	57.5	242.7	2.0	(18.6)	226.1
Reported change	+10.4%	-25.5%	+1.9%	+163.2%	-15.5%	+4.7%
Organic change	+18.8%	-16.4%	+10.4%	+175.7%	-15.5%	+14.1%
Operating margin						
March 2018	26.9%	16.1%	24.1%	5.3%	-	21.0%
March 2018 (organic)	27.5%	17.6%	24.9%	5.6%	-	22.0%
March 2017	26.2%	20.8%	24.7%	1.8%	-	20.7%

RÉMY MARTIN

Net sales of €760.0 million were up 13.2%, following growth of 10% noted during the previous financial year. This reflects excellent performances in the Americas and Asia-Pacific zones. The House of Rémy Martin's portfolio improvement strategy continued to show results this year. Whilst volumes increased by 6%, the price and mix effects added 7.2 points of growth, notably thanks to the following initiatives: the second limited edition *Carte Blanche à Baptiste Loiseau*, the opening of pop-up stores in the UK, Russia and China, investments in communications on the XO quality, the limited edition of LOUIS XIII The Legacy (crystal magnum signed by four generations of cellar masters), and the 2nd opus of the "100 Years" campaign in partnership with Pharrell Williams.

Operating profit totalled €204.4 million, up strongly by 18.8% compared to the previous year (2017: +19.9%). Current operating margin was 27.5% compared to 26.2% the previous year, thanks to a favourable product mix and control of costs. Advertising expenditure, which continued to see sustained increases, was backed by the reinforcement of the sales and marketing teams.

LIQUEURS & SPIRITS

Net sales of €266.8 million posted a slight 1.0% drop, but recorded growth of 4% (restated for the change in the Passoã activity since 1 December 2016). Since this date, the Passoã business has been managed by a joint venture controlled by Lucas Bols. The net sales achieved on the Group's fringes by certain subsidiaries that continue to distribute the brand are recorded under Partner Brands.

Cointreau continued to grow, driven by the conquest of new markets (Greater China and Russia in particular) and by a good year in the United States, although in a more moderate market context. The brand began a new global communication campaign and intends to take advantage of the 70 years since the creation of the Margarita, in which Cointreau was a key ingredient from the start.

Metaxa confirmed the success of the new "12 Stars" quality in its main markets (Czech Republic, Slovakia, Poland and Russia) and had a good financial year in travel retail.

Mount Gay and St-Rémy, two brands currently being repositioned, continued to improve their product and market mix.

Progressive Hebridean Distillers (Bruichladdich/Port Charlotte/Octomore/The Botanist) continued their international development. The Botanist gin benefited notably from its excellent brand recognition with mixologists worldwide.

The acquisitions of Westland and Domaine des Hautes Glaces took place in January 2017. The operating profit for these two brands for the first nine months of this financial year was classified as a scope effect as only the last quarter is comparable. These two brands, acquired at an early stage of their development, contributed negatively to the division's results over the period, in line with the strategic plans.

The Liqueurs & Spirits business generated a current operating profit of €42.8 million, down 16.4%, with marketing investments remaining at sustained levels. The current operating margin was 17.6%, down compared to the previous financial year.

PARTNER BRANDS

The Group generated net sales of €100.2 million, a fall of 10.4%. This was mainly due to the end of the distribution agreement for Piper-Heidsieck and Charles Heidsieck Champagnes on 30 June 2016 (the agreement still covered mainly Travel Retail) and the deliberate withdrawal from certain Travel Retail distribution contracts in Europe. This category now includes Passoã in markets in which the Group distributes the brand (mainly Belgium, Luxembourg, UK and Japan). Partner Brands distributed in Europe continued to

perform well, with excellent performances in the Czech Republic and Slovakia in particular.

The business generated an operating profit of €5.3 million.

HOLDING COMPANY COSTS

These costs rose by €2.9 million in absolute value to €15.7 million. The change is mainly due to non-recurring adjustments recognised during the previous financial year. These amounted to 1.4% of consolidated net sales.

4.1.4 OPERATING PROFIT/(LOSS)

Operating profit/(loss) amounted to €223.1 million due to other operating income and expenses for €13.7 million, including an expense of €2.5 million for distribution network restructuring costs and impairment of €11.8 million for intangible assets associated with the Mount Gay brand. The new strategy for this brand, which

has been in the Group's portfolio for almost 30 years, has led it to completely rethink its long-term business model, which cannot be taken into account by the impairment tests recommended under IFRS.

4.1.5 NET FINANCIAL INCOME/(EXPENSE)

(in € millions)	2018	2017	CHANGE
Cost of gross financial debt	(14.5)	(21.5)	6.9
Investment income	0.0	0.0	0.0
Sub-total	(14.4)	(21.4)	7.0
Currency gains/(losses)	(2.9)	(5.4)	2.5
Other financial expenses (net)	(4.8)	(5.1)	0.3
NET FINANCIAL INCOME/(EXPENSE)	(22.0)	(31.9)	9.9

A net financial expense of €22 million was recorded, marking a sharp reduction of €9.9 million (-31%):

- the cost of gross financial debt fell sharply by €6.9 million due to the reduction in average gross debt and the fall in the effective interest rate, especially attributable to the replacement of a €205 million bond matured in December 2016 with a convertible bond (OCEANE) under highly favourable terms;
- currency gains/(losses) mainly include the impact of the valuation of the currency risk hedging portfolio in accordance with IFRS.

This impact was up by €2.5 million compared to the previous year;

- other financial expenses include items relating to the change in value of the vendor loan and capitalisation of interest (EPI Group loan), as well as the cost of financing certain *eaux-de-vie* inventories held by the AFC cooperative. Compared with the previous period, these items represent a positive net change of €0.3 million.

4.1.6 NET PROFIT/(LOSS) FOR THE PERIOD

TAX

The income tax expense totalled €53.5 million including the following non-recurring items:

- positive technical effect of €5.8 million relative to the revaluation of long-term deferred tax liabilities due to the reduction in tax rates announced in certain countries (France, United States);
- repayment of €7 million relating to the 3% contribution on cash dividend distributions paid by Rémy Cointreau for the 2013/2014, 2015/2016 and 2016/2017 financial years, including default interest, as this contribution was considered not to comply with the French Constitution;
- exceptional contribution to French corporate tax called for this financial year, in compensation of the item above, at a cost of €2.3 million.

Excluding these effects, which do not concern the year's cash flows, the effective tax rate was 29.7% (2017: 30.7%). This is a slight decrease compared to the previous year, due to the geographical distribution of the results.

NET PROFIT/(LOSS) OF ASSOCIATES

The share of profit of associates amounted to €0.5 million from the distribution joint ventures. No impact was recognised for the Group's investment in the Dynasty Fine Wines Ltd for this financial year.

The 27% interest in the Dynasty Group originated in a joint venture for wine production between Rémy Cointreau and the city of Tianjin (China) in 1980. This Group was listed on the Hong Kong stock exchange in 2005.

Trading in Dynasty Group shares has been suspended since 22 March 2013. The reasons for the suspension are described in note 5.1 to the 2017/2018 annual financial statements.

4.1.7 EXCEPTIONAL EVENTS AND DISPUTES

Ongoing litigation at the date of this report is not liable to have, or has not had during the past 12 months, a significant impact on the financial position or profitability of the Company and/or the Group.

Since the suspension, Rémy Cointreau has recognised four successive impairment losses on this investment (during the years ending 31 March 2013, 31 March 2014, 31 March 2016 and 31 March 2017), taking the valuation from HK\$1.88 per share to HK\$1.27, HK\$0.94, HK\$0.84 and finally HK\$0.36.

For the financial statements to 31 March 2018, the valuation model was updated with the help of an independent expert. Taking into account the published provisional financial statements and the external information available, the test would indicate that the value ranges between HK\$0.42 and HK\$0.59 per share. Adopting a prudent approach, Rémy Cointreau's management decided that the value of HK\$0.36 per share used at 31 March 2017 was still appropriate. The value of the investment has therefore been maintained at HK\$122.2 million, or €12.6 million, based on the period-end EUR/HKD exchange rate.

NET PROFIT/(LOSS) FOR THE PERIOD

Net profit attributable to owners of the parent stood at €148.2 million, a decrease in reported terms of 22.1% (2017: €190.3 million). The net profit/(loss) for the previous financial year had been impacted for €65 million by the effect recorded on the constitution of the Passoã joint venture. Basic earnings per share were €2.98, compared with €3.87 during the previous period.

Before non-recurring items (other operating income and expense net of tax, net profit/(loss) from discontinued operations and assets held for sale, non-recurring items relating to the tax expense and the results of associate companies), net profit/(loss) attributable to owners of the parent was €151.3 million, equivalent to basic earnings per share of €3.04, an increase of 10.6% from €2.75 for the year ended 31 March 2017.

In this respect, the Group estimates that the provisions recognised in its balance sheet are sufficient to absorb the cost of legal rulings in the event of an unfavourable court decision.

— 4.2 FINANCIAL AND CASH POSITIONS

4.2.1 COMMENT ON THE FINANCIAL POSITION

(in € millions)	MARCH 2018	MARCH 2017	CHANGE
Brands and other intangible assets	509.4	526.1	(16.7)
Property, plant and equipment	242.9	237.3	5.7
Investments in associates	20.2	22.4	(2.2)
Other financial assets	166.2	166.7	(0.4)
Non-current assets (other than deferred tax)	938.8	952.5	(13.6)
Inventories	1,170.3	1,145.4	24.9
Trade and other receivables	209.8	224.0	(14.3)
Trade and other payables	(517.3)	(503.6)	(13.7)
Working capital requirements	862.7	865.8	(3.1)
Net financial derivatives	8.0	(3.4)	11.4
Net current and deferred tax	(66.0)	(72.9)	6.9
Provisions for liabilities and charges	(53.7)	(49.2)	(4.6)
Assets and liabilities held for sale	1.3	1.3	-
Other net current and non-current assets and liabilities	(110.5)	(124.2)	13.7
TOTAL	1,691.1	1,694.1	(3.0)
Financed by:			
Shareholders' equity	1,408.3	1,304.0	104.3
Long-term financial debt	397.1	392.8	4.3
Short-term financial debt and accrued interest charge	72.5	75.3	(2.9)
Cash and cash equivalents	(186.8)	(78.0)	(108.7)
Net financial debt	282.8	390.1	(107.3)
TOTAL	1,691.1	1,694.1	(3.0)
For information:			
TOTAL ASSETS	2,541.6	2,441.5	100.1

Non-current assets decreased by €13.6 million to €938.8 million, including:

Translation reserve	(16.3)
Current tangible and intangible investments	36.7
Depreciation, amortisation and provisions	(21.6)
Impairment of intangible assets (goodwill and brands)	(11.8)
Other movements	(0.7)
TOTAL CHANGE	(13.6)

As in previous years, current investments concerned the ongoing modernisation of IT systems and production tools, the upgrading of storage facilities for spirits undergoing ageing and the extension to the storage facilities on the various sites.

The line "Impairment of intangible assets (goodwill and brands)" for €(11.8) million comes from the full impairment of intangible assets relating to the Mount Gay brand. The new strategy for this brand, which has been in the Group's portfolio for almost 30 years, has led it to completely rethink its long term business model, which cannot be taken into account by the impairment tests recommended by

IFRS standards. During the financial year, the Group invested significant amounts in Barbados as part of a plan to relaunch the brand with a higher range positioning.

The working capital requirement was down €3.1 million, of which €(11.0) million in respect of currency effects. The remaining €7.9 million includes an increase in inventories undergoing ageing for €41.5 million, offset by a decrease in inventories of finished products (€7.6 million), a decrease in operating receivables for €1 million and an increase in trade and other payables for €25.1 million, of which €14.8 million for *eaux-de-vie* purchases.

<i>(in € millions)</i>	CURRENCY EFFECT	CHANGE	TOTAL
Inventories undergoing ageing	(4.9)	41.5	36.6
Other inventories (mainly finished products)	(4.1)	(7.6)	(11.7)
Trade and other receivables	(13.3)	(1.0)	(14.3)
Trade and other payables	11.4	(25.1)	(13.7)
TOTAL WORKING CAPITAL REQUIREMENT	(11.0)	7.9	(3.1)

Derivative financial instruments are primarily intended to hedge currency risk. The Group hedges its provisional positions over a rolling 18-month period. The market value of the portfolio held at 31 March 2017 represented net liabilities of €3.4 million compared to net assets of €8 million at 31 March 2018, reflecting a portfolio of instruments whose exercise prices are closer to market expectations.

The Group's liabilities net of tax (current and deferred) dropped by €6.9 million, including effects relating to the reduction in the tax rate in certain countries.

The item "Provisions for liabilities and charges" was up €4.6 million reflecting provisions for €11.3 million and reversals for €6.6 million.

The change in shareholders' equity breaks down as follows:

<i>(in € millions)</i>	
Net profit/(loss) for the period	148.1
Profit/(loss) recorded in equity	5.6
Impact of stock-option and similar plans	2.7
Change in translation reserves	(3.1)
Transactions on treasury shares	(26.9)
Dividends paid in shares and cash	(24.7)
Other movements	0.4
Equity component of OCEANE bond	2.1
TOTAL CHANGE	104.3

The Shareholders' Meeting of 25 July 2017 approved the payment of an ordinary dividend of €1.65 per share for the year ended 31 March 2017, with an option for payment of the entire dividend in shares. The dividend was paid on 4 September 2017 for a total amount of €81.8 million, of which €24.7 million was paid in cash and €57.1 million in shares (635,254 shares issued).

As part of a share buyback plan implemented between 1 August 2017 and 29 December 2017, Rémy Cointreau acquired 273,009 shares for a total sum of €26.3 million. The Board of Directors of Rémy Cointreau, meeting on 17 January 2018, decided to cancel 103,638 treasury shares through a capital reduction as a result of this share buyback plan.

Net debt stood at €282.8 million, a decrease of €107.3 million from March 2017.

At 31 March 2018, the Rémy Cointreau Group had €735 million in confirmed funding, including:

- a €255 million syndicated revolving loan maturing on 11 April 2019, bearing interest at EURIBOR plus a variable margin;
- a €65 million bond maturing on 13 August 2023, with a coupon of 4% and an issue premium of 2.00%;
- an €80 million bond placed entirely with a private investor, maturing on 27 February 2025 with a coupon of 2.945%;
- a current-account agreement with the Orpar SA company signed on 31 March 2015 for €60 million at a rate of 1.25% and fully drawn since 7 April 2015;
- an OCEANE bond issued on 7 September 2016 for a nominal value of €275 million, maturing on 7 September 2026, with a conversion option exercisable on 7 September 2023, and bearing interest at the rate of 0.125%.

The A ratio⁽¹⁾ (Net debt/EBITDA) on which the availability of the private placement and the syndicated loan is based, was 1.48 at 31 March 2018. The terms of the syndicated loan and private bond placement stipulate that this ratio, calculated every six months, must remain below or equal to 3.5 until the loan matures. The Group does not foresee any difficulties concerning the availability of finance contingent on the A ratio.

4.2.2 RETURN ON CAPITAL EMPLOYED (ROCE)

At 31 March 2018, capital employed amounted to €1,078.8 million, compared with €1,064.7 million at 31 March 2017. The increase of €14.1 million breaks down as follows:

Change in inventories undergoing ageing	41.5
Change in other inventories	(7.6)
Change in the other working capital requirement items	(26.7)
Net increase in non-current assets	15.1
Impact Westland/Domaine des Hautes Glaces	10.7
Currency effect	(18.9)
TOTAL CHANGE	14.1

Taking into account the current operating profit of €236.8 million, ROCE was therefore 21.9% (2017: 21.2%), i.e. an increase of 0.7 points.

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year – in this case end-September 2017 and end-March 2018 – and (b) EBITDA for the previous 12 months – in this case end-March 2018.

4.2.3 COMMENTS ON CASH FLOWS

(in € millions)	2018	2017	CHANGE
EBITDA	261.5	248.6	12.9
Change in working capital requirement	(7.4)	(35.3)	27.9
Net cash flow from operations	254.1	213.3	40.7
Other operating income/(expense)	(1.1)	(3.9)	2.7
Financial result	(12.0)	(22.5)	10.4
Income tax	(56.4)	(52.4)	(4.1)
Other operating cash flows	(69.6)	(78.7)	9.1
Net cash flow from operating activities	184.5	134.6	49.8
Net cash flows from non-current assets	(33.6)	(36.9)	3.3
Net cash flow relating to acquisitions	-	(48.1)	48.1
Net cash flow from other investments	1.9	0.9	1.0
Net cash flow before investment activities	152.7	50.5	102.2
Treasury shares	(26.9)	0.4	(27.2)
Dividends paid	(24.7)	(13.0)	(11.7)
Net cash flow relating to capital	(51.5)	(12.6)	(38.9)
Repayment of financial debt	(0.1)	(5.2)	5.1
Net cash flow after investment activities	101.1	32.7	68.4
Translation differences on cash and cash equivalents	7.6	(1.6)	9.2
Change in cash and cash equivalents	108.7	31.1	77.6

Earnings before interest, tax, depreciation and amortisation (EBITDA)⁽¹⁾ rose by €12.9 million, mainly due to the change in current operating profit.

The change in working capital requirement consisted of a decrease of €27.9 million.

	2018	2017	CHANGE
Change in inventories	(33.0)	(25.9)	(7.0)
Change in trade receivables	3.5	4.0	(0.5)
Change in trade payables	16.4	18.2	(1.8)
Net change in other receivables and payables	5.7	(31.5)	37.2
CHANGE IN WORKING CAPITAL REQUIREMENT	(7.4)	(35.3)	27.9

For the financial year ended 31 March 2018, the increase in inventories undergoing ageing accounted for €41.5 million of the total change in working capital requirement. Other inventories were down mainly due to the end of certain partner brand distribution contracts in Travel Retail.

During the year, the Group implemented factoring programmes which had the effect of accelerating customer payments in the amount of €49 million at 31 March 2018, versus €42.4 million at 31 March 2017.

Net cash outflows relating to financing activities totalled €12 million euros, a decrease of €10.4 million, in line with the reduction in financial expenses.

Income tax mainly reflects payments on account made in respect of the current year and the settlement of tax due for the previous year.

For the financial year ended 31 March 2018, the net cash outflow of €56.4 million was comparable with that of the previous financial year.

Net cash outflows relating to current non-financial investments amounted to €33.6 million, compared with €36.9 million the previous year.

During the financial year ended 31 March 2017, the acquisitions made during the financial year (Westland and Domaine des Hautes Glaces) accounted for €48.1 million of in investment cash flows.

After net cash flow relating to capital, repayment of financial debt and currency effects, cash and cash equivalents were up significantly by €77.6 million. The Group thus had a gross cash position of €186.8 million at 31 March 2018 (March 2017: €78 million). Gross financial debt was €469.6 million (March 2017: €468.1 million).

(1) EBITDA is calculated as current operating profit adjusted by adding back depreciation and amortization on property, plant and equipment and intangible assets, expenses relating to long-term bonus plans, and dividends received from associates during the period.

— 4.3 PARENT COMPANY RESULTS

4.3.1 COMMENTS ON THE RESULTS

The Company recorded a current operating profit before tax of €8.7 million for the financial year ended 31 March 2018 (2017: €144.9 million).

Services invoiced to subsidiaries totalled €21.8 million, compared with €20.2 million in the previous year. Services provided by Rémy Cointreau to its subsidiaries are invoiced on the basis of the cost of the services provided, plus a 5% profit margin.

Net operating expenses totalled €34.4 million, up €0.6 million. This sum covers all of the services provided by the Company, which are re-invoiced in part to subsidiaries.

Dividends received from subsidiaries totalled €22.0 million (2017: €165.1 million). The sharp decrease in net profit compared to the

previous financial year stems mainly from the significant decrease in dividends to the parent company. This decrease is partly due to the payment of significant instalments in 2016/2017.

Interest expenses amounted to €6.3 million, down €7.8 million from €14.1 million the previous year, due to the reduction of the debt and lower effective interest rates applied to the Company.

Tax income of €6.2 million relates mainly to the net savings from the consolidated tax scope during the period.

Taking these factors into account, the net profit for the year was €14.9 million.

4.3.2 COMMENTS ON THE BALANCE SHEET

Non-current assets, which primarily comprise equity investments, remained stable over the financial year.

Under the terms of the sale of the Champagne division in July 2011, the Company provided a €75 million loan to the purchaser for a period of nine years. According to the terms of the loan, annual interest payments are capitalised for the first three years. The nominal value of the loan is currently €86.8 million, with interest receivable of €3.2 million.

Equity amounted to €1,064.7 million, down by €19.8 million, including the net profit for the period of €14.9 million, the net impact of the dividend paid in respect of the 2016/2017 financial year for €(24.7) million and a capital reduction effect (cancellation of shares acquired as part of a share buyback programme). Dividends paid in respect of the year ended 31 March 2017 amounted to

€81.8 million, of which €57.1 million has been converted into shares, corresponding to a capital increase of €1 million and a share premium of €56.1 million.

Gross financial debt totalled €549.4 million, with a non-significant increase of €12 million.

Rémy Cointreau has €670 million in confirmed financial resources of which €335 million are contingent on compliance with the so-called A ratio⁽¹⁾ (Net debt/EBITDA). The A ratio was 1.48 at 31 March 2018. The terms of the syndicated loan and private bond placement stipulate that this ratio, calculated every six months, must remain below or equal to 3.5 until the loan matures. Rémy Cointreau does not foresee any difficulties concerning the availability of finance contingent on the A ratio.

4.3.3 INFORMATION IN RESPECT OF PAYMENT TERMS PURSUANT TO ARTICLE D. 4414 OF THE FRENCH COMMERCIAL CODE

As of 31 March 2018, supplier invoices totalling €0.3 million were due for payment no later than the end of April.

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year – in this case end-September 2016 and end-March 2018 – and (b) EBITDA for the previous 12 months – in this case end-March 2018.

— 4.4 RECENT EVENTS AND OUTLOOK

4.4.1 RECENT EVENTS

None.

4.4.2 OUTLOOK

Due to its unique business model and its portfolio of exceptional spirits, the Rémy Cointreau Group pursues its long-term strategy of focusing on its high-end products, founded on the excellence of terroirs, the mastery of savoir-faire and the importance of time.

Following a significant increase in profitability in 2017/2018 (+1.3 points in organic terms), the Group is raising its target for current

operating margin growth over the three-year period to the end of March 2020 (2017/2018, 2018/2019 and 2019/2020): It now expects cumulative growth of 2.4 to 3.0 points (compared with a target of 0.8 to 1.8 points previously) on a like-for-like basis.

For 2018/2019, Rémy Cointreau is once again expecting an increase in current operating profit on a like-for-like basis.

CONSOLIDATED FINANCIAL STATEMENTS OF THE REMY COINTREAU GROUP AT 31 MARCH 2018

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— 5.1 CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	Notes	2018	2017
Net sales	15	1,127.0	1,094.9
Cost of sales		(366.3)	(364.2)
Gross margin		760.7	730.7
Distribution costs	16	(432.7)	(416.7)
Administrative expenses	16	(91.7)	(88.5)
Other income/(expense) from operations	16	0.4	0.6
Current operating profit/(loss)	15	236.8	226.1
Other operating expenses	18	(13.7)	(4.8)
Operating profit/(loss)		223.1	221.3
Cost of net financial debt		(14.4)	(21.4)
Other financial income/(expense)		(7.6)	(10.5)
Net financial income/(expense)	19	(22.0)	(31.9)
Profit before tax		201.0	189.4
Income tax	20	(53.5)	(44.5)
Share in profit/(loss) of associates	5	0.5	(19.6)
Profit/(Loss) from continuing operations		148.1	125.2
Net profit/(loss) from deconsolidated and discontinued operations	21	-	65.0
Net profit/(loss) for the year		148.1	190.2
Of which:			
attributable to non-controlling interests		(0.2)	(0.0)
attributable to owners of the parent company		148.2	190.3
Net earnings per share – from continuing operations (€)			
basic		2.97	2.55
diluted		2.83	2.42
Net earnings per share -attributable to owners of the parent company (€)			
basic		2.98	3.87
diluted		2.83	3.68
Number of shares used for the calculation			
basic	10.2	49,789,269	49,123,523
diluted	10.2	52,434,796	51,782,976

— 5.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	2018	2017
Net profit/(loss) for the period	148.1	190.2
Movement in the value of hedging instruments	8.8	(5.6)
Actuarial difference on pension commitments	(0.2)	(2.1)
Related tax effect	(3.0)	2.7
Movement in translation differences	(3.0)	(0.5)
Total income/(expenses) recorded in equity	2.6	(5.6)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	150.6	184.7
Of which:		
attributable to owners of the parent company	151.0	184.6
non-controlling interests	(0.4)	0.1

— 5.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in € millions)</i>	<i>Notes</i>	2018	2017
Brands and other intangible assets	3	509.4	526.1
Property, plant and equipment	4	242.9	237.3
Investments in associates	5	20.2	22.4
Non-current financial assets	6	166.2	166.7
Deferred tax assets	20	19.7	30.4
Non-current assets		958.6	982.9
Inventories	7	1,170.3	1,145.4
Trade and other receivables	8	209.8	224.0
Income tax receivables		4.9	6.6
Derivative financial instruments	14	10.0	3.3
Cash and cash equivalents	9	186.8	78.0
Assets held for sale		1.3	1.3
Current assets		1,583.1	1,458.6
TOTAL ASSETS		2,541.6	2,441.5
Share capital		80.4	79.5
Share premium		804.9	758.6
Treasury shares		(20.5)	(8.4)
Consolidated reserves and profit/(loss) for the year		518.4	445.9
Translation reserve		24.0	26.8
Shareholders' equity -attributable to owners of the parent company		1,407.1	1,302.5
Non-controlling interests		1.1	1.5
Shareholders' equity	10	1,408.3	1,304.0
Long-term financial debt	11	397.1	392.8
Provision for employee benefits	23	32.6	31.6
Long-term provisions for liabilities and charges	12	6.9	6.6
Deferred tax assets	20	81.0	98.9
Non-current liabilities		517.7	529.9
Short-term financial debt and accrued interest charge	11	72.5	75.3
Trade and other payables	13	517.3	503.6
Income tax payables		9.7	11.0
Short-term provisions for liabilities and charges	12	14.2	10.9
Derivative financial instruments	14	2.0	6.7
Liabilities held for sale		-	-
Current liabilities		615.7	607.6
TOTAL EQUITY AND LIABILITIES		2,541.6	2,441.5

— 5.4 CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in € millions)	Attributable to:							TOTAL EQUITY
	SHARE CAPITAL AND PREMIUM	TREASURY SHARES	RESERVES AND NET PROFIT/(LOSS)	TRANSLATION RESERVE	PROFIT/(LOSS) RECORDED IN EQUITY	OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTERESTS	
At 31 March 2016	773.3	(8.7)	333.8	27.5	(13.9)	1,111.9	1.4	1,113.3
Net profit/(loss) for the period	-	-	190.3	-	-	190.3	(0.0)	190.2
Gains (losses) recorded in equity	-	-	-	(0.6)	(5.1)	(5.7)	0.1	(5.6)
Share-based payments	-	-	1.8	-	-	1.8	-	1.8
Transactions on treasury shares	-	0.4	-	-	-	0.4	-	0.4
Dividends	64.8	-	(77.8)	-	-	(13.0)	-	(13.0)
OCEANE ⁽¹⁾	-	-	16.3	-	-	16.3	-	16.3
Other movements	-	-	0.5	-	-	0.5	-	0.5
At 31 March 2017	838.1	(8.4)	464.9	26.8	(19.0)	1,302.5	1.5	1,304.0
Net profit/(loss) for the period	-	-	148.2	-	-	148.2	(0.2)	148.1
Gains (losses) recorded in equity	-	-	-	(2.9)	5.6	2.7	(0.2)	2.5
Share-based payments	-	-	2.7	-	-	2.7	-	2.7
Capital reduction	(10.0)	14.8	(4.8)	-	-	-	-	-
Transactions on treasury shares	-	(26.9)	-	-	-	(26.9)	-	(26.9)
Dividends	57.1	-	(81.8)	-	-	(24.7)	-	(24.7)
OCEANE ⁽²⁾	-	-	2.1	-	-	2.1	-	2.1
Other movements	-	-	0.4	-	-	0.4	-	0.4
AT 31 MARCH 2018	885.3	(20.5)	531.8	24.0	(13.4)	1,407.1	1.1	1,408.3

(1) On 7 September 2016, Rémy Cointreau SA issued bonds convertible or exchangeable into new or existing shares (OCEANE), with a par value of €275 million, maturing on 7 September 2026 (see note 11.6 "Bonds"). The difference after tax between the par value of the bonds and their fair value on the date of issue, is recognised as equity.

(2) Impact related to the revaluation of deferred tax liabilities of 25.83% under the terms of the 2018 French Finance Act.

— 5.5 CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in € millions)</i>	<i>Notes</i>	2018	2017
Current operating profit/(loss)		236.8	226.1
Depreciation, amortisation and impairment		21.6	20.4
Share-based payments		2.7	1.8
Dividends received from associates	5	0.5	0.4
EBITDA		261.5	248.6
Change in inventories		(33.0)	(25.9)
Change in trade receivables		3.5	4.0
Change in trade payables		16.4	18.2
Change in other receivables and payables		5.7	(31.5)
Change in working capital requirement		(7.4)	(35.3)
Net cash flow from operations		254.1	213.3
Other operating income/(expense)		(1.1)	(3.9)
Financial result		(12.0)	(22.5)
Income tax		(56.4)	(52.4)
Other operating cash flows		(69.6)	(78.7)
Net cash flow from operating activities – continuing operations		184.5	134.6
Impact of deconsolidated and discontinued operations		-	-
Net cash flow from operating activities		184.5	134.6
Capital expenditure and recurring administrative investments	3/4	(33.6)	(36.9)
Purchase of shares in associates and non-consolidated investments	5/6	-	(48.1)
Disposal of intangible assets and property, plant and equipment		0.8	0.4
Disposal of shares in associates and non-consolidated investments	6	0.5	1.3
Net cash flow from other investments	6	0.5	(0.8)
Net cash flow from investment activities – continuing operations		(31.7)	(84.1)
Impact of deconsolidated and discontinued operations		-	-
Net cash flow from investment activities		(31.7)	(84.1)
Treasury shares	10	(26.9)	0.4
Increase in financial debt		-	282.3
Repayment of financial debt		(0.1)	(287.5)
Dividends paid		(24.7)	(13.0)
Net cash flow from financing activities – continuing operations		(51.6)	(17.8)
Impact of deconsolidated and discontinued operations		-	-
Net cash flow from financing activities		(51.6)	(17.8)
Translation differences on cash and cash equivalents		7.6	(1.6)
Change in cash and cash equivalents		108.7	31.1
Cash and cash equivalents at start of year	9	78.0	46.9
Cash and cash equivalents at end of year	9	186.8	78.0

— 5.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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INTRODUCTION

Rémy Cointreau is a *société anonyme* (joint stock company) with a Board of Directors subject to French legislation and in particular the French Commercial Code. Rémy Cointreau shares are listed on Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 5 June 2018. They will be submitted for shareholders' approval at the shareholders' meeting on 24 July 2018.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rémy Cointreau's financial year runs from 1 April to 31 March. The consolidated financial statements are presented in millions of euros.

In accordance with European regulation (EC) No. 1606/2002 of 19 July 2002, Rémy Cointreau's consolidated financial statements are prepared in accordance with international accounting standards applicable within the European Union as of 31 March 2018.

These standards can be consulted on the European Commission website at:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

Changes to accounting principles compared with the previous year

The standards and amendments whose application by the Group was compulsory for the first time from 1 January 2017 are as follows:

- IFRS annual improvement cycle 2014-2016;
- Amendments to IAS 7: "Statement of cash flows, disclosure initiative";
- Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealised Losses".

The first time adoption of these standards and amendments did not have any material impact on the consolidated financial statements.

The standards, interpretations and amendments whose application is compulsory after 31 March 2018 and for which the Group did not choose early application for the consolidated financial statements for the year ended 31 March 2018 are as follows:

- IFRS 9 "Financial Instruments", with mandatory application for annual periods beginning on or after 1 January 2018 in accordance with the IASB. Rémy Cointreau is mainly concerned by the possibility of deferring the time value of exchange rate option contracts in equity as for forward hedging in order to only impact income at the date of realisation of the hedged transactions. The impact of the change in method over the financial year ended 31 March 2018 would have been the reclassification of an expense of €2.2 million in change in net position. The "classification and measurement" and "impairment tests" items will not have a significant impact on the financial statements;
- IFRS 15 "Revenue from Contracts with Customers", with mandatory application for annual periods beginning on or after 1 January 2018 in accordance with the IASB. The Group forecasts that its application will mainly have an effect on the reclassification between net sales and distribution costs of certain expenses, notably advertising and promotion expenses.

This reclassification, which is neutral for current operating profit, will reduce net sales by around 8% and will have an accretive effect of around 1.5 points on the current operating margin;

- IFRS 16 "Leases", with mandatory application for annual periods beginning on or after 1 January 2019 in accordance with the IASB. Rémy Cointreau intends to apply this standard early from the financial year opening on 1 April 2018. The transition method adopted is the simplified retrospective method. Restatements will mainly impact office lease contracts. The Group forecasts that the main effect of its application will be an increase in fixed assets by around €30 million offset by the financial debt. Application of this standard on current operating profit, profit (loss) for the period and the A ratio will not be significant;
- IFRS 17 "Insurance Contracts";
- Amendments to IAS 40 "Transfers of investment property";
- Amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- Amendments to IFRS 10 and IAS 28 "Sale or contributions of assets between an investor and its associate or joint venture";
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- IFRIC 23 "Uncertainty over Income Tax Treatments".

NOTE 1.1 USE OF ESTIMATES

The preparation of the financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions that have a bearing on the amounts reported in the financial statements and whose subsequent revision could affect future results. This is particularly the case in respect of the items described below.

Asset impairment tests

In the context of conducting impairment tests on the carrying amount of intangible assets with an indefinite useful life, and of other assets (such as the Dynasty Group investment (see note 5)), and when required by standards or circumstances, the Group regularly uses discounted future cash flow calculations and/or market values of comparable assets. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

Provisions for liabilities and charges

The recognition of provisions, generally intended to cover compensation payable in the event of disputes with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

Pension commitments and other post-employment benefits

The valuation of these obligations is determined by the use of actuarial methods involving assumptions in respect of the discount rate, expected return on plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

Derivative financial instruments

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

NOTE 1.2 CONSOLIDATION METHODS

Rémy Cointreau is the consolidating company.

The financial statements of the companies under the exclusive control of Rémy Cointreau are fully consolidated. An investor controls an issuing entity when it is exposed or has rights to variable returns due to its ties with the issuing entity and it has the ability to influence these returns due to the power that it holds over the entity. Consequently, the investor controls an issuing entity if, and only if, all the items below are present:

- it holds power over the issuing entity;
- it is exposed to or has rights to variable returns due to its ties with the issuing entity (*ad hoc* entities, see also note 1.7);
- it has the ability to exercise its power over the issuing entity in such a way as to influence the expected returns that it obtains.

Equity investments in companies in which the Group exercises significant influence (associates) are accounted for by the equity method. A significant influence is presumed to exist, unless it is clearly shown that this is not the case, when the parent company holds, directly or indirectly, 20% or more of the voting rights in the Company.

Consolidated companies prepare their financial statements in accordance with generally accepted accounting principles in their country. Where necessary, adjustments are made to these financial statements to bring their accounting policies into line with those used by the Group.

All significant transactions between consolidated companies as well as intra-Group gains and losses are eliminated on consolidation.

NOTE 1.3 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The consolidated financial statements of the Rémy Cointreau Group are stated in euros, the functional currency of Rémy Cointreau SA.

The balance sheets of subsidiaries, whose functional currency is not the euro, are translated at the closing exchange rate. The income statements and statements of cash flows are translated at the average exchange rate for the period concerned. Differences arising from the use of different exchange rates are recognised directly in equity under "Translation differences" until the sale or liquidation of the subsidiary concerned.

NOTE 1.4 FOREIGN-CURRENCY TRANSACTIONS

In relation to each entity, transactions denominated in currencies other than the functional currency are recorded in the functional currency using the exchange rate applicable on the date of transaction. At the end of each period, cash assets and liabilities in foreign currencies are revalued using the closing exchange rate for the year. The resulting differences are recognised in either the operating profit/(loss) or net financial income/(expense) depending on the nature of the underlying transactions.

By way of exception, revaluation differences relating to transactions classified as net investment hedges are recognised directly in equity under "Translation differences".

As a general rule, distribution subsidiaries invoice their customers in the functional currency of the customer and make purchases from production subsidiaries in their own functional currency (not in the functional currency of the production company). The majority of the Group's production subsidiaries are located in the euro zone, despite the euro representing only 25% of its sales. As a result, the production subsidiaries and certain distribution subsidiaries are significantly exposed to changes in foreign exchange rates.

The Group manages this risk, and other similar risks associated with the financing of its "non euro" subsidiaries, centrally through the use of derivative financial instruments which are recognised in accordance with IAS 39. The hedging instruments are concluded over a rolling 18-month period. At the end of each period, the Group may retain a portfolio of instruments intended to hedge the cash flows of subsequent years. Over the course of the financial year, the instruments retained at the start of the year reach maturity.

The revaluation effects of foreign currency derivative financial instruments at the end of each period are recognised in financial income for the portion that must be recorded as income in accordance with the standard, regardless of the type of cash flows hedged (trading or financial). These revaluations, dependent upon the closing exchange rate for each currency, have no bearing on the income that will actually be generated upon maturity of the instruments.

The income actually generated upon maturity of financial instruments allocated in the financial year is recorded in either gross margin or financial income depending on the type of cash flows hedged (trading or financial).

NOTE 1.5 BUSINESS COMBINATIONS AND GOODWILL

Goodwill represents the difference between the cost of acquisition of the businesses and the fair value of identifiable assets and liabilities at the date of acquisition.

In accordance with IFRS 3 “Business combinations”, goodwill is not amortised but is subject to impairment testing at least annually and as soon as there is any indication of a decrease in value. For the purpose of this testing, goodwill is allocated to Cash Generating Units (CGUs).

Costs related to an acquisition are recognised in profit and loss for the periods in which the costs are incurred and the services received. They are classified as “Other operating income and expenses” in the consolidated income statement and as net cash flow from investment activities in the consolidated cash flow statement.

NOTE 1.6 DEFINITION OF CERTAIN INDICATORS

A) Net sales

Net sales include wholesale trading of finished goods in branded wines and spirits marketed by the Group to:

- distributors;
- agents;
- wholesalers, mainly in North America and China.

These sales are recognised when the significant risks and rewards of ownership have been transferred to the customer, which generally occurs on shipment.

These amounts are stated net of duties and taxes and are determined by reference to customer prices. Sales to wholesalers are recognised net of any provisions for discounts, rebates and other forms of trade agreements when they result in the customer ultimately paying a lower price for the goods.

Certain revenues that are ancillary to the sale of wine and spirit brands (notably from subcontracting and the distribution of alcohol-free products) are recorded at their net amount under “Other income from operations” when they are peripheral to the Group’s core activity.

B) Current operating profit/(loss), operating profit/(loss), net profit/(loss) from discontinued operations

Current operating profit/(loss) comprises all elements relating to the Group’s activities with the exception of:

- the operating profit/(loss) from operations deconsolidated or discontinued during the period or for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit/(loss) is reclassified in the *item* “Net profit/(loss) from discontinued operations” together with other items of income and expense relating to these activities;
- items that, given their nature, frequency and materiality, cannot be considered as part of the Group’s ordinary activities and which affect inter-period comparisons. They include notably impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests (see note 1.8), provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that already have been, or are to be, discontinued.

C) Earnings before interest, tax, depreciation and amortisation (EBITDA)

This measure is used to calculate certain ratios. It corresponds to: current operating profit + depreciation and amortisation expenses on property, plant and equipment and intangible assets for the period + expenses relating to stock option and similar plans + dividends paid by associates during the period.

D) Net debt

This measure is used to calculate certain ratios. It corresponds to: long-term financial debt + short-term financial debt and accrued interest - cash and cash equivalents.

NOTE 1.7 CONSOLIDATION OF CO-OPERATIVES

Since 1 April 2003, the Rémy Cointreau Group has fully consolidated as a special purpose entity, the Alliance Fine Champagne (AFC) co-operative, in respect of the scope of operations relating to Rémy Cointreau.

This consolidation is reflected by the recognition in the consolidated statement of financial position of the inventories that AFC holds and intends to deliver to Rémy Cointreau. These inventories include inventories held by the distillers in connection with three-year supply agreements. Corresponding entries are included in financial debt and trade payables. The resulting finance costs are also included in the Rémy Cointreau Group’s cost of financial debt.

NOTE 2 CHANGES IN CONSOLIDATION SCOPE

No changes were made to the consolidation scope during the financial year ended 31 March 2018.

NOTE 3 BRANDS AND OTHER INTANGIBLE ASSETS

With the exception of software licences, “Brands and other intangible assets” mainly comprise the value of intangibles identified when acquisitions are made by the Group: residual goodwill, brands, distribution rights.

For certain brands owned by the Group, the value recorded in the balance sheet is the result of the acquisition of non-controlling interests or businesses subsequent to the creation or inclusion of the brand. The amount recorded in the balance sheet therefore represents only a percentage of the value of the brand.

The values recorded under “Brands” in the Rémy Cointreau Group’s statement of financial position are not amortised as they have the benefit of legal protection, generate higher earnings than those of similar unbranded products and have an indefinite useful life.

Brands are tested for impairment at least annually at the period end and as soon as there is any indication of a decrease in value. These tests, described below, also relate to goodwill and distribution rights, where appropriate.

Expenditure incurred to create new brands or to develop existing brands and all expenses relating to the registration and legal protection of brands are systematically recognised in the income statement for the period in which they are incurred.

Pursuant to IAS 38 – *Intangible assets*, advertising and promotional expenses are recorded as expenses in the period in which they are incurred.

The Rémy Cointreau Group does not capitalise any research and development costs.

Other intangible assets are amortised over the following periods:

- leasehold rights: over the term of the lease;
- purchase price of software licences and direct costs of installations and/or upgrades: three to seven years.

IMPAIRMENT TESTS

For impairment tests performed on the carrying amount of intangible assets with an indefinite useful life, when required by standards or circumstances, the Group regularly uses discounted future cash flow calculations and/or market values of comparable assets. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

The value in use of assets falling within the scope of IAS 36 “Impairment of assets” is tested as soon as there is any indication that it may be impaired, and automatically at each year-end in the case of assets with an indefinite useful life, except in the case of certain brands for which the Group uses the exemption granted by IAS 36.24 due to a significant difference between the carrying amount and the recoverable amount.

When impairment tests indicate that the present value is less than the carrying amount and that this loss is deemed to be permanent, impairment is recognised in the income statement.

For these tests, assets are allocated to Cash Generating Units (CGUs). In the Group’s case, the structure of these units is based on the brand portfolio. Each brand or Group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

These tests consist of comparing the carrying amount of the assets or Group of assets with their present value, the latter being the higher of their value in use and their market value less any costs involved in selling the assets.

The principal method used to estimate value in use is based on the present value of future cash flows (excluding finance costs) generated by the use of each brand, asset or Group of assets. Cash flows are estimated based on medium-term business plans, the duration of which is tailored to the individual characteristics of each activity. As such, the duration is five years for brands without ageing processes and twelve years for brands with ageing processes. The terminal value is determined by applying a constant growth rate to infinity. The discount rates used are set and include a specific risk premium for each activity.

When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine market value.

With respect to operational entities that the Group’s management has decided to sell, the assets concerned are stated at the lower of their carrying amount and estimated market value after transaction costs. If negotiations are in progress, the value is based on the best estimate of their outcome as of the balance sheet date.

(in € millions)	GOODWILL	BRANDS	DISTRIBUTION RIGHTS	OTHER	TOTAL
Gross value at 31 March 2017	51.8	513.2	7.7	40.9	613.6
Acquisitions	-	-	-	5.3	5.3
Disposals, items scrapped	-	-	-	(0.1)	(0.1)
Other movements	-	(0.2)	0.6	(0.0)	0.3
Translation reserve	(4.3)	(3.0)	(0.5)	(1.2)	(9.1)
Gross value at 31 March 2018	47.4	510.0	7.8	44.8	610.0
Accumulated depreciation, amortisation and impairment at 31 March 2017	-	53.1	5.4	29.0	87.5
Increase	-	-	-	2.8	2.8
Disposals, items scrapped	-	-	-	(0.1)	(0.1)
Impairment	2.0	7.7	2.1	-	11.8
Other movements	-	-	0.6	-	0.6
Translation reserve	(0.1)	(0.7)	(0.3)	(0.8)	(1.9)
Accumulated depreciation, amortisation and impairment at 31 March 2018	1.9	60.0	7.8	31.0	100.6
Net carrying amount at 31 March 2017	51.8	460.1	2.4	11.9	526.1
Net carrying amount at 31 March 2018	45.6	450.0	0.0	13.8	509.4

“Other” mainly comprises software licences.

The “Distribution rights” carrying amount includes a brand-equivalent amount.

The amounts recorded under “Goodwill”, “Brands” and “Distribution rights” are considered to have an indefinite useful life.

“Goodwill” includes the goodwill arising from the acquisition of Bruichladdich Distillery Ltd in September 2012, the goodwill arising from the acquisition of the Mount Gay Rum Refinery in May 2014 and the goodwill arising from the acquisitions of *Domaine des Hautes Glaces* and Westland in January 2017.

The amounts recorded under “Brands” (as well as “Goodwill” and “Distribution rights”) on the Group’s statement of financial position mainly relate to the following brands: Rémy Martin, Cointreau, Mount Gay, Metaxa, Ponche Kuba, Bruichladdich and Westland.

The carrying amounts of Rémy Martin, Cointreau and Mount Gay are essentially derived from the acquisition of non-controlling interests and so do not represent a comprehensive valuation of these brands. Metaxa, Ponche Kuba, Bruichladdich and Westland are acquired brands. The other brands held by the Group were created and do not have any carrying value on the balance sheet.

Tests carried out during the financial year ended 31 March 2018 led the Group to fully write-off the intangible assets linked to the Mount Gay brand for a total of €11.8 million (goodwill: €2.0 million, brands: €7.7 million, distribution rights: €2.1 million). The new strategy for this brand, which has been in the Group’s portfolio for almost 30 years, has led it to completely rethink its long-term business model, which cannot be taken into account by the impairment tests recommended under IFRS. During the financial year, the Group invested significant amounts in Barbados as part of a plan to relaunch the brand with a higher range positioning.

For these tests, the present value used was the recoverable amount, mainly established on the basis of discounted future cash flows, as explained above. For the year ended 31 March 2018, the main assumptions were as follows:

	DISCOUNT RATE BEFORE TAX (A)	PERPETUAL GROWTH RATE (B)	Impact of a change of 50 bps		IMPAIRMENT
			+50 BPS ON THE DISCOUNT RATE	-50 BPS ON THE PERPETUAL GROWTH RATE	
Mount Gay	9.26%	1.50%	(3.4)	(0.6)	yes
Bruichladdich	7.74%	1.50%	(6.7)	(2.0)	no
Metaxa	9.36%	1.50%	(13.9)	(8.0)	no
Sub-total			(24.0)	(10.6)	
For memory, total tested net carrying amount			190.0	190.0	

(1) For Metaxa, a variation of 10% in cash flows would generate an impact of approximately €19 million. A discount rate of 10.34% would make the Brand valuation equal to its net carrying amount.

Given the recent date of the acquisition of Westland and the absence of impairment indicators, the intangible assets associated with this business will be included in the above summary for the next financial year.

At 31 March 2018, the total provision for impairment of intangible assets was €63.9 million (2017: €53.1 million), including €45.0 million for the Greek brandy Metaxa, €11.2 million for intangible assets associated with the Mount Gay brand, and €7.7 million for secondary brands.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT
GROSS COST

In accordance with IAS 16 "Property, Plant and Equipment", the gross value of items of property, plant and equipment corresponds to their acquisition or production cost. These assets are not revalued subsequently.

Their value does not include any finance costs.

Capital grants are deducted from the cost of the property, plant or equipment to which they relate.

Maintenance and repair costs are recognised in the income statement when incurred, except when intended to increase productivity and/or to extend the useful life of an asset.

Items of property, plant and equipment acquired through finance leases, as defined by IAS 17 "Leases", are recorded as assets on the balance sheet at the lower of the market value of the asset or the present value of future payments. The corresponding debt is recorded as a liability on the balance sheet.

The assets concerned are depreciated using the methods and useful lives described below.

DEPRECIATION

Depreciation is calculated using the straight-line method applied to the acquisition cost less any estimated residual value.

The Rémy Cointreau Group's property, plant and equipment are predominantly used in production. Given that they are used until the end of their estimated useful lives, it is deemed that they have no material residual value.

Depreciation is based on the estimated useful lives of the different categories of property, plant and equipment, being the periods during which it is estimated that the Group will derive economic benefits from these assets.

- Buildings, depending on the components 10 to 75 years
- Stills, casks, vats 35 to 50 years
- Technical plant, machinery and equipment 3 to 15 years
- Computer hardware 3 to 5 years
- Other non-current assets 5 to 10 years

<i>(in € millions)</i>	LAND	BUILDINGS	OTHER	IN PROGRESS	TOTAL
Gross value at 31 March 2017	14.2	130.3	279.0	5.3	428.8
Acquisitions	0.3	5.1	14.5	11.5	31.4
Disposals, items scrapped	(0.2)	(1.1)	(5.1)	-	(6.5)
Other movements	0.3	1.5	(3.1)	1.5	0.2
Translation reserve	(0.4)	(2.9)	(6.1)	(1.0)	(10.4)
Gross value at 31 March 2018	14.2	132.9	279.1	17.4	443.5
Accumulated depreciation, amortisation and impairment at 31 March 2017	3.3	49.9	138.4	-	191.6
Increase	0.4	3.8	14.6	-	18.7
Disposals, items scrapped	(0.2)	(1.0)	(5.0)	-	(6.2)
Other movements	-	-	0.1	-	0.1
Translation reserve	-	(0.5)	(3.0)	-	(3.6)
Accumulated depreciation, amortisation and impairment at 31 March 2018	3.4	52.1	145.1	-	200.6
Net carrying amount at 31 March 2017	10.9	80.4	140.6	5.3	237.3
Net carrying amount at 31 March 2018	10.7	80.8	134.0	17.4	242.9

As of 31 March 2018, no property, plant or equipment owned by the Group was subject to impairment provisions. These non-current assets are unencumbered.

For the financial year ended 31 March 2018, the acquisitions amounting to €31.4 million mainly correspond to the ongoing modernisation of IT systems and manufacturing tools, the purchase of barrels facilities for spirits undergoing ageing and the extension of the storage facilities at various sites.

NOTE 5 INVESTMENTS IN ASSOCIATES

Investments in associates represent equity interests in companies meeting the principle described in note 1.2.

<i>(in € millions)</i>	DYNASTY	DIVERSA	SPIRITS PLATFORM	TOTAL
AT 31 March 2017	14.7	6.5	1.2	22.4
Dividend paid	-	(0.3)	(0.1)	(0.5)
Profit/(loss) of the year	-	0.3	0.2	0.5
Translation reserve	(2.1)	-	(0.2)	(2.2)
At 31 March 2018	12.6	6.5	1.1	20.2

NOTE 5.1 DYNASTY

The 27% interest in the Dynasty Group (336.5 million shares) originated in a wine production joint venture between Rémy Cointreau and the city of Tianjin (China) in 1980. This Group was listed on the Hong Kong stock exchange in 2005.

Following allegations of fraud with regard to 2010 and 2011, the listing was suspended on 22 March 2013. To date, it has not been relisted. However, on 8 December 2017, the Dynasty Group published its provisional financial statements for the 2012, 2013, 2014 and 2015 financial years and, on 15 February 2018, its provisional financial statements for 2016. The publication of the 2017 provisional financial statements has been postponed a number of times but is expected imminently.

The valuation has changed as follows:

DATES	VALUATION METHOD	VALUE PER SHARE (HK\$/SHARE)
31 March 2012	Carrying value	1.88
22 March 2013	Last closing price before suspension	1.44
31 March 2013	Impairment test	1.27
31 March 2014	Impairment test	0.94
31 March 2015	Impairment test	0.94
31 March 2016	Impairment test	0.84
31 March 2017	Impairment test	0.36

At 31 March 2018, the valuation model was updated with the help of an independent expert. Taking into account the published provisional financial statements and the external information available, the test would indicate that the value ranges between HK\$0.42 and HK\$0.58 per share. Adopting a prudent approach, Rémy Cointreau's management decided that the value of HK\$0.36 per share used at 31 March 2017 was still appropriate. In light of the unfavourable currency movements, resulting in a negative translation difference of €2.1 million, this investment is valued at €12.6 million at 31 March 2018 (2017: €14.7 million).

The model is a DCF-type model over seven years with a discount rate of 14.8% (calculated by an independent expert) and a long-term growth rate of 2.6% (corresponding to the long-term inflation forecast in China). The assumptions concerning the increase in Dynasty's market share and profitability were revised compared to the test carried out for the financial year ended 31 March 2017. Market studies indicate that Dynasty is still the fifth largest player on the Chinese wine market, a market that has recovered its strong potential.

Before publishing these provisional financial statements, the Group had regularly announced that it was running at a loss. The financial statements confirm accumulated losses over five years of 1.4 billion Hong Kong dollars (approx. €146 million) and a 60% drop in net sales. However, after reaching a peak during the 2013 financial year, the losses have been steadily decreasing, suggesting a potential return to equilibrium.

Due to this unprecedented extended delay, the assessment of this holding since the end of the 2012/2013 financial year is a source of uncertainty and technical difficulties. At the end of each period, Rémy Cointreau carries out valuations with the help of independent experts, using all information available to it.

There are many factors of incertitude concerning the subsequent evolution of this value, whether upwards or downwards.

In terms of sensitivity, one cent of a HK\$ in the share value corresponds to an approximate €0.4 million change in the value of Rémy Cointreau's interest.

The Dynasty Group regularly publishes information on its website: www.dynasty-wines.com.

NOTE 5.2 DIVERSA

On 31 March 2009, the Group acquired a 50% interest in Diversa GmbH and formed a distribution joint venture in Germany with the Underberg Group.

At 31 March 2018, Diversa GmbH's net sales were €89.1 million (2017: €93.4 million). Its total assets amounted to €34.4 million at 31 March 2018 (2017: €34.1 million).

For the year ended 31 March 2018, the Rémy Cointreau Group generated net sales of €20.2 million with Diversa (2017: €20.7 million).

As a result of discussions with the Underberg Group about the future of this investment, a provision was made at 31 March 2017 for impairment of goodwill in the amount of €0.8 million.

NOTE 5.3 SPIRITS PLATFORM

On 31 July 2015, the Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd for €0.7 million. When this company was created, a €0.4 million loan was granted to certain shareholders

for a five-year term, recognised in “Other financial assets”. Spirits Platform Pty Ltd, consolidated using the equity method, distributes Rémy Cointreau’s brand portfolio in the Australian market.

Its financial year-end is 30 September. Its net sales for the year ended 31 March 2018 totalled €48.5 million (€42.6 million at 31 March 2017). Its total assets amounted to €17.9 million at 31 March 2018 (2017: €15.5 million).

In the year to 31 March 2018, the Rémy Cointreau Group generated net sales of €7.9 million with Spirits Platform (2017: €8.7 million).

NOTE 6 OTHER FINANCIAL ASSETS

<i>(in € millions)</i>	2018	2017
Non-consolidated equity investments (note 6.1)	1.5	1.5
Vendor loan (note 6.2)	88.2	88.5
Other equity investment financial assets (note 6.3)	71.3	71.3
Loan to non-consolidated investments	0.4	0.4
Liquidity account excluding Rémy Cointreau shares (note 6.4)	3.3	3.3
Other	1.5	1.6
TOTAL	166.2	166.7

NOTE 6.1 NON-CONSOLIDATED EQUITY INVESTMENTS

These shares consist of “Available-For-Sale investments” (AFS) as defined by IAS 39 and are therefore stated at realisable value as at the balance sheet date, with changes in value being recognised:

- in general, directly in equity until such gains or losses are actually realised;
- as a provision for impairment in financial result, when the loss is considered to be permanent.

In the case of the Rémy Cointreau Group, these shares represent non-core investments that have been retained for historical reasons.

<i>(in € millions)</i>	% HELD	2018	% HELD	2017
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0
Balchoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5
TOTAL		1.5		1.5

NOTE 6.2 VENDOR LOAN

As part of the disposal of the Champagne division, which took place on 8 July 2011, the Rémy Cointreau Group granted a vendor loan of €75 million, over a maximum term of nine years (maturing on 8 July 2020), and bearing interest at 5% during the first six years and 6% during the last three years. Interest will be capitalised in the first three years.

As of 31 March 2018, this loan was recognised at the present value of cash flows to be collected by Rémy Cointreau in the event that the loan is repaid on maturity in accordance with the terms and conditions of the contract.

Interest accrued since July 2017 and payable in July 2018 is recognised as other receivables.

NOTE 6.3 OTHER EQUITY INVESTMENT FINANCIAL ASSETS

This *item* comprises the fair value of assets assigned to the Passoã SAS joint venture at the time of its creation with the Dutch spirits Group Lucas Bols NV on 1 December 2016. Under the terms of the agreements, Lucas Bols NV assumes the operational control and financial management of the joint venture. Consequently, this entity is not consolidated within Rémy Cointreau.

NOTE 6.4 LIQUIDITY ACCOUNT

Since the financial year ended 31 March 2006, Rémy Cointreau signed a liquidity agreement with a financial intermediary. This type of agreement does not qualify as “Cash and cash equivalents”. Furthermore, the balance on the account corresponding to the value of the Rémy Cointreau shares held in conjunction with the agreement is reclassified as treasury shares as a deduction from consolidated equity (note 10.1).

NOTE 7 INVENTORIES

Inventories are recognised when the risks and rewards of their ownership have passed to the Rémy Cointreau Group. The application of this principle, which is part of the IFRS conceptual framework, results in the recognition of inventories that are held physically and legally by third parties. The counterparty to these inventories is generally recorded in trade payables.

Inventories are stated at the lower of cost and net realisable value.

A substantial part of the inventories held by the Rémy Cointreau Group consists of *eau-de-vie* (cognac, brandy, rum, malt Scotch whisky) that are undergoing ageing. These inventories may be held for periods ranging from 3 to more than 70 years. They remain classified within current assets based on common industry practice.

Inventories originating from agricultural assets owned or operated directly by the Group are not material.

Inventories that are undergoing ageing are valued at cost price, excluding finance costs. The latter are recognised in the income statement in the period in which they are incurred. Cost price includes the purchase price and incidental costs and is adjusted each year to include costs directly attributable to the ageing process as well as to reflect evaporation.

The approach used to determine realisable value takes into account the sale price of finished goods made from these inventories.

Finished goods inventories are stated at the lower of the cost price calculated using the weighted average cost method and net realisable value.

NOTE 7.1 BREAKDOWN BY CATEGORY

<i>(in € millions)</i>	2018	2017
Raw materials	34.2	39.2
Ageing wines and <i>eaux-de-vie</i> ⁽¹⁾	1,044.7	1,008.1
Goods for resale and finished goods	94.8	102.6
Gross cost	1,173.6	1,149.8
Provision for impairment	(3.3)	(4.4)
Carrying amount	1,170.3	1,145.4

(1) Of which AFC inventories (March 2018: €276.2 million, March 2017: €270.5 million).

As of 31 March 2018, some inventories were subject to agricultural warrants for €64.0 million (2017: €54.0 million).

NOTE 7.2 ANALYSIS OF CHANGE

<i>(in € millions)</i>	GROSS COST	IMPAIRMENT	CARRYING AMOUNT
Balance at 31 March 2017	1,149.8	(4.4)	1,145.4
Movement	33.0	1.0	34.0
Translation reserve	(9.2)	0.1	(9.0)
Balance at 31 March 2018	1,173.6	(3.3)	1,170.3

NOTE 8 TRADE AND OTHER RECEIVABLES

Trade receivables, which are generally collected within three months, are stated at nominal value.

A provision for doubtful debt is recognised on a case-by-case basis when the fair value of the receivable is less than its carrying amount.

<i>(in € millions)</i>	2018	2017
Trade receivables	141.8	155.2
Receivables related to taxes and social charges (excl. income tax)	9.9	6.8
Sundry prepaid expenses	8.3	8.4
Advances paid	33.3	38.2
Receivables related to asset disposals	0.1	0.1
Other receivables	16.4	15.3
TOTAL	209.8	224.0
Of which provision for doubtful debts	(2.3)	(2.4)

At 31 March 2018, the breakdown of trade receivables by maturity was as follows:

<i>(in € millions)</i>	TOTAL	CURRENT	Due	
			LESS THAN 3 MONTHS	MORE THAN 3 MONTHS
Trade receivables gross	144.1	128.0	15.7	0.3

The Group implemented factoring programmes during the year which had the effect of accelerating customer payments. These totalled €49.0 million at 31 March 2018 (2017: €42.4 million).

NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short-term investments that are considered highly liquid, can be converted into a known amount of cash and involve immaterial risk of loss in value in relation to the criteria specified in IAS 7.

In the statement of cash flows, bank overdrafts are excluded from cash and cash equivalents and are included in short-term financial debt.

<i>(in € millions)</i>	2018	2017
Short-term deposits	-	-
Cash at bank	186.8	78.0
TOTAL	186.8	78.0

NOTE 10 SHAREHOLDERS' EQUITY

NOTE 10.1 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	NUMBER OF SHARES	TREASURY SHARES	TOTAL NUMBER OF SHARES	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES
At 31 March 2017	49,692,184	(112,366)	49,579,818	79.5	758.6	(8.4)
Partial payment of dividend in shares	635,254	-	635,254	1.0	56.1	-
Grant of bonus share plan 2015A	-	64,750	64,750	-	-	4.8
Share buyback plan	-	(273,009)	(273,009)	-	-	(26.3)
Cancellation of shares	(103,638)	103,638	-	(0.2)	(9.8)	10.0
Liquidity account	-	(3,310)	(3,310)	-	-	(0.5)
At 31 March 2018	50,223,800	(220,297)	50,003,503	80.4	804.9	(20.5)

Share capital and premium

At 31 March 2018, the share capital consisted of 50,223,800 shares with a par value of €1.60.

On 12 September 2017, 635,254 shares were issued following the option offered to shareholders to receive partial payment of the dividend in shares.

As part of a share buyback plan implemented between 1 August 2017 and 29 December 2017, Rémy Cointreau acquired 273,009 shares for a total sum of €26.3 million. The Board of Directors of Rémy Cointreau, meeting on 17 January 2018, decided to cancel 103,638 treasury shares through a capital reduction as a result of this share buyback plan.

Treasury shares

Treasury shares: Group investments in Rémy Cointreau shares are deducted from consolidated equity at their acquisition cost. These shares are generally held with the aim of serving bonus share plans or under a liquidity contract.

At 31 March 2018, Rémy Cointreau held 210,785 treasury shares intended to cover current or future bonus share plans and 9,512 treasury shares under the liquidity contract.

NOTE 10.2 NUMBER OF SHARES USED TO CALCULATE EARNINGS PER SHARE

Basic earnings per share are calculated on the basis of the weighted average number of shares in issue during the reporting period, less treasury shares.

Diluted earnings per share are calculated based on the weighted average number of shares in issue during the reporting period, less treasury shares and plus the weighted average number of shares that would be issued during the reporting period if all existing subscription options granted in respect of the various plans, and which have not lapsed at the balance sheet date, were to be exercised. As required by IAS 33, it is assumed that proceeds from the theoretical exercise of the options are used to acquire ordinary shares at the average market price during the period.

In the event that diluted earnings per share are higher than basic earnings per share, diluted earnings per share are adjusted to the level of basic earnings per share.

	2018	2017
Average number of shares (basic):		
Average number of shares	50,033,464	49,235,889
Average number of treasury shares	(244,195)	(112,366)
TOTAL USED TO CALCULATE BASIC EARNINGS PER SHARE	49,789,269	49,123,523
Average number of shares (diluted):		
Average number of shares (basic)	49,789,269	49,123,523
Dilution effect of bonus share plans	158,852	175,262
Dilutive effect on OCEANE	2,486,675	2,484,191
TOTAL USED TO CALCULATE DILUTED EARNINGS PER SHARE	52,434,796	51,782,976

NOTE 10.3 BONUS SHARE PLANS

GRANT DATE ⁽¹⁾	PLAN No.	VESTING PERIOD	MINIMUM RETENTION PERIOD	RIGHTS INITIALLY GRANTED	VALUE OF RIGHTS ON GRANT DATE	LAPSED RIGHTS	RIGHTS GRANTED AT THE END OF THE VESTING PERIOD	RIGHTS OUTSTANDING AT 31 MARCH 2018
27 January 2015	2015A	3 years	2 years	82,500	64.26	17,750	64,750	-
24 November 2015	2015B	3 years	2 years	88,800	66.64	14,200	-	74,600
22 November 2016	2016	3 years	2 years	73,600	74.44	6,100	-	67,500
21 November 2017	2017	3 years	2 years	50,900	111.40	3,500	-	47,400
TOTAL				295,800		41,550	64,750	189,500

(1) The grant date is the date of the meeting of the Board of Directors which decided the allocation of each plan. The 2015A and 2015B plans were authorised by the Combined Shareholders' Meeting of 24 July 2014. The 2016 and 2017 plans were authorised by the Combined Shareholders' Meeting of 26 July 2016.

Plans 2015A, 2015B, 2016 and 2017 are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external criteria.

Plan 2015A: this plan expired on 27 January 2018. There were 64,750 rights outstanding, all of which have been granted. In accordance with the rules of this plan, the maximum number of shares will be granted if the share price has increased by 30% or more between 27 January 2015 and 27 January 2018, with a target price of €75.39. The actual price was €112.37. This plan was serviced in full by the delivery of shares held by Rémy Cointreau

Plan 2015B: the maximum number of shares will be granted if the share price increases by 20% or more between 24 November 2015 and 23 November 2018, with a target price of €76.95. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2016 Plan: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total shareholder Return) as at the end of the vesting period is superior to that of a panel of nine luxury goods and/or premium spirits companies. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2017: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total shareholder Return) as at the end of the vesting period is superior to that of a panel of eight luxury goods and/or premium spirits companies. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Calculation of the charge for the year

In accordance with IFRS 2, a charge representing the value of the benefit granted to the beneficiaries of these plans is recognised as operating profit, spread over the vesting period.

The fair value of the rights granted was calculated by independent actuaries.

<i>(in € millions)</i>	FAIR VALUE PER RIGHT (€)	TOTAL VALUE	2018 CHARGE
Plan 2015A	28.11	1.8	0.5
Plan 2015B	27.81	2.1	0.6
Plan 2016	51.12	3.5	1.1
Plan 2017	85.37	4.0	0.5
TOTAL		11.4	2.7

The charge recorded for the year ended 31 March 2017 was €1.8 million.

The social security charges relating to these plans are recorded under general expenses in accordance with the regulations in force

on the grant date of the plans (plans 2015A and 2015B: charges due on the grant date; plans 2016 and 2017: provisional charges due on the vesting date *pro rata temporis* to the vesting period).

NOTE 10.4 DIVIDENDS

The shareholders' meeting of 25 July 2017 approved the payment of an ordinary dividend of €1.65 per share for the year ended 31 March 2017, with an option for payment of the entire dividend in shares.

The dividend was paid on 4 September for a total amount of €81.8 million, of which €24.7 million was paid in cash and €57.1 million in shares.

NOTE 10.5 NON-CONTROLLING INTERESTS

<i>(in € millions)</i>	2018	2017
Non-controlling interests in Mount Gay Distilleries	1.1	1.5
TOTAL	1.1	1.5

NOTE 11 FINANCIAL DEBT

Financial resources are stated at nominal value net of costs incurred when arranging this financing. These costs are recognised in the income statement as finance costs using an actuarial calculation (the effective interest rate method), except for costs relating to the syndicated loan, which are amortised using the straight-line method over the term of the contract.

NOTE 11.1 NET FINANCIAL DEBT

(In € millions)	2018			2017		
	LONG TERM	SHORT TERM	TOTAL	LONG TERM	SHORT TERM	TOTAL
Gross financial debt	397.1	72.5	469.6	392.8	75.3	468.1
Cash and cash equivalents (note 9)	-	(186.8)	(186.8)	-	(78.0)	(78.0)
NET FINANCIAL DEBT	397.1	(114.3)	282.8	392.8	(2.7)	390.1

The change in net financial debt over the financial year breaks down as follows:

	2017	CHANGE IN CASH	CHANGE DUE TO EXCHANGE RATES	AMORTISATION OF ISSUE COSTS AND PREMIUM	AMORTISATION OF OCEANE EQUITY COMPONENT	2018
Financial debt of more than one year	392.8	(0.1)	-	1.0	3.5	397.1
Financial debt of less than one year	75.3	-	(2.8)	-	-	72.5
GROSS FINANCIAL DEBT	468.1	(0.1)	(2.8)	1.0	3.5	469.6
Cash and cash equivalents	(78.0)	(111.6)	2.8	-	-	(186.8)
NET FINANCIAL DEBT	390.1	(111.7)	-	1.0	3.5	282.8

NOTE 11.2 GROSS FINANCIAL DEBT BY TYPE

(In € millions)	2018			2017		
	LONG TERM	SHORT TERM	TOTAL	LONG TERM	SHORT TERM	TOTAL
Private bond placement	79.8	-	79.8	79.8	-	79.8
Convertible bonds (OCEANE)	253.6	-	253.6	249.9	-	249.9
Drawdown on syndicated loan	-	-	-	-	-	-
Upfront fees on syndicated loan	(0.5)	-	(0.5)	(1.0)	-	(1.0)
Partner current account	-	60.0	60.0	-	60.0	60.0
Accrued interest	-	1.2	1.2	-	1.2	1.2
Total Rémy Cointreau SA	332.9	61.2	394.1	328.7	61.2	389.9
Bonds	64.0	-	64.0	63.9	-	63.9
Other financial debt and overdrafts	0.2	2.3	2.5	0.3	5.4	5.6
Accrued interest	-	1.6	1.6	-	1.7	1.7
Borrowings by special purpose entities	-	7.3	7.3	-	7.1	7.1
Total subsidiaries	64.2	11.3	75.4	64.1	14.1	78.2
GROSS FINANCIAL DEBT	397.1	72.5	469.6	392.8	75.3	468.1

The total amount of confirmed resources available and their utilisation rate is detailed in the note on liquidity risk (note 14.6).

NOTE 11.3 GROSS FINANCIAL DEBT BY MATURITY

<i>(in € millions)</i>	LONG TERM	SHORT TERM
Before 31 March 2019	-	72.5
11 April 2019	(0.5)	-
13 August 2023	64.0	-
27 February 2025	79.8	-
7 September 2026	253.6	-
Other	0.2	-
TOTAL	397.1	72.5

NOTE 11.4 GROSS FINANCIAL DEBT BY RATE TYPE

<i>(in € millions)</i>	2018			2017		
	LONG TERM	SHORT TERM	TOTAL	LONG TERM	SHORT TERM	TOTAL
Fixed interest rate	397.6	60.0	457.6	393.7	60.0	453.7
Variable interest rate	(0.5)	9.6	9.1	(1.0)	12.5	11.5
Accrued interest	-	2.9	2.9	-	2.9	2.9
GROSS FINANCIAL DEBT	397.1	72.5	469.6	392.8	75.3	468.1

<i>(in € millions)</i>	2018			2017		
	LONG TERM	SHORT TERM	TOTAL	LONG TERM	SHORT TERM	TOTAL
Drawdown on syndicated loan	-	-	-	-	-	-
Upfront fees on syndicated loan	(0.5)	-	(0.5)	(1.0)	-	(1.0)
Other	-	9.6	9.6	-	12.5	12.5
TOTAL VARIABLE-RATE DEBT	(0.5)	9.6	9.1	(1.0)	12.5	11.5

Details of the interest rate hedging instruments held in the portfolio at the reporting date are provided in note 14.

NOTE 11.5 GROSS FINANCIAL DEBT BY CURRENCY

<i>(in € millions)</i>	2018			2017		
	LONG TERM	SHORT TERM	TOTAL	LONG TERM	SHORT TERM	TOTAL
Euro	397.1	70.4	467.5	392.8	70.2	463.0
US dollar	-	0.2	0.2	-	0.3	0.3
Hong Kong dollar	-	1.9	1.9	-	4.8	4.8
GROSS FINANCIAL DEBT	397.1	72.5	469.6	392.8	75.3	468.1

NOTE 11.6 BONDS

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80 million bond in the form of a private placement with a leading European insurer. The bonds have a coupon of 2.945% with a ten-year maturity. This bond stood at €79.8 million at 31 March 2018, taking into account €0.2 million of issue expenses.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated loan) remaining below 3.5 at each half year end for the duration of the contract.

Convertible bonds (OCEANE)

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275 million, or 2,484,191 OCEANE with a nominal value of €110.70 each.

The par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. OCEANE bondholders are entitled to new and/or existing Rémy Cointreau shares, at the conversion rate of one share per OCEANE, subject to potential subsequent

adjustments exercisable on 7 September 2023. This conversion rate was increased to 1.001 share per OCEANE following the payment of the dividend of €1.65 per share on 4 September 2017.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

The difference of €24.9 million between the par value of the bond and its fair value on the issue date is recorded in equity.

Bonds with a par value of €65 million

On 13 August 2013, Financière Rémy Cointreau SA/NV issued a ten year bond for the amount of €65 million, guaranteed by Rémy Cointreau SA. This bond stood at €64.0 million at 31 March 2018, taking into account €(1.0) million of issue premiums and expenses.

The bonds have a par value of €250,000 each and were issued at 97.977% of par (issue premium of 2.003%), bearing interest of 4% payable annually on 13 August. They will be redeemed at par at maturity on 13 August 2023.

This bond is not secured.

After taking the issue premium and expenses into account, the net proceeds from the bond were €63.2 million, putting the effective interest rate at 4.35%.

NOTE 11.7 SYNDICATED LOAN

On 11 April 2014, Rémy Cointreau signed an amendment and extension to its syndicated loan with a pool of ten banks, extending its term by two years to 11 April 2019, with more favourable margins. Amounts drawn down bear interest at EURIBOR plus a margin that is subject to change according to Rémy Cointreau's rating.

This loan, in the amount of €255 million, is unsecured.

The availability of the facility is contingent on "Average net debt/ EBITDA" (the A ratio) being less than or equal to 3.5 at 30 September and 31 March of each year until maturity. At 31 March 2018, the A ratio was 1.48 (September 2017: 1.66; March 2017: 1.78).

NOTE 12 PROVISIONS FOR RISKS AND LIABILITIES

The recognition of provisions, generally intended to cover compensation payable in the event of disputes with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the Group has an obligation towards a third party and it is certain or highly probable that it will result in an outflow of resources for the benefit of the third party, without receipt of an at least equivalent consideration from the said third party. Provisions for restructuring are recognised only when restructuring has been announced and detailed measures drawn up.

When the time value of money is material, the amount of the provision corresponds to the present value of expected expenditure that the Company believes to be necessary to meet the liability. In practice, when the liability is expected to be settled in more than 12 months, the amount of the provision is discounted to its present value, with the effects being recognised in net financial result.

NOTE 12.1 ANALYSIS OF CHANGE

<i>(in € millions)</i>	RESTRUCTURING	LITIGATION	TOTAL
At 31 March 2017	-	17.6	17.6
Increase	2.5	6.1	8.7
Reversals – Used	(0.5)	(4.4)	(4.9)
Reversals – Unused	-	(0.6)	(0.6)
Translation reserve	-	(0.9)	(0.9)
Reclassification	-	1.2	1.2
At 31 March 2018	2.1	19.0	21.1

"Restructuring" covers costs for the restructuring, closure and/or transfer of sites in Germany. "Litigation" comprises provisions set aside to cover trade, tax and employee-related disputes.

NOTE 12.2 MATURITY

The provisions are intended to cover probable items of expenditure payable as follows:

<i>(in € millions)</i>	2018	2017
Long-term provisions (or unknown maturity)	6.9	6.6
Short-term provisions	14.2	10.9
TOTAL	21.1	17.6

NOTE 13 TRADE AND OTHER PAYABLES

Trade payables, which are generally settled within three months, are stated at nominal value.

<i>(in € millions)</i>	2018	2017
Trade payables – <i>eaux-de-vie</i>	284.1	269.2
Other trade payables	78.6	66.7
Advances from customers	2.2	1.7
Payables related to tax and social charges (excl. income tax)	60.6	61.2
Excise duties	3.1	3.2
Advertising expenses payable	44.3	50.6
Miscellaneous deferred income	2.5	4.4
Other liabilities	42.0	46.7
TOTAL	517.3	503.6

NOTE 14 FINANCIAL INSTRUMENTS AND MARKET RISKS

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

Financial assets and liabilities are valued in accordance with IAS 39 “Financial instruments: recognition and measurement” (and its subsequent amendments), as approved by the European Union on 19 November 2004.

The Group makes extensive use of derivative financial instruments as part of its policy of hedging exposure to currency and interest rate risks. The Group has implemented the procedures and maintains the documentation needed to justify the application of hedge accounting as defined by IAS 39.

Derivative instruments are stated at market value as at the balance sheet date. Market values are calculated using an external valuation model, and compared with those obtained from counterparty banks. Changes in the value of currency derivatives are recognised in the manner described in note 1.4. When used to hedge interest rate risk, changes in the value of derivative instruments (mainly caps and interest swaps) are recorded in recyclable equity in respect of the change in the intrinsic value of the hedging instruments when these options are active and in net financial result for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

NOTE 14.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial instruments recorded on the statement of financial position analysed by the measurement categories defined in IAS 39.

AT 31 MARCH 2018

<i>(in € millions)</i>	Notes	CARRYING AMOUNT	FAIR VALUE	LOANS AND RECEIVABLES AT AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE FOR SALE	HEDGING INSTRUMENTS
Non-current financial assets	6	166.2	166.2	90.1	74.6	1.5	-
Trade and other receivables	8	209.8	209.8	209.8	-	-	-
Derivative financial instruments	14	10.0	10.0	-	1.0	-	9.0
Cash and cash equivalents	9	186.8	186.8	-	186.8	-	-
ASSETS		572.7	572.7	299.9	262.4	1.5	9.0
Long-term financial debt	11	397.1	397.1	397.1	-	-	-
Short-term financial debt and accrued interest charge	11	72.5	72.5	72.5	-	-	-
Trade and other payables	13	517.3	517.3	517.3	-	-	-
Derivative financial instruments	14	2.0	2.0	-	1.0	-	1.0
LIABILITIES		988.9	988.9	986.9	1.0	-	1.0

AT 31 MARCH 2017

<i>(in € millions)</i>	Notes	CARRYING AMOUNT	FAIR VALUE	LOANS AND RECEIVABLES AT AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	AVAILABLE FOR SALE	HEDGING INSTRUMENTS
Non-current financial assets	6	166.7	166.7	90.6	74.6	1.5	-
Trade and other receivables	8	224.0	224.0	224.0	-	-	-
Derivative financial instruments	14	3.3	3.3	-	0.9	-	2.4
Cash and cash equivalents	9	78.0	78.0	-	78.0	-	-
ASSETS		472.0	472.0	314.6	153.5	1.5	2.4
Long-term financial debt	11	392.5	392.5	392.5	-	-	-
Short-term financial debt and accrued interest charge	11	75.6	75.6	75.6	-	-	-
Trade and other payables	13	503.6	503.6	503.6	-	-	-
Derivative financial instruments	14	6.7	6.7	-	2.1	-	4.7
LIABILITIES		978.5	978.5	971.7	2.1	-	4.7

NOTE 14.2 MARKET RISK MANAGEMENT POLICY

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudential rules approved by the Board of Directors. More specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to currency risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the currency risk arising from the translation into euros of the financial statements of companies that use a currency other than the euro.

The Group's hedging policy only allows for the hedging of short term currency risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's net sales and margins.

NOTE 14.3 BREAKDOWN OF FINANCIAL INSTRUMENTS (INTEREST AND FOREIGN EXCHANGE RATES)

<i>(in € millions)</i>	2018	2017
Assets		
Interest rate derivatives	-	-
Exchange rate derivatives	10.0	3.3
TOTAL	10.0	3.3
Liabilities		
Interest rate derivatives	-	-
Exchange rate derivatives	2.0	6.7
TOTAL	2.0	6.7

NOTE 14.4 INTEREST RATE DERIVATIVES

At 31 March 2018, the Group had no interest rate derivatives in its portfolio.

NOTE 14.5 EXCHANGE RATE DERIVATIVES

The Group uses options and forward contracts to hedge its cash flows from commercial transactions. Commercial transactions for the year for which payment has not been received as of the balance sheet date are hedged by short-term currency swaps.

Furthermore, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses back-to-back currency swaps to match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

BREAKDOWN OF ALL CURRENCY HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2018:

<i>(in € millions)</i>	NOMINAL ⁽¹⁾	INITIAL VALUE	MARKET VALUE	OF WHICH; CFH ⁽²⁾	OF WHICH; TRADING ⁽²⁾
Put options and tunnel options					
Seller USD (vs. EUR)	146.1	3.1	5.0	5.0	-
Other currencies (vs. EUR)	53.2	1.2	0.6	0.6	-
	199.3	4.3	5.6	5.6	-
Forward sales					
Seller USD (vs. EUR)	93.4	-	1.7	1.7	-
Other currencies (vs. EUR)	63.5	-	0.6	0.6	-
	156.9	-	2.3	2.3	-
Purchase/(sale) of currency swaps (operating activities)⁽³⁾					
Seller USD (vs. EUR)	(62.4)	-	(0.6)	-	(0.6)
Other currencies (vs. EUR)	(35.6)	-	(0.1)	-	(0.1)
	(98.0)	-	(0.7)	-	(0.7)
Purchase/(sale) of currency swaps (financing activities)⁽³⁾					
Seller USD (vs. EUR)	(74.7)	-	0.7	-	0.7
Other currencies (vs. EUR)	(36.2)	-	0.1	-	0.1
	(111.0)	-	0.8	-	0.8
TOTAL	147.2	4.3	8.1	7.9	0.1

(1) Nominal amount in foreign currency translated at the closing rate.

(2) FVH: fair value hedge; CFH: cash flow hedge; Trading: held for trading.

(3) Difference between closing rate and forward rate.

BREAKDOWN OF ALL CURRENCY HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2017:

<i>(in € millions)</i>	NOMINAL ⁽¹⁾	INITIAL VALUE	MARKET VALUE	OF WHICH; CFH ⁽²⁾	OF WHICH; TRADING ⁽²⁾
Put options and tunnel options					
Seller USD (vs. EUR)	182.5	4.4	0.4	0.4	-
Other currencies (vs. EUR)	36.5	0.7	0.2	0.2	-
	219.0	5.1	0.6	0.6	-
Forward sales					
Seller USD (vs. EUR)	56.2	-	(2.6)	(2.6)	-
Other currencies (vs. EUR)	43.3	-	(0.2)	(0.2)	-
	99.5	-	(2.9)	(2.9)	-
Purchase/(sale) of currency swaps (operating activities)⁽³⁾					
Seller USD (vs. EUR)	(58.7)	-	(0.4)	-	(0.4)
Other currencies (vs. EUR)	1.8	-	(0.0)	-	(0.0)
	(56.9)	-	(0.5)	-	(0.5)
Purchase/(sale) of currency swaps (financing activities)⁽³⁾					
Seller USD (vs. EUR)	(103.6)	-	(0.1)	-	(0.1)
Other currencies (vs. EUR)	(48.0)	-	(0.6)	-	(0.6)
	(151.6)	-	(0.7)	-	(0.7)
TOTAL	110.1	5.1	(3.4)	(2.3)	(1.2)

(1) Nominal amount in foreign currency translated at the closing rate.

(2) FVH: fair value hedge; CFH: cash flow hedge; Trading: held for trading.

(3) Difference between closing rate and forward rate.

Sensitivity to foreign exchange risk

Taking into account the hedges in place, a 10% increase or decrease in the EUR/USD exchange rate would have the following impact, with the impact on net profit/(loss) arising mainly from the ineffective portion hedging future flows:

	2018		2017	
	US DOLLAR SENSITIVITY		US DOLLAR SENSITIVITY	
Benchmark value	1.2319		1.0685	
	+10%	-10%	+10%	-10%
EUR/USD rate	1.36	1.11	1.18	0.96
Net profit/(loss) for the period	(3.6)	0.8	(2.1)	2.8
Equity excluding net profit/(loss)	13.8	(9.0)	6.8	(6.7)
Change in value of financial instruments	24.2	(23.0)	16.7	(17.7)
Nominal amount at balance sheet date:				
▪ USD instruments in the portfolio	161.0	196.8	163.6	200.0
▪ USD receivables potentially exposed	86.3	105.5	95.3	116.5

NOTE 14.6 LIQUIDITY RISK

In accordance with IFRS 7, liabilities are stated at their carrying amount at the balance sheet date excluding discounting effects. The amounts drawn down on credit lines in the year ended 31 March 2018 are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is calculated using the parameters known at the balance sheet date. For derivative financial instruments, amounts stated in this analysis are the net cash outflow, excluding discounting effects, which should be paid out by the Company based on market conditions prevailing at the balance sheet date.

Liquidity risk stems mainly from the availability of financial resources.

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing. Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as of 31 March 2018.

(in € millions)	BEFORE 31 MARCH 2019	BEFORE 31 MARCH 2020	BEFORE 31 MARCH 2021	BEFORE 31 MARCH 2022	BEYOND	TOTAL
Financial debt and accrued interest	72.7	-	-	-	420.0	492.7
Trade and other payables	517.3	-	-	-	-	517.3
Liabilities recognised at 31 March 2017	590.0	-	-	-	420.0	1,010.0
Future interest on financial debt	7.2	5.3	5.3	5.3	14.0	37.1
TOTAL DISBURSEMENTS	597.2	5.3	5.3	5.3	434.0	1,047.0

The confirmed resources and their availability are as follows (see also note 11 for the description of financial debt):

(in € millions)	2018	2017
Fixed-rate resources	480.0	480.0
Variable-rate resources	255.0	255.0
TOTAL	735.0	735.0
Long-term	675.0	675.0
Short-term	60.0	60.0
TOTAL	735.0	735.0
Availability subject to compliance with the A ratio	335.0	335.0
Available with no ratio restrictions	400.0	400.0
TOTAL	735.0	735.0
Unused at 31 March	255.0	255.0
Unused at 31 March as % of available resources	35%	35%

The availability of some financing is contingent upon the level of the so-called A ratio (Average net debt/EBITDA), which is calculated twice per year and must be below 3.50. The A ratio was 1.48 at 31 March 2018. The Group is confident in its ability to maintain this ratio in the short, medium and long-term, and in its ability to renew financing that is due to reach maturity in the coming years.

The Group's rating by specialised agencies is reviewed annually. At 31 March 2018: Standard & Poor's awarded a "BB+, outlook stable" rating and Moody's a "Baa3, outlook stable" rating.

NOTE 15 SEGMENT REPORTING

BREAKDOWN BY SECTOR

As required by IFRS 8, the Rémy Cointreau Group provides an analysis by business segment and geographic area of certain items of its consolidated financial statements.

a) Business segment

The segments to be presented are those operating segments for which separate financial information is available internally and which are used by the “main operational decision-maker” to make operational decisions. Rémy Cointreau’s main operational decision-maker is the Executive Committee. This committee reviews operational performance and allocates resources based on the financial data analysed for the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these businesses as the operating segments to be presented. In addition, a holding segment includes the central expenses that are not allocated to the various divisions.

The main brands of the “Liqueurs & Spirits” business are Cointreau, Metaxa, St-Rémy, Mount Gay, Bruichladdich, Westland and Domaine des Hautes Glaces.

The “Partner Brands” business includes brands which are not controlled by the Group and those whose production is not carried out wholly by the Group. These brands are distributed using the Group’s distribution network in the framework of fixed-term agreements.

Information given by business segment is identical to that presented to the Executive Committee.

b) Geographic area

Net sales by geographic area are analysed based on the destination of the goods sold. Items in the statement of financial position are analysed based on the geographic area of the entities reporting them.

The geographic areas covered are: Europe/Middle-East/Africa, Americas, Asia-Pacific. The Asia-Pacific area includes Asia, Australia and New Zealand.

NOTE 15.1 BUSINESSES

Note 15.1.1 Breakdown of net sales and current operating profit/(loss)

(in € millions)	NET SALES		CURRENT OPERATING PROFIT / (LOSS)	
	2018	2017	2018	2017
Rémy Martin	760.0	707.5	204.4	185.2
Liqueurs & Spirits	266.8	276.3	42.8	57.5
Group brands	1,026.8	983.8	247.2	242.7
Partner Brands	100.2	111.0	5.3	2.0
Holding	-	-	(15.7)	(18.6)
TOTAL	1,127.0	1,094.9	236.8	226.1

There are no intra-segment sales.

Note 15.1.2 Breakdown of the statement of financial position
AT 31 MARCH 2018

<i>(in € millions)</i>	RÉMY MARTIN	LIQUEURS & SPIRITS	PARTNER BRANDS	UNALLOCATED	TOTAL
Non-current assets	396.9	355.1	0.4	206.2	958.6
Current assets	1,182.5	146.4	37.1	19.0	1,385.0
Derivative financial instruments	-	-	-	10.0	10.0
Assets held for sale	-	-	-	1.3	1.3
Cash and cash equivalents	-	-	-	186.8	186.8
TOTAL ASSETS	1,579.4	501.5	37.5	423.2	2,541.6
Shareholders' equity	-	-	-	1,408.3	1,408.3
Financial debt and accrued interest	-	-	-	469.6	469.6
Provisions for liabilities and charges	27.2	9.7	2.9	13.9	53.7
Deferred and current tax assets	-	-	-	90.7	90.7
Trade and other payables	431.2	54.8	18.2	13.2	517.3
Derivative financial instruments	-	-	-	2.0	2.0
TOTAL EQUITY AND LIABILITIES	458.4	64.5	21.1	1,997.6	2,541.6
Brands and other intangible assets not included in the basis of calculation of Return on Capital Employed (ROCE)	236.3	259.3	-	-	495.6
ROCE basis of calculation	884.7	177.7	16.4		1,078.8

AT 31 MARCH 2017

<i>(in € millions)</i>	RÉMY MARTIN	LIQUEURS & SPIRITS	PARTNER BRANDS	UNALLOCATED	TOTAL
Non-current assets	390.2	331.6	0.6	260.4	982.9
Current assets	1,155.8	139.3	52.5	28.4	1,376.0
Derivative financial instruments	-	-	-	3.3	3.3
Assets held for sale	-	-	-	1.3	1.3
Cash and cash equivalents	-	-	-	78.0	78.0
TOTAL ASSETS	1,546.0	471.0	53.1	371.5	2,441.5
Shareholders' equity	-	-	-	1,304.0	1,304.0
Financial debt and accrued interest	-	-	-	468.1	468.1
Provisions for liabilities and charges	30.7	8.3	3.4	6.6	49.2
Deferred and current tax assets	-	-	-	109.9	109.9
Trade and other payables	410.4	56.8	18.5	17.9	503.6
Derivative financial instruments	-	-	-	6.7	6.7
TOTAL EQUITY AND LIABILITIES	441.2	65.2	22.0	1,913.2	2,441.5
Brands and other intangible assets not included in the basis of calculation of Return on Capital Employed (ROCE)	236.3	240.8	-	37.2	514.3
ROCE basis of calculation	868.5	165.0	31.1		1,064.7

Note 15.1.3 Return on Capital Employed (ROCE)

Return on capital employed is measured using the following indicators:

- current operating profit/(loss) by activity (note 15.1.1);
- breakdown of the statement of financial position by activity, excluding certain intangibles (note 15.1.2).

Current operating profit/(loss) and capital employed are identified by business on an analytical basis. Profit and capital employed of the distribution network and holding businesses are allocated on a pro-rata basis according to net sales and current inventory.

Return on capital employed is a key indicator for the Group's management. It is one of the key performance indicators for each business.

AT 31 MARCH 2018

<i>(in € millions)</i>	CAPITAL EMPLOYED	CURRENT OPERATING PROFIT/(LOSS)	%
Rémy Martin	884.7	204.4	23.1%
Liqueurs & Spirits	177.7	42.8	24.1%
Sub-total Group brands	1,062.4	247.2	23.3%
Partner Brands	16.4	5.3	32.6%
Holding	-	(15.7)	-
TOTAL	1,078.8	236.8	21.9%

AT 31 MARCH 2017

<i>(in € millions)</i>	CAPITAL EMPLOYED	CURRENT OPERATING PROFIT/(LOSS)	%
Rémy Martin	868.5	185.2	21.3%
Liqueurs & Spirits	165.0	57.5	34.8%
Sub-total Group brands	1,033.5	242.7	23.5%
Partner Brands	31.1	2.0	6.5%
Holding	-	(18.6)	-
TOTAL	1,064.7	226.1	21.2%

Note 15.1.4 Capital expenditure and depreciation expense

<i>(in € millions)</i>	Capital expenditure and acquisition of property, plant and equipment and intangible assets		Depreciation and amortisation of property, plant and equipment and intangible assets	
	2018	2017	2018	2017
Rémy Martin	21.1	20.9	13.6	13.0
Liqueurs & Spirits	15.5	13.7	7.7	7.1
Partner Brands	0.1	0.2	0.2	0.3
TOTAL	36.7	34.9	21.6	20.4

NOTE 15.2 GEOGRAPHIC AREAS

Net sales

(in € millions)	Net sales	
	2018	2017
Europe/Middle-East/Africa ⁽¹⁾	342.3	345.3
Americas	435.8	434.2
Asia-Pacific	348.9	315.4
TOTAL	1,127.0	1,094.9

(1) Net sales for France totalled €10.8 million at 31 March 2018 (March 2017: €19.5 million).

Balance sheet

AT 31 MARCH 2018

(in € millions)	EUROPE/ MIDDLE-EAST/ AFRICA	AMERICAS	ASIA-PACIFIC	UNALLOCATED	TOTAL
Non-current assets	857.7	81.4	19.4	-	958.6
Current assets	1,186.4	90.3	108.3	-	1,385.0
Derivative financial instruments	-	-	-	10.0	10.0
Assets held for sale	1.3	-	-	-	1.3
Cash and cash equivalents	-	-	-	186.8	186.8
TOTAL ASSETS	2,045.4	171.8	127.7	196.7	2,541.6
Shareholders' equity	-	-	-	1,408.3	1,408.3
Financial debt and accrued interest	-	-	-	469.6	469.6
Provisions for liabilities and charges	50.3	-	3.5	-	53.7
Deferred and current tax assets	82.6	0.3	7.7	-	90.7
Trade and other payables	410.3	46.2	60.9	-	517.3
Derivative financial instruments	-	-	-	2.0	2.0
Liabilities held for sale	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	543.2	46.5	72.1	1879.8	2,541.6

AT 31 MARCH 2017

<i>(in € millions)</i>	EUROPE/ MIDDLE-EAST/ AFRICA	AMERICAS	ASIA-PACIFIC	UNALLOCATED	TOTAL
Non-current assets	857.8	103.7	21.3	-	982.9
Current assets	1,151.6	98.9	125.4	-	1,376.0
Derivative financial instruments	-	-	-	3.3	3.3
Assets held for sale	1.3	-	-	-	1.3
Cash and cash equivalents	-	-	-	78.0	78.0
TOTAL ASSETS	2,010.8	202.6	146.8	81.3	2,441.5
Shareholders' equity	-	-	-	1,304.0	1,304.0
Financial debt and accrued interest	-	-	-	468.1	468.1
Provisions for liabilities and charges	41.3	0.0	7.9	-	49.2
Deferred and current tax assets	102.9	0.3	6.6	-	109.9
Trade and other payables	395.1	53.4	55.1	-	503.6
Derivative financial instruments	-	-	-	6.7	6.7
Liabilities held for sale	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	539.3	53.8	69.6	1,778.9	2,441.5

Investments

<i>(in € millions)</i>	Capital expenditure and acquisition of property, plant and equipment and intangible assets	
	2018	2017
Europe/Middle-East/Africa	24.8	26.0
Americas	9.9	5.7
Asia-Pacific	2.0	3.2
TOTAL	36.7	34.9

NOTE 16 ANALYSIS OF OPERATING EXPENSES BY TYPE

Distribution costs comprise advertising and promotion expenses, commission income or expenses, ordinary writedowns of inventories and trade receivables and the overheads of the Group distribution companies.

Administrative expenses comprise all overheads of the holding companies and production companies.

Other income and expenses correspond to the profit generated by peripheral activities.

<i>(in € millions)</i>	2018	2017
Personnel costs	(184.6)	(178.3)
Advertising and promotion expenses	(264.7)	(252.9)
Depreciation, amortisation and impairment of non-current assets	(21.5)	(20.0)
Other expenses	(110.4)	(109.7)
Expenses allocated to inventories and production costs	56.9	55.6
TOTAL	(524.4)	(505.2)
Of which:		
Distribution costs	(432.7)	(416.7)
Administrative expenses	(91.7)	(88.5)
TOTAL	(524.4)	(505.2)

Personnel costs consist of the following:

<i>(in € millions)</i>	2018	2017
Salaries and social charges	(170.6)	(166.8)
Pension and other similar benefits	(7.0)	(5.4)
Employee profit-sharing	(4.4)	(4.3)
Share-based payments	(2.7)	(1.8)
TOTAL	(184.6)	(178.3)

NOTE 17 NUMBER OF EMPLOYEES

The number of employees is stated at the reporting date and covers all fully consolidated companies.

	2018	2017
France	704	685
Europe (outside France) – Africa	384	363
Americas	377	368
Asia-Pacific	396	394
TOTAL	1,861	1,810

NOTE 18 OTHER OPERATING INCOME AND EXPENSES

“Other operating income and expenses” include items that, given their nature, frequency and materiality, cannot be considered as part of the Group’s ordinary activities and which affect inter-period comparisons. They notably include impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests, provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that have already been, or are to be, discontinued (see note 1.6).

<i>(in € millions)</i>	2018	2017
Write-off of Mount Gay goodwill, brands and distribution rights (note 3)	(11.8)	-
Provision for network restructuring costs	(2.5)	-
Costs related to the acquisition of Westland and Domaine des Hautes Glaces	(0.0)	(0.7)
Provision for disputes relating to distribution contracts	0.2	(2.9)
Provision for impairment on non-strategic assets	-	(1.2)
Other items	0.4	
TOTAL	(13.7)	(4.8)

NOTE 19 FINANCIAL RESULT

NOTE 19.1 COST OF NET FINANCIAL DEBT BY TYPE

(in € millions)	2018	2017
Bonds	(2.8)	(11.2)
Convertible bonds (OCEANE)	(4.1)	(2.3)
Private bond placement	(2.4)	(2.4)
Syndicated loan and unconfirmed lines	(1.7)	(2.2)
Partner current account	(0.8)	(0.8)
Finance costs of special purpose entities	(2.5)	(2.5)
Other financial expenses	(0.2)	(0.1)
Sub-total	(14.5)	(21.5)
Effect of non-hedging interest rate derivatives	-	-
Cost of gross financial debt	(14.5)	(21.5)
Interest income	0.0	0.0
Cost of net financial debt	(14.4)	(21.4)

Financial debt is described in note 11.

NOTE 19.2 OTHER FINANCIAL INCOME AND EXPENSE

The amount presented in currency gains and losses mainly includes the impact of IAS 39 on the portfolio of foreign currency derivative financial instruments, for the so-called “ineffective” portion, and the currency gains and losses from financing transactions. Currency gains/(losses) from operations are recognised in gross profit (note 1.4).

(in € millions)	2018	2017
Currency gains	-	-
Vendor loan – interest accrued and revaluation	4.7	4.6
Other financial income	4.7	4.6
Currency losses	(2.9)	(5.4)
Other financial expenses of special purpose entities	(8.4)	(8.2)
Other	(1.0)	(1.6)
Other financial expenses	(12.3)	(15.1)
Other financial income/(expense)	(7.6)	(10.5)

The item “Vendor loan – interest accrued and revaluation” relates to the loan granted at the time of the disposal of the Champagne division. These loans are described in note 6.2.

(in € millions)	2018	2017
Ineffective portion of currency hedges	2.1	(2.9)
Other	(4.9)	(2.5)
Currency gains/(losses)	(2.9)	(5.4)

NOTE 20 INCOME TAX

In accordance with IAS 12, deferred tax is recognised on all temporary differences between the carrying amounts of the assets and liabilities in the consolidated financial statements and the corresponding values used for taxation purposes in the accounts of the consolidated entities.

Deferred tax is calculated at the statutory tax rates that are expected to be in effect when timing differences reverse, which is generally the tax rate for the current reporting period or that of the subsequent reporting period, if known. The effects of changes in tax rates are included in the income tax expense for the period in which they become known.

The main source of deferred tax for the Rémy Cointreau Group arises from the difference in the value of the brands in the consolidated financial statements, most often resulting from goodwill on acquisition, and their value for taxation purposes, which is generally nil.

As required by IAS 12, a deferred tax liability is recognised on the difference between the carrying amount and the tax value of shares in associates. In the case of fully consolidated entities, the deferred tax liability is recognised only in respect of dividends that are certain at the reporting date.

Tax savings from tax losses carried forward are recognised as deferred tax assets and written down according to the probability of these losses later being utilised.

NOTE 20.1 NET INCOME TAX EXPENSE

<i>(in € millions)</i>	2018	2017
Current tax (expense)/income	(61.9)	(54.1)
Deferred tax (expense)/income	8.4	9.6
Income tax	(53.5)	(44.5)
Effective published tax rate	-26.6%	-23.5%
Effective tax rate excl. non-recurring items	-29.7%	-30.7%

The 2018 Finance Bill has changed the tax rate to 25.83% for all financial years beginning on or after 1 January 2022. As a result, long-term deferred taxes, mainly related to the acquired brands, have been remeasured using this rate, generating a deferred tax income of €7.9 million. The deferred taxes recorded by the Group's US companies have also been remeasured to take into account the reduction in the federal tax rate to 21%, generating a deferred tax expense of €2.2 million.

The repayment of the 3% contribution on distribution of cash dividends generated a tax income of €7.0 million. An expense of

€2.3 million has also been recorded in respect of the exceptional corporate tax contribution in France.

During the previous financial year, a deferred tax income of €14.1 million was recognised to take account of the future impacts of the 2017 Finance Bill, which decreased the tax rate to 28.92% for all financial years beginning on or after 1 January 2020.

These impacts are adjusted in the calculation of the effective tax rate excluding non-recurring items and of the net profit/loss excluding non-recurring items (note 22).

NOTE 20.2 TAX REGIME

Rémy Cointreau has opted for the Group tax regime for certain subsidiaries in which it holds a direct or indirect equity interest of at least 95%. This regime entitles the Group to offset, within certain limits, the tax expenses of companies with taxable income against losses incurred by other subsidiaries. The resulting tax saving is recognised in the year of offset.

NOTE 20.3 ANALYSIS OF THE ORIGIN AND BREAKDOWN OF DEFERRED TAXES

<i>(in € millions)</i>	2018	2017
Breakdown by type		
Pension provisions	8.1	9.8
Regulated provisions	(20.0)	(23.9)
Other provisions	4.2	7.1
Brands	(77.3)	(85.1)
Non-current assets	(3.7)	(5.9)
Convertible bonds (OCEANE)	(5.1)	(7.9)
Margins on inter-company inventories	22.1	20.7
Losses carried forward	1.3	0.7
Other timing differences	9.1	16.0
Net liability	(61.3)	(68.5)
Breakdown by tax Group		
Tax Group – France	(67.4)	(82.7)
Tax Group – United States	2.6	7.4
Other	3.5	6.8
Net liability	(61.3)	(68.5)
Deferred tax asset	19.7	30.4
Deferred tax liability	(81.0)	(98.9)
Net liability	(61.3)	(68.5)

NOTE 20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

As at 31 March 2018, tax losses carried forward totalled €18.6 million (2017: €18.9 million). The potential tax saving arising from the use of these losses is €3.3 million (2017: €2.9 million). Of these losses, the Group recognised a net asset of €1.3 million, of which it plans to recover €1.2 million by March 2021.

NOTE 20.5 TAX RECONCILIATION

In 2018, the income tax expense amounted to €53.5 million. The difference compared to the theoretical tax expense based on the French statutory rate (34.43%) breaks down as follows:

<i>(in € millions)</i>	2018	2017
Theoretical tax charge	(69.2)	(65.2)
Actual tax charge	(53.5)	(44.5)
Difference	15.7	20.7
Permanent differences between consolidated profit and taxable profit	(4.7)	(4.5)
Use of tax losses or timing differences not previously recognised	1.5	-
Unused losses from subsidiaries that are loss-making from a tax point of view	(1.9)	(2.4)
Difference in tax rates applicable to foreign subsidiaries	16.3	14.3
Adjustment to the tax charge for prior years	(5.9)	(0.4)
Impact of tax rate changes on the deferred taxes in France and the USA	5.8	14.1
3% contribution on distribution of cash dividends and refund	7.0	(0.4)
Exceptional corporate tax contribution in France	(2.3)	-
TOTAL	15.7	20.7

NOTE 21 NET PROFIT/(LOSS) OF DECONSOLIDATED AND DISCONTINUED OPERATIONS

When a company or activity is classified as being discontinued as at the balance sheet date in accordance with IFRS 5, the assets and liabilities directly related to the operation and which will be transferred on completion of the disposal are reclassified as “Assets held for sale” or “Liabilities held for sale” for the current reporting period only.

When a company or activity that represents a major and distinct line of business or geographic area has been deconsolidated or sold during the reporting period or classified as assets held for sale:

- each line of the contribution to the result of said company or business for the current period and for comparison periods is reclassified as “Net profit/(loss) from deconsolidated and discontinued operations”. A similar reclassification is made in the statement of cash flows by using: “Impact of deconsolidated and discontinued operations” for operating and investment cash flows;
- when the disposal is still in progress at the reporting date, any difference between the carrying amount of the assets in question and the estimated market value, net of disposal expenses and tax, if negative, is recognised as “Net profit/(loss) from deconsolidated and discontinued operations”;
- the profit generated by the disposal, net of transaction costs and tax, is also recognised under “Net profit/(loss) from deconsolidated and discontinued operations”. In the statement of cash flows, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified as cash flow from investments, and any impact of the deconsolidation of the cash held by the entity sold, classified as cash flow from financing activities.

Direct costs associated with the disposal in progress and which are irrevocably incurred at the balance sheet date are recognised under “Net profit/(loss) from deconsolidated and discontinued operations”. A similar reclassification is made in the statement of cash flows by using: “Impact of deconsolidated and discontinued operations” for investment cash flows.

<i>(in € millions)</i>	2018	2017
Fair value of assets transferred to Passoã SAS	-	71.3
Net carrying amount of assets transferred	-	(1.0)
Provision for costs and expenses and transaction costs	-	(4.3)
Tax	-	(1.0)
TOTAL	-	65.0

NOTE 22 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS

Net profit/(loss) excluding non-recurring items corresponds to the net profit/(loss) for the period adjusted to reflect the other operating income and expenses described in note 18, the related tax effects, the profit/(loss) from discontinued operations and the contribution on the distribution of cash dividends.

NOTE 22.1 RECONCILIATION WITH NET PROFIT/(LOSS)

Net profit/(loss) excluding non-recurring items attributable to the owners of the parent company is reconciled with net profit/(loss) attributable to the owners of the parent company as follows:

<i>(in € millions)</i>	2018	2017
Net profit/(loss) – attributable to the owners of the parent company	148.2	190.3
Provision for impairment on Dynasty Fine Wines Group shares (note 5)	-	18.8
Provision for impairment on Diversa (note 5)	-	0.8
Profit/(loss) recorded under “Other operating income and expenses” (note 18)	13.7	4.8
Tax on “Other operating income and expenses”	0.2	(1.4)
Impact of tax rate changes on the deferred taxes in France and the USA (note 20)	(5.8)	(14.1)
3% contribution on distribution of cash dividends and refund (note 20)	(7.0)	0.4
Exceptional corporate tax contribution in France (note 20)	2.3	
“Net profit/(loss) from deconsolidated and discontinued operations” (note 21)	-	(65.0)
Other	(0.3)	0.5
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent company	151.3	135.0

NOTE 22.2 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS PER SHARE – ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

<i>(in € millions)</i>	Notes	2018	2017
Net profit/(loss) excluding non-recurring items			
▪ attributable to owners of the parent company		151.3	135.0
Number of shares			
▪ basic	10.2	49,789,269	49,123,523
▪ diluted	10.2	52,434,796	51,782,976
Per share (in €)			
▪ basic		3.04	2.75
▪ diluted		2.89	2.61

NOTE 23 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The valuation of pension commitments and other post-employment benefits is determined using actuarial methods that involve assumptions in respect of the discount rate, expected rate of return of plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

In accordance with the laws and practices in each country, Rémy Cointreau offers employee benefit plans providing pensions and other post-employment benefits through defined-contribution or defined-benefit plans. The assets of pre-financed pension plans are managed as separate funds by independent asset managers or insurance companies.

Commitments are determined and recognised in accordance with the requirements of IAS 19R.

Accordingly:

- charges relating to defined-contribution plans are recognised as expenses when paid;
- commitments in respect of defined-benefit plans are determined by actuaries using the projected unit credit method. These calculations are based on assumptions regarding life expectancy, staff turnover and future salary increases. They also take into account the economic situation in each country. For Group companies located in the euro zone, the discount rate used is based on the iBoxx index for bonds with a maturity close to that of the corresponding liabilities.

Actuarial gains and losses calculated for the valuation of post-employment defined benefit plans (experience adjustments and the effects of changes in actuarial assumptions) are recognised directly in equity.

NOTE 23.1 DEFINED-BENEFIT PENSION PLANS

At 31 March 2018, defined-benefit plans, which are subject to an actuarial valuation, predominantly pertain to:

- retirement indemnities and long-service awards under collective bargaining agreements in France affecting a workforce of 636 people;
- three defined-benefit supplementary pension plans sponsored by the Group in France, one in Germany and one in Belgium, affecting 132 people of which 37 current and 95 retired or deferred;
- a post-employment healthcare scheme in France affecting a closed population of 26 retirees.

The breakdown by plan type of the liabilities recorded in the consolidated financial statements is as follows:

<i>(in € millions)</i>	2018	2017
Retirement indemnities	9.5	9.8
Supplementary pension plans	21.9	20.6
Long-service awards	0.7	0.7
Post-employment healthcare benefits	0.5	0.5
TOTAL	32.6	31.6

<i>(in € millions)</i>	2018	2017
Present value of obligation at start of year	36.2	35.3
Service cost	2.7	2.1
Interest cost	0.4	0.5
Impact of changes to schemes	(0.3)	(1.5)
Benefits paid	(1.7)	(2.2)
Actuarial gains (losses)	(0.3)	2.0
Translation reserve	-	-
Present value of obligation at end of year	37.0	36.2
Not funded	19.0	20.9
Partly funded	18.0	16.2
Carrying amount of plan asset at start of year	4.6	4.6
Expected return	0.0	0.1
Contributions received	0.6	0.6
Curtailment or settlement	-	-
Benefits paid	(0.4)	(0.6)
Actuarial gain (losses)	(0.4)	(0.1)
Translation reserve	-	-
Carrying amount of plan asset at end of year	4.4	4.6
Pension commitments	32.6	31.6
LIABILITIES	32.6	31.6
ASSETS	-	-

The assets underlying the liabilities are held by insurance companies who invest these assets together with their general assets.

NOTE 23.2 COST FOR THE YEAR

<i>(in € millions)</i>	2018	2017
Service cost	(2.7)	(2.1)
Interest cost	(0.4)	(0.5)
Expected return	0.0	0.1
Impact of changes to scheme	0.3	1.5
Total income (expense)	(2.8)	(1.0)
Benefits paid	2.1	2.8
Employer's contribution	0.6	0.6
Total net income (expense)	(0.1)	2.4
Assumptions		
Average discount rate	1.26%	1.27%
Average salary increase	2.35%	2.33%
Expected working life	19 ans	21 ans
Increase in medical costs	5.00%	5.00%
Estimated payments for the next five years:	13.6	11.2
Sensitivity to an increase of 0.50% in the discount rate on the gross actuarial debt	(1.3)	(1.3)
Sensitivity to an increase of 0.50% in the discount rate on the service cost	(0.3)	(0.1)

NOTE 24 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

NOTE 24.1 OPERATING ACTIVITY COMMITMENTS

<i>(in € million)</i>	2018	2017
Beyond Purchase commitments – non-current assets	7.1	8.4
Leasing commitments – offices	24.0	28.0
Leasing commitments – equipment	2.6	2.1
Purchase commitments – <i>eaux-de-vie</i> (individual agreements)	56.2	50.3
Purchase commitments – <i>eaux-de-vie</i> (collective agreements)	45.7	79.9
Purchase commitments – wine	-	1.1
Other purchase commitments	17.0	20.5

Purchase commitments – non-current assets mainly concern the acquisition of ageing casks at the Cognac site.

The office leasing commitments mainly relate to the lease of the Group's Paris head office and those of the head offices of the subsidiaries Rémy Cointreau USA in New York, E. Rémy Rentouma Trading Ltd in Shanghai and Rémy Cointreau International Pte Ltd in Singapore.

Eaux-de-vie purchasing commitments mainly relate to multi-year contracts in place with distillers. These commitments are valued based on the prices known at the balance sheet date.

Other purchase commitments comprise purchase commitments for packaging items, advertising and promotion spending commitments and other miscellaneous purchase commitments.

Breakdown of commitments by maturity as of 31 March 2018:

<i>(in € million)</i>	TOTAL	2019	BEYOND
Beyond Purchase commitments – non-current assets	7.1	7.1	-
Leasing commitments – offices	24.0	6.5	17.5
Leasing commitments – equipment	2.6	0.9	1.7
Purchase commitments – <i>eaux-de-vie</i> (individual agreements)	56.2	12.9	43.3
Purchase commitments – <i>eaux-de-vie</i> (collective agreements)	45.7	-	45.7
Purchase commitments – wine	-	-	-
Other purchase commitments	17.0	17.0	-

NOTE 24.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

<i>(in € million)</i>	2018	2017
Tax deposits	-	0.2
Customs deposits	21.6	18.7
Environmental deposits	2.8	2.8
Guarantees granted to suppliers	-	6.3
Factoring guarantees	10.0	10.0
Agricultural warrants on AFC inventories	64.0	54.0
Guarantee on €65 million bond issue	65.0	65.0
Miscellaneous guarantees on credit lines	33.2	37.3
Other guarantees	1.4	1.6

Breakdown of commitments by maturity as of 31 March 2018:

<i>(in € million)</i>	TOTAL	2019	BEYOND
Tax deposits	-	-	-
Customs deposits	21.6	9.7	11.9
Environmental deposits	2.8	-	2.8
Guarantees granted to suppliers	-	-	-
Factoring guarantees	10.0	-	10.0
Agricultural warrants on AFC inventories	64.0	64.0	-
Guarantee on €65 million bond issue	65.0	-	65.0
Miscellaneous guarantees on credit lines	33.2	33.2	-
Other guarantees	1.4	0.2	1.2

As part of the creation of the Passoã SAS joint venture with Lucas Bols, the parties issued put and call options on their respective securities in Passoã SAS, which may not be exercised before 1 December 2020. Unwinding of these instruments could enable

Lucas Bols to acquire all the securities held by Rémy Cointreau in Passoã SAS. The exercise amount is currently estimated at €71.3 million.

NOTE 24.3 CONTINGENT ASSETS AND LIABILITIES RELATING TO DISPOSAL TRANSACTIONS

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

The guarantees granted and still outstanding at 31 March 2018 were as follows:

<i>Disposal transaction</i>	TRANSACTION DATE	NATURE OF ONGOING GUARANTEES	MATURITY	MAXIMUM AMOUNT
Izarra – Distillerie de la Côte Basque	27 October 2015	Tax items	Legal period +30 days	€200,000

NOTE 24.4 OTHER CONTINGENT LIABILITIES

At 31 March 2018, Rémy Cointreau was involved in various litigations. After reviewing each case in relation to each subsidiary concerned, and after seeking legal advice, the provisions deemed to be necessary have been established to cover the estimated risks, where applicable.

Rémy Cointreau declares that it has not omitted any material off-balance sheet items in the presentation of its consolidated financial statements.

NOTE 25 RELATED PARTIES

NOTE 25.1 TRANSACTIONS WITH ASSOCIATES

At 31 March 2018, the Rémy Cointreau Group's main associates were Dynasty Fine Wines Group Ltd, Diversa and Spirits Platform Pty Ltd. The transactions with these companies are described in note 5.

NOTE 25.2 RELATIONS WITH ORPAR AND ANDROMÈDE

Andromède is Rémy Cointreau's main shareholder, through Orpar. Transactions between Rémy Cointreau and these companies are as follows:

(in € millions)	2018	2017
Service fees paid	2.7	2.6
Current-account agreement ⁽¹⁾	60.0	60.0
Trade receivables and other receivables	0.4	0.5
Trade payables and other liabilities	-	-

(1) A shareholder current account advance agreement between Rémy Cointreau SA and Orpar SA was signed on 31 March 2015 for €60 million at an interest rate of 1.25%.

NOTE 25.3 RELATIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR DIRECTOR

Andromède, shareholder of Orpar, is also a shareholder of Oeneo Group, which is listed on Euronext Paris and is a market leader in the cooperage and corking business. As such, various Oeneo Group subsidiaries are suppliers to the Rémy Cointreau Group.

(in € millions)	2018	2017
Purchases of non-current assets	3.8	3.4
Other purchases	0.8	0.8
Trade payables	0.3	0.1

NOTE 25.4 MANAGEMENT BODIES

The Group's management bodies comprise the members of the Board of Directors and the Executive Committee.

The Executive Committee is comprised of the Chief Executive Officer and 11 members.

The data below includes the remuneration due to members of the management bodies during their term of office with these bodies.

Short-term benefits include fixed and variable remuneration, benefits in kind and all social security charges directly linked to these remunerations.

(in € millions)	2018	2017
Short-term benefits	8.5	8.8
End of contract indemnities	-	0.9
Post-employment benefits ⁽¹⁾	1.4	1.2
Share-based payments	1.5	1.1
Directors' fees paid to members of the Board of Directors	0.5	0.4
TOTAL	11.8	12.5

(1) Primarily a defined-benefit pension plan (note 23). The corresponding liabilities for the management bodies were €5.5 million at 31 March 2018.

NOTE 26 EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 27 LIST OF CONSOLIDATED COMPANIES

At 31 March 2018, the scope of consolidation included 47 companies (49 at 31 March 2017). 44 companies were fully consolidated, and 3 were accounted for using the equity method. All companies have a 31 March year-end, except for Dynasty Fine Wines Group Ltd and Lixir, which have a 31 December year-end, and Spirits Platform Pty Ltd, which has a 30 September year-end.

COMPANY	ACTIVITY	% interest	
		MARCH 2018	MARCH 2017
EUROPE			
France			
Rémy Cointreau SA ⁽¹⁾	Holding/Finance	100.0	100.0
Rémy Cointreau Services ⁽¹⁾	Holding/Finance	100.0	100.0
CLS Rémy Cointreau ⁽¹⁾	Production/Distribution	100.0	100.0
Domaines Rémy Martin ⁽¹⁾	Agricultural production	100.0	100.0
E. Rémy Martin & Cie ⁽¹⁾	Production	100.0	100.0
Cointreau ⁽¹⁾	Production	100.0	100.0
Alliance Fine Champagne ⁽²⁾	Special purpose entity	100.0	100.0
Domaine des Hautes Glaces ⁽¹⁾	Production	95.5	95.5
Rémy Cointreau International Marketing Services ⁽¹⁾	Other	100.0	100.0
Joint Marketing Services ⁽¹⁾	Holding/Finance	100.0	100.0
Storeco ⁽¹⁾	Production	100.0	100.0
Other countries			
Rémy Cointreau Nederland Holding NV (Netherlands)	Holding/Finance	100.0	100.0
Hermann Joeress GmbH & Co (Germany)	Distribution	100.0	100.0
Cointreau Holding GmbH (Germany)	Holding/Finance	100.0	100.0
Diversa Spezialitäten GmbH ⁽³⁾ (Germany)	Distribution	50.0	50.0
S. & E. & A. Metaxa ABE (Greece)	Production	100.0	100.0
Financière Rémy Cointreau SA (Belgium)	Holding/Finance	100.0	100.0
Rémy Cointreau Belgium (Belgium)	Distribution	100.0	100.0
Rémy Cointreau Europe & MEA SA (Switzerland)	Distribution	100.0	100.0
Rémy Cointreau Luxembourg SA (Luxembourg)	Distribution	100.0	100.0
Rémy Cointreau Slovakia sro (Slovakia)	Distribution	100.0	100.0
Rémy Cointreau Czech Republic sro (Czech Republic)	Distribution	100.0	100.0
Bruichladdich Distillery Company Ltd (UK)	Production	100.0	100.0
Rémy Cointreau UK Ltd (UK)	Holding/Finance	100.0	100.0
Rémy Cointreau UK Distribution Ltd (UK)	Distribution	100.0	100.0
Rémy Cointreau International Spirits Ltd (United Kingdom)	Holding/Finance	100.0	100.0

COMPANY	ACTIVITY	% interest	
		MARCH 2018	MARCH 2017
AMERICAS			
United States			
Rémy Cointreau USA Inc	Distribution	100.0	100.0
Rémy Cointreau Amérique Inc	Holding/Finance	100.0	100.0
Rémy Cointreau Travel Retail Americas Inc	Distribution	100.0	100.0
The Westland Distillery Company	Production	100.0	100.0
Barbados			
Mount Gay Distilleries Ltd	Production	95.2	95.2
Mount Gay Holding Ltd	Holding/Finance	100.0	100.0
Other countries			
Cointreau Do Brazil (licores) Ltda (Brazil)	Other	100.0	100.0
ASIA/PACIFIC/AFRICA			
China/Hong Kong			
Dynasty Fine Wines Group Ltd ⁽³⁾	Production	27.0	27.0
Rémy Cointreau Shanghai Ltd	Distribution	100.0	100.0
E. Rémy Rentouma Trading Ltd	Distribution	100.0	100.0
Shanghai RC Trading Ltd	Distribution	100.0	100.0
Rémy Concord Ltd	Distribution	100.0	100.0
Rémy Pacifique Ltd	Holding/Finance	100.0	100.0
Caves de France	Holding/Finance	100.0	100.0
Other countries			
Rémy Cointreau Taiwan Pte Ltd (Taiwan)	Distribution	100.0	100.0
Rémy Cointreau Japan KK (Japan)	Distribution	100.0	100.0
Rémy Cointreau International Pte Ltd (Singapore)	Distribution	100.0	100.0
RM Cointreau Vietnam Company Ltd (Vietnam)	Distribution	100.0	100.0
Rémy Cointreau South Africa Pty Ltd (South Africa)	Distribution	100.0	100.0
Rémy Cointreau Malaysia (Malaysia)	Distribution	100.0	100.0
Spirits Platform Pty Ltd (Australia) ⁽³⁾	Distribution	37.0	37.0
CHANGES IN CONSOLIDATION SCOPE			
Rémy Cointreau India Private Ltd (India) ⁽⁴⁾	Distribution	-	100.0
HDHG (France) ⁽⁵⁾	Holding/Finance	-	100.0

(1) Company included in the French tax Group.

(2) Special purpose entity.

(3) Equity-accounted company.

(4) Merged or liquidated during the year.

(5) Company which has been subject to a universal transfer of assets within Rémy Cointreau Services.

— 5.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General meeting of Rémy Cointreau S.A.,

OPINION

In compliance with the engagement entrusted to us by your general meetings, we have audited the accompanying consolidated financial statements of Rémy Cointreau S.A. for the year ended 31 March 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at 31 March 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the board of directors carrying out the functions of the audit committee.

BASIS FOR OPINION

■ AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

■ INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st April 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1 of Regulation (EU) No 537/2014 or in the French code of ethics (*Code de déontologie*) for statutory auditors.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ MEASUREMENT OF INTANGIBLE ASSETS: GOODWILL ET BRANDS

KEY AUDIT MATTER

At 31 March 2018, net value of brands amounted to M€450 and of goodwill to M€46.

The values recorded under "Brands" in your group's balance sheet are not amortised as they have the benefit of legal protection, generate higher earnings than those of similar unbranded products and have an indefinite useful life. As soon as there is any indication of a decrease in value and at least annually at the period end, your group performs impairment tests on its brands. This point is explicitly stated in note 3 to the consolidated financial statements.

Goodwill represents the difference between the cost of acquisition of the businesses and the fair value of identifiable assets and liabilities at the date of acquisition as indicated in note 1.5 to the consolidated financial statements. These intangible assets are considered to have an indefinite life. As soon as there is any indication of a decrease in value and at least annually at the period end, your group performs impairment tests.

For the purpose of these impairment tests, described in note 3 to the consolidated financial statements, assets are allocated to Cash Generating Units (CGUs). In your group's case, the structure of these units is based on the brand portfolio. Each brand or group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

We considered measurement of brands and goodwill to be a key point in the audit given its materiality in the consolidated financial statements of your group and because the determination of the value in use, taken into account in the impairment tests, requires the use of estimates and assumptions involving significant management judgment, especially regarding future cash flows, assumptions on revenue growth and the discount rate.

OUR RESPONSE

As part of our audit work, we reviewed the process of elaboration and approval of the estimates and assumptions made by your group regarding impairment tests. Our work mainly consisted of:

- comparing the methods applied for CGUs identification and grouping to those applied in the prior year and described in note 3 to the consolidated financial statements;
- assessing the discount rate used by management by comparing it to our own estimate established including evaluation specialists and by analysing the different constituent parameters to be applied;
- examining, by sampling, the consistency of future cash flows compared with the budget data which were presented to the board of directors, historical results and the financial and economic context of the different markets in which these brands are being exploited by your group;
- verifying, by sampling, the arithmetical accuracy of the impairment tests performed by your company.

■ FOREIGN CURRENCY RISK

KEY AUDIT MATTER

Your group currently uses derivative financial instruments as part of its foreign exchange risk hedging policy. Your group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the board of directors.

As part of its foreign exchange risk management, your group has implemented a foreign exchange risk hedging charter establishing the contractualisation and documentation procedures necessary to justify the implementation of a hedge accounting within the meaning of IAS 39. The policy for managing market risks complies with the prudential rules approved by the board of directors. Hedging transactions are entered into with top-tier international banks.

These items are described in note 14.2 to the consolidated financial statements. At 31 March 2018, financial instruments are shown in assets for M€10 and in liabilities for M€2.

OUR RESPONSE

As part of our audit work, we reviewed the process of hedging elaboration and documentation prepared by your group. Our work mainly consisted, including the inclusion of specialists in our audit team, of:

- examining the group's hedging policy and, more specifically, compliance with the eligibility criteria in accordance with IAS 39;
- examining, by sampling, the compliance of transactions carried out over the period with the foreign exchange risk hedging charter;
- recalculating the prospective and retrospective effectiveness tests performed by the group;
- verifying the arithmetical accuracy of the fair value calculations of financial instruments by the group (comparing them with the fair values provided by the bank counterparties), and examining their correct transcription in the consolidated financial statements.

■ PROVISIONS FOR RISKS AND LIABILITIES

KEY AUDIT MATTER	OUR RESPONSE
<p>The group's activities are deployed internationally and depend on regulatory frameworks that vary between countries and cover areas as diverse as the production and distribution of alcohol-containing products, taxation, or relations with group partners, including distributors. In this context, the group's activities may generate risks, disputes or contentious situations; the different group entities in France and abroad may be subject to tax audits by the governments of the countries in which the group operates.</p> <p>The risk estimate for each of these risks is regularly reviewed by the group's legal and tax management, with the help of external consultants. We considered this topic to be a key point of the audit given the potential issues and the level of judgment required to determine these provisions in multiple and ever-changing regulatory environments.</p>	<p>As part of our audit of the consolidated financial statements, our work mainly consisted of:</p> <ul style="list-style-type: none"> ▪ examining the procedures implemented by the group to identify all risks; ▪ reviewing the risk analysis performed by the group and the related documentation and, where applicable, the written consultations of external advisors; ▪ assessing by including in our audit team experts, mainly lawyers and tax specialists, the main risks identified and examining the reasonableness of the assumptions used by management to estimate the amount of these provisions; ▪ examining the appropriateness of the information relating to these risks presented in the notes to the consolidated financial statements.

■ VALUATION OF EAU-DE-VIE INVENTORIES AND ELIMINATION OF INTERNAL MARGINS ON FINISHED GOODS INVENTORIES

KEY AUDIT MATTER	OUR RESPONSE
<p>At 31 March 2018, the net value of the group's inventory amounted to M€1,170 including a €M 3 impairment.</p> <p>A substantial part of the inventories held by your group consists of <i>eau-de-vie</i> that are undergoing ageing for an amount of M€1,045 in net value. These inventories may be held for periods ranging from 3 to more than 70 years. They remain classified within current assets based on common industry practice as described in note 7 to the consolidated financial statements. Inventories that are undergoing ageing are valued at cost price, excluding finance costs. The latter are recognised in the income statement in the period in which they are incurred. Cost price includes the purchase price and incidental costs and is adjusted each year to include costs directly attributable to the ageing process as well as to reflect evaporation.</p> <p>The approach used to determine realisable value takes into account the sale price of finished goods made from these inventories.</p> <p>We considered this topic to be a key point of the audit because the resulting valuation is by nature dependent on assumptions, estimates or assessments made by the group and defined by the group management.</p> <p>In addition, finished goods inventories are present in a large number of subsidiaries. The monitoring of internal margins, eliminated in the consolidated financial statements as long as inventories are not sold to non-group customers, is the result of a complex process that takes into account the transfer pricing structure and the process of distributing products across the international network of distribution subsidiaries.</p>	<p>As part of our audit work, we reviewed the inventory valuation processes and methods. Our work consisted of:</p> <ul style="list-style-type: none"> ▪ reviewing the internal processes put in place to value the <i>eau-de-vie</i> inventories that are undergoing ageing; ▪ examining the physical existence of inventories on the basis of sampling during physical inventory; ▪ examining, by sampling, the valuation of <i>eau-de-vie</i> purchases, the expenses incorporated in the valuation of work in progress and the cost of products in stock with the net selling price; ▪ verifying, by sampling, the arithmetical accuracy of the internal margins monitoring files and the appropriateness of the elimination entries of these internal margins.

VERIFICATION OF THE INFORMATION PERTAINING TO THE GROUP PRESENTED IN THE MANAGEMENT REPORT

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the group presented in the management report of the board of directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

■ APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Rémy Cointreau S.A. by your general meeting held on 26 September 1990 for AUDITEURS ET CONSEILS ASSOCIES and on 26 March 1984 for ERNST & YOUNG et Autres.

As at 31 March 2018, AUDITEURS ET CONSEILS ASSOCIES were in the 28th year of total uninterrupted engagement and ERNST & YOUNG et Autres in the 35th year, of which respectively 20 years since securities of the company were admitted to trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The board of directors carrying out the functions of the audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the board of directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

■ OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

■ REPORT TO THE BOARD OF DIRECTORS CARRYING OUT THE FUNCTIONS OF THE AUDIT COMMITTEE

We submit a report to the board of directors carrying out the functions of the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the board of directors carrying out the functions of the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the board of directors carrying out the functions of the audit committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French commercial Code (*Code de commerce*) and in the French code of ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the board of directors carrying out the functions of the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, 21 June 2018

The statutory auditors

Auditeurs et Conseils Associés

Aca Nexia

François Mahé

ERNST & YOUNG et Autres

Pierre Bidart

6

FINANCIAL STATEMENTS AT 31 MARCH 2018

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— 6.1 BALANCE SHEET

For the financial years ended 31 March, in € millions

	Notes	2018	2017
ASSETS			
Intangible fixed assets		-	-
Property, plant and equipment		-	-
Equity investments		1,550.9	1,550.9
Receivables relating to equity investments		-	-
Other long-term investments		-	-
Loans		90.6	90.0
Other financial assets		4.3	3.8
Total fixed assets	2.1/2.2	1,645.8	1,644.7
Other receivables	2.3	64.5	52.0
Marketable securities	2.4	19.4	7.8
Cash and cash equivalents		-	-
Prepaid expenses		0.2	0.3
Total current assets		84.1	60.1
Deferred expenses	2.5	2.6	3.3
Bond redemption premiums		-	-
Foreign currency translation reserve – assets		-	-
TOTAL ASSETS		1,732.5	1,708.1
LIABILITIES			
Share capital		80.4	79.5
Additional paid-in capital		804.9	758.6
Legal reserve		8.0	7.8
Regulated reserves		-	-
Other reserves		-	-
Retained earnings		156.6	87.3
Net profit/(loss) for the year		14.9	151.2
Regulated provisions		-	-
Shareholders' equity	2.6	1,064.7	1,084.5
Provisions for liabilities and charges	2.7	20.6	7.8
Bonds	2.8	355.4	355.4
Borrowings and amounts due to financial institutions	2.9	-	-
Other borrowings	2.10	194.0	182.0
Financial debt		549.4	537.4
Trade payables		0.3	0.4
Tax and social security liabilities		2.3	6.0
Amounts payable on fixed assets and related accounts		-	-
Other liabilities	2.11	95.2	72.0
Operating payables		97.8	78.4
Deferred income		-	-
Foreign currency translation reserve – liabilities		-	-
TOTAL LIABILITIES		1,732.5	1,708.1

— 6.2 INCOME STATEMENT

At 31 March in € millions	Notes	2018	2017
Services provided	3.1	21.8	20.2
Reversals of depreciation, amortisation and provisions, transferred charges		-	2.3
Other income		-	-
Total operating revenue		21.8	22.5
Purchases and external charges		33.0	32.5
Taxes, duties and other levies		0.1	0.1
Wages and salaries		-	-
Social security charges		0.1	0.1
Depreciation and amortisation of fixed assets		0.7	0.7
Provisions for liabilities and charges		-	-
Other expenses		0.5	0.4
Total operating expenses		34.4	33.8
Operating results		(12.6)	(11.3)
Financial income from equity investments	3.2	22.0	165.1
Income from investment securities and equity investments		5.0	4.3
Other interest and related income		0.1	0.1
Reversals of provisions and transferred charges		-	0.7
Foreign exchange gains		-	-
Net gains on disposals of marketable securities		0.7	0.7
Total financial income		27.8	170.9
Charges for amortisation and provisions		-	0.5
Interest and similar expenses		6.3	14.1
Foreign exchange losses		-	-
Net losses on disposals of marketable securities		0.2	0.1
Total financial expenses		6.5	14.7
Net financial income/(expense)		21.3	156.2
Profit/(loss) on ordinary activities before tax		8.7	144.9
Exceptional gains on management transactions		-	-
Exceptional gains on capital transactions		14.3	5.6
Reversals of provisions and transferred charges		4.5	0.6
Total exceptional income	3.3	18.8	6.2
Exceptional gains on management transactions		-	-
Exceptional gains on capital transactions		4.8	1.1
Exceptional depreciation, amortisation and provisions		14.0	5.3
Total exceptional expenses	3.3	18.8	6.4
Net exceptional income/(expense)	3.3	-	(0.2)
Income tax	3.4	6.2	6.5
NET PROFIT/(LOSS) FOR THE PERIOD		14.9	151.2

— 6.3 CASH FLOW STATEMENT

At 31 March in € millions	2018	2017
Net profit/(loss) for the period	14.9	151.2
Depreciation, amortisation and provisions	18.0	6.5
Operating	-	-
Financial	-	0.5
Exceptional	14.0	5.3
Provisions for tax risk	3.3	-
Deferred charges	0.7	0.7
Reversals of depreciation, amortisation and provisions	(4.5)	(1.3)
Operating	-	-
Financial	-	(0.7)
Exceptional	(4.5)	(0.6)
(Gains)/losses on disposals	-	(4.5)
Proceeds from disposals	-	(5.6)
Carrying amount of assets sold	-	1.1
= OPERATING CASH FLOW	28.4	151.9
A – Resources		
Operating cash flow	28.4	151.9
Disposals of intangible fixed assets	-	-
Disposals of property, plant and equipment	-	-
Disposals or reductions of financial assets	-	-
Decrease in loans and other financial assets	-	-
Capital increase and share premium	57.1	-
Long- and medium-term borrowings	-	70.0
TOTAL	85.5	221.9
B – Expenditure		
Dividends	81.8	78.0
Acquisitions of fixed assets:	-	-
▪ Intangible fixed assets	-	-
▪ Property, plant and equipment	-	-
▪ Non-current financial assets	-	-
Increase in loans and other financial assets	1.1	2.9
Repayment of borrowings	-	30.0
Deferred charges	-	-
Bond redemption premiums	-	-
Reduction of shareholders' equity	10.0	-
TOTAL	92.9	110.9
A – B = Change in working capital	(7.4)	111.0
Analysis of change in working capital		
Increase/(decrease) in trade payables	0.1	(0.1)
Increase/(decrease) in advance payments on orders	-	-
Increase/(decrease) in other current assets/liabilities, including bank overdrafts	(7.5)	111.1
TOTAL	(7.4)	111.0

— 6.4 FINANCIAL RESULTS FOR THE PAST 5 YEARS

At 31 March in € millions	2018 ⁽¹⁾	2017	2016	2015	2014
1. Share capital at year-end					
Share capital	80.4	79.5	78.0	77.9	77.6
Number of shares in circulation	50,223,800	49,692,184	48,735,014	48,710,253	48,476,859
Maximum number of shares to be created through the conversion of bonds	-	-	-	-	-
2. Operations and results for the year					
Sales excluding taxes	21.8	20.2	18.7	21.9	23.4
Profit before tax, depreciation, amortisation and provisions	18.9	138.6	47.0	12.2	107.7
Income tax	6.2	6.5	18.9	5.9	11.2
Profit/(loss) after tax, depreciation, amortisation and provisions	14.9	151.2	67.1	11.5	117.5
Dividends	82.9	82.0	78.0	74.5	61.6
3. Earnings per share (in €)					
Profit/(loss) after tax, but before depreciation, amortisation and provisions	0.56	2.79	1.35	0.37	2.45
Profit/(loss) after tax, depreciation, amortisation and provisions	0.30	3.04	1.38	0.24	2.42
Net dividend distributed per share	1.65	1.65	1.60	1.53	1.27
4. Employees					
Number of employees	-	-	-	-	-
Total payroll	-	-	-	-	-
Staff benefits (social security and other benefits)	-	-	-	-	-
Profit sharing (included in total payroll)	-	-	-	-	-

(1) Subject to approval of the Ordinary Shareholders' Meeting.

— 6.5 NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 ACCOUNTING POLICIES

The annual financial statements for the year have been prepared in accordance with the accounting standards defined by the French General Chart of Accounts (plan comptable général), ratified by ministerial decree of 8 September 2014, pursuant to Articles L. 123-12 to L. 123-28 and R. 123-172 to R. 123-308 of the French Commercial Code, ANC regulation no. 2016-07 of 26 December 2016 and Accounting Regulation Committee (CRC, Comité de la Règlementation Comptable) regulations.

Accounting conventions have been adopted on a prudent basis and in accordance with the following basic assumptions:

- going concern principle;
- consistency of accounting policies from one period to the next;
- independence of financial periods;

and in line with the general rules governing the preparation and presentation of financial statements.

The historical cost method was adopted as the basic method of accounting.

The measurement and presentation methods used in the financial statements for this period remain unchanged from the previous period.

The main accounting principles and valuation methods used are as follows:

- a. non-current financial assets are measured at acquisition cost or transfer value, less any provisions necessary to reconcile them with their value in use. Value in use is determined using a number of criteria, including in particular net assets, unrealised capital gains and future earnings potential;
- b. receivables and liabilities are recorded at their nominal value. Any such items that are denominated in foreign currency are translated at the closing exchange rate for the year. Where applicable, a provision for doubtful debts is recorded on receivables to cover any risk of non-collection;
- c. the difference arising from the valuation of liabilities and receivables in foreign currencies, using the closing exchange rate, is recorded in the balance sheet as a foreign currency translation reserve;
- d. interest rate hedging instruments are recorded as off-balance sheet commitments.

NOTE 2 NOTES TO THE BALANCE SHEET

NOTE 2.1 FIXED ASSETS

<i>(in € millions)</i>	GROSS VALUE AT THE START OF THE YEAR	RECLASSIFICATION	INCREASE	DECREASE	GROSS VALUE AT THE END OF THE YEAR
Intangible fixed assets	-	-	-		-
Equity investments	1,550.9	-	-	-	1,550.9
Other financial assets	3.8	-	0.5	-	4.3
Loans	90.0	-	3.8	3.2	90.6
TOTAL	1,644.7	-	4.3	3.2	1,645.8

The "Other financial assets" item is comprised of the following:

- €3.2 million corresponding to a liquidity contract entered into with a liquidity provider. The liquidity provider's sole purpose is to promote the liquidity of the Company's securities and the regularity of their quotation on the market;
- €1.1 million corresponding to 9,512 securities held under the liquidity contract at the reporting date, placed in a liquidity account.

As part of the contract for the sale of Piper-Heidsieck Compagnie Champenoise, on 8 July 2011 Rémy Cointreau

granted a vendor loan of €75 million over a maximum term of nine years (maturing on 8 July 2020), bearing interest at 5% during the first six years and 6% during the last three years. Interest was capitalised over the first three years, bringing the principal amount to €86.8 million. As of the reporting date, the interest accrued, now payable on the anniversary date of the loan, was recognised in the amount of €3.8 million.

NOTE 2.2 AMORTISATION, DEPRECIATION AND PROVISIONS

At 31 March 2018, no significant provision has been made for marketable securities.

NOTE 2.3 OTHER RECEIVABLES

<i>(in € millions)</i>	2018	2017
Income tax instalments	-	-
Tax group receivable	42.5	42.6
VAT receivable	0.8	0.7
Income receivable under the bonus share plan (note 2.6)	17.3	7.8
Other debtors	3.9	0.9
TOTAL	64.5	52.0

At the end of the financial year, €17.3 million of income receivable was recorded, corresponding to the impact of the reassignment of the cost of issuing shares allocated to the 2015B, 2016 and

2017 bonus share plans, representing a total of 189,500 shares (note 2.6). Re-invoicing shall effectively take place at the end of the plan vesting period.

NOTE 2.4 MATURITY ANALYSIS OF RECEIVABLES

<i>(in € millions)</i>	GROSS AMOUNT	LESS THAN ONE YEAR	MORE THAN ONE YEAR
Fixed assets			
Receivables relating to equity investments	-	-	-
Loans	90.6	3.8	86.8
Other financial assets	4.3	4.3	-
Current assets			
Other receivables	64.5	53.5	11.0
Marketable securities	19.4	8.4	11.0
Prepaid expenses	0.2	0.2	-
TOTAL	179.0	70.2	108.8

The sum of other receivables maturing in more than one year corresponds to the re-invoicing of the 2016 and 2017 bonus share plans.

“Marketable securities” is comprised of the following:

- €17.3 million corresponding to the treasury shares held to service the bonus share plans (of which €11 million corresponding to the 2016 and 2017 plans). As at the reporting date, 189,500 treasury

shares were held for this purpose. All of them are allocated to existing plans. The shares are held until the maturity of these plans (note 2.6);

- €2.1 million corresponding to the 21,285 non-allocated treasury shares.

NOTE 2.5 MATURITY ANALYSIS OF DEFERRED EXPENSES

(in € millions)	GROSS AMOUNT	LESS THAN ONE YEAR	MORE THAN ONE YEAR
Syndicated loan expenses of €255 million	0.5	0.5	-
Private placement expenses of €80 million	0.2	0.0	0.2
OCEANE expenses of €275 million	1.9	0.2	1.7
TOTAL	2.6	0.7	1.9

The costs of issuing and extending the loan are amortised over the term of the loan. A total of €0.7 million was amortised over the period.

The maturities are as follows:

- syndicated loan: 11 April 2019;
- private bond placement: 27 February 2025;
- OCEANE bond: 7 September 2026.

NOTE 2.6 SHAREHOLDERS' EQUITY

Breakdown of share capital

Share capital comprises 50,223,800 fully paid-up shares with a nominal value of €1.60.

The share capital evolved as follows over the course of the financial year:

- 635,254 shares were issued in connection with the option for the payment of the dividend in shares in accordance with the Board of Directors' decision of 11 September 2017;

- 103,638 treasury shares were cancelled following the Board of Directors' decision of 17 January 2018.

This decision resulted in a capital reduction of €0.2 million and a decrease in the share premium to €9.8 million.

Change in shareholders' equity

	NUMBER OF SHARES	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	LEGAL RESERVE	RETAINED EARNINGS	NET PROFIT / (LOSS)	TOTAL
At 31 March 2016	48,735,014	78.0	695.3	7.8	98.1	67.1	946.3
Appropriation of earnings	-	-	-	-	67.1	(67.1)	-
Net profit/(loss) for the year	-	-	-	-	-	151.2	151.2
Dividend	957,170	1.5	63.3	-	(77.8)	-	(13.1)
At 31 March 2017	49,692,184	79.5	758.6	7.8	87.4	151.2	1,084.5
Appropriation of earnings	-	-	-	0.2	151.0	(151.2)	-
Net profit/(loss) for the year	-	-	-	-	-	14.9	14.9
Dividend	635,254	1.0	56.1	-	(81.8)	-	(24.7)
Capital reduction	(103,638)	(0.2)	(9.8)	-	-	-	(10.0)
AT 31 MARCH 2018	50,223,800	80.4	804.9	8.0	156.6	14.9	1,064.7

Bonus share plans

Grant date ⁽¹⁾	PLAN No.	VESTING PERIOD	MINIMUM RETENTION PERIOD	RIGHTS INITIALLY GRANTED	VALUE OF RIGHTS ON GRANT DATE	LAPSED RIGHTS	RIGHTS GRANTED AT THE END OF THE VESTING PERIOD	RIGHTS OUTSTANDING AT 31 MARCH 2018
27 January 2015	2015A	3 years	2 years	82,500	64.26	17,750	64,750	-
24 November 2015	2015B	3 years	2 years	88,800	66.64	14,200	-	74,600
22 November 2016	2016	3 years	2 years	73,600	74.44	6,100	-	67,500
21 November 2017	2017	3 years	2 years	50,900	111.40	3,500	-	47,400
TOTAL				295,800		41,550	64,750	189,500

(1) The grant date is the date of the meeting of the Board of Directors which decided the allocation of each plan. The 2015A and 2015B plans were authorised by the Combined Shareholders' Meeting of 24 July 2014. The 2016 and 2017 plans were authorised by the Combined Shareholders' Meeting of 26 July 2016.

Plans 2015A, 2015B, 2016 and 2017 are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external criteria.

Plan 2015A: this plan expired on 27 January 2018. There were 64,750 rights outstanding, all of which have been granted. In accordance with the rules of this plan, the maximum number of shares will be granted if the share price has increased by 30% or more between 27 January 2015 and 27 January 2018, with a target price of €75.39. The actual price was €112.37. This plan was serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2015B: the maximum number of shares will be granted if the share price increases by 20% or more between 24 November 2015 and 23 November 2018, with a target price of €76.95. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2016: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of nine luxury goods and/or premium spirits companies. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2017: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of eight luxury goods and/or premium spirits companies. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

NOTE 2.7 PROVISIONS

(in € millions)	REGULATED PROVISIONS	PROVISIONS FOR LIABILITIES AND CHARGES	PROVISIONS FOR IMPAIRMENT	TOTAL
Opening balance	-	7.8	-	7.8
Increase	-	17.3	-	17.3
Reversals	-	(4.5)	-	(4.5)
CLOSING BALANCE	-	20.6	-	20.6

Provisions for liabilities and charges was increased by €14.0 million corresponding to the treasury shares directly allocated to the 2015B, 2016 and 2017 bonus share plans (note 2.6).

This provision was also subject to a reversal of €4.5 million during the financial year, based on the performance of the 2015A plan. (note 2.6).

A provision for tax risk was also made during the financial year in the amount of €3.3 million.

(in € millions)	INCREASE	REVERSALS
▪ Operating	-	-
▪ Financial	-	-
▪ Exceptional	14.0	4.5
▪ Tax	3.3	-
TOTAL	17.3	4.5

NOTE 2.8 BONDS

<i>(in € millions)</i>	2018	2017
Convertible bonds (OCEANE)	275.0	275.0
Bonds	-	-
Private placement bonds	80.0	80.0
Total nominal value	355.0	355.0
Accrued interest	0.4	0.4
TOTAL	355.4	355.4

OCEANE

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275 million, or 2,484,191 OCEANE with a nominal value of €110.70 each.

The par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. OCEANE bondholders are entitled to new and/or existing Rémy Cointreau shares, at the conversion

rate of one share per OCEANE, subject to potential subsequent adjustments exercisable on 7 September 2023. This conversion rate was increased to 1.001 share per OCEANE following the payment of the dividend of €1.65 per share on 4 September 2017.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80.0 million bond in the form of a private placement with a leading European insurer. These 10-year bonds bear interest at 2.945%.

NOTE 2.9 BORROWINGS AND AMOUNTS DUE TO FINANCIAL INSTITUTIONS

<i>(in € millions)</i>	2018	2017
Syndicated loan	-	-
Accrued interest	-	-
TOTAL	-	-

Syndicated loan

Since 11 April 2014, Rémy Cointreau has had a syndicated loan with a pool of 10 banks. The loan matures on 11 April 2019 and has an outstanding balance of €255 million. Amounts drawn down bear interest at EURIBOR plus a margin that is subject to change according to Rémy Cointreau's rating.

This facility is unsecured.

The availability of the facility is contingent upon the "Average net debt/EBITDA" ratio (the "A ratio") being less than or equal to 3.5 at 30 September and 31 March of each year until maturity.

At 31 March 2018, the A ratio was 1.48 (March 2017: 1.78).

At 31 March 2018, no amounts are currently being drawn down on this facility.

NOTE 2.10 OTHER BORROWINGS

Borrowings and liabilities break down as follows:

<i>(in € millions)</i>	2018	2017
Current-account agreement	60.0	60.0
Borrowings and amounts due to Group subsidiaries	133.2	121.2
Total nominal value	193.2	181.2
Accrued interest	0.8	0.8
TOTAL	194.0	182.0

Current-account agreement

On 31 March 2015, Rémy Cointreau signed a current-account agreement with its shareholder ORPAR for a €60 million interest-bearing advance, fully paid up on 7 April 2015, for a maximum period of three years, *i.e.* to be repaid no later than 7 April 2018.

An amendment signed on 30 March 2018 extended the term by three years and, with effect from 8 April 2018, reduced the interest rate from 1.25% to 0.60%.

NOTE 2.11 OTHER LIABILITIES

<i>(in € millions)</i>	2018	2017
Tax instalments paid by companies within the tax group	43.5	20.9
Tax group balance	46.7	47.0
Accrued expenses	0.0	0.0
Other creditors	5.0	4.1
TOTAL	95.2	72.0

NOTE 2.12 MATURITY ANALYSIS OF PAYABLES

<i>(in € millions)</i>	GROSS AMOUNT	LESS THAN ONE YEAR	ONE TO FIVE YEARS	MORE THAN FIVE YEARS
Bonds	355.4	0.4	-	355.0
Borrowings and amounts due to financial institutions	-	-	-	-
Other borrowings	194.0	194.0	-	-
Trade payables	0.3	0.3	-	-
Tax and social security liabilities	2.4	2.4	-	-
Other liabilities	95.2	95.2	-	-
TOTAL	647.3	292.3	0.0	355.0

NOTE 3 NOTES TO THE INCOME STATEMENT

NOTE 3.1 BREAKDOWN OF NET SALES

Net sales totalled €21.8 million and essentially comprised services invoiced to all Rémy Cointreau Group subsidiaries and sub-subsidiaries, of which €12.3 million to French companies and €9.5 million to foreign companies.

NOTE 3.2 FINANCIAL INCOME

Financial income from equity investments amounted to €22.0 million and related to dividends received from subsidiaries.

Other financial income totalled €5.1 million and mainly corresponds to the interest on the loan granted to the company Holding Champagne P&CH (note 2.1).

NOTE 3.3 EXCEPTIONAL INCOME AND EXPENSES

Exceptional income of €18.8 million is comprised of:

- €14.0 million representing an increase in the receivables recorded in relation to the allocation of treasury shares for the 2015B, 2016 and 2017 share plans to the entities paying the beneficiaries of these plans (notes 2.3 and 2.6);
- €4.5 million relating to the reversal of the provision for the 2015A bonus share plan granted in January 2018;
- €0.3 million for the difference between the provision made in respect of the 2015A plan and the re-invoicing to entities paying the beneficiaries of this plan.

Exceptional expenses of €18.8 million include:

- €14.0 million relating to an additional increase in the provision made for the estimated cost of issuing the treasury shares allocated to the 2015B, 2016 and 2017 share plans (notes 2.3 and 2.6);
- €4.8 million corresponding to the issue of shares granted at the time of expiry of the 2015A plan, invoiced to entities paying the beneficiaries of this plan.

NOTE 3.4 INCOME TAX

A) Income tax analysis

<i>(in € millions)</i>	PROFIT / (LOSS) BEFORE TAX	THEORETICAL INCOME TAX	PROFIT / (LOSS) AFTER TAX
Profit/(loss) on ordinary activities	8.7	3.2	5.5
Net exceptional income/(expense)	-	-	-
Tax relief, adjustments and tax risk		(3.7)	3.7
Income from tax consolidation		(5.7)	5.7
Net profit/(loss) for the period	8.7	(6.2)	14.9

The net income tax gain recognised corresponds to:

- the Group's income tax saving for the year of €2.5 million;
- the tax adjustment of €0.1 million accepted and paid in February 2018 following the tax audit on the financial year ended 31 March 2014;
- the tax relief received at the end of March 2018 by the tax authority following complaints concerning the 3% contribution on dividends for the 2013/2014 to 2016/2017 financial years, in the amount of €6.1 million, in addition to €0.9 million in default interest. The total income of €7.0 million was recognised net of the corporate income tax expense;

- a provision for tax risk in the amount of €3.3 million.

B) Increase and reduction in future tax liabilities

The Company has no significant temporary differences in the calculation of its taxable income.

NOTE 3.5 TAX GROUP

Rémy Cointreau elected to form a tax group with effect from 1 April 1993 for Group companies as provided in Article 223A of the French General Tax Code.

The tax allocation agreement stipulates that the tax charge is borne by the companies within the tax group as if no such group existed, after applying any tax losses carried forward.

The following companies are included in the tax group:

- Rémy Martin, Cointreau, Rémy Cointreau Services, CLS Rémy Cointreau, Domaines Rémy Martin, Rémy Cointreau International Marketing Services, Storeco, Rémy Cointreau Libra, Joint Marketing Services and the company Domaine des Hautes Glaces, which joined the tax group on 1 April 2017.

NOTE 4 OTHER INFORMATION**NOTE 4.1 STATUTORY AUDITORS' FEES**

The fees paid to Statutory Auditors recorded in the income statement for the financial year amounted to €399 thousand excluding taxes.

<i>(in € thousands)</i>	ERNST & YOUNG ET AUTRES	AUDITEURS & CONSEILS ASSOCIÉS SA	TOTAL
Statutory Auditors	245	151	396
Ancillary assignments	3	-	3
TOTAL	248	151	399

NOTE 4.2 OFF BALANCE-SHEET COMMITMENTS**A) Financial commitments**

At the reporting date, the Company's commitments concern guarantees granted to a Group subsidiary for €65 million and to bank establishments for various financing lines for €48.6 million.

The loan granted as part of the disposal of Piper-Heidsieck Compagnie Champenoise securities amounting to €86.8 million at the end of the financial year is guaranteed by a security interest over these securities.

B) Contingent liabilities relating to asset disposals

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

At 31 March 2018, no guarantees are outstanding.

NOTE 4.3 DISPOSALS OF TREASURY SHARES

At 31 March 2018, 9,512 treasury shares had been credited to the liquidity account. Income generated during the year by the manager of the liquidity account was recorded as financial income.

During the financial year, the Company transferred 64,750 treasury shares as part of the bonus share plans (note 2.6).

At 31 March 2018, 41,414 treasury shares had been credited to the share buyback programme account authorised by the Shareholders' Meeting of 26 July 2011 and allocated to the bonus share award.

At 31 March 2018, 169,371 treasury shares had been credited to the share buyback programme account authorised by the Shareholders' Meeting of 25 July 2017.

NOTE 5 EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 6 LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AS AT 31 MARCH 2018

<i>(In thousands of foreign currency or € thousands)</i>	CUR-RENCY	CAPIT-AL (IN THOU-SANDS OF CURRENCY)	SHARE-HOLDERS' EQUITY EXCLUDING CAPITAL (IN THOU-SANDS OF CURRENCY)	SHARE CAPIT-AL HELD %	CARRYING VALUE OF CAPITAL HELD (IN € THOU-SANDS)	PROVI-SIONS ON SECURITIES (IN € THOU-SANDS)	DIVI-DENDS RECEIVED (IN € THOU-SANDS)	SALES EX-TAX PRIOR YEAR (IN THOU-SANDS OF CURRENCY)	PROFIT/(LOSS) AFTER TAX	DATE OF YEAR-END
A) French companies										
E. Rémy Martin & C°	EUR	6,725	385,645	100	381,708	-	21,977	277,970	17,844	31/03/2018
Cointreau	EUR	4,037	155,731	100	89,103	-	-	53,802	(2,046)	31/03/2018
Rémy Cointreau Services	EUR	1,114,805	126,234	93	1,046,700	-	-	17	104,544	31/03/2018
Total gross value					1,517,511	-	21,977			
B) Foreign companies										
Other foreign subsidiaries	EUR	-	-	-	990	2	-	-	-	-
Total gross value	EUR	-	-	-	990	2	-	-	-	-
Total gross value (A+B)					1,518,501	2				
TOTAL CARRYING AMOUNT					1,518,499					

— 6.6 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General meeting of Rémy Cointreau S.A.,

Opinion

In compliance with the engagement entrusted to us by your general meetings, we have audited the accompanying financial statements of Rémy Cointreau S.A. for the year ended 31 March 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 March 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the board of directors carrying out the functions of the audit committee.

Basis for opinion

■ Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the financial statements" section of our report.

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st April 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1 of Regulation (EU) No 537/2014 or in the French code of ethics (*Code de déontologie*) for statutory auditors.

Justification of assessments - key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

■ Measurement of equity investments

KEY AUDIT MATTER	OUR RESPONSE
<p>Equity investments, shown in net assets at 31 March 2018 for M€1,551, represent the largest item in the balance sheet.</p> <p>They are measured at acquisition cost or transfer value, less any provisions necessary to reconcile them with their value in use. Value in use is determined using a number of criteria, including in particular net assets, unrealised capital gains and future earnings potential, as stated in note 1.a to the annual financial statements.</p> <p>Taking into account the significant amount of equity investments in the balance sheet and the sensitivity of their measurement to the data and assumptions on which the estimates of future earnings potential are based, we considered measurement of the value in use of equity investments to be a key point in our audit.</p>	<p>In assessing the estimate of values in use of equity investments, on the basis of the information communicated to us, our work mainly consisted of:</p> <ul style="list-style-type: none"> ▪ examining the justification provided by the company of the measurement methodology implemented and of the data used in conducting significant equity investments impairment tests, including historical financial data and business prospects specific to the entities concerned; ▪ verifying, by sampling, the arithmetical accuracy of the calculations of values in use retained by the company.

Verification of the management report and of the other documents provided to shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

■ Information provided in the management report and in other documents to shareholders regarding the financial position and the annual financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the other documents provided to shareholders with respect to the financial position and the financial statements.

■ Report on corporate governance

We certify the existence, in the board of directors' report on corporate governance, of the information required under Articles L. 225-37-3 and L. 225-37-4 of the French commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

■ Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

■ Appointment of the statutory auditors

We were appointed as statutory auditors of Rémy Cointreau S.A. by your general meeting held on 26 September 1990 for AUDITEURS ET CONSEILS ASSOCIES and on 26 March 1984 for ERNST & YOUNG et Autres.

As at 31 March 2018, AUDITEURS ET CONSEILS ASSOCIES were in the 28th year of total uninterrupted engagement and ERNST & YOUNG et Autres in the 35th year, of which respectively 20 years since securities of the company were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The board of directors carrying out the functions of the audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the board of directors.

Statutory auditors' responsibilities for the audit of the financial statements

■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ **Report to the board of directors carrying out the functions of the audit committee**

We submit a report to the board of directors carrying out the functions of the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the board of directors carrying out the functions of the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the board of directors carrying out the functions of the audit committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French commercial Code (*Code de commerce*) and in the French code of ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the board of directors carrying out the functions of the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, 21 June 2018

The statutory auditors,

Auditeurs et Conseils Associés

Aca Nexia

François Mahé

ERNST & YOUNG et Autres

Pierre Bidart

INFORMATION ON THE COMPANY AND THE CAPITAL

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— 7.1 GENERAL INFORMATION ABOUT THE COMPANY

CORPORATE NAME, REGISTERED OFFICE AND MAIN ADMINISTRATIVE OFFICE

Corporate name: Rémy Cointreau

Registered office: rue Joseph Pataa (formerly rue de la Champagne), 16100 Cognac

Administrative office: 21 boulevard Haussmann, 75009 Paris

LEGAL FORM AND GOVERNANCE AND APPLICABLE LEGISLATION

Société anonyme (French limited liability company) with a Board of Directors governed by French law (in particular by the provisions of Book II of the French Commercial Code applicable to commercial companies) and by its Articles of Association.

Rémy Cointreau SA (hereinafter called “Rémy Cointreau” or “the Company”) is a company subject to French law.

DATE ESTABLISHED – DURATION

The Company was established on 3 March 1975 and will end on 30 September 2073.

CORPORATE PURPOSE

Rémy Cointreau’s purpose pursuant to Article 2 of its Articles of Association is as follows:

- the creation, acquisition and operation of any commercial, industrial or other business;

- the direct or indirect equity investments of the Company, in any form whatsoever, in any company, association, business or grouping of any form whose object is a commercial, industrial, agricultural, real estate, design, research or development activity, or the acquisition, management or exploitation of all property or rights;
- the paid provision of qualified services in technical, commercial, administrative or financial fields, to any natural person or legal entity engaged in commercial, financial or industrial activities in France or other countries; and
- in general, any commercial, financial, industrial, property or real estate transaction which is directly or indirectly related, in whole or in part, to the aforementioned objects or to any similar or related object.

REGISTER OF COMPANIES AND REGISTRATION NUMBER

Rémy Cointreau is registered under number 302,178,892 in the Angoulême Trade and Companies Register (APE code 7010Z) and the following LEI code: 5493004V6A3Z027YT216.

PLACE OF INSPECTION OF THE COMPANY’S LEGAL DOCUMENTS

Legal documents may be inspected at the registered office whose address is provided above (the reception is located 20 rue de la Société Vinicole – 16100 COGNAC).

— 7.2 ARTICLES OF ASSOCIATION

FINANCIAL YEAR

The Company’s financial year commences on 1 April and ends on 31 March of the following year. The year runs for 12 months.

DISTRIBUTION OF PROFITS UNDER THE ARTICLES OF ASSOCIATION

Out of the Company’s profits in each financial year, after setting aside a provision to establish the legal reserve, which must be at least equal to the minimum required, the Shareholders’ Meeting may, profit permitting and on the proposal of the Board of Directors, allocate the profit to one or more reserve funds for which it regulates the allocation or use, carry forward or distribute as dividends among the shareholders.

After reviewing the reserves at its disposal, the Shareholders’ Meeting may decide to distribute amounts drawn from these

reserves. In this event, the decision should expressly specify which reserve accounts have been drawn down.

DIVIDENDS (DISTRIBUTION POLICY OVER THE PAST FIVE YEARS)

The dividends distributed over the last five years are disclosed in section 6.4.

SHAREHOLDERS’ MEETING

Shareholders’ Meetings are called and held under the conditions stipulated by law.

These meetings are held either at the registered office or at another venue specified in the Notice of Meeting.

RIGHT OF ADMISSION TO MEETINGS

Pursuant to Article R. 225-85 of the French Commercial Code, the only people allowed to attend a meeting, to vote by post or to be represented, are shareholders who have previously furnished evidence of their status by an accounting record of securities in their name or in the name of an intermediary recorded for their account, on the second working day preceding the meeting by midnight, Paris time, either in registered share accounts held for the Company by its service provider, Société Générale, Service Assemblées Générales, CS 30812, 44308 Nantes Cedex 3, France, or in the bearer securities accounts held by an authorised intermediary, who holds their securities account. The registration or recording of bearer securities on the books of the authorised intermediary must be attested to by a certificate of shareholding issued by the latter, attached to the postal voting or proxy form, or to the application for an admission card in the name of the shareholder, or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to shareholders wishing to participate in person in the meeting and who have not received their admission card on the second working day preceding the meeting by midnight, Paris time.

VOTING RIGHTS

Share voting rights are in proportion to the share of capital that they represent. At equivalent nominal value, each share entitles the holder to one vote.

However, a share entitles the holder to a double vote, in relation to the share capital that it represents, in the following cases:

- for all fully paid shares held in registered form in the name of the same shareholder for at least four years;
- for each registered share allotted free of charge to a shareholder, in the event of a capital increase by way of incorporation of reserves, profits or premiums, on the basis of existing shares for which such shareholder already enjoys double voting rights.

This double voting right ceases for all shares converted to bearer shares or whose ownership is transferred. However, the four-year timeframe set is not affected for acquired rights by any transfer by succession, liquidation of joint estate of spouses, or inter-vivo gifts, for the benefit of an inheriting relative. The same rules apply for transfer following a merger or share split of a corporate shareholder.

DECLARATION OF CROSSING OF THRESHOLDS

In accordance with the Articles of Association and independently of the legal requirements, any natural person or legal entity, acting either alone or in concert, who acquires in any manner whatsoever, as set out in Articles L. 233-7 *et seq.* of the French Commercial Code, a fraction equal to one per cent (1%) of the share capital or voting rights, or any multiple of this percentage, must notify the Company of the total number of shares and voting rights held within eight trading sessions of crossing one of these thresholds. This also applies in the same conditions as those described above each time that the fraction of share capital or voting rights held falls below one of the thresholds stated above.

In addition, this person must also specify in their disclosure to the Company:

- (i) the number of shares owned giving future access to shares to be issued and the associated voting rights;

- (ii) existing shares or the voting rights it may acquire under an agreement or financial instrument as outlined in Article L. 211-1 of the French Monetary and Financial Code, without prejudice to the provisions of 4° and 4°bis of I of Article L. 233-9 of the French Commercial Code.

In the event of non-compliance with the aforementioned provisions, and at the request of one or more shareholders holding at least 1% of the Company's share capital, shares exceeding the fraction that should have been declared will be deprived of voting rights at any Shareholders' Meeting that takes place until the end of the statutory and regulatory period following the date on which notification is made.

IDENTIFICATION OF SHAREHOLDERS

The Company is entitled to request, in accordance with the legal and regulatory terms and conditions, the full identity of those shareholders holding shares that give rise, immediately or in the future, to voting rights.

In order to identify shareholders, the Company is entitled to request from the share registrars at any time and at its own expense, as applicable, the name or corporate name, nationality, year of birth or establishment, and address of holders of securities that confer the right immediately or in the future to vote at the Company's Shareholders' Meetings, as well as the number of securities held by each of them and, where applicable, the restrictions that may apply to those securities and more generally to make use of the provisions 7 of Article L. 228-2 of the French Commercial Code concerning identification of holders of securities that confer the right immediately or in the future to vote at the Company's Shareholders' Meetings.

ECKERT LAW ON DORMANT ACCOUNTS

In accordance with Articles L. 312-19 and L. 312-20 of the French Monetary and Financial Code which resulted from the law on dormant bank accounts and unclaimed life insurance contracts of 13 June 2014, known as the Eckert law, which came into force on 1 January 2016, every year the Company must publish the number of open, dormant accounts on its books, the total amount of assets in these accounts, as well as the account numbers and the amount of funds transferred to the Caisse des dépôts et consignations. In 2016, the Company introduced a system which made it possible to facilitate the comprehensive, prior identification of all shareholders deemed to be inactive within the meaning of this law. The number of inactive shareholders is relatively low. In the 2015/2016 financial year, seven shareholders had been identified as inactive according to the legislative criteria. In the 2016/2017 financial year, only five shareholders were identified as having the status "inactive" according to the legislative criteria, totalling €35,811.84. In the current 2017/2018 financial year, only one shareholder has been identified as having the status "inactive" according to the legislative criteria, totalling €99.20 (portfolio value according to the last known price on 29/09/2017) For the time being, no funds have been transferred to the Caisse des dépôts et consignations but each of the holders has been duly informed of this possibility.

It is however noted that a ministerial response of 2 January 2018 clarified that issuing companies are not covered by the provisions of Article L. 321-4 of the French Monetary and Financial Code and thus cannot be subject to the obligations laid down in Articles L. 312-19 and -20 of said Code.

— 7.3 GENERAL INFORMATION ABOUT THE SHARE CAPITAL

7.3.1 CHANGES TO THE CAPITAL AND SHAREHOLDERS' RIGHTS

The share capital can be changed in accordance with legal requirements. It may be increased by a decision taken at an Extraordinary Shareholders' Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premiums, the relevant Extraordinary Shareholders' Meeting which decides such an increase, rules under the quorum and majority conditions required for Ordinary Shareholders' Meetings.

Capital increases are decided or authorised by an Extraordinary Shareholders' Meeting which sets the terms for an issue of new shares and grants all powers to the Board of Directors to carry this out for a period that may not exceed 26 months.

The Extraordinary Shareholders' Meeting may decide to reduce the share capital, particularly by way of repurchase of shares or reduction in their nominal value, or again, by reduction in the number of shares in accordance with legal provisions.

The share capital may also be written down in accordance with the law.

7.3.2 AMOUNT OF SHARE CAPITAL

At 31 March 2018, the share capital amounted to €80,358,080 divided into 50,223,800 shares, with a par value of €1.60 each, all in the same class, fully paid up and comprising 76,250,002 voting rights.

Form of the shares: fully paid shares are in registered or bearer form, as decided by the shareholder.

7.3.3 AUTHORISED CAPITAL

Note: The renewal of all the authorisations listed below, subject to the adjustment of certain ceilings, will be proposed at the next Annual Shareholders' Meeting.

AUTHORISATION FOR THE GRANT OF BONUS SHARES TO EMPLOYEES AND SOME CORPORATE OFFICERS

The 23rd resolution of the Combined Shareholders' Meeting of 26 July 2016 authorised the Board of Directors, for a period of 38 months from 26 July 2016, pursuant to the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, on one or more occasions, to grant employees of the Company or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code or certain categories thereof, as well as corporate officers defined by law, bonus shares, whether existing or to be issued, subject to the statutory trading restriction periods.

The Board of Directors will determine the identity of the beneficiaries of the allocation as well as the conditions and, where appropriate, the criteria of allocation of shares.

The total number of shares thereby issued free of charge may not be such that the total number of shares granted free under this resolution represents more than 2% of the number of shares in the share capital on the date the Board of Directors resolves to award the bonus shares. Furthermore, the total number of bonus shares awarded to executive officers may not represent more than 0.2% of the number of shares making up the share capital on the day of the decision by the Board of Directors to allocate the bonus shares.

The allocation of shares to their beneficiaries will become final at the end of a minimum vesting period of one year and the minimum period of retention of shares by the beneficiaries is set at one year.

The Board of Directors may, in accordance with legal requirements, place restrictions on the sale of bonus share allocations by executive officers prior to the termination of their position or may set the number of such shares to be held in the form of registered shares until the termination of their position.

The Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions. In the case of executive officers, the bonus share grants will be subject to compliance with performance conditions determined by the Board of Directors.

The Board of Directors will proceed, where appropriate, during the vesting period with adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries.

The Board of Directors' meetings of 22 November 2016 and 24 January 2017 resolved to introduce a long-term incentive plan in the form of an indexed bonus share plan. This plan concerns 73,600 shares, with a maximum of 86,640 shares, the allocation of which will become final at the end of a three-year vesting period. The retention period lasts for two years.

The Board of Directors' meeting of 21 November 2017 resolved to introduce a long-term incentive plan in the form of an indexed bonus share plan. This plan concerns 50,900 shares, with a maximum of 63,625 shares, the allocation of which will become final at the end of a three-year vesting period. The retention period lasts for two years. The characteristics of this plan are mentioned in the notes to the consolidated financial statements contained in this document.

The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan.

The Board of Directors' meeting of 17 January 2018 awarded 64,750 shares withdrawn from the balance of treasury shares held by the Company and assigned for allocation to employees of the Company or related companies and corporate officers.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS

The twentieth resolution of the Combined Shareholders' Meeting of 25 July 2017 authorised the Board of Directors, pursuant to the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code, with the authority to sub-delegate under the conditions established in law, for a period of 26 months from 25 July 2017, to increase the share capital, on one or more occasions, at the times and on the terms of its choosing, by incorporation of reserves, profits or premiums, the capitalisation of which is permitted by law or the Company's Articles of Association, followed by the creation and bonus issue of shares or the increase in the par value of existing shares, or a combination of both.

In the event of the distribution of bonus shares, fractional rights are not negotiable and the corresponding shares will be sold, the amounts resulting from the sale being allocated to the holders of rights within legal and regulatory requirements.

The maximum share capital increase that may be carried out under this authorisation may not exceed a nominal amount of €20,000,000, it being specified that this amount shall be deducted from the ceiling provided for in the eighteenth resolution of the Combined Shareholders' Meeting of 26 July 2016 or, as the case may be, the limit provided for in any similar resolution that may supersede said resolution during the term of this authorisation. This amount does not take account of any adjustments required by law and regulation, and, where applicable, contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING SHARES WITH, OR WITHOUT, SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS AND/OR MARKETABLE SECURITIES GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES

The Combined Shareholders' Meeting of 26 July 2016, in its eighteenth, nineteenth and twentieth resolutions, authorised the Board of Directors, which may delegate such authorisation under legal and regulatory conditions, in accordance with the provisions of Articles L. 225-129 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, the powers required to increase the share capital and to issue, with or without shareholders' preferential subscription rights, the number of Company shares and the number of marketable securities of any kind, giving immediate or future access to the Company's share capital or giving entitlement to the allocation of debt securities, with a capital increase of a maximum nominal amount of €20,000,000, common to the eighteenth, nineteenth, twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions of said Shareholders' Meeting and the twenty-first and twenty-second resolutions of the Combined Shareholders' Meeting of 29 July 2015. It is specified that this limit does not take account of Company shares to be issued in respect of any adjustments made in accordance with applicable legal and regulatory provisions, and, if applicable, with contractual provisions that provide for other cases of adjustment in order to preserve the rights of the holders of marketable securities and other rights giving access to the share capital. The total nominal amount of marketable

securities representative of debt securities giving access to the share capital or marketable securities giving entitlement to the allocation of debt securities that the Board of Directors is empowered to issue further to the resolutions of said Extraordinary Shareholders' Meeting, may not exceed €500,000,000. Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

The Board of Directors may decide to use treasury shares as a replacement for the shares to be issued under this resolution.

The issues decided by virtue of these delegations of authority must be carried out within a period of 26 months from 26 July 2016.

The eighteenth resolution concerns share issues with the maintenance of shareholders' preferential subscription rights, the nineteenth resolution concerns the issue without preferential subscription rights, by way of a public offering, and the twentieth resolution permits the same type of issue within the framework of private placements, as referred to in Article L. 411-2 (II) of the French Monetary and Financial Code.

The Board of Directors may decide to use the treasury shares as a replacement for shares to be issued under these resolutions.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES REPRESENTING THE COMPANY'S SHARE CAPITAL AS A RESULT OF CONTROLLED COMPANIES ISSUING MARKETABLE SECURITIES WHICH CARRY FUTURE ENTITLEMENT TO THE COMPANY'S CAPITAL

The same Combined Shareholders' Meeting of 26 July 2016, in its nineteenth and twentieth resolutions, in view of the issue of shares and marketable securities giving access to the capital of the Company which would in turn carry entitlement to any marketable securities issued by companies in which Rémy Cointreau directly or indirectly holds more than 50% of the share capital, subject to the approval of the Board of Directors of Rémy Cointreau, delegated to the Board of Directors the necessary powers to proceed with the issue of capital securities in Rémy Cointreau to which these marketable securities give the right, subject to an overall maximum capital increase of a nominal €20,000,000, as set by the nineteenth resolution.

In this context, Rémy Cointreau shareholders do not have a preferential subscription right to these marketable securities issued by these companies.

The issues decided by virtue of this authority must be carried out within a period of 26 months from 26 July 2016.

AUTHORISATION FOR ANY CONTROLLING COMPANY TO ISSUE MARKETABLE SECURITIES CARRYING ENTITLEMENT TO THE COMPANY'S SHARES

The same Combined Shareholders' Meeting of 26 July 2016, in its nineteenth and twentieth resolutions, authorised the issue by any company directly or indirectly holding more than 50% of the Company's share capital, of marketable securities giving the right to the allocation, by any means, immediately or in the future, of existing Company shares, it being specified that the number of existing shares allocated in this way shall not represent more than 10% of the Company's share capital.



AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES OR MARKETABLE SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL IN CONSIDERATION FOR THE SECURITIES CONTRIBUTED TO ANY PUBLIC TAKEOVER OFFER LAUNCHED BY RÉMY COINTREAU

The nineteenth resolution of the Combined Shareholders' Meeting of 26 July 2016 granted the Board of Directors, for a maximum of 26 months from 26 July 2016, the powers required to issue shares or marketable securities giving access to the share capital in consideration for the securities contributed to any public takeover offer launched by the Company on the shares of any company whose shares are admitted for trading on a regulated market, including all marketable securities issued by Rémy Cointreau, subject to an overall maximum capital increase of €20,000,000, as set by the nineteenth resolution.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES, SECURITIES OR MARKETABLE SECURITIES, FREELY SETTING THE ISSUE PRICE

The twenty-first resolution of the Combined Shareholders' Meeting of 26 July 2016 authorised the Board of Directors, for a maximum of 26 months from 26 July 2016, within the framework of the nineteenth and twentieth resolutions on the issue, without shareholders' preferential subscription rights, by way of a public offering or offering referred to in Article L. 411.2 (II) of the French Monetary and Financial Code, to set, in the manner of its choosing, the issue price for any shares and marketable securities giving access to the share capital, within a limit of a maximum of 10% per annum. The twenty-first resolution of the Combined Shareholders' Meeting of 26 July 2016 authorised the Board of Directors to issue all forms of shares and marketable securities giving access to the share capital within a limit of 10% of the share capital per annum and within the limit set by the nineteenth and twentieth resolutions, by setting a different issue price to that selected for the issues authorised pursuant to the nineteenth and twentieth resolutions, which may not be less, at the discretion of the Board of Directors, than either (a) the average price weighted by the trading volume over the 20 trading sessions prior to the setting of the issue price or (b) the average price weighted by the trading volume on the trading session prior to the setting of the issue price, in both cases, reduced by a potential

maximum discount of 10% and on condition that the amount to be received for each share is at least equal to its par value. Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

DELEGATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES OR MARKETABLE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL OF UP TO 10% OF THE EXISTING SHARE CAPITAL AS CONSIDERATION FOR CONTRIBUTIONS IN KIND

The twenty-first resolution of the Combined Shareholders' Meeting of 25 July 2017 authorised the Board of Directors, for up to 26 months as of 25 July 2017, with the authority to sub-delegate to any person permitted by law and where the provisions of Article L. 225-147 of the French Commercial Code do not apply, to issue all types of shares and marketable securities giving access to the share capital (excluding preference shares), within a limit of 10% of the Company's share capital at the time of issue, in consideration for contributions in kind, the 10% limit being deducted from the ceiling set in the nineteenth resolution of the Combined Shareholders' Meeting of 26 July 2016, or as the case may be, deducted from the ceiling provided for in any similar resolution that may supersede said resolution during the term of this authorisation.

AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF AN ISSUE WITH, OR WITHOUT, SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS

The Combined Shareholders' Meeting of 26 July 2016, in its twenty-second resolution, authorised the Board of Directors, under the eighteenth, nineteenth, twentieth and twenty-first resolutions of the same meeting, to increase the number of securities to be issued in accordance with the provisions of Articles L. 225-135-1 of the French Commercial Code within 30 days of the subscription closing date and, up to a limit of 15% of each issue, and at the same price as that used for the initial issue up to the overall limit provided for in the resolution by virtue of which the issue was decided.

This authorisation is valid for a period of 26 months from 26 July 2016.

TABLE SUMMARISING CURRENT AUTHORISATIONS FOR THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL

DESCRIPTION OF THE AUTHORISATION	DATE OF THE SHAREHOLDERS' MEETING	NOMINAL AMOUNT OF THE AUTHORISATION	PERIOD OF THE VALIDITY OF THE AUTHORISATION	USE MADE OF AUTHORISATION DURING THE FINANCIAL YEAR
Grant of bonus shares Existing or to be issued	26 July 2016	Limited to 2% of the share capital and €1.6 million for shares to be issued ⁽¹⁾	38 months	Grant of 50,900 shares
Issue of shares or marketable securities giving access to share capital with preferential subscription rights and/or the issue of marketable securities granting entitlement to the allocation of debt securities	26 July 2016	<ul style="list-style-type: none"> ▪ €20,000,000 capital increase⁽²⁾ ▪ €500,000,000 in debt securities⁽³⁾ 	26 months	None
Issue of marketable securities giving access to share capital without preferential subscription rights and/or the issue of marketable securities granting entitlement to the allocation of debt securities: <ul style="list-style-type: none"> ▪ by public offering; ▪ by private placement. 	26 July 2016	<ul style="list-style-type: none"> ▪ €20,000,000 capital increase⁽⁴⁾ ▪ €500,000,000 in debt securities⁽⁵⁾ 	26 months	None
Issue of shares, securities or marketable securities, freely setting the issue price	26 July 2016	Limited to 10% of the share capital ⁽⁶⁾	26 months	None
Increase in the number of shares to be issued in the event of over-subscription	26 July 2016	Limited to 15% of each issue up to a maximum of €20,000,000 ⁽⁷⁾	26 months	None
Capital increase by incorporation of reserves, profits or premiums	25 July 2017	€20,000,000 ⁽⁸⁾	26 months	None
Capital increase in consideration for contributions in kind	25 July 2017	Limited to 10% of the share capital ⁽⁹⁾	26 months	None

(1) Deducted from the ceiling provided for in the nineteenth resolution of the Shareholders' Meeting of 26 July 2016.

(2) Deducted from the ceiling provided for in the nineteenth, twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions of the Shareholders' Meeting of 26 July 2016 and the twenty-first and twenty-second resolutions of the Combined Shareholders' Meeting of 29 July 2015.

(3) Deducted from the marketable securities representative of debt securities giving access to the capital or granting entitlement to the allocation of debt securities likely to be issued in connection with the authorisations granted to the Board of Directors by the Shareholders' Meeting of 26 July 2016.

(4) Deducted from the ceiling provided for in the twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions of the Shareholders' Meeting of 26 July 2016 and the twenty-second resolution of the Combined Shareholders' Meeting of 29 July 2015.

(5) Deducted from the ceiling provided for in the nineteenth resolution of the Shareholders' Meeting of 26 July 2016.

(6) Deducted from the ceiling provided for in the nineteenth and twentieth resolutions of the Shareholders' Meeting of 26 July 2016.

(7) Under the legal and regulatory conditions decided upon by virtue of the eighteenth, nineteenth, twentieth and twenty-first resolutions of the Shareholders' Meeting of 26 July 2016.

(8) Deducted from the ceiling provided for in the eighteenth resolution of the Shareholders' Meeting of 26 July 2016.

(9) Deducted from the ceiling provided for in the nineteenth resolution of the Shareholders' Meeting of 26 July 2016.

NON-EQUITY SECURITIES

Rémy Cointreau issued two bonds in the amount of €80 million, with a 10-year maturity, on 27 February 2015, and, in the form of 10-year bonds convertible into new and/or existing shares, in the amount of €275 million, on 7 September 2016.

The features of these transactions are described in the notes to the consolidated financial statements and the notes to the parent company financial statements of Rémy Cointreau for 2017/2018.

AUTHORISATION TO ISSUE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

The last Company stock option plan of 24 December 2008 matured on 24 December 2014. It is planned to request a further authorisation from the Shareholders' Meeting.

Details of the plans allocated and shares in circulation appear in note 10.3 to the consolidated financial statements.

CHANGES IN THE SHARE CAPITAL OVER THE PAST FIVE YEARS

DATES	TYPE OF TRANSACTION	NUMBER OF SHARES CREATED OR CANCELLED	SHARE CAPITAL IN €	PREMIUMS IN €	CUMULATIVE SHARE CAPITAL IN €	NUMBER OF SHARES IN THE SHARE CAPITAL
19/11/2013	Capital reduction by cancellation of treasury shares	(1,150,000)	(1,840,000.00)	(73,758,578.20)	79,615,859.20	49,759,912
25/03/2014	Capital reduction by cancellation of treasury shares	(1,283,053)	(2,052,884.80)	(73,857,574.93)	77,562,974.40	48,476,859
25/09/2014	Partial payment of dividend in shares	233,394	373,430.40	12,981,374.28	77,936,404.80	48,710,253
24/09/2015	Partial payment of dividend in shares	24,761	39,617.60	1,401,472.60	77,976,022.40	48,735,014
22/09/2016	Partial payment of dividend in shares	957,170	1,531,472	63,307,223.80	79,507,494.40	49,692,184
11/09/2017	Partial payment of dividend in shares	635,254	1,016,406.40	56,111,985.82	80,523,900.80	50,327,438
17/01/2018	Capital reduction by cancellation of treasury shares	(103,638)	(165,820.80)	(9,843,724.16)	80,358,080	50,223,800

7.3.4 AUTHORISATION TO TRADE IN COMPANY SHARES

At 31 March 2018, the balance of treasury shares under the share-trading plan authorised by the Shareholders' Meeting of 7 September 2004 was zero.

	SALE WITH REPURCHASE CLAUSE	OPTIONS	TOTAL	EXERCISE OF OPTIONS DURING THE PERIOD	TREASURY SHARES AT END OF PERIOD
Number of shares that could potentially be purchased as of 24/03/2005	602,430	224,497	826,927	-	-
2005/2006 ⁽¹⁾	(280,927)	-	(280,927)	280,927	-
2007/2008	(75,000)	-	(75,000)	70,295	4,705
2008/2009	(33,000)	-	(33,000)	20,500	17,205
2009/2010	-	-	-	4,605	12,600
2010/2011	(76,003)	(52,497)	(128,500)	119,790	21,310
2011/2012	(96,940)	(111,500)	(208,440)	222,100	7,650
2012/2013:	(9,850)	(19,500)	(29,350)	26,500	10,500
2012/2013 – partial cancellation ⁽²⁾	(24,000)	(35,000)	(59,000)	-	-
2013/2014	6,710	6,000	12,710	15,210	8,000
2014/2015	0	0	0	-	8,000
2015/2016	0	0	0	-	0
2016/2017	0	0	0	-	0
2017/2018	0	0	0	-	0
Balance at 31/03/2018	0	0	0	-	0

(1) These shares were cancelled under the authorisation granted by the Shareholders' Meeting of 28 July 2005, since the options exercised corresponded to subscription rather than purchase plans.

(2) There was a partial cancellation during the period to adjust these hedging instruments to the number of stock options outstanding for current plans after lapsed options were taken into account.

LIQUIDITY CONTRACT

The Company concluded a liquidity contract with a liquidity provider. As part of this mandate, the liquidity provider's sole purpose is to promote the liquidity of the Company's securities and the regularity of their quotation on the market. At 31 March 2018, the Company held 9,512 such shares.

SHARE BUYBACK PROGRAMME

Pursuant to the thirteenth and fifteenth resolutions of the Shareholders' Meeting of 26 July 2011, the Board of Directors resolved to retain an investment services provider to buy back Company shares within a limit of 10% of the share capital, net of treasury shares, particularly any acquired under the liquidity contract. The shares bought back in this way shall be allocated to the following objectives: (i) retention and subsequent use in exchange or as payment for acquisitions, up to legally established limits; and, (ii) cancellation as per the description in the share buyback programme.

This share buyback programme was terminated on 23 May 2012. At 31 March 2013, the Company held 1,428,794 of its own shares under this share buyback programme. On 19 November 2013, the Board of Directors decided to reallocate 278,794 of these shares to a grant of bonus shares to employees of the Company (or related companies) and corporate officers. The remaining 1,150,000 shares were reassigned for cancellation as part of a capital reduction made on the same day.

Pursuant to the eleventh and thirteenth resolutions of the Shareholders' Meeting of 24 September 2013, the Board of Directors resolved to retain an investment services provider to buy back Company shares within a limit of 10% of the share capital, net of treasury shares, particularly any acquired under the liquidity contract. The shares bought back in this way shall be allocated to the following objectives: (i) retention and subsequent use in exchange or as payment for acquisitions, up to legally established limits; and, (ii) cancellation as per the description in the share buyback programme.

Under this authorisation, the Board of Directors decided, on 19 November 2013, to grant a mandate to an investment services provider to purchase the Company's shares with a view to their cancellation, subject to a limit of 2,500,000 shares and a maximum price of €80.

The performance of the contract was terminated on 28 January 2014 and the 1,283,053 shares thus acquired were cancelled on 25 March 2014.

The Rémy Cointreau Combined Shareholders' Meeting of 26 July 2016, in its fifteenth resolution and subject to certain conditions, authorised the Board of Directors to buy or sell Company shares for a period expiring at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ended 31 March 2017 and, at the very latest, within 18 months starting from 26 July 2016.

The Board of Directors did not use this authorisation in the 2016/2017 financial year, apart from under the liquidity contract signed with an investment services provider.

The Rémy Cointreau Combined Shareholders' Meeting of 25 July 2017, in its seventeenth resolution, renewed this authorisation.

As a result, the Board of Directors was authorised to buy or sell Company shares for a period expiring at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ending on 31 March 2018 and, at the very latest, within a period of 18 months starting on 25 July 2017, up to a limit of 10% of the share capital, *i.e.* 4,856,852 shares, net of treasury shares. The maximum amount that the Company was liable to pay based on this number of shares was €728,527,800.

The share buyback programme is designed to achieve the following, in order of decreasing priority:

- to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares *via* an investment service provider, under the terms of a liquidity agreement that complies with the Ethics Charter recognised by the French Financial Markets Authority;
- to cancel shares as part of a share capital reduction;
- to cover obligations in respect of marketable securities giving access to capital;
- to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover stock options, as part of a company savings plan or to be used to grant bonus shares to employees and/or authorised corporate officers of the Company and/or companies related to it within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to purchase shares and retain them to be used subsequently in exchange or payment for acquisitions, in accordance with applicable regulations;
- to implement any market practices permitted by the French Financial Markets Authority and, more generally, carry out all transactions in compliance with the regulations in force.

The purchase of these shares, together with their sale or transfer, may be performed under legal and regulatory conditions at any time, subject to the lock-up periods set out in Article 631-6 of the General Regulation of the French Financial Markets Authority, or subject to other legal or regulatory provisions, and by any means, including on the market or off-market, on regulated or unregulated markets, *via* multilateral trading facilities, with systematic internalisers, or over the counter, including by public offering, block transactions, sale with repurchase options and the use of any derivative financial instruments traded on a regulated market or not, multilateral trading facilities, with systematic internalisers or over the counter, including under the conditions authorised by the competent market authorities, and during the periods that the Board of Directors, or the person acting on the authority of the Board of Directors, shall choose, most notably option transactions, except for the sale of put options, and inasmuch as such means do not contribute to a

significant increase in the volatility of the share price. The maximum portion of the capital acquired or transferred in the form of block transactions may amount to 100% of the authorised share buyback programme. Payment may be made by any means.

As part of these objectives, the repurchased shares may be cancelled in accordance with the nineteenth resolution of the same Shareholders' Meeting, subject to a limit of 10% of the share capital per period of 24 months.

The maximum share purchase price was set at €150 by the Shareholders' Meeting.

The Board of Directors of 25 July 2017 used this authorisation during the 2017/2018 financial year and resolved to retain an investment services provider to buy back Company shares within a limit of 10% of the share capital, net of treasury shares, and notably those acquired under the liquidity contract. The share buyback programme was accordingly implemented on 1 August 2017 and ended on 29 December 2017.

Between 1 August and 29 December 2017, the Company acquired, under this buyback programme, 273,009 of its own shares (representing 0.54% of the share capital) at an average price of €96.44.

As set out in the announcement of 1 August 2017, the shares bought back in this way were allocated to the following objectives: 1. Reducing the share capital *via* the cancellation of treasury shares; 2. Meeting the obligations in respect of marketable securities giving access to capital; 3. Meeting the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies.

This decision does not affect the performance of the liquidity contract entered into by the Company.

Details of the transactions carried out as part of the share buyback programme are available on the Company's website www.remy-cointreau.com under the heading "Finance/Regulatory information".

The renewal of this authorisation will be proposed at the next Annual Shareholders' Meeting.

INFORMATION ON TRANSACTIONS PERFORMED UNDER THE SHARE BUYBACK PROGRAMME VALID FROM 1 APRIL 2017 TO 31 MARCH 2018

Pursuant to Article L. 225-211 of the French Commercial Code, the purpose of this section is to inform the Shareholders' Meeting of the share purchases made between 1 April 2017 and 31 March 2018 as part of the share buyback programme authorised by the Shareholders' Meetings of 26 July 2016 and 25 July 2017.

Between 1 April 2017 and 31 March 2018, the Company purchased 275,625 shares and sold 272,315 shares under the liquidity contract. During this same period, it purchased 273,009 shares under the share buyback programme implemented by the Board of Directors of 25 July 2017. During this same period, it transferred 64,750 shares to service bonus share grants for long-term performance incentive plans.

The table below summarises the purpose of the transactions carried out during the period 1 April 2017 to 31 March 2018:

	AVERAGE PRICE
Percentage of the share capital held as treasury shares directly and indirectly at the start of the year	0.23%
Number of securities held at the start of the year	112,366
Number of securities purchased since the start of the year:	
▪ under the liquidity contract	275,625 €103.60
▪ under the share buyback programme of 25/07/2017	273,009 €96.44
Number of securities sold since the start of the year as part of the liquidity contract	272,315 €104.36
Number of securities transferred since the start of the year:	
▪ grant of bonus shares	64,750
Number of securities cancelled since the start of the year	103,638
Number of shares held on 31 March 2018 :	
▪ under the liquidity contract	9,512
▪ for bonus share grants (reassignment of shares under the share buyback programme of 22/11/2011)	41,414
▪ under the share buyback programme of 25/07/2017	169,371

BALANCE FOLLOWING COMPLETION OF THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE COMBINED SHAREHOLDERS' MEETING OF 25 JULY 2017

	AVERAGE PRICE
Percentage of share capital held as treasury shares directly and indirectly	0.24%
Number of securities held at the start of the programme	120,364 0.24%
Number of securities purchased since the start of the programme:	
▪ under the liquidity contract	241,055 €108.94
▪ under the share buyback programme agreement of 25/07/2017	273,009 €96.44
Number of securities sold since the start of the programme as part of a liquidity contract	258,255 €109.63
Number of securities transferred since the start of the programme:	
▪ grant of bonus shares	64,750
Number of securities cancelled since the start of the programme	103,638
Number of shares held at 31 May 2017 :	
▪ under the liquidity contract	1,200
▪ for bonus share grants (reassignment of shares under the share buyback programme of 22/11/2011)	41,414
▪ under the share buyback programme of 25/07/2017	169,371

BREAKDOWN OF EQUITY SECURITIES HELD, BY OBJECTIVE

Shares held by the Company are used to promote trading in the secondary market or to enhance the liquidity of the Rémy Cointreau share by an investment services provider, via a liquidity contract that complies with the Ethics Charter recognised by the AMF. In addition, the shares held in connection with the mandate given to an investment service provider in accordance with the Board of Directors' decision of 22 November 2011 taken under the thirteenth and fifteenth resolutions, adopted by the Shareholders' Meeting of 26 July 2011, were reassigned by the Board of Directors' decision of 19 November 2013 in order to (i) grant bonus shares to employees and/or authorised corporate officers of the Company and/or related companies and (ii) cancel shares.

Since 1 April 2015, Rémy Cointreau has entrusted a different financial institution with managing its liquidity contract, also in line with the AMAFI Ethics Charter recognised by the AMF.

DESCRIPTION OF THE MAIN FEATURES OF THE BUYBACK PROGRAMME PUT BEFORE THE SHAREHOLDERS' MEETING OF 24 JULY 2018 IN THE TWENTY-FIRST RESOLUTION

- Securities affected: shares issued by Rémy Cointreau.
- Maximum percentage that may be purchased by the Company: 10% of shares comprising the share capital on the date of the purchases.
- Maximum number of shares that may be purchased by the Company: 4,802,083 shares.
- Maximum unit price: €200, excluding purchase costs.
- Objectives:
 - to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares via an investment services provider, under the terms of a liquidity agreement that complies with the Ethics Charter recognised by the AMF;

- to cancel shares as part of a capital reduction, subject to the adoption of the twenty-second resolution submitted to this Shareholders' Meeting;
- to deliver the shares acquired upon the exercise of the rights attached to marketable securities giving access to the share capital, in accordance with applicable regulations;
- to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover stock options, as part of a company savings plan or to be used to grant bonus shares to employees and/or authorised corporate officers of the Company and/or companies related to it within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to retain shares for subsequent use in exchange or payment for acquisitions, in accordance with applicable regulations;
- to implement any market practices permitted by the AMF and, more generally, carry out all transactions in compliance with the regulations in force.

Term of the programme: until the Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2019 and, at the latest, within 18 months of 24 July 2018.

7.3.5 TRANSACTIONS CARRIED OUT DURING THE YEAR

The Board of Directors of 25 July 2017 therefore implemented this authorisation under the seventeenth resolution, which was approved

at the Shareholders' Meeting of 25 July 2017, during the 2017/2018 financial year and resolved to retain an investment services provider to buy back Company shares within a limit of 10% of the share capital, net of treasury shares, particularly any acquired under the liquidity contract. The share buyback programme was therefore implemented on 1 August 2017 and ended on 29 December 2017.

Between 1 August and 29 December 2017, the Company acquired, under this buyback programme, 273,009 of its own shares (representing 0.54% of the share capital) at an average price of €96.44.

As set out in the announcement of 1 August 2017, the shares bought back in this way were allocated to the following objectives: 1. Reducing the share capital *via* the cancellation of treasury shares; 2. Meeting the obligations in respect of marketable securities giving access to capital; 3. Meeting the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies.

This decision does not affect the performance of the liquidity contract entered into by the Company.

Details of the transactions carried out as part of the share buyback programme are available on the Company's website www.remy-cointreau.com under the heading "Finance/Regulatory information".

7.3.6 OUTSTANDING DERIVATIVES

None.

— 7.4 SHAREHOLDING AND STOCK MARKET INFORMATION

7.4.1 OWNERSHIP OF SHARE CAPITAL AND VOTING RIGHTS AS AT 31 MARCH 2018

At 31 March 2018, after recognition by the Board of Directors of a change to the share capital that had occurred during the year, as disclosed in section 7.3 of this report, the share capital amounted to €80,358,080, divided into 50,223,800 shares with a par value of €1.60 each.

In compliance with Article L. 233-13 of the French Commercial Code, it is specified that:

- Orpar held more than one-third of the share capital and more than 45% of the voting rights of your Company as at 31 March 2018;

- Récopart held more than 10% of the share capital and more than 15% of the voting rights of your Company as at the same date;
- Fine Champagne Investissements held more than 2% of the share capital and more than 2% of the voting rights as at the same date;
- Andromède held more than 1% of the share capital and voting rights of your Company as at the same date.

See shareholding structure at 31 March 2018 presented in point 1.3.

The employee savings plans represent less than 1% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau Group employees.

VOTING RIGHTS, NUMBER OF SHAREHOLDERS, INFORMATION ON SHAREHOLDERS HOLDING 1% OR MORE AND ON THE NATURE OF THEIR INVESTMENT, SHAREHOLDERS' AGREEMENT, CAPITAL HELD BY EMPLOYEES, TREASURY SHARES

SHAREHOLDERS	Position at 31/03/2018			Position at 31/03/2017			Position at 31/03/2016		
	NUMBER OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS
Orpar	19,032,234	37.89	47.48	18,689,324	37.61	49.06	18,258,071	37.46	47.99
Récopart	7,359,727	14.65	19.02	7,359,727	14.81	19.84	7,189,903	14.75	19.48
Andromède	586,756	1.17	1.50	576,184	1.16	1.03	562,888	1.15	1.01
Sub-total family shareholders	26,978,717	53.71	68	26,625,235	53.58	69.93	26,010,862	53.37	68.48
Fine Champagne Investissements	1,117,396	2.22	2.86	1,097,263	2.21	1.50	1,071,944	2.20	1.48
Sub-total shareholders acting in concert	28,096,113	55.93	70.86	27,722,498	55.79	71.43	27,082,806	55.57	69.95
BLACKROCK INC. ⁽⁰⁾	3,724,792	7.42	4.88	3,720,239	7.49	3.39	-	-	-
APG Asset Management NV ⁽¹⁾	3,508,025	6.98	4.60	3,508,025	7.06	4.80	3,508,025	7.20	4.84
Schroders ⁽²⁾	714,845	1.42	0.94	714,845	1.44	0.98	714,845	1.47	0.99
AMUNDI ⁽³⁾	669,492	1.33	0.88	773,635	1.56	1.06	736,944	1.51	1.01
AXA Investment Managers ⁽⁴⁾	709,174	1.41	0.93	709,174	1.43	0.97	709,174	1.46	0.98
Fidelity Management & Research Company ⁽⁵⁾	499,893	0.99	0.66	499,893	1.01	0.68	499,893	1.026	0.69
Citigroup Global Markets Limited ⁽⁶⁾	534,228	1.06	0.70	534,228	1.07	0.73	534,228	1.09	0.74
Rémy Cointreau (treasury shares)	220,297	0.44	0.00	112,366	0.23	0.00	143,594	0.30	0.00
Free Float	11,546,941	25.02	15.55	11,397,281	22.92	15.96	14,805,505	30.374	20.80
TOTAL	50,223,800	100.00	100.00	49,692,184	100.00	100.00	48,735,014	100.00	100.00

Based on the declaration of crossing thresholds provided by law or by the Articles of Association (1% of the share capital and voting rights).

- (0) Declaration of 4 August 2017.
- (1) Declaration of 30 March 2015.
- (2) Declaration of 14 March 2016.
- (3) Declaration of 26 April 2017.
- (4) Declaration of 27 June 2014.
- (5) Declaration of 6 May 2015.
- (6) Declaration of 18 November 2013.

A number of shares possess double voting rights. A total of 26,246,499 shares had double voting rights at 31 March 2018. The main shareholders, Orpar and Récopart, hold such rights (i.e. 24,314,338).

At 31 March 2018, the Company held 220,297 treasury shares, 41,414 of them acquired under the implementation by the Board of Directors of a share buyback programme authorised by the

Shareholders' Meeting of 26 July 2011 and allocated to the bonus share award. All shares acquired under the sale and repurchase contract signed on 24 March 2005 have been exercised to cover the share purchase options. 9,512 shares were held under the liquidity contract at 31 March 2018. And at the same date, 169,371 shares were held under the share buyback programme authorised by the Shareholders' Meeting of 25 July 2017.

DECLARATIONS OF CROSSING OF THRESHOLDS OR INTENDED CROSSING OF THRESHOLDS

- Sale of 1,500,000 Rémy Cointreau shares (AMF decision no. 213C0550 of 14 May 2013)

Andromède disclosed that, *via* the companies Orpar and Récopart which it controls, on 3 May 2013 it crossed the thresholds in the downward direction of two-thirds of the voting rights and 50% of the share capital of Rémy Cointreau, and that it held, both directly and indirectly, 25,314,615 Rémy Cointreau shares representing 49,604,552 voting rights or 49.72% of the share capital and 65.74% of the voting rights of the Company. On this occasion, Orpar had individually fallen below the threshold of 50% of the voting rights in Rémy Cointreau. The thresholds were crossed following the sale by Orpar of 1,500,000 Rémy Cointreau shares as part of a private placement *via* accelerated book-building.

- Shareholder agreement between Fine Champagne Investissements, Andromède, Orpar and Récopart (AMF decision no. 213C0586 of 23 May 2013). Fine Champagne Investissements (FCI) declared that it had exceeded, on 13 May 2013, along with Andromède, Orpar and Récopart, the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, one-third of the share capital and 50% of voting rights of Rémy Cointreau and that it held, jointly, 25,385,619 Rémy Cointreau shares representing 49,675,982 voting rights, or 49.86% of the share capital, and 65.83% of voting rights of this company⁽¹⁾.

The thresholds were crossed following the execution, on 13 May 2013, of a shareholders' agreement between the above-mentioned members acting in concert towards Rémy Cointreau⁽²⁾.

FCI also made a declaration of intention.

- Rémy Cointreau shares received by Andromède as a result of a merger-absorption (AMF decision no. 213C0862 of 8 July 2013)

Andromède, acting in concert with Récopart, Orpar and Fine Champagne Investissements, disclosed that on 28 June 2013, it had exceeded the thresholds of 50% of the share capital and two-thirds of the voting rights in Rémy Cointreau and that it held, directly and indirectly, *via* the companies Orpar and Récopart which it controls, 25,942,283 Rémy Cointreau shares representing 50,389,513 voting rights or 50.96% of the share capital and 66.78% of the voting rights. The thresholds were crossed following Andromède's merger by absorption of four companies that are shareholders of Andromède and controlled by the Hériard Dubreuil family, as a result of which Andromède received 556,877 Rémy Cointreau shares representing 713,957 voting rights, resulting from the universal transfer of assets from the absorbed companies. This merger-absorption had no effect on the control of Andromède.

- Rémy Cointreau shares received by FCI after exercising a purchase option (AMF decision no. 213C1167 of 2 August 2013)

The Group composed of the limited companies Andromède, Orpar and Récopart and the simplified limited company Fine Champagne Investissements (FCI) declared that on 31 July

2013, it had fallen below the threshold of two-thirds of voting rights in Rémy Cointreau and held 25,942,283 Rémy Cointreau shares representing 49,395,460 voting rights, or 50.96% of the share capital and 66.33% of the voting rights in the Company⁽³⁾. On this occasion, Andromède, through Orpar and Récopart, both companies it controls, indirectly fell below the thresholds of 50% of the share capital and two-thirds of the voting rights in Rémy Cointreau.

The thresholds were crossed following the exercise, by FCI, of an undertaking to purchase 201,533 Orpar shares it held, which Orpar paid for by remittance to FCI of 994,053 shares in Rémy Cointreau, resulting in the loss of double voting rights attached to the aforementioned Rémy Cointreau shares.

- Cancellation of 1,150,000 Rémy Cointreau treasury shares (AMF decision no. 213C1783 of 22 November 2013)

The Group composed of the limited companies Andromède, Orpar and Récopart and the simplified limited company Fine Champagne Investissements⁽⁴⁾ (FCI) declared that on 19 November 2013, it had exceeded the threshold of two-thirds of voting rights in Rémy Cointreau and held 25,942,283 Rémy Cointreau shares representing 49,587,459 voting rights, *i.e.* 52.13% of the share capital and 67.46% of the voting rights in the Company. This threshold was crossed due to a reduction in the total number of shares and voting rights in Rémy Cointreau resulting from the cancellation of 1,150,000 Rémy Cointreau shares.

- Cancellation of 1,283,053 Rémy Cointreau treasury shares (AMF decision no. 214C0472 of 28 March 2014)

The limited company Andromède declared that on 25 March 2014, it had exceeded, directly and indirectly, through the companies Orpar and Récopart which it controls, the thresholds of two-thirds of voting rights and 50% of the capital of Rémy Cointreau and that it held, directly and indirectly, 24,877,226 shares representing 48,522,402 voting rights, or 51.32% of the capital and 67.14% of the voting rights in the Company.

This threshold was crossed due to a reduction in the total number of shares and voting rights in Rémy Cointreau resulting from the cancellation of 1,283,053 Rémy Cointreau shares.

The Group composed of the limited companies Andromède, Orpar and Récopart and simplified limited company Fine Champagne Investissements (FCI) has not crossed any threshold and at 25 March 2014, held 25,942,283 Rémy Cointreau shares representing 49,587,459 voting rights, or 53.51% of the capital and 68.79% of the voting rights in the Company.

Exemption from the obligation to file a draft public offering (AMF decision no. 215C0387 of 1 April 2015)

In its meeting of 31 March 2015, the French Financial Markets Authority (*Autorité des marchés financiers*) examined a request for exemptions to the obligation to file a draft public takeover offer on the shares of Rémy Cointreau, as part of the successive acquisitions of Rémy Cointreau shares by Orpar.

Through the cumulative effect of (i) the cancellation of 1 Rémy Cointreau shares which took place on 25 March 2014, (ii) the

(1) On the basis of share capital consisting of 50,909,912 shares representing 74,460,124 voting rights, pursuant to the 2nd subparagraph of Article 223-11 of the General Regulation.

(2) Note that the shareholders' agreement referred to above is included under D&N 213C0515 of 2 May 2013, the provisions of which are set out below (see section 7.4.1).

(3) On the basis of share capital consisting of 50,909,912 shares representing 74,466,099 voting rights, pursuant to the 2nd subparagraph of Article 223-11 of the General Regulation.

(4) Simplified limited company (based at Maison des Viticulteurs, 25 rue de Cagouillet, 16100 Cognac) owned by the Alliance Fine Champagne (AFC) cooperative, a structure resulting from the merger of the Champaco and Prochacoop cooperatives.

payment of part of the dividend for the 2013/2014 financial year in Rémy Cointreau shares, and (iii) the acquisition, on 10 March 2015, by Orpar, of 174,000 Rémy Cointreau shares, the aforementioned members declared that they held, at 10 March 2015, 26,280,396 shares representing 49,921,377 voting rights, *i.e.* 53.95% of the capital and 68.90% of the voting rights in the Company⁽¹⁾.

Orpar thus increased its individual stake in the capital and voting rights, initially comprising 30% to 50%, by more than 1% over less than 12 consecutive months, placing itself under the obligation to file a public takeover offer on all of the capital of Rémy Cointreau, in accordance with Article 234-5 of the General Regulation.

Furthermore, Orpar issued, on 3 February 2015, zero coupon bonds exchangeable for existing Rémy Cointreau shares for a nominal amount of €170 million. The bonds, listed in Luxembourg, will be redeemed on 15 July 2019 with a premium of 102.3% on the initial price. According to the terms of the prospectus, Orpar will use around 80% of the proceeds of the transaction to buy back existing Rémy Cointreau shares.

Thus, Orpar could increase its individual stake in the capital and voting rights, initially comprising 30% to 50%, by more than 1% over less than 12 consecutive months⁽²⁾, again placing it under the obligation to file a public takeover offer on all of the capital of Rémy Cointreau, in accordance with Article 234-5 of the General Regulation.

In this context, Orpar requested exemptions from the French Financial Markets Authority from the obligation to file a public takeover offer on the Rémy Cointreau shares for each of the two aforementioned events causing the offer on the basis of Article 234-9, 6° of the General Regulation.

Considering that, prior to the aforementioned transactions, the members held a majority of the Rémy Cointreau voting rights, the French Financial Markets Authority granted the requested exemptions on the aforementioned regulatory basis.

As a result of these exemptions, Orpar continued its purchases until 31 October 2015, without acceleration limit, as part of its commitment to allocate around 80% of the proceeds of the exchangeable issue to purchase existing Rémy Cointreau shares. Under the exemptions granted, Orpar acquired 802,400 Rémy Cointreau shares.

Information consecutive to an exemption from the obligation to file a draft public offering (AMF decision no. 215C1626 of 6 November 2015)

Pursuant to Article 234-5 of the General Regulation, the *société anonyme* Orpar notified the French Financial Markets Authority, that it held, at 31 October 2015, following acquisitions of Rémy Cointreau shares on the market under the aforementioned exemptions, 18,258,061 Rémy Cointreau shares representing 34,798,204 voting rights, or 37.46% of the share capital, and 47.93% of the Company's voting rights.

On this occasion, the Group composed of the *société anonyme* Orpar and the simplified limited companies Andromède, Récopart and Fine Champagne Investissements (FCI) declared that it held, on 31 October 2015, 27,082,796 Rémy Cointreau shares representing 50,730,752 voting rights, or 55.57% of the share capital, and 69.88% of the Company's voting rights.

It should be noted that on 20 June 2017, Orpar renegotiated the conditions of the 2015 exchangeable bond both in relation

to its term and its amount. In this regard, Orpar issued bonds exchangeable for existing Rémy Cointreau zero coupon shares for a nominal amount of €200 million while buying back all of the bonds issued in 2015. The bonds, listed in Luxembourg, will be redeemed on 20 June 2024 with a premium of 101.7% on the initial price.

The terms of the prospectus are unchanged compared with 2015.

Orpar has not acquired any Rémy Cointreau shares since 31 October 2015, apart from the dividend for the 2017/2018 financial year, which was paid in Rémy Cointreau shares.

SHAREHOLDER AGREEMENTS AND CONCERT ACTION BETWEEN THE PARTIES

The Company is aware of the existence of the following concert parties and shareholder agreements:

between Orpar and the shareholders of Récopart:

- under a Memorandum of Understanding signed on 21 and 22 July 2010, on 22 July 2010 Orpar acquired 721,995 Récopart shares, including 421,995 outright and 300,000 in bare ownership from Mr Pierre Cointreau and his children, thereby increasing its investment to 61.02% of the share capital and 61.02% of the voting rights in Récopart;
- prior to this transaction, Orpar and Récopart were granted an exemption from the requirement to make a public takeover offer under Article 234-9-6 of the General Regulation set out in Decision and Notification 210C0520 published on the website of the AMF on 14 June 2010. The declaration of crossing of thresholds following this exemption was made by letter of 23 July 2010 and published on the website of the AMF in Decision and Notification 210C0694.

On that date, Récopart held 6,937,889 shares and 13,229,478 voting rights in Rémy Cointreau, *i.e.* 14.30% of the share capital and 17.08% of the voting rights in Rémy Cointreau. On that date, Orpar held 20,901,034 shares and 40,732,231 Rémy Cointreau voting rights, *i.e.* 43.09% of the share capital and 52.59% of the Rémy Cointreau voting rights. As a result, following this acquisition, Orpar directly or indirectly held a total of 27,838,923 shares and 53,961,709 voting rights in Rémy Cointreau, *i.e.* 57.39% of the share capital and 69.67% of the voting rights in Rémy Cointreau, and had thus indirectly exceeded the threshold of 50% of the share capital and 66.67% of the voting rights in Rémy Cointreau.

In application of the Memorandum of Understanding and as part of the implementation of the acquisition, Orpar and Mr Pierre Cointreau and his family entered into the following agreements to govern their relationship within Récopart:

- an undertaking to purchase was granted on 21 and 22 July 2010 by Orpar to the Cointreau family, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to purchase reflects Orpar's commitment to acquire, from members of the Cointreau family and at their request, a maximum of 1,867,068 Récopart shares;
- an undertaking to sell was granted on 21 and 22 July 2010 by the Cointreau family to Orpar, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to sell reflects the commitment of the members of the Cointreau family to sell to Orpar, at the latter's request, a maximum of 1,867,068 Récopart shares.

(1) On the basis of share capital consisting of 48,710,253 shares representing 74,563,831 voting rights, pursuant to the 2nd subparagraph of Article 223-11 of the General Regulation.

(2) That is, an increase of 3.56% in share capital and 2.40% in voting rights between 10 March 2015 and 31 July 2015.



The heirs of Mr and Ms Pierre Cointreau may exercise the aforementioned promises in one or more tranches, as of the expiry date of the commitments arising from the Dutreil agreement, given that the number of tranches will vary according to the date on which the commitments under the Dutreil agreement expire;

- a shareholders' agreement was concluded on 21 and 22 July 2010. This agreement was entered into for a period of 20 years from the date of its signature. The agreement specified that Récopart, in order to streamline the Company's structure, would be turned into a simplified limited company (SAS) and that the Company Articles of Association would be redrafted accordingly, which was done in July 2011. The agreement also specified the annual dividend distribution policy.

Orpar also benefits from a preferential subscription right on any share transfer, except for certain types of so-called free transfers, it being specified that the preferential subscription right became automatically applicable from the date Récopart was turned into a simplified limited company and the corresponding amending of its Articles of Association.

Lastly, the agreement specifies that in the event Orpar were to receive a bid from a third party buyer for at least 51% of Récopart shares, which it would be prepared to accept, that all shareholders would be compelled to dispose of their shares jointly with Orpar, on the terms and conditions specified in the agreement.

It should be noted that during the first half of the 2017/2018 financial year, Orpar acquired all of the Récopart shares held by an heir of Mr and Mrs Pierre Cointreau, *i.e.* 510,937 ordinary shares.

Orpar's holding in Récopart thus increased from 61.02% to 69.39%.

Between Andromède, Orpar and Fine Champagne Investissements (FCI):

- Andromède, FCI and Orpar entered into a shareholder agreement on 3 April 2013 relating to Orpar and Rémy Cointreau, the main clauses of which were published in accordance with Article L. 233-11 of the French Commercial Code *via* AMF decision no. 213C0515 of 2 May 2013;
- in decision No. 213C0515 of 2 May 2013, the AMF examined the consequences of the concert party between Fine Champagne Investissements (FCI) and Andromède, Orpar and Récopart and granted an exemption from the requirement to make a public takeover offer under Article 234-1, 1° of the AMF General Regulation.

Main clauses of the agreement concerning Rémy Cointreau:

- **governance:** Orpar and FCI will meet in reasonable time before any Shareholders' Meeting of Rémy Cointreau to examine the draft resolutions submitted to the meeting and agree on a common position. In any event, FCI agrees to attend the meeting in question or give proxy to Orpar and combine its votes with those of Orpar and vote as previously indicated to Orpar;
- **Rémy Cointreau shares as payment:** if FCI sells its interest in the capital of Orpar to Andromède as a result of the undertaking to purchase agreed by Andromède relating to 201,533 Orpar shares held by FCI or the undertaking to sell relating to the same

Orpar shares and agreed by FCI, Andromède may pay the price due to FCI in cash or in Rémy Cointreau shares⁽¹⁾;

- **retention:** FCI agrees not to dispose of Rémy Cointreau securities used as payment for the aforementioned undertakings to purchase, for a period of two years from their delivery;
- **pre-emption right:** Orpar will benefit from a pre-emptive right on the abovementioned Rémy Cointreau shares at the end of the two-year period set out in the retention obligation;
- **ceiling:** FCI agrees not to increase its stake in Rémy Cointreau without the agreement of Orpar and not to enter into any agreement or more generally any concert action with any third party with respect to Rémy Cointreau;
- **duration:** the agreement is valid for seven years, *i.e.* until 4 April 2020, it being specified that, in the event that Orpar or FCI carries out an act forcing the launch of a public takeover offer on Rémy Cointreau securities, the concert party linking them will immediately end and will, by law, become null and void.

COLLECTIVE RÉMY COINTREAU SHARE LOCK-UP AGREEMENTS WITHIN THE FRAMEWORK OF ARTICLE 787 B I BIS OF THE FRENCH GENERAL TAX CODE

During the 2017/2018 financial year, on 30 January 2018, Orpar, Recopart, and Récopart shareholders, and Marc Hériard Dubreuil, in his capacity as Chairman of the Board of Directors, entered into a collective lock-up agreement within the framework of the provisions of Article 787 B I bis of the French General Tax Code and in the context of the Dutreil law for a term of two years. The Rémy Cointreau shares that are covered by the agreement represent 10,800,000 shares or 21.45% of the share capital and voting rights as at 30 January 2018.

7.4.2 CHANGES TO THE BREAKDOWN OF THE SHARE CAPITAL OVER THE LAST THREE YEARS

During the 2015/2016 financial year, the exercising of the 2014/2015 dividend option in cash or shares resulted in the issue of 24,761 shares corresponding to a capital increase of €39,617.60, bringing the capital to €77,976,022.40. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

During the 2016/2017 financial year, the exercising of the 2015/2016 dividend option in cash or shares resulted in the issue of 957,170 shares corresponding to a capital increase of €1,531,472, bringing the capital to €79,507,494.40. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

During the 2017/2018 financial year, the exercising of the 2016/2017 dividend option in cash or shares resulted in the issue of

(1) FCI exercised the promise to purchase 201,533 Orpar shares held by FCI, and Orpar made the payment to FCI in July 2013 by the transfer of 994,053 Rémy Cointreau shares.

635,254 shares corresponding to a capital increase of €1,016,406.40, bringing the capital to €80,523,900.80. A reduction in the share capital was then carried out through the cancellation of treasury shares as part of the share buyback programme - implemented on 1 August 2017 and concluded on 29 December 2017 - corresponding to 103,638 shares out of the 273,009 shares acquired in this context and corresponding to a reduction in the nominal share capital of €165,820.80, thus taking the capital to €80,358,080. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

7.4.3 PERSONS CONTROLLING THE COMPANY AND DETAILS OF THEIR SHAREHOLDINGS

At 31 March 2018, Orpar was 100% controlled by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2018, Andromède held 586,756 shares corresponding to 1,149,644 voting rights, Orpar held 19,032,234 shares in Rémy Cointreau, or 37.89% of the capital, corresponding to 36,202,863 voting rights, or 47.48% of the voting rights. Orpar held, directly and indirectly, shares held by Récopart, or a total of 52.54% of the share capital and 66.50% of the voting rights in Rémy Cointreau. Together Andromède, Orpar and Récopart held 53.71% of the share capital and 68% of the voting rights in Rémy Cointreau.

Pursuant to European regulation No. 809/2004 of 29 April 2004, established pursuant to the "Prospectus" directive, Rémy Cointreau ensures that the control of the Company is not currently and will not ever be abused, by adopting corporate governance measures.

The Company refers to the recommendations of the Corporate Governance Code for Listed Companies published in June 2013 most recently revised in November 2016 by the AFEP/MEDEF and the guidelines for applying this Code by the Corporate Governance High Commission in December 2016. In particular, the Board of Directors comprises a significant proportion of independent Board members and has its own internal regulations.

7.4.4 STOCK MARKET INFORMATION

Shares in Rémy Cointreau are listed on the Euronext Paris regulated market (ISIN code FR0000130395). Rémy Cointreau is included in the French SBF 120 index and the European EuroStoxx 100 index.

At 31 December 2017, Rémy Cointreau had a market capitalisation of €5.81 billion.

In November 2005, Rémy Cointreau had entrusted a financial institution with the implementation of a liquidity contract that conforms to the AMAFI Ethics Charter recognised by the AMF. Since 1 April 2015, Rémy Cointreau has entrusted a different financial institution with the implementation of a liquidity contract that conforms to the AMAFI Ethics Charter recognised by the AMF.

NUMBER OF SECURITIES AND CAPITAL TRADED ON EURONEXT PARIS AND PRICE CHANGES IN THE LAST EIGHTEEN MONTHS

	NUMBER OF SHARES TRADED	AVERAGE PRICE IN €	HIGH IN €	LOW IN €	TRADING VOLUMES IN €M
2016					
December	1,840,491	79.77	81.57	76.09	154.73
2017					
January	2,554,116	82.66	90.00	78.65	213.50
February	2,120,927	85.11	87.20	83.53	180.46
March	1,881,885	86.65	91.77	82.64	164.01
April	1,858,604	92.07	94.80	86.60	170.91
May	1,729,378	95.73	98.50	92.37	164.97
June	2,465,382	101.99	106.05	96.43	251.53
July	1,686,792	100.55	106.45	97.13	169.51
August	1,495,049	96.87	98.96	94.35	144.54
September	1,285,017	97.79	100.25	94.40	125.62
October	1,816,545	107.20	112.60	99.50	194.51
November	1,644,989	111.26	114.10	106.35	183.00
December	1,679,334	115.54	119.80	107.90	193.26
2018					
January	2,303,969	110.14	116.60	102.90	252.79
February	2,084,901	106.90	113.20	99.05	222.32
March	1,431,904	112.59	116.20	108.00	160.92
April	1,661,490	115.02	120.80	111.30	191.25
May	1,316,922	121.10	129.70	114.00	160.91

— 7.5 ITEMS LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TAKEOVER OFFER

In compliance with Article L. 225-100-3 of the French Commercial Code, we notify you of the factors liable to have an impact in the event of a public takeover offer:

- the structure of the Company's share capital is disclosed in section 7.4 of this report and refers to concert parties and to shareholder agreements that had been brought to the Company's attention at the time of writing;
- the direct or indirect investments known to the Company are described in section 7.4 of this report;
- with the exception of the double voting rights allocated, pursuant to Article 23.2 of the Articles of Association, to fully paid-up shares which have been held in registered form for at least four years in the name of the same shareholder, no shares carry specific privileges;
- there is no restriction in the Articles of Association on the exercise of voting rights, except for failure to comply with the provisions in respect of crossing the statutory threshold of 1% of the share capital or voting rights or any multiple of this percentage, under the terms provided for by Article 8.2 of the Articles of Association; there are no restrictions on share transfers in the Articles of Association;
- the rules governing the appointment and dismissal of members of the Board of Directors are those of the prevailing laws and the Articles of Association;
- amendments to the Company's Articles of Association are made in accordance with the prevailing laws and regulations;
- the Company and some of its subsidiaries have entered into agreements containing a clause offering the co-contracting parties the option of terminating those agreements in the event of a change of control of the Company, mainly under distribution agreements with third parties and the bonds of €80 million dated February 2015 and €275 million dated September 2016 described in note 11.6 to the consolidated financial statements;
- severance and non-compete compensations and the defined-benefit and defined-contribution pension commitments granted to Valérie Chapoulaud-Floquet, Chief Executive Officer, can be found in section 3.5.4 of this report;
- the various delegations and authorisations granted to the Board of Directors by the Shareholders' Meeting, notably concerning the issue and repurchase of shares, are disclosed in section 7.3.3 of this report.



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— 8.1 EXPLANATORY STATEMENT AND DRAFT RESOLUTIONS

ORDINARY SHAREHOLDERS' MEETING

APPROVAL OF THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS AND APPROPRIATION OF EARNINGS

The first two resolutions concern the approval of the Company and consolidated financial statements for the financial year ended 31 March 2018.

The company financial statements show a profit of €14,848,216.43.

The consolidated financial statements show a net profit attributable to the owners of the parent of €148,239,000.

It is stated, in accordance with Article 223 quarter of the French General Tax Code, that no expenditure or expenses referred to in Article 39 paragraph 4 of the French General Tax Code were incurred during the financial year ended 31 March 2018.

The third resolution concerns the appropriation of company earnings for the financial year ended 31 March 2018 and the payment of the dividend.

The Board of Directors asks that you approve the appropriation of distributable earnings for the financial year ended 31 March 2018 as follows:

▪ company profits at 31 March 2018:	€14,848,216.43
▪ retained earnings:	€156,628,557.49
▪ appropriation to the legal reserve:	€(85,058.56)
Total distributable amount:	€171,391,715.36
▪ dividends:	€82,869,270
▪ retained earnings:	€88,522,445.36

The Board of Directors proposes to set the amount of the dividend to be distributed to each of the Company's shares with dividend rights in respect of the financial year ended 31 March 2018 at €1.65, i.e. a total of €82,869,270 based on 50,223,800 shares comprising the share capital at 31 March 2018.

The ex-dividend date will be 31 July 2018 and the dividend will be paid as of Monday 17 September 2018.

In the event that the Company holds any of its own shares as of the ex-dividend date, the amount corresponding to the dividend not distributed as a result of that holding shall be allocated to "Retained earnings".

It is important to note that the 2018 French Finance Bill changed the tax rate applicable to dividends received, from 1 January 2018. Thus, for individuals domiciled for tax purposes in France, the dividend received from 1 January 2018 is taxable under income tax at a flat rate, but the shareholder may opt to be taxed on a progressive scale. In this latter case, the dividend is eligible for the deduction indicated in Article 158-3-2° of the French General Tax Code.

In accordance with the law, the table below summarises the amount of dividends and the distributed dividend eligible for the 40% reduction indicated in 158-3-2 of the French General Tax Code for individuals domiciled for tax purposes in France during the three previous financial years:

FINANCIAL YEARS	2014/2015	2015/2016	2016/2017
Dividend per share	€1.53	€1.60	€1.65
Eligible dividend paid	€1.53	€1.60	€1.65

OPTIONS FOR THE PAYMENT OF THE DIVIDEND IN SHARES

In accordance with the provisions of Articles L. 232-18 to L. 232-20 of the French Commercial Code and Article 27 of the Articles of Association, the fourth resolution asks that you grant each shareholder the option of receiving payment of the dividend in cash or in shares for the entire dividend paid.

Under this option, the issue price of the new shares will be equal to 90% of the average closing price in the 20 trading sessions preceding the shareholders' Meeting of 24 July 2018, less the net dividend amount, in accordance with Article L. 232-19 of the French

Commercial Code. The Board of Directors will have the option of rounding up the issue price thus determined to the nearest whole cent.

Shareholders may opt either for payment of the entire dividend in shares or the entire dividend in cash. Shareholders who opt for payment of the dividend in shares must request this from their financial intermediary between 31 July 2018 and 7 September 2018 17:00 at the latest. After this time, the entire dividend shall automatically be paid in cash.

If the amount of dividends on which the option is exercised does not correspond to a whole number of shares, shareholders may subscribe either for the next lowest number of shares and receive a cash payment for the balance, or the next highest number of shares and pay the extra in cash.

The new shares shall be subject to all provisions of law and the Articles of Association and shall be eligible for dividends from 1 April 2018, the start of the current financial year.

The shareholders' Meeting will be asked to vest every power in the Board of Directors to make, in accordance with Article L. 232-20 of the French Commercial Code, the necessary arrangements for payment of the dividend in shares, and specifically to set the issue price of the shares issued under the aforementioned conditions, to record the number of shares issued and the resulting capital increase, to amend the Articles of Association of the Company accordingly, to take every measure to ensure the successful outcome of the transaction and, in general, to do whatever may be useful or necessary.

AGREEMENTS COVERED BY ARTICLE L. 225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

The fifth resolution concerns the regulated agreements and commitments authorised and entered into during previous financial years and whose performance continued in the 2017/2018 financial year. These agreements and commitments were once again examined by the Board of Directors at its meeting of 27 March 2018, in accordance with Article L. 225-40-1 of the French Commercial Code and reported to the Statutory Auditors for inclusion in their special report. This special report is reproduced in section 8.3 of this 2017/2018 registration document.

Please note that, in accordance with current legislation, regulated agreements already approved by the shareholders' meeting in previous financial years and which remain in force are not put to the vote at subsequent shareholders' meetings.

Deliberating on the special report of the Statutory Auditors, the shareholders' meeting is asked to take note of information relating to said agreements.

APPROVAL OF A REGULATED COMMITMENT UNDERTAKEN BY ANDROMÈDE SAS FOR MARC HÉRIARD DUBREUIL, CHAIRMAN OF THE BOARD OF DIRECTORS

Due to the appointment of Marc Hériard Dubreuil as Chairman of the Board of Directors on 1 October 2017, you are asked, in the sixth resolution, to approve the supplementary defined-benefit pension commitment, not subject to performance conditions, made by Andromède SAS, the controlling company.

Under the terms of Article L. 225-42-1 of the French Commercial Code, defined-benefit pension commitments to the Chairman of the Board of Directors of a listed company, by the Company itself or by any company controlled by it or that controls it, are subject to the rules on regulated agreements.

It is recalled that Marc Hériard Dubreuil, as a Board member, benefited from a defined-benefit pension commitment for which financing was ensured by Andromède SAS. In accordance with Article L. 225-42-1 of the French Commercial Code, this commitment was subject to approval by the Board of Directors on 4 June 2009 and ratification by the shareholders' meeting on 28 July 2009.

When Marc Hériard Dubreuil was appointed as Chairman of the Board of Directors on 1 October 2017, the Board of Directors' meeting of 29 September 2017 approved, in accordance with Article L. 225-42-1 of the French Commercial Code, the defined-benefit pension commitment made to the Chairman of the Board of Directors of Rémy Cointreau by a controlling company, Andromède SAS.

In order to submit the acquisition of supplementary pension rights, as part of this defined-benefit pension scheme, to performance conditions to be defined in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the Board of Directors' meeting on 27 March 2018 examined the conditions of exercise of this commitment.

The top-hat defined-benefit annuity scheme regulated by Article 39 of the French General Tax Code provides for the payment of a pension equal to 1% of the reference remuneration (i.e. annual average over 12 months of the gross remuneration over the last 24 months) per full year of seniority within Andromède, limited to 10% of the reference remuneration.

Insomuch as Marc Hériard Dubreuil already cumulates to date over 10 years' seniority, the benefits acquired in the form of an annuity are limited to 10% of the reference remuneration. Consequently, Marc Hériard Dubreuil can no longer acquire supplementary rights in respect of this scheme and these rights can no longer be subject to deductions.

The Board of Directors considered, therefore, that this commitment did not enter into the scope of application of Article L. 225-42 of the French Commercial Code on the requirement for defined-benefit pension commitments to subject the acquisition of new rights to the achievement of performance conditions.

APPROVAL OF THE CONTINUATION OF THE REGULATED COMMITMENTS MADE BY THE COMPANY TO VALÉRIE CHAPOULAUD-FLOQUET, CHIEF EXECUTIVE OFFICER

During its meeting on 17 January 2018, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, renewed Valérie Chapoulaud-Floquet's appointment as Chief Executive Officer for a term of three years, from 27 January 2018. You are reminded that Valérie Chapoulaud-Floquet joined the Group on 16 September 2014 as Deputy Chief Executive Officer, and has been Chief Executive Officer of Rémy Cointreau since 27 January 2015.

At the time of this renewal, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made by the Company to the Chief Executive Officer in respect of components of remuneration, allowances or benefits due or liable to be due upon the termination or change of these functions, must be once again submitted for approval by the shareholders' meeting.

Furthermore, it is specified that the commitments associated with termination payments and defined-benefit pensions are prohibited if they are not subject to compliance with conditions linked to the beneficiary's performance, assessed in light of the Company's performance, in which, in the case of Rémy Cointreau, she holds a senior management position.

The Board of Directors' meeting of 17 January 2018 decided, on the recommendation of the Nomination and Remuneration Committee, to maintain unchanged the regulated commitments for the "termination payment", "non-compete compensation", "defined-benefit pension scheme, defined-contribution pension scheme", and death, incapacity for work, disability and healthcare commitments" for the benefit of the Chief Executive Officer, as approved by the Board of Directors on 25 September 2014 and 7 June 2017 and by the shareholders' meeting on 29 July 2015 and 25 July 2017. They are subject, in the seventh resolution, to approval by the shareholders' meeting of 24 July 2018, in accordance to the provisions below:

TERMINATION PAYMENT

The Chief Executive Officer benefits from a termination payment equal to 24 months' remuneration (including fixed salary, impatriation bonus and last annual bonus) prior to the date of termination or non-renewal of the term of office.

The termination payment will only be paid in the event of forced departure. It will not be due in the event of serious grounds or misconduct or in the event of business failure.

In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business will be deemed to have failed if the aggregate operating profit for the last two financial years is less than €250 million.

Actual payment of this benefit is subject to the performance conditions detailed in section 3.4.2 of the corporate governance report.

Quantitative performance criteria

If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.

If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation will be the average percentage for the previous two financial years.

Qualitative performance criterion

The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on results measured according to a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating with a rating agency similar to Vigéo into consideration. The final compensation amount is limited to 24 months' salary as defined above.

NON-COMPETE COMPENSATION

The Chief Executive Officer is subject to a non-compete clause which prohibits her from working for a competitor for a period of one year. This clause, which may be waived by the Board of Directors, will be accompanied by compensation corresponding to one year's gross remuneration (fixed salary + impatriation bonus + last annual bonus).

The termination payment and non-compete compensation will be capped at two years' pay, as explained above.

SUPPLEMENTARY PENSION, LIFE AND DISABILITY, AND HEALTHCARE POLICIES

The Chief Executive Officer continues to benefit from the collective supplementary pension schemes implemented for the benefit of Group senior managers, including:

- defined-contribution plan pursuant to Article L. 242-1 of the French Social Security Code.

The Chief Executive Officer benefits from a defined-contribution pension scheme for which the amount represents 8% of her annual remuneration between eight and sixteen times the annual Social Security ceiling. The Company's commitment is limited to paying contributions to the insurance company that operates the scheme.

- top-hat Group defined-benefit plan ("Article 39") pursuant to Article L. 137-11 of the French Social Security Code

The aim of the plan is to retain the key talent concerned and encourage long-term performance. The Chief Executive Officer benefits from this supplementary scheme implemented and financed by the Company and managed by a third-party insurance company.

This supplementary pension plan stipulates a seniority condition of at least five years within the Company as a "senior executive" manager and a condition of presence at the time of retirement.

This system is founded on the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' seniority.

Payment of the annuity is subject to continued employment at the time of retirement; its amount ranges from 8% to 15% of the reference annual remuneration, depending on the age of the beneficiary at the time of retirement. The annuity is calculated on the basis of average gross remuneration for the last two years of employment.

It is also capped so that the total replacement income received from all pension plans (Social Security, ARRCO, AGIRC, Article 83, Article 89) does not exceed 50% of the income earned from work. Should this ceiling be exceeded, the amount of the supplementary pension would be reduced accordingly.

APPROVAL OF A REGULATED "COMMITMENT TO A DEFINED-BENEFIT PENSION SCHEME" MADE BY THE COMPANY IN FAVOUR OF VALÉRIE CHAPOULAUD-FLOQUET, CHIEF EXECUTIVE OFFICER AND ALLOCATION CONDITIONS

The eighth resolution aims to approve the performance conditions applicable to the defined-benefit pension commitment in favour of Valérie Chapoulaud-Floquet from 27 January 2018, the date on which her term of office as Chief Executive Officer was renewed.

In accordance with the law of 6 August 2015 on growth, activity and equal opportunities, known as the "Macron law", the acquisition of supplementary pension rights for executive directors of listed companies in respect of the financial year are subject to the achievement of performance conditions assessed compared to Company performance.

These legal provisions apply for the first time upon the renewal of Valérie Chapoulaud-Floquet's term of office as Chief Executive Officer, as the defined-benefit pension commitment was initially implemented prior to the adoption of the above law.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors' meeting of 17 January 2018 decided that the acquisition of rights should be subject to the achievement of performance conditions aligned with those of the Chief Executive Officer's variable annual remuneration.

Pursuant to Article L. 225-42-1 of the French Commercial Code, prior to this shareholders' meeting, the Board of Directors verified compliance with the stipulated conditions and determined the acquisition in respect of the said financial year of the conditional rights for the Chief Executive Officer.

The Board of Directors firstly noted the existence of pension rights for the Chief Executive Officer as part of the pension scheme indicated above, immediately before the renewal of her term of office as Chief Executive Officer, over the period 27 January 2015 to 26 January 2018.

For the rights granted in respect of the period from 27 January 2018 to 31 March 2018, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors' meeting of 5 June 2018 considered that the period in question was too

short to justify the application of the conditions that it had set and to determine the acquisition of conditional rights for the Chief Executive Officer.

Having nevertheless verified, as a matter of principle, that the criteria would in all probability have been achieved for a full year, the Board noted the automatic acquisition of 1% in conditional rights in respect of the 2017/2018 financial year, without performance conditions.

For the next financial year, the Board of Directors' meeting of 5 June 2018 indicated that the acquisition of rights would be subject to performance conditions aligned with the cumulative performance on the quantitative criteria related to the financial component of the variable part, as for the 2017/2018 financial year:

- consolidated operating profit;
- cash flow generation;
- consolidated net profit;
- ROCE (Return on Capital Employed).

The rights acquired in respect of a given financial year will be calculated as follows:

- 1% if the cumulative performance of the aforementioned criteria is between 50% and 90%;
- 1.5% if the cumulative performance of the aforementioned criteria reaches a ceiling of 100%.

The rights will increase by 0.1% per increment of 2 points of increase between 90% and 100% of the cumulative performance of the aforementioned criteria. For example, if the cumulative performance of the criteria is 94%, the rights will be 1.2%.

After hearing the Statutory Auditors' special report, we ask you to approve these agreements, indemnities and deferred commitments taken by the Company in favour of the Chief Executive Officer, and which are also listed in chapter 3.4.2 of the Corporate Governance report.

APPROVAL OF A REGULATED AGREEMENT UNDER ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

The Board of Directors' meeting of 27 March 2018, on the recommendation of the Audit-Finance Committee, authorised the extension of the current account agreement with Orpar by means of an amendment to the agreement originally entered into on 31 March 2015. This amendment, signed on 31 March 2018, extends the period during which Orpar makes available €60 million for a period

of three years from 7 April 2018. This advance bears interest at 0.60%. It is refundable in fine, or at any time at the request of Orpar or Rémy Cointreau with prior notice of three months.

The initial agreement was approved by your meeting on 29 July 2015. This is the subject of the ninth resolution.

REAPPOINTMENT OF THREE BOARD MEMBERS

The tenth, eleventh and twelfth resolutions ask the shareholders' meeting to reappoint respectively François Hériard Dubreuil, Bruno Pavlovsky and Jacques-Étienne de T'Serclaes as Board members for a three-year term, i.e. until the end of the shareholders' meeting called to approve the financial statements for the financial year ending 31 March 2021.

Before proposing the renewal of these terms of office that expire at the end of this shareholders' meeting, the Board of Directors, on the recommendation of the Nomination-Remuneration Committee, ensured that the Board members in question were available. The Board also assessed their respective contributions to its work, as well as to that of its committees. It concluded that retaining each one in their functions was in the Company's interest.

During its meeting on 5 June 2018, the Board of Directors examined in particular the independence of Jacques-Étienne de T'Serclaes in light of the criteria set out in the AFEP/MEDEF Corporate Governance Code for listed companies, updated in November 2016.

On this occasion, the Board noted that Jacques-Étienne de T'Serclaes fulfils all of the independence criteria established by the AFEP/MEDEF Code, except for that relating to the duration of his appointment.

The AFEP/MEDEF Code recommends that Board members whose appointments exceed 12 years should no longer be considered as independent.

The Board nevertheless considered that this criteria should be set aside for Jacques-Étienne de T'Serclaes.

Jacques-Étienne de T'Serclaes performed no role, whether executive or otherwise, in a company that is consolidated within

Rémy Cointreau. In addition, he is not an employee, executive officer or Board member of a company consolidated within Rémy Cointreau.

Moreover, Jacques-Étienne de T'Serclaes, who is a leading figure in the field of business, has performed management roles in major international groups that have no significant relationship with Rémy Cointreau, guaranteeing his professional and financial independence with respect to Rémy Cointreau.

The various Board member appointments held by Jacques-Étienne de T'Serclaes also offer him perspective and a strategic overview which enhance discussions within the Rémy Cointreau Board of Directors.

The objectivity and independence of mind that Jacques-Étienne de T'Serclaes has always demonstrated at Board meetings, together with his ability to defend his points of view forthrightly and with conviction, have been welcomed by other Board members and have, moreover, led to his appointment to the chairmanship of the Audit-Finance Committee.

Lastly, Jacques-Étienne de T'Serclaes has, during his successive appointments as a Board member of Rémy Cointreau, acquired an in-depth knowledge of the Group and unquestionable experience that allow him to understand the challenges facing Rémy Cointreau, to appreciate all of their implications and, therefore, to contribute effectively to the work of the Board of Directors and solely in the interest of the Group. For all of these reasons, the Board of Directors has concluded that Jacques-Étienne de T'Serclaes is independent.

Information about these three Board members is provided in section 3.1 of the 2017/2018 registration document.

APPOINTMENT OF A NEW BOARD MEMBER

The thirteenth resolution asks the shareholders' meeting, on the recommendation of the Nomination and Remuneration Committee, to appoint Guylaine Saucier as a Board member for a three-year term, i.e. until the end of the shareholders' meeting called to approve the financial statements for the financial year ending 31 March 2021.

Guylaine Saucier will be appointed to replace Guylaine Dyèvre, who has indicated her intention not to seek renewal of her term of office as Board member, for personal reasons, following the shareholders' meeting of 24 July 2018.

Guylaine Saucier is a graduate with an Arts baccalaureate from the Collège Marguerite-Bourgeois and has a bachelor's degree in business from the École des Hautes Etudes Commerciales in Montreal.

Fellow of the Order of Chartered Accountants of Québec, Guylaine Saucier was Chairperson and CEO of the Gérard Saucier Ltée group, a large company specialising in forestry products, from 1975 to 1989. She was also a certified Board member of the Institute of Company Directors. She is an experienced company Board member and is or was a member of the Board of Directors of a number of major companies, including the Bank of Montréal, AXA Assurances Inc. Danone and Areva. She was Chairperson of the Combined Committee on Corporate Governance (ICCA, CDNX, TSX) (2000-2001), Chairperson of the Board of Directors of CBC/Radio-Canada (1995 to 2000), Chairperson of the Board of Directors of the Canadian Institute of Chartered Accountants

(1999 to 2000), member of the Board of Directors of the Bank of Canada (1987 to 1991), member of the Survey Commission on the unemployment benefit scheme (1986) and member of the Advisory Committee for the Minister, Lloyd Axworthy, on the reform of social programmes (1994).

Guylaine Saucier was the first woman to be appointed Chairperson of the Québec Chamber of Commerce. She played a very active role in the community as a Board member of various organisations, including the University of Montreal, the Montreal Symphony Orchestra and the Hôtel-Dieu de Montréal. She was made a member of the Order of Canada in 1989 for having demonstrated exceptional civic spirit and provided a significant contribution to the business world. On 18 May 2004, she was appointed Fellow of the Institute of Company Directors, and on 4 February 2005, was awarded the 25th management Prize at McGill University. On 23 September 2010, she was appointed Emeritus company director of the College of Company Directors. Lastly, in May 2017, she received an honorary doctorate from Laval University for her work on governance.

CURRENT APPOINTMENTS

- Member of the Supervisory Board of Wendel (Chairperson of the Audit Committee and Member of the Governance Committee)
- Member of the Board of Directors of Tarkett

- Member of the Board of Directors of Junex Inc. (Quebec)

TERMS OF OFFICE THAT EXPIRED OVER THE LAST FIVE YEARS

- Member of the Board of Directors of Scor (2016)
- Member of the Supervisory Board (since 2006) and Chairperson of the Audit Committee of Areva, until 8 January 2015
- Member of the Board of Directors of the Bank of Montreal, member of the Verification Committee and Member of the Risk Management Committee (1992-2013)
- Member of the Board of Directors of AXA Assurances Inc. (and Member of the Verification Committee 1987-2011)
- Member of the Board of Directors of Danone and Chairperson of the Audit Committee (2009-2012)

The Board of Directors, based on work conducted by the Nomination and Remuneration Committee, proposes the appointment of Guylaine Saucier as an independent Board member within the meaning of the AFEP/MEDEF Corporate Governance Code and the Internal Regulations of the Board of Directors.

Guylaine Saucier will be proposed as a member of the Audit-Finance Committee.

To the Company's knowledge, there are no potential conflicts of interest between the issuer's obligations and the private interests and/or other obligations of Guylaine Saucier.

The Board of Directors has five female members, which is higher than the 40% required by Article L. 225-18-1 of the French Commercial Code.

STATUTORY AUDITORS

As the appointment of Ernst & Young expires at the end of this shareholders' meeting, under the fourteenth resolution, the Board of Directors, following the recommendation of the Audit-Finance Committee, asks the shareholders' meeting to appoint Price Waterhouse Coopers, represented by Olivier Auberty, as Statutory Auditors for a six-year term expiring at the end of the Ordinary shareholders' meeting called to approve the financial statements for the financial year ending 31 March 2024.

In view of the new requirements on the maximum duration of appointments of Statutory Auditors, the Audit-Finance Committee conducted an assessment of the Statutory Auditors present in the

market. Following a call for tender, Price Waterhouse Coopers has been deemed to have the size, skills, ability and availability to be able to offer a high quality service for Rémy Cointreau Group, in continuation of Ernst & Young's work.

The mandate as Alternate Statutory Auditors of Auditex also expire at the end of this shareholders' meeting; in accordance with Article L. 823-1 of the French Commercial Code, the Company is no longer required to appoint Alternate Statutory Auditors. Consequently, you will not be asked to appoint Alternate Statutory Auditors.

DIRECTORS' FEES

In the fifteenth resolution, we ask that you set the amount of Directors' fees awarded to members of the Board of Directors for the 2018/2019 financial year and the following financial years at €550,000, until decided otherwise. This amount, a slight increase

compared to the previous financial year, is nevertheless in line with the practices followed by several French groups with an international dimension and of similar size to Rémy Cointreau.

APPROVAL OF THE REMUNERATION POLICY FOR EXECUTIVE OFFICERS FOR THE 2018/2019 FINANCIAL YEAR

The purpose of the sixteenth and seventeenth resolutions is to submit for your approval, in accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional elements of the total remuneration and benefits of any kind attributable to the Chairman of the Board of Directors and the Chief Executive Officer for their services and constituting the remuneration policy applicable to them for the 2018/2019 financial year.

These principles and criteria, approved by the Board of Directors on 5 June 2018, on the recommendation of the Nomination and Remuneration Committee, are presented in the Board of Directors' report on the remuneration policy for executive officers attached to the report referred to in Articles L. 225-100 and L. 225-102 of the French Commercial Code and appearing in section 3.4.7 of the 2017/2018 registration document.

It is specified that:

- if these resolutions are rejected by the shareholders' meeting, the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer will be set in accordance with the remuneration allocated in respect of the financial year ended 31 March 2018, in accordance with the provisions of Article L. 225-37-2 paragraph 4 of the French Commercial Code;
- the payment of the variable and exceptional components of the remuneration of the Chief Executive Officer depends on the subsequent approval, by a Company shareholders' meeting, of the components of the total remuneration and benefits of any kind paid or awarded to the Chief Executive Officer in respect of the 2018/2019 financial year.

APPROVAL OF THE ELEMENTS OF TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID OR AWARDED FOR THE YEAR ENDED 31 MARCH 2018 TO EACH EXECUTIVE OFFICER OF THE COMPANY

By voting on the eighteenth, nineteenth and twentieth resolutions, the shareholders' meeting is asked to approve, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid or awarded, in respect of the financial year ended 31 March 2018, to each person who has held the post of Executive officer of the Company during the said financial year, in accordance with the remuneration policy approved during the shareholders' meeting of 25 July 2017. Namely:

- François Hériard Dubreuil, as Chairman of the Board of Directors, for the period from 1 April 2017 to 30 September 2017;
- Marc Hériard Dubreuil, as Chairman of the Board of Directors, for the period from 1 October 2017 to 31 March 2018;
- Valérie Chapoulaud-Floquet as Chief Executive Officer.

These components are presented in the Corporate Governance report indicated in Article L. 225-37 of the French Commercial Code, included in section 3.5 and in the tables reproduced in section 3.5.4 of the 2017/2018 registration document.

The vote on these components by your meeting results from the amendment to Article L. 225-100 of the French Commercial Code, as a result of law no. 2016-1691 of 9 December 2016 on transparency, combating corruption, and modernising the economy (the so-called "Sapin II" law) and replaces the consultative opinion that you were previously asked to provide in accordance with the AFEP/MEDEF Code.

Pursuant to these texts, the payment of the variable components of the remuneration awarded to the Chief Executive Officer in respect of the financial year ended 31 March 2018, is subject to approval of the twentieth resolution.

PURCHASE AND SALE OF ITS OWN SHARES BY THE COMPANY

Under the share buyback programme authorised by the shareholders' meetings of 26 July 2016 and 25 July 2017, between 1 April 2017 and 31 March 2018, the Company acquired 275,625 shares and sold 272,315 shares under the liquidity contract.

During this same period, in accordance with the Board of Directors' decision of 25 July 2017, the Company acquired 273,009 shares between 1 August and 29 December 2017 as part of its share buyback programme (representing 0.54% of the share capital) for an average price of €96.44.

As set out in the announcement of 1 August 2017, the shares bought back in this way were allocated to the following objectives:

1. reducing the share capital via the cancellation of treasury shares;
2. meeting the obligations in respect of marketable securities giving access to capital;
3. meeting the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies.

During this same period, it transferred 64,750 shares to service bonus share grants for long-term performance incentive plans.

At 31 March 2018, the number of shares held by the Company stood at 220,297, of which:

- 41,414 were destined for bonus share awards (reassignment of shares from the share buyback programme dated 22/11/2011);
- 9,512 under the liquidity contract;
- 169,371 under the share buyback programme.

In the twenty-first resolution, we propose that you authorise the Board of Directors for a maximum duration of eighteen months from the date of this meeting, to purchase Company shares, up to a limit of 10% of the share capital on the date such purchases are made. For indicative purposes, this corresponds to a maximum number of 4,802,083 shares, based on the current share capital, including the treasury shares held by the Company as of 31 March 2018.

Shareholders are reminded that, by law, if shares are repurchased for liquidity reasons, the number of shares included in the calculation of the 10% corresponds to the number of shares purchased, less the number of shares resold during the authorisation period.

The purpose of the buyback programme is to enable the following transactions to be performed, in decreasing order of priority:

- ensuring the liquidity or promoting trading in the secondary market in Rémy Cointreau shares via an investment service provider, under the terms of a liquidity agreement that complies with the Ethics Charter recognised by the French Financial Markets Authority;
- cancellation of shares as part of a capital reduction, subject to the adoption of the twenty-second resolution submitted to this shareholders' meeting;
- delivery of the shares acquired upon the exercise of the rights attached to negotiable securities giving access to shares, in accordance with applicable regulations;
- grant of shares to employees and/or authorised corporate officers of the Company and/or companies related to it in accordance with the terms and conditions provided for by law, notably as part of profit-sharing plans, to cover stock options, as part of a company savings plan or to be used to grant bonus shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code;
- holding of shares with a view to their subsequent exchange or use as payment in relation to acquisitions, contributions, mergers and share splits, in accordance with applicable regulations;
- implementation of any market practices permitted by the French Financial Markets Authority and, more generally, carrying out all transactions in accordance with the applicable regulations.

The purchase of these shares, together with their sale or transfer, may be performed under legal and regulatory conditions at any time, including during a public takeover offer involving the

Company's shares, or during a public takeover offer initiated by the Company, subject to the lock-up periods specified in European Commission regulation 596/2014 of 16 April 2014 and Commission regulations delegated by any means, including through the use of any derivative financial instruments, except for the sale of put options, and inasmuch as such means do not contribute to a significant increase in the volatility of the share price. The maximum portion of the capital acquired or transferred in the form of block transactions may amount to 100% of the authorised share buyback programme. Payment may be made by any means.

We should remind you that since law No. 2014-384 of 29 March 2014 (known as the Loi Florange), companies can launch their

buyback programmes during offer periods, even without express authorisation from the shareholders' meeting.

We request that you set the maximum purchase price per share at €200, excluding transaction expenses. The maximum amount that the Company would therefore be liable to pay is €960,416,600, excluding trading fees.

The Board of Directors shall inform shareholders of the transactions performed in its annual management report, in accordance with the provisions of Article L. 225-211 of the French Commercial Code.

This authorisation cancels the authorisation granted by the meeting of 25 July 2017 in its seventeenth resolution, for the amounts unused to date.

EXTRAORDINARY SHAREHOLDERS' MEETING

AUTHORISATION TO REDUCE THE SHARE CAPITAL VIA THE CANCELLATION OF TREASURY SHARES HELD BY THE COMPANY

The twenty-second resolution allows the Board of Directors the option of cancelling, in accordance with Article L. 225-209 of the French Commercial Code, by way of a capital reduction, the shares purchased by the Company pursuant to the authorisation granted by the meeting in its twenty-second resolution, or purchased under prior authorisations to buy and sell its own shares.

Its aim is to enable the Board of Directors to reduce the share capital as a result of this cancellation. In accordance with the law, such transactions may not cover more than 10% of the share capital in each 24 month period.

This authorisation shall be valid for a maximum period of eighteen months from the date of this shareholders' meeting, and will render ineffective all prior authorisations.

We inform you that the Board of Directors' meeting on 17 January 2018 cancelled 103,638 treasury shares, representing 0.20% of the share capital, through a capital reduction, as announced on 29 December 2017 relating to the end of its share buyback programme.

Following this cancellation, the share capital now amounts to €80,358,080, divided into 50,223,800 shares.

DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE, WITH OR WITHOUT SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS, COMPANY SHARES AND/OR SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR SECURITIES GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES

The shareholders' meetings of Rémy Cointreau on 26 July 2016 and 25 July 2017, ruling as an Extraordinary shareholders' meeting, granted authorisations to the Board of Directors, with or without shareholders' preferential subscription rights, in order to open to your Company the use of financial markets, through the issue of shares or securities giving access to the share capital or granting entitlement to the allocation of debt securities, for a period of twenty-six months.

The Company has not used these delegations to date.

You are asked to renew them in order to allow the Group to have access without undue delay to the financial resources required for its development, by using the most suitable instruments for the market context.

In accordance with Articles L. 225-129 et seq. and L. 228-91 et seq. of the French Commercial Code, your shareholders' meeting is asked to once again grant delegations of authority to the Board of Directors, for a duration of twenty-six months from this meeting, to increase the share capital, and to issue, with or without shareholders' preferential subscription rights, Company shares

as well as marketable securities of any kind whatsoever, giving immediate and/or future access to the Company's share capital or giving entitlement to the allocation of debt securities, in accordance with Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the French Commercial Code.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are excluded from this authorisation.

These authorisations will be subject to the following ceilings:

- the total nominal amount of the immediate or future capital increases resulting from the issue of shares or securities carried out pursuant to these authorisations may not exceed €20,000,000, i.e. 24.88% of the share capital at the date of the meeting;
- the total nominal amount of debt securities issued pursuant to these authorisations (including as part of convertible, exchangeable or refundable bond issues), may not exceed €500,000,000.

It is specified that compared to the previous delegations of authority, the nominal ceiling to capital increases without preferential subscription rights has been adjusted by €20,000,000 to €15,000,000, i.e. 18.66% of the capital on the date of the meeting. The total amount of securities is unchanged.

A - ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS (TWENTY-THIRD RESOLUTION)

The twenty-third resolution concerns issues with preferential subscription rights of Company shares or securities giving access to the share capital or granting entitlement to the allocation of debt securities.

The maximum nominal amount of capital increases that may be decided by the Board of Directors, immediately or in the future, with preferential subscription rights, would be €20,000,000, representing around 24.88% of the existing share capital as of 31 March 2018.

From this amount will be deducted the nominal amount of all capital increases resulting, or likely to result in the future, from issues decided pursuant to the twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth, thirtieth, thirty-first and thirty-second resolutions of this shareholders' meeting. This limit does not take account of Company shares to be issued in respect of any adjustments made in accordance with applicable legal and regulatory provisions, and, if applicable, with contractual provisions that provide for other cases of adjustment, in order to preserve the rights of the holders of marketable securities or other rights giving access to the share capital.

The total nominal amount of marketable securities representing debt securities, whether giving access to the share capital or marketable securities giving entitlement to the allocation of debt securities, that may be issued, may not exceed €500,000,000. From this amount will be deducted the amount of debt securities that may be issued pursuant to the delegations granted to the Board of Directors by this meeting.

The Board of Directors may grant shareholders excess subscription rights, and, in all cases where subscriptions have not absorbed the entire issue, decide in the order it sees fit and in accordance with the law, limit the issue to the amount of subscriptions actually received, or to allot some or all of the unsubscribed shares or to offer some or all of said shares to the public.

You are asked to resolve that the issues of Company share subscription warrants may be carried out by subscription offer, but also by a free allotment to owners of former shares, it being recalled that in such a case the fractional allotment rights and the corresponding securities will be sold under the conditions set by Article L. 228-6-1 of the French Commercial Code.

In the event of an issue of securities giving future access to the share capital, whether by conversion, exchange, redemption, presentation of a warrant, or a combination of these means, or by any other means, your decision would entail the waiver by the shareholders of their preferential right to subscribe to any shares or securities giving access to the share capital to which these securities grant entitlement, in favour of holders of these securities.

The subscription price of the shares or marketable securities likely to be issued pursuant to this delegation shall be set by the Board of Directors, in accordance with applicable legal and regulatory provisions, and market practices.

Pursuant to ruling no. 2014-863 of 31 July 2014, the Board of Directors may, if it wishes, use treasury shares to substitute for shares to be issued under this delegation of authority.

This delegation replaces the similar authorisation, with preferential subscription rights for shareholders, resulting from the eighteenth resolution of the Combined Shareholders' Meeting of 26 July 2016.

B - ISSUES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS (TWENTY-FOURTH AND TWENTY-FIFTH RESOLUTIONS)

In the interests of the Company and its shareholders, and to seize opportunities offered by the financial markets under certain circumstances, your Board of Directors may need to carry out issues without preferential subscription rights being exercised by shareholders.

This cancellation of preferential subscription rights is justified by the requirement, in certain circumstances, to reduce the time periods in order to facilitate the investment of the securities issued, notably on the international market.

The twenty-fourth resolution asks you to authorise the Board of Directors to decide to increase the share capital and to issue, without preferential shareholder subscription rights, Company shares and all securities, of any type whatsoever, under Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the French Commercial Code, giving access to the Company's share capital or giving entitlement to the allocation of debt securities, excluding preference shares and securities giving immediate or future access to preference shares, by public offering.

The twenty-fifth resolution asks you to authorise the Board of Directors to decide the same type of issue, as part of a private placement offer under II of Article L. 411-2 of the French Monetary and Financial Code, to categories of persons listed in II of Article L. 411-2 of the French Monetary and Financial Code, i.e. to (i) persons providing a portfolio investment management service on behalf of third parties and/or (ii) qualified investors and/or a restricted circle of investors, subject to the condition that these investors act on their own behalf.

i) Issues by public offering (twenty-fourth resolution)

Your Board of Directors asks you to authorise it to decide to increase the share capital and issue, without preferential subscription rights for shareholders, Company shares and all securities, of any type whatsoever, under Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the French Commercial Code, giving access to the Company's share capital or granting entitlement to the allocation of debt securities up to the general ceiling that has been set therefore, i.e. €15,000,000, shared by the two resolutions, for the same duration of 26 months from this meeting, it being stated that (i) the nominal amount of any capital increase resulting, or likely to result in the future, from issues decided pursuant to the twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, thirtieth, thirty-first and thirty-second resolutions of this shareholders' meeting (ii) that this amount will be deducted from the overall nominal ceiling provided for in the

twenty-third resolution of this meeting, and (iii) that this limit does not take account of Company shares to be issued in respect of any adjustments liable to be made in accordance with applicable legal and regulatory provisions and, if applicable, with contractual provisions that provide for other cases of adjustment, in order to preserve the rights of the holders of marketable securities and other rights giving access to the share capital.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are excluded from this authorisation.

As part of this resolution, you are asked to cancel the preferential subscription right to shares and securities to be issued in respect of this resolution.

Moreover, this vote entails the waiver by shareholders of their preferential subscription right to any shares or securities giving access to the share capital or securities to which these securities grant entitlement, in favour of holders of securities giving access to the share capital.

The total nominal amount of marketable securities representative of debt securities that may be issued on the basis of the twenty-fourth resolution may not exceed €500,000,000 and will be deducted from the nominal ceiling of securities representative of debt securities that may be issued in accordance with the twenty-third resolution of this shareholders' meeting.

Within the framework of this delegation, the issue price shall be at least equal to the minimum amount provided for by the law and regulations in force at the time of use of this authorisation, after correction of this amount, if applicable, to take into account the different vesting dates.

For securities granting entitlement to shares, the issue price shall be set by referring to this same amount after correction, if applicable, to take into the account the different vesting dates.

Under current regulations, the issue price for new shares as part of a public offering without preferential subscription rights by a company whose shares are admitted for trading on a regulated market, may not be lower than the weighted average of the prices of the last three trading sessions preceding the price setting, reduced by a potential maximum discount of 5%.

On these basis, your meeting is asked to authorise your Board of Directors, with the option of sub-delegation under legal conditions, to decide, on one or several occasions, the issue of shares and/or securities giving access to the share capital or to the allocation of debt securities by public offering, and to fix the conditions and modalities of each issue. You are also asked to note that pursuant to the ruling no. 2014-863 of 31 July 2014, your Board of Directors may, if it wishes, use treasury shares to substitute for shares to be issued under this delegation of authority.

The Board of Directors asks you, however, to authorise it to organise in favour of shareholders, depending on the circumstances and if they allow it, a non-negotiable priority subscription right of a minimum duration of three trading days, under current regulations, that may be reduced if applicable, for which it will set the exercise conditions.

You are also asked to authorise the Board of Directors to decide the issue, with cancellation of preferential subscription rights, of shares

or securities giving access to the share capital, in consideration for the securities contributed to any public takeover offer launched by the Company on the securities of any company whose shares are admitted for trading on a regulated market under Article L. 225-148 of the French Commercial Code, including all marketable securities issued by Rémy Cointreau, and to decide the issue of shares and securities representing a portion of the share capital of Rémy Cointreau to be issued to which the securities issued by companies in which Rémy Cointreau holds, directly or indirectly, over half of the share capital (a "Controlled company") or by any company that holds, directly or indirectly, over half of the share capital in Rémy Cointreau (a "Controlling company") give rights.

The same limit to the nominal amount of the capital increase of €15,000,000 would apply to these issues.

- i) Issues without preferential subscription rights, by an offering under II of Article L. 411-2 of the French Monetary and Financial Code (twenty-fifth resolution)

The twenty-fifth resolution asks you to authorise the Board of Directors to decide to increase the share capital and issue, without preferential subscription rights for shareholders, shares in the Company as well as all securities, of any type whatsoever, under Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the French Commercial Code, giving access to the Company's share capital or giving entitlement to the allocation of debt securities, up to the nominal ceiling for capital increases set therein, i.e. €15,000,000, which is shared by the two resolutions, for the same duration of 26 months from the date of this meeting.

The total nominal amount of the securities representative of debt securities that may be issued on the basis of the twenty-fifth resolution may not exceed €500,000,000 and will be deducted from the nominal limit of securities representative of debt securities that may be issued in accordance with the twenty-fourth resolution of this shareholders' meeting.

These issues will take place as part of an offering by private placement under II of Article L. 411-2 of the French Monetary and Financial Code. These operations exclusively targeted the categories of persons listed in Article L. 411-2 II of the French Monetary and Financial Code, i.e. (i) persons providing a portfolio investment management service on behalf of third parties and/or (ii) qualified investors and/or a restricted circle of investors, subject to the condition that these investors act on their own behalf.

We clarify that a qualified investor is a person or entity with the necessary skills and resources to understand the risks inherent to operations on financial instruments. The list of these qualified investors is set by the regulations. A restricted circle of investors comprises persons, other than qualified investors, who number fewer than 150. The proposed delegation would not increase the total amount of capital increases likely to be carried out with cancellation of preferential subscription rights as the issues carried out in respect of this delegation are deducted from the ceiling in the twenty-fourth resolution.

The nominal amount of capital increases carried out as part of an offering under II of Article L. 411-2 of the French Monetary and Financial Code may not, in any case, exceed 20% of the share capital per year.

Within the framework of this delegation, the issue price shall be at least equal to the minimum amount provided for by the law and regulations in force at the time of use of this authorisation, after correction of this amount, if applicable, to take into account the different vesting dates.

For securities granting entitlement to shares, the issue price shall be set by referring to this same amount after correction, if applicable, to take into account the different vesting dates.

Under current regulations, the issue price for new shares as part of an offering under II of Article L. 411-2 of the French Monetary and Financial Code, without preferential subscription rights by a company whose shares are admitted for trading on a regulated market, may not be lower than the weighted average of the prices of the three trading sessions preceding the price setting, reduced by a potential maximum discount of 5%.

You are also asked to authorise the Board of Directors to decide the issue of shares and securities representing a portion of the share

capital of Rémy Cointreau to be issued to which the securities issued by companies in which Rémy Cointreau holds, directly or indirectly, over half of the share capital (the "Controlled Company") or by any company that holds, directly or indirectly, over half of the share capital in Rémy Cointreau (the "Controlling Company") give rights, up to the limit of the nominal amount of capital increase of €15,000,000, it being stated that this amount will be deducted from the ceiling set by the twenty-fourth resolution of this meeting.

In the event of the use by the Board of the twenty-third and/or the twenty-fourth and/or the twenty-fifth delegations indicated above, in accordance with current regulations, the additional reports on the definitive conditions of the operations will be made available then presented at the annual shareholders' meeting.

Lastly, you are asked to grant all powers to the Board of Directors to amend the Articles of Association as required by the use of these authorisations and to enable it to charge the expenses generated by the capital increases performed to the premiums relating to these transactions.

DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF SECURITIES TO BE ISSUED, AS PART OF THE TWENTY-FOURTH AND TWENTY-FIFTH RESOLUTIONS, WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS, UP TO A LIMIT OF 10% OF THE SHARE CAPITAL PER YEAR

Article L. 225-136 1° of the French Commercial Code provides that in the event of an issue with cancellation of preferential subscription rights by public offering or an offering under II of Article L. 411-2 of the French Monetary and Financial Code, the Extraordinary Shareholders' Meeting may authorise the Board of Directors, in the limit of 10% of the share capital per year, to set the issue price according to the conditions that it determines.

The twenty-sixth resolution selects two minimum price rules, from which the Board of Directors may choose, giving the option of a maximum discount of 10%.

In addition the authorisation thus granted to the Board of Directors to set the issue price in accordance with the terms and conditions set by this resolution for all issues by a public offering under the twenty-fourth resolution or by an offer under II of Article L. 411-2 of

the French Monetary and Financial Code as part of the twenty-fifth resolution is exercised within the overall limit of 10% of the share capital per year.

In such a case, your Board of Directors shall produce an additional report, certified by the Statutory Auditors, describing the terms and conditions of the operation and providing relevant information to assess its actual impact on the shareholder's position.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are excluded from this authorisation.

The delegation to the Board of Directors will be granted for a duration of 26 months from this meeting, and will render ineffective the unused portion of the delegation given by the Combined Shareholders' Meeting on 26 July 2016 in its twenty-first resolution.

AUTHORISATION TO THE BOARD OF DIRECTORS, FOR A DURATION OF TWENTY-SIX MONTHS, TO INCREASE THE NUMBER OF SECURITIES TO ISSUE IN THE EVENT OF AN ISSUE WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS OF SHAREHOLDERS

The twenty-seventh resolution authorises the Board of Directors, in the event of the issue with or without preferential subscription rights for shareholders, to increase the number of securities to be issued, at the same price as that set for the initial issue, if it notes excess demand.

This resolution may be used for each of the issues decided in accordance with the above delegations in order to increase the number of securities to be issued, subject to legal conditions and in compliance with the ceiling stipulated in the resolution in accordance with which the issue is decided.

Under current regulations, the implementation of this delegation must occur at the latest within thirty days of the closure of the initial issue subscription, in the limit of 15% of the initial issue and at the same price as that set for the initial issue.

The delegation to the Board of Directors will be granted for a duration of 26 months from this meeting, and will render ineffective the unused portion of the delegation given by the Combined Shareholders' Meeting on 26 July 2016 in its twenty-second resolution.

DELEGATION TO THE BOARD OF DIRECTORS FOR A DURATION OF TWENTY-SIX MONTHS TO ISSUE SHARES OR MARKETABLE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL WITHIN THE LIMIT OF 10% OF THE SHARE CAPITAL AS CONSIDERATION FOR CONTRIBUTIONS IN KIND GRANTED TO THE COMPANY, WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

In accordance with Article L. 225-147 of the French Commercial Code, you are asked in the twenty-eighth resolution to authorise your Board of Directors to decide the issue of shares or marketable securities giving access immediately or in the future to the Company's share capital (with the exception of preference shares), as consideration for contributions in kind granted to the Company and comprising capital securities and/or securities giving access to the share capital, outside of a public exchange offer indicated in the twenty-fourth resolution. This delegation makes it possible to avoid cash outflows for acquisitions of limited scope.

In order to adjust the nominal amount of capital increases likely to be carried out pursuant to this delegation, you are asked to renew the new overall ceiling of €15,000,000 granted to the Board of Directors by the Combined Shareholders' Meeting of 26 July 2017 in advance, for a duration of twenty-six months.

The nominal amount of capital increases likely to be carried out pursuant to this delegation may not exceed €15,000,000, corresponding to the amount authorised in the twenty-fourth resolution.

The nominal amount of issues will be limited to €500,000,000.

The decision to issue shares or securities giving access to the share capital would require the cancellation of the preferential subscription rights of shareholders to capital securities or marketable securities that may be issued in favour of holders of shares or marketable securities, which are the subject of contributions in kind.

Such issues entail the waiver by shareholders of their preferential subscription right to capital securities to which the securities likely to be issued would confer entitlement, immediately and/or in the future, in favour of the holders of these securities.

The Board of Directors would have the necessary powers to decide, based on the report by the Contributions Auditor, on the assessment of the contributions and specific advantages, if applicable, and their values.

The delegation to the Board of Directors will be granted for a duration of 26 months from this meeting, and will render ineffective the unused portion of the delegation given by the Combined Shareholders' Meeting on 25 July 2017 in its twenty-first resolution.

DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY THE INCORPORATION OF RESERVES, PROFITS OR PREMIUMS

In the twenty-ninth resolution, you are asked to renew in advance the delegation given to the Board of Directors to increase the share capital, on one or more occasions, at the times and on the terms of its choosing, by incorporation of reserves, profits or premiums, followed by the creation and bonus issue of shares or the increase in the par value of existing shares, or a combination of both.

The nominal amount of capital increases that may be carried out under this resolution may not exceed €20,000,000, it being specified that (i) this amount will be deducted from the ceiling provided for in the twenty-third resolution of this meeting (or, as the case may

be, from the ceiling provided for in any similar resolution that may supersede said resolution during the term of this delegation), and (ii) that this amount does not take account of any adjustments that may be made as required by applicable law and regulations, and, where appropriate, contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.

This delegation is valid for twenty-six months and renders ineffective the unused portion of the authorisation granted by the Combined Shareholders' Meeting of 25 July 2017 in its twentieth resolution.

LONG-TERM REMUNERATION ELEMENTS

In accordance with the Group's social policy to motivate and retain employees who are considered by the Board of Directors and the management Team to have a significant role within the Group, the Group wishes to provide long-term remuneration tools in order to retain key talent both in France and abroad, with a view to delivering medium and long-term performance, by encouraging performance and involving the individuals concerned in the Company's value creation, loyalty and optimisation of cost-effectiveness.

This is the purpose of the thirtieth and thirty-first resolutions.

- i) Authorisation to the Board of Directors, for a duration of thirty-eight months, to grant bonus shares, whether existing or to be issued, to all or certain employees and executive officers

It is recalled that law no. 2015-990 of 6 August 2015 ("Macron law") made the retention period optional, and stipulated that the cumulative duration of the vesting period and retention period may not be less than two years.

The Company wished to have the option of reconsidering the minimum vesting and retention periods set at one year under the twenty-third resolution of the shareholders' meeting of 26 July 2016, by giving the Board of Directors the option of not imposing a retention period for shares allocated to all or certain beneficiaries, notably for people resident or domiciled abroad, if the minimum vesting period is two years.

In this respect, you are asked to renew in advance under the thirtieth resolution, for a duration of thirty-eight months, the authorisation granted to the Board of Directors, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code, to grant, on one or more occasions, to employees of the Company, or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code, or certain categories thereof, as well as to corporate officers as defined by law, bonus shares, whether existing or to be issued.

The shares that will be allocated may be either existing shares acquired by the Company, or new shares created as part of a capital increase. In the latter case, the capital increase may be carried out by incorporation of reserves or premiums reserved for the beneficiaries of bonus shares. For the shares to be issued, the nominal amount of capital increase likely to be decided pursuant to the proposed resolution may not exceed a maximum of €1,600,000, it being specified that the number of shares allocated in respect of the adjustments to preserve the rights of the beneficiaries of share allocations in the event of an operation on the capital or equity of the Company will be deducted from this ceiling and that the ceiling will be deducted from the capital increase ceiling stipulated in the twenty-fourth resolution of this shareholders' meeting (or, where applicable, from the ceiling provided for in any similar resolution that may supersede said resolution during the term of this authorisation).

The allocation of shares to their beneficiaries will become final at the end of a minimum vesting period of one year and the minimum period of retention of shares by the beneficiaries is set at one year. However, if the vesting period is a minimum of two years, the shareholders' meeting authorises the Board of Directors not to impose any retention period for the shares in question.

The resolution on bonus share awards also stipulates that the Board of Directors may make the grant of some or all of the bonus shares conditional on the achievement of one or more performance conditions, that it will set.

In accordance with the law, for shares allocated to executive officers, the Board of Directors will either decide that these shares may not be sold by the beneficiaries before the end of their term of office, or will set the amount of shares that they are required to retain in registered form up to the end of their term of office.

The number of shares thus allocated may not exceed 2% of the number of shares comprising the share capital at the date of allocation by the Board of Directors. The total number of bonus shares awarded pursuant to this authorisation to executive officers of the Company may not exceed 0.2% of the shares comprising the share capital at the date of allocation by the Board of Directors. This authorisation may be used by the Board of Directors for a period of thirty-eight months from the date of this shareholders' meeting.

Each year, the shareholders' meeting will be informed of the allocations decided, in a special report prepared by the Board.

This request for authorisation renews that granted by the Extraordinary Shareholders' Meeting of 26 July 2016 in its twenty-third resolution.

- ii) Authorisation to the Board of Directors to grant subscription and/or purchase options for ordinary shares in the Company for the benefit of employees and executive officers

You are asked under the thirty-first resolution to authorise the Board of Directors, pursuant to Articles L. 225-177 et seq. of the French Commercial Code, to grant, on one or more occasions, for the benefit of all or certain employees of the Company and companies under Article L. 225-180 of the French Commercial Code, as well as to corporate officers of the Company and companies under Article L. 225-180 of the French Commercial Code, subject to the limits stipulated in Article L. 225-182 of the French Commercial Code, options giving the right to subscribe to new Company shares, to be issued for the purpose of a capital increase, or to options giving right to the purchase of shares in the Company resulting from a share buyback under the conditions stipulated in Articles L. 225-208 and L. 225-209 et seq. of the French Commercial Code; the total amount of options granted pursuant to this authorisation may not give right to a number of shares exceeding 2% of the Company's share capital at the date of this shareholders' meeting, it being stated that the amount of capital increase resulting from the issue of shares in respect of subscription options shall be deducted from the ceiling of the twenty-third resolution of this shareholders' meeting.

This authorisation, granted for a duration of thirty-eight months from this date, entails the waiver by shareholders of their preferential subscription right to the shares that will be issued as and when the subscription options are exercised, in favour of the beneficiaries of the subscription options.

The subscription price or the price of the shares will be set by the Board of Directors on the date that the option is granted subject to the limits authorised by the law. The subscription or purchase options may not be granted during blackout periods stipulated by law.

In any event, in the case of subscription options, the subscription price may not be lower on the date on which the option is granted than the average of the listed prices during the twenty trading sessions prior to that date. If purchase options are granted, the share purchase price may not be either lower than the average of the listed prices during the twenty trading sessions prior to the date on which the purchase options are granted, or lower than the average purchase price of shares owned by the Company in respect of Articles L. 225-208 and/or L. 225-209 of the French Commercial Code.

The subscription or purchase price may not be modified during the option duration, unless in one of the cases stipulated by the law, at the time of financial or securities transactions. However, in the case of the repayment or reduction of capital, a change in the allocation of earnings, the grant of bonus shares, capitalisation of reserves, profits or issue premiums, the distribution of reserves or any issue of capital securities or securities giving the right to the allocation of capital securities including a subscription right reserved for shareholders, the Board of Directors will take all measures necessary to protect the interests of beneficiaries of options in accordance with the provisions of Article L 228-99 of the French Commercial Code.

The thirty-first resolution on options also stipulates that the Board of Directors may subject the allocation of all or part of the options to the achievement of one or several performance conditions that it will determine, it being specified that in accordance with the AFEP/MEDEF Corporate Governance Code, the exercise by

executive officers of the Company of all options will be subject to the achievement of performance conditions, to be determined by the Board of Directors.

Moreover, pursuant to Article L. 225-185 of the French Commercial Code, the Board of Directors will either decide that the options may not be exercised by the executive officers before the end of their terms of office, or will set the quantity of shares issued as a

result of the exercise of options that they will be required to retain in registered form until the end of their terms of office. If applicable, you will be informed of the modalities set by the Board of Directors in the report that it will present to the Annual Shareholders' Meeting.

The time period for the exercise of options will be a maximum of ten years from the date on which they are granted.

AUTHORISATION TO INCREASE THE SHARE CAPITAL VIA THE ISSUE OF SHARES RESERVED FOR MEMBERS OF AN EMPLOYEE SAVINGS SCHEME

Pursuant to Article L. 225-129-6 of the French Commercial Code, the Extraordinary Shareholders' Meeting must, whenever any decision is taken to proceed with a capital increase in cash, vote on a draft resolution regarding the issue of shares reserved for employees belonging to an employee savings scheme (PEE).

This obligation, which is of a very non-specific nature, applies to all joint-stock companies, regardless of whether they have an employee savings scheme, and to any decision regarding a cash capital increase, including deferred capital increases. Furthermore, when an Extraordinary Shareholders' Meeting authorises the Board of Directors to proceed with a capital increase, it must also vote on a draft resolution providing for a capital increase reserved for employees (Article L. 225-129-6 of the French Commercial Code). This stipulation thereby avoids the need to call an Extraordinary Shareholders' Meeting to vote on such a resolution each time that the Board of Directors decides to increase the share capital.

Such a requirement is only required when a cash capital increase is proposed.

Furthermore, law No. 2011-525 of 17 May 2011 amended Article L. 225-129-6 of the French Commercial Code, requiring the shareholders' meeting to vote on such a resolution "if the Company has employees".

The Company has no employees, and as such no employee savings scheme; nor is there a group employee savings scheme. In this respect, the Company does not fall within the scope of this obligation. However, in view of the severity of penalties attached to non-compliance with this obligation, and despite the absence of employees within Rémy Cointreau SA, the parent company of the Group, we submit this thirty-second resolution to you in case the need arises.

Furthermore, Article L. 225-129-6, paragraph 2 of the French Commercial Code also stipulates that a shareholders' meeting must vote on such a resolution every three years (extended to five years where the meeting has voted on a draft resolution under paragraph 1 of Article L. 225-129-6 of the French Commercial Code since the promulgation of law No. 2012-387 of 22 March 2012) where the management report makes it clear that the shares held by employees of the Company and related companies, within the meaning of Article L. 225-180, amount to less than 3% of the Company's capital.

To ensure that the authorisations and delegations granted to the Board of Directors to issue shares and various marketable securities giving access to the capital remain fully valid, and to fulfil the requirements of the second subparagraph of Article L. 225-129-6 of the French Commercial Code, we propose this resolution resulting from a non-specific legal obligation.

RATIFICATION OF THE AMENDMENT TO ARTICLE 22 OF THE ARTICLES OF ASSOCIATION TO COMPLY WITH THE PROVISIONS OF ARTICLE L. 823-1 PARAGRAPH 2 OF THE FRENCH COMMERCIAL CODE AMENDED BY LAW 201661691 OF 9 DECEMBER 2016

Under the terms of Article L. 823-1 paragraph 2 amended by law 2016-1691 of 9 December 2016, the appointment of one or several Alternate Statutory Auditors is only required if the appointed Statutory Auditor is a natural person or a single-person company. As the Company's Statutory Auditors do not fall under this

category, you are asked in the thirty-third resolution to amend the Articles of Association to comply with these legal provisions by ratifying the Board of Directors' decision of 5 June 2018 to delete in the third paragraph of Article 22 of the Articles of Association the appointment of one or several Alternate Statutory Auditors.

POWERS TO ACCOMPLISH FORMALITIES

The thirty-fourth resolution is a standard resolution granting powers necessary to proceed with publication and other legal formalities.

We ask you to vote in favour of the resolutions put to you.

The Board of Directors

— 8.2 2018 SHAREHOLDERS' MEETING RESOLUTIONS

8.2.1 WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

FIRST RESOLUTION

(Approval of the Company financial statements for the 2017/2018 financial year)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report for the financial year ended 31 March 2018 and the Statutory Auditors' report on the Company financial statements, approves the Company financial statements for the financial year ended 31 March 2018, which comprise the statement of financial position, the income statement and the notes, as presented, showing a profit of €14,848,216.43, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

In accordance with the provisions of Article 223 quater of the French General Tax Code, the shareholders' meeting notes that no expenditure or expenses referred to in Article 39-4 of said Code were incurred during the financial year ended 31 March 2018.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the 2017/2018 financial year)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the financial year ended 31 March 2018, which comprise the statement of financial position, the income statement and the notes, as presented, showing a net profit attributable to the owners of the parent of €148,239,000, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

FINANCIAL YEARS	2014/2015	2015/2016	2016/2017
Net dividend per share	€1.53	€1.60	€1.65
Eligible dividend paid	€1.53	€1.60	€1.65

FOURTH RESOLUTION

(Option for the payment of the dividend in shares)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and in accordance with the requirements of Articles L. 232-18 to L. 232-20 of the French Commercial Code and Article 27 of the Articles of Association, resolves to grant each shareholder the option of receiving payment of the dividend in cash or in shares for the entire dividend due.

Shareholders may opt for either payment method, although this option will apply in the same way to all shares held.

The issue price of the new shares, the subject of this option, will be equal to 90% of the average closing price in the 20 trading sessions

THIRD RESOLUTION

(Appropriation of income and setting of the dividend)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, on the proposal of the Board of Directors, hereby approves the appropriation of the distributable income for the financial year ended 31 March 2018 as follows:

▪ company profits at 31 March 2018:	€14,848,216.43
▪ retained earnings:	€156,628,557.49
▪ appropriation to the legal reserve:	€(85,058.56)
Total distributable amount:	€171,391,715.36
▪ dividends:	€82,869,270
▪ retained earnings:	€88,522,445.36

A dividend of €1.65 per share shall be paid for each Company share with dividend rights. The total dividend of €82,869,270 was determined on the basis of the 50,223,800 shares making up the share capital at 31 March 2018. The ex-dividend date is set at 31 July 2018 and the dividend will be paid as of 17 September 2018.

In the event that the Company holds any of its own shares when the dividend becomes payable, the amount corresponding to the dividend not distributed as a result of that holding shall be allocated to "Retained earnings".

For individual shareholders who are tax residents of France, any dividend received as from 1 January 2018 shall be subject to a flat rate of income tax, or taxed according to the progressive scale if opted for by the shareholder. In this latter case, the dividend is eligible for the deduction indicated in Article 158-3-2° of the French General Tax Code.

In accordance with the law, we hereby advise you that the amount of net dividends paid in respect of the past three financial years, and the amount of the dividend payment eligible for the aforementioned tax allowance for individual shareholders who are tax residents of France, were as follows:

preceding the date of this shareholders' meeting, less the net dividend amount, in accordance with Article L. 232-19 of the French Commercial Code. The Board of Directors will have the option of rounding up the issue price thus determined to the nearest whole cent.

Shareholders who opt for payment of the dividend in shares must request this from their financial intermediary between 31 July 2018 and 7 September 2018 17:00 at the latest. Consequently, any shareholder who has not exercised this option at the end of this period will receive the entire dividend in cash.

If the option to receive payment in shares is not taken up, the dividend will be paid in cash as of 17 September 2018.

If the amount of dividends on which the option is exercised does not correspond to a whole number of shares, shareholders may subscribe either for the next lowest number of shares and receive a cash payment for the balance, or the next highest number of shares and pay the extra in cash.

The new shares shall be subject to all provisions of law and the Articles of Association and shall be eligible for dividends from 1 April 2018, the start of the current financial year.

The shareholders' meeting vests every power in the Board of Directors to make, in accordance with Article L. 232-20 of the French Commercial Code, the necessary arrangements for payment of the dividend in shares, and specifically to set the issue price of the shares issued under the aforementioned conditions, to record the number of shares issued and the resulting capital increase, to amend the Articles of Association of the Company accordingly, to take every measure to ensure the successful outcome of the transaction and, in general, to do whatever may be useful or necessary.

FIFTH RESOLUTION

(Agreements covered by Articles L. 225-38 et seq. of the French Commercial Code authorised in previous financial years and which continued to be performed during the 2017/2018 financial year)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments covered by Articles L. 225-38 et seq. of the French Commercial Code, deliberating on the special report of the Statutory Auditors, takes note of the information relating to the agreements and commitments entered into and authorised in previous financial years and which continued to be performed in the past financial year and are mentioned therein and were reviewed by the Board of Directors at its meeting on 27 March 2018 in accordance with Article L. 225-40-1 of the French Commercial Code.

SIXTH RESOLUTION

(Approval of a regulated agreement relating to a defined-benefit pension plan for Mr Marc Hériard-Dubreuil, Chairman of the Board of Directors, in accordance with Articles L. 225-38 and L. 225-42-1 of the French Commercial Code)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments covered by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code, approves the agreement relating to a defined-benefit pension plan for Mr Marc Hériard-Dubreuil, Chairman of the Board of Directors, with no performance conditions, authorised by the Board of Directors on 27 March 2018.

SEVENTH RESOLUTION

(Approval of the renewal of the regulated agreements relating to "severance payment", "non-compete compensation", a "defined-benefit pension plan, death benefit, work incapacity benefit, invalidity and a healthcare plan for Ms Valérie Chapoulaud-Floquet, the Company's Chief Executive Officer, in accordance with Articles L. 225-42-1 and L. 225-38 et seq. of the French Commercial Code)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having

reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments in accordance with the provisions of Articles L. 225-42 and L. 225-38 et seq. of the French Commercial Code:

- takes note of the absence of any modification in the regulated commitments covered by Article L. 225-42-1 of the French Commercial Code, entered into by the Company in favour of Ms Valérie Chapoulaud-Floquet, CEO, and re-approved by the Board of Directors at its meeting of 17 January 2018;
- approves, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the renewal of the above-mentioned agreements entered into by the Company in favour of Ms Valérie Chapoulaud-Floquet, Chief Executive Officer, relating to the severance pay and supplementary pension benefits due or that may be payable to her.

EIGHTH RESOLUTION

(Approval of a regulated agreement relating to a defined-benefit pension plan for Ms Valérie Chapoulaud-Floquet, the Company's Chief Executive Officer, in accordance with Articles L. 225-42-1 and L. 225-38 et seq. of the French Commercial Code, and its allocation conditions)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments in accordance with the provisions of Articles L. 225-42 and L. 225-38 et seq. of the French Commercial Code, approves, in accordance with the provisions of Article L. 225-42-1 of said Code, the commitment made by the Company in favour of Ms Valérie Chapoulaud-Floquet, Chief Executive Officer, relating to the benefits due or likely to be payable to her under the supplementary pension plan.

NINTH RESOLUTION

(Approval of a regulated agreement - Renewal of the current account agreement of 31 March 2015 between Rémy Cointreau SA and Orpar SA in accordance with Article L. 225-38 of the French Commercial Code)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments covered by Articles L. 225-38 of the French Commercial Code, approves the renewal, under the conditions laid down in Article L. 225-40 of said Code, of the current account agreement of 31 March 2015 between Rémy Cointreau SA and Orpar SA, authorised by the Board of Directors on 27 March 2018, and effective from 7 April 2018 for a period of three years.

TENTH RESOLUTION

(Reappointment of Mr François Hériard Dubreuil as Board member)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Mr François Hériard Dubreuil as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2021.

ELEVENTH RESOLUTION**(Reappointment of Mr Bruno Pavlovsky as Board member)**

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Mr Bruno Pavlovsky as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2021.

TWELFTH RESOLUTION**(Reappointment of Mr Jacques-Etienne de T'Serclaes as Board member)**

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Mr Jacques-Etienne de T'Serclaes as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2021.

THIRTEENTH RESOLUTION**(Appointment of Ms Guylaine Saucier as Board member, to replace a member who resigned)**

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report:

- takes note of the resignation of Ms Guylaine Dyèvre with effect from the end of this shareholders' meeting; and
- appoints Ms Guylaine Saucier as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending 31 March 2021.

FOURTEENTH RESOLUTION**(Appointment of a Statutory Auditor)**

The shareholders' meeting, having listened to the Board of Directors' report,

resolves to appoint the firm Price Waterhouse Coopers, represented by Mr Olivier Auberty, as principal Statutory Auditor for a six-year term expiring at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

FIFTEENTH RESOLUTION**(Determination of Directors' fees)**

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, resolves to set the total annual amount of Directors' fees awarded to members of the Board of Directors at €550,000 for 2018/2019 and subsequent financial years until otherwise decided.

SIXTEENTH RESOLUTION**(Approval of the principles and criteria used to determine, distribute and allocate the components of the total remuneration and benefits of any kind that may be awarded to the Chairman of the Board of Directors in accordance with Article L. 225-37-2 of the French Commercial Code)**

The shareholders' meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, after having reviewed the report on the remuneration policy applicable to executive officers defined in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed components of the total remuneration and benefits of any kind that may be awarded to the Chairman of the Board of Directors in respect of his office, set by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, described in the corporate governance report as required under Article L. 225-37 of the French Commercial Code, and included in section 3.5.7 of the 2017/2018 registration document.

SEVENTEENTH RESOLUTION**(Approval of the principles and criteria used to determine, distribute and allocate the components of the total remuneration and benefits of any kind that may be awarded to the Chief Executive Officer, in accordance with Article L. 225-37-2 of the French Commercial Code)**

The shareholders' meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, after having reviewed the report on the remuneration policy applicable to executive officers defined in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of the total remuneration and benefits of any kind that may be awarded to the Chief Executive Officer in respect of her office, set by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, described in the corporate governance report as required under Article L. 225-37 of the French Commercial Code, and included in section 3.5.7 of the 2017/2018 registration document.

EIGHTEENTH RESOLUTION**(Approval of the components of the total remuneration and benefits of any kind paid or awarded, in respect of the financial year ended 31 March 2018, to Mr François Hériard Dubreuil, Chairman of the Board of Directors, for the period running from 1 April 2017 to 30 September 2017, pursuant to Article L. 225-100 of the French Commercial Code)**

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, after having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, approves the fixed components of the total remuneration and benefits of any kind paid or awarded, in respect of the financial year ended 31 March 2018, to Mr François Hériard Dubreuil, Chairman of the Board of Directors, for the period running from 1 April 2017 to 30 September 2017, as presented in the corporate governance report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5.4 of the 2017/2018 registration document.

NINETEENTH RESOLUTION

(Approval of the components of the total remuneration and benefits of any kind paid or awarded, in respect of the financial year ended 31 March 2018, to Mr Marc Hériard Dubreuil, Chairman of the Board of Directors, for the period running from 1 October 2017 to 31 March 2018, pursuant to Article L. 225-100 of the French Commercial Code)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, after having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, approves the fixed components of the total remuneration and benefits of any kind paid or awarded, in respect of the financial year ended 31 March 2018, to Mr Marc Hériard Dubreuil, Chairman of the Board of Directors, for the period running from 1 October 2017 to 31 March 2018, as presented in the corporate governance report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5.4 of the 2017/2018 registration document.

TWENTIETH RESOLUTION

(Approval of the components of the total remuneration and benefits of any kind paid or awarded to Ms Valérie Chapoulaud-Floquet, Chief Executive Officer, in respect of the financial year ended 31 March 2018, pursuant to Article L. 225-100 of the French Commercial Code)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, after having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid or awarded to Ms Valérie Chapoulaud-Floquet in respect of her duties as Chief Executive Officer for the financial year ended 31 March 2018, as presented in the corporate governance report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5.4 of the 2017/2018 registration document.

TWENTY-FIRST RESOLUTION

(Authorisation for the Board of Directors to buy and sell company shares in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code)

The shareholders' meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the elements referred to in the registration document, comprising all the information that must be included in the programme's description, authorises the Board of Directors, with the authority to sub-delegate in accordance with legal and regulatory requirements, pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code, Articles 241-1 et seq. of the General Regulation of the French Financial Markets Authority (AMF) and EU regulation No. 596/2014 of 16 April 2014, to purchase the Company's shares on one or more occasions, subject to the limits set out below.

The purchase, sale, transfer or exchange of these shares may be performed in accordance with the legal and regulatory provisions at any time, subject to the lock-up periods specified by EU regulation No. 596/2014 of 16 April 2014, and its delegated regulations, and by any means, including on the market or off-market, on regulated

or unregulated markets, via multilateral trading facilities, with systematic internalisers, or over the counter, including by public offering, block transactions, sale with repurchase options and the use of derivative financial instruments traded on a regulated market or not, multilateral trading facilities, with systematic internalisers, or over the counter, under the conditions authorised by the competent market authorities, and at the times that the Board of Directors, or the person acting on the authority of the Board of Directors, shall choose. These transactions may include option transactions, except for the sale of put options, and inasmuch as such transactions do not contribute to a significant increase in the volatility of the share price. The maximum portion of the capital acquired or transferred in the form of block transactions may amount to 100% of the authorised share buyback programme. Payment may be made by any means.

The maximum purchase price per share is set at €200 (excluding acquisition expenses) subject to the adjustments relating to potential transactions in the Company's share capital and/or on the par value of the shares.

In the event of a capital increase via the capitalisation of reserves, the allocation of bonus shares, a split or reverse split of the par value and/or the shares, the price indicated above shall be adjusted by a multiplying factor equal to the ratio between the number of shares comprising the share capital before the transaction and the number following the transaction.

Purchases may involve a number of shares such that the number of shares held by the Company following these purchases does not exceed 10% of the share capital on the date such purchases are made. For indicative purposes, this corresponds to a maximum number of 4,802,083 shares based on the current share capital, including the treasury shares held by the Company as of 31 March 2018.

It is specified that where the shares are repurchased in order to ensure liquidity in Rémy Cointreau's shares under the conditions defined below, the number of shares taken into account in order to calculate this 10% limit shall correspond to the number of shares purchased, less the number of shares resold during the period of this authorisation.

The maximum overall amount that the Company is liable to pay based on this number of shares will be €960,416,600, excluding trading fees, with the understanding that the Company may not own, either directly or via a person acting in their own name but on the Company's behalf, more than 10% of its own shares, nor more than 10% of a particular category.

The purpose of this programme is to enable the following transactions to be performed, in decreasing order of priority:

- ensuring the liquidity or promoting trading in the secondary market in Rémy Cointreau shares via an investment service provider, under the terms of a liquidity agreement that complies with the Ethics Charter recognised by the French Financial Markets Authority;
- cancellation of shares as part of a capital reduction, subject to the adoption of the twenty-second resolution submitted to this shareholders' meeting;
- delivery of the shares acquired upon the exercise of the rights attached to negotiable securities giving access to shares, in accordance with applicable regulations;

- grant of shares to employees and/or authorised corporate officers of the Company and/or companies related to it in accordance with the terms and conditions provided for by law, notably as part of profit-sharing plans, to cover stock options, as part of a company savings plan or to be used to grant bonus shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code;
- holding of shares with a view to their subsequent exchange or use as payment in relation to acquisitions, contributions, mergers and share splits, in accordance with applicable regulations;
- implementation of any market practices permitted by the French Financial Markets Authority and, more generally, carrying out all transactions in accordance with the applicable regulations.

The shareholders' meeting grants all powers to the Board of Directors, with the authority to sub-delegate in accordance with legal and regulatory requirements, to place any order on a stock market or off-market, allocate or re-allocate the acquired shares to the intended purposes, sign all sale or transfer agreements, enter into all agreements and option contracts, make all declarations and

complete all formalities with all bodies, and generally do whatever is necessary for the execution of the decisions it takes under this authorisation.

The shareholders' meeting grants all powers to the Board of Directors to adjust the unit price and the maximum number of the shares to be purchased, in accordance with the change in the number of shares or in the par value resulting from potential financial transactions performed by the Company.

The Board of Directors shall inform the shareholders' meeting each year of the transactions performed under this resolution, in accordance with the provisions of Article L. 225-211 of the French Commercial Code.

This authorisation shall expire at the end of the shareholders' meeting called to approve the financial statements for the financial year ending 31 March 2019 and, at the latest, within a maximum of eighteen months from this day. It renders ineffective the unused portion of the authorisation given by the Combined Shareholders' Meeting, ruling in its ordinary session, of 25 July 2017 in its seventeenth resolution.

8.2.2 WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

TWENTY-SECOND RESOLUTION

(Authorisation enabling the Board of Directors to reduce the share capital via the cancellation of treasury shares held by the Company)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors,

authorises the Board of Directors, with the authority to sub-delegate in accordance with legal and regulatory requirements, in accordance with Article L. 225-209 of the French Commercial Code, to reduce the share capital by cancelling, on one or more occasions, in the amount and at the time of its choice, some or all shares in the Company acquired or held pursuant to the authorisation for the Company to purchase its own shares, the subject of the twenty-first resolution of this meeting, or acquired pursuant to previous authorisations for the Company to buy or sell its own shares.

The shareholders' meeting grants all powers to the Board of Directors to perform this or these capital reduction(s), to determine their amount, of up to 10% of the share capital for each 24-month period, on the understanding that this limit applies to an amount of the Company's share capital that will be adjusted, where applicable, in order to take into account the transactions subsequent to this meeting that affect the share capital, to determine their terms and conditions, to charge the difference between the par value of the cancelled shares and the purchase price surplus to any reserve and paid-in capital items available, to make the corresponding amendments to the Articles of Association, to issue all publications and complete all formalities required, to delegate all powers for the implementation of its decisions, all according to the legal provisions in force when this authorisation is used.

This authorisation will expire at the end of the shareholders' meeting called to approve the financial statements for the financial year ending 31 March 2019, and at the latest within 18 months from today.

This authorisation terminates, for the unused portion, and replaces the nineteenth resolution adopted by the Combined Shareholders' Meeting of 25 July 2017.

TWENTY-THIRD RESOLUTION

(Delegation of authority to the Board of Directors to issue, with shareholders' preferential subscription rights, Company shares and/or securities giving access to the Company's share capital and/or securities granting entitlement to the allocation of debt securities)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors,

and deliberating in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular Article L. 225-129-2, and Articles L. 228-91 et seq. of said Code:

- gives the Board of Directors full authority, with the authority to sub-delegate in accordance with legal and regulatory requirements, to decide on and carry out, on one or more occasions, in the amount and at the time of its choice, in France and/or abroad and/or on the international market, in euros, in foreign currencies or in any monetary unit pegged to a basket of currencies, any issue of Company shares or negotiable securities with shareholders' preferential subscription rights, pursuant to Article L. 228-92 paragraph 1 of the French Commercial Code, giving access to Company shares or conferring entitlement to debt securities, including share subscription and/or acquisition warrants issued in an autonomous way;
- resolves that issues of preference shares and of marketable securities giving immediate or future access to preference shares shall be excluded from this authorisation;

- resolves that subscriptions may be paid either in cash, or be offset against certain liquid, payable Company debts, or be free of charge;
 - resolves that the total nominal amount of the capital increases that may be carried out immediately or in the future under this authorisation is set at €20,000,000, with the understanding that (i) from this ceiling shall be deducted the nominal amount of all capital increases resulting, or likely to result in the future, from issues decided pursuant to the twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth, thirtieth, thirty-first and thirty-second resolutions of this shareholders' meeting, and (ii) this limit does not take account of Company shares to be issued in respect of any adjustments made in accordance with applicable legal and regulatory provisions, and, where applicable, with contractual provisions that provide for other cases of adjustment, in order to preserve the rights of the holders of marketable securities or other rights giving access to the share capital;
 - resolves that the total nominal amount of marketable securities representative of debt securities that may be issued under this authorisation shall not exceed €500,000,000 or its equivalent on the date the issue is decided upon; this limit does not take account of any adjustments that may be required under applicable legal provisions, with the understanding that the amount of the marketable securities representative of debt securities to be issued pursuant to the authorisations granted to the Board of Directors by this shareholders' meeting shall be deducted from this amount. The Board of Directors shall have the authority to set the debt securities' issue price, their fixed or variable interest rate and payment date, as well as their redemption price and terms, with or without a premium, and decide whether they are subordinated or not, fixed-term or not, in euros, in other currencies, or in any monetary unit pegged to a basket of currencies, as well as their amortization conditions according to market conditions;
 - resolves that shareholders shall be able to exercise, in accordance with legal requirements, their irreducible preferential subscription right to the shares and marketable securities issued under this authorisation, in proportion to the number of shares they hold. The Board of Directors may grant shareholders a reducible subscription right to the shares and marketable securities issued under this authorisation, to be exercised in proportion to their rights and within the limit of their requests;
 - takes note that this decision entails, in favour of the holders of securities issued under this authorisation, the waiver by shareholders of their preferential subscription right to the shares or marketable securities giving access to Company shares to which these marketable securities confer entitlement;
 - resolves that the Board of Directors may decide that the balance of the capital increase not subscribed for on an irreducible basis, and, if applicable, on a reducible basis, shall be allocated freely as it deems fit, in full or in part, or offered to the public in full or in part, or that the amount of the capital increase shall be limited to the amount of the subscriptions received if the legal requirements are met, with the understanding that the Board of Directors may use all or some of the options set out above, in the order it chooses;
 - resolves that issues of subscription warrants for Company shares may be carried out (i) by means of a subscription offer, or (ii) through their free allocation to holders of existing shares, with the understanding that fractional allocation rights and the corresponding securities shall be sold in accordance with the terms laid down in Article L. 228-6-1 of the French Commercial Code;
 - takes note that, insofar as required, the Board of Directors may decide to use treasury shares as a replacement for the shares to be issued under this resolution;
 - resolves that the Board of Directors shall have all powers, with the authority to sub-delegate under the conditions laid down by law, to implement this authorisation – as well as defer it where relevant – and notably to set, in accordance with market opportunities, the subscription prices (with or without an issue premium), and the conditions and characteristics of the issues, set the amounts to be issued, determine the issue terms and the category of marketable securities to be created, determine the method of payment for the shares or other marketable securities giving access to the share capital, set the date, even retroactive, from which the new shares will rank for dividend, and lay down the conditions for their buyback, determine and carry out any adjustments required under applicable legal and regulatory provisions and any contract stipulations, take all measures aimed at preserving the rights of holders of marketable securities giving access to the share capital, possibly suspend the exercise of the rights attached to such marketable securities for a period determined in accordance with applicable legal and regulatory provisions, make any deductions from premium(s) and, generally, take all useful measures, perform any formalities required and enter into any agreements to ensure the completion of the issues envisaged, request the listing of the securities where applicable, record such listings, and amend the Articles of Association accordingly, ensuring that everything is done in compliance with applicable laws and regulations.
- This authorisation is granted to the Board of Directors for a period of 26 months as from the date of this shareholders' meeting. It supersedes and cancels, with immediate effect, the unused portion of the previous such authorisation granted by the Company's Combined Shareholders' Meeting of 26 July 2016 in its eighteenth resolution.

TWENTY-FOURTH RESOLUTION

(Delegation of authority to the Board of Directors to issue Company shares and/or securities giving access to the Company's share capital and/or securities granting entitlement to debt securities, by means of a public offering, with the cancellation of shareholders' preferential subscription rights)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors, and deliberating in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 et seq. of said Code,

- gives the Board of Directors full authority, with the authority to sub-delegate in accordance with legal and regulatory requirements, to decide on and carry out, on one or more occasions, in the amount and at the time of its choice, in France and/or abroad and/or on the international market, in euros, in foreign currencies or in any monetary unit pegged to a basket of

currencies, the issue by public offering of Company shares or any marketable securities pursuant to Article L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the French Commercial Code, giving access to Company share capital or conferring entitlement to the allocation of debt securities;

- resolves that issues of preference shares and of marketable securities giving immediate or future access to preference shares shall be excluded from this authorisation;
- resolves that subscriptions may be paid in cash, or be offset against certain liquid, payable Company debts;
- resolves that the maximum nominal amount of the capital increases that may be carried out immediately or in the future under this authorisation may not exceed €15,000,000, with the understanding that (i) from this ceiling shall be deducted the nominal amount of all capital increases resulting, or likely to result in the future, from issues decided pursuant to the twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, thirtieth, thirty-first and thirty-second resolutions of this shareholders' meeting, and (ii) this amount shall be deducted from the overall nominal amount laid down in the twenty-third resolution of this shareholders' meeting; and (iii) this limit does not take account of Company shares to be issued in respect of any adjustments likely to be made in accordance with applicable legal and regulatory provisions, and, where applicable, with contractual provisions that provide for other cases of adjustment, in order to preserve the rights of the holders of marketable securities or other rights giving access to the share capital;
- resolves that the maximum nominal amount of marketable securities representative of debt securities that may be issued under this authorisation shall not exceed €500,000,000 or its equivalent on the date the issue is decided upon, in the event of issue in another currency or in a monetary unit pegged to a basket of currencies, and shall be deducted from the limit set for marketable securities representative of debt securities under the twenty-third resolution of this shareholders' meeting, without taking account of any adjustments required under applicable legal provisions;
- resolves that:
 - the issue price of the new shares shall at least be equal to the minimum price set by the legal and regulatory provisions applicable on the date of the issue (i.e. currently the weighted average closing price over the last three trading sessions preceding the setting of the share subscription price, potentially reduced by a maximum discount of 5%), after any adjustment, where applicable, of this amount to take account of any difference in the dividend entitlement date,
 - the issue price of marketable securities giving access to the Company's share capital shall be such that, for each share issued as a result of the issue of said marketable securities, the amount immediately received by the Company, plus any amount it may receive at a later date, shall be at least equal to the issue price defined in the previous paragraph;
- consequently resolves to cancel shareholders' preferential subscription right to the shares and marketable securities to be issued in respect of the above authorisation, up to the amount defined above, with the understanding that the Board of

Directors may, where applicable, decide to grant shareholders a priority subscription right for all or part of the issue for a period and under the conditions it shall set in accordance with the applicable legal and regulatory provisions. Such a priority right will not give rise to the creation of negotiable rights but may, if the Board of Directors deems it appropriate, be exercised on both irreducible and reducible bases;

- takes note, insofar as required, that the aforementioned authorisation automatically entails, in favour of the holders of securities issued under this authorisation, the waiver by shareholders of their preferential subscription right to the shares or marketable securities giving access to the Company's share capital to which these marketable securities confer entitlement;
- takes note that, insofar as required, the Board of Directors may decide to use treasury shares as a replacement for the shares to be issued under this resolution;
- resolves that the Board of Directors may, if the issue of shares or marketable securities is under-subscribed, decide to limit the issue to the amount of subscriptions received, provided they amount to at least three-quarters of the amount of the issue decided upon;
- resolves that this authorisation may be used, in accordance with Article L. 225-148 of the French Commercial Code, to decide on and carry out, on one or more occasions, in the amount and at the times the Board of Directors sees fit, in France and/or abroad, any issue of shares or marketable securities giving access to the Company's share capital, in consideration for securities tendered to any public takeover bid launched by the Company, in France or abroad, on the shares of any company whose shares are admitted to trading on a regulated market covered by Article L. 225-148 of the French Commercial Code, including all marketable securities issued by Rémy Cointreau, and resolves, insofar as required, to cancel, in favour of the holders of such securities, the shareholders' preferential subscription right to such shares and marketable securities;
- resolves that this authorisation may also be used for issues of shares or marketable securities giving access to the share capital, in consideration for securities tendered to an operation having the same effect as a public takeover bid launched by the Company on the shares of any company whose shares are admitted to trading on a foreign regulated market;
- resolves that the maximum nominal amount of the capital increase resulting from any issues carried out or securities representing a portion of the share capital tendered to a public takeover bid, in accordance with Article L. 225-148 of the French Commercial Code, is set at €15,000,000, with the understanding that this ceiling shall be deducted from the overall maximum ceiling set by this resolution, and that it does not take account of the Company shares to be issued in respect of the adjustments that may be required under applicable legal provisions or, where applicable, contract stipulations;
- takes note, insofar as required, that this authorisation automatically entails, in favour of holders of marketable securities giving access to the Company's share capital issued under this resolution, the waiver of shareholders' preferential subscription right to the shares to which such marketable securities may confer entitlement;

- resolves that the Board of Directors shall have all powers, with the authority to sub-delegate under the conditions laid down by law and by the Board of Directors' report, to carry out the above-mentioned public takeover bids, as well as issues of shares and/or marketable securities in consideration of securities tendered, under the conditions laid down in this resolution, with the understanding that the Board of Directors shall determine the exchange ratios, as well as the amount of any balance to be paid in cash, without the price determination criteria set by this resolution being applicable.

The shareholders' meeting:

- authorises the issue (i) by any company in which Rémy Cointreau (the "Controlled company") directly or indirectly holds more than 50% of the share capital ("controlled Company"), subject to approval by the Board of Directors of Rémy Cointreau, of marketable securities giving access by any means, immediately or in the future, to Rémy Cointreau shares to be issued, and/or (ii) by any company holding, directly or indirectly, more than 50% of the share capital of Rémy Cointreau (the "Controlling company"), of marketable securities giving access by any means, immediately or in the future, to Rémy Cointreau shares to be issued;
- gives the Board of Directors full authority to issue shares and marketable securities giving access to the Rémy Cointreau share capital, to which those marketable securities that may be issued by a "Controlled company" and/or a "Controlling company" may give entitlement, subject to approval by the Board of Directors of Rémy Cointreau;
- resolves to cancel the preferential subscription right of Rémy Cointreau shareholders to the shares and marketable securities to be issued under this authorisation, and takes note that this decision entails, in favour of the holders of securities issued under this authorisation and giving access to the Rémy Cointreau share capital, the waiver by Rémy Cointreau shareholders of their preferential subscription right to the Rémy Cointreau shares or marketable securities giving access to the Rémy Cointreau share capital to which these marketable securities confer entitlement;
- resolves that the maximum nominal amount of the capital increase resulting from any issues carried out or securities representing a portion of the share capital allocated as a result of the issue of marketable securities by a Controlled company or a Controlling company, is set at €15,000,000, with the understanding that this ceiling shall be deducted from the overall maximum ceiling set by this resolution, and that it does not take account of the Company shares to be issued in respect of the adjustments that may be required under applicable legal provisions or, where applicable, contract stipulations;
- resolves that the Board of Directors shall, with the authority to sub-delegate under the conditions laid down by law and by the Board of Directors' report, in agreement with the Board of Directors or Chairman of the Company or companies wishing to carry out an issue, set the amounts to be issued, determine the category of marketable securities to be created and all of the issue terms and, in general, sign all agreements, take all necessary measures and carry out all formalities for the completion of the issues envisaged, with the understanding that the Board of Directors shall set the exchange ratios and, where applicable, any amounts to be paid in cash.

The Board of Directors shall have all powers, with the authority to sub-delegate under the conditions laid down by law, to implement this authorisation – as well as defer it where relevant – and notably to set, in accordance with market opportunities, the subscription prices, the conditions and characteristics of the issues, the amounts to be issued, determine the issue terms and the category of marketable securities to be created, determine the method of payment for the shares or other marketable securities giving access to the share capital, set the date, even retroactive, from which the new shares will rank for dividend, and lay down the conditions for their buyback, determine and carry out any adjustments required under applicable legal and regulatory provisions and any contract stipulations, take all measures aimed at preserving the rights of holders of marketable securities giving access to the share capital, possibly suspend the exercise of the rights attached to such marketable securities for a period determined in accordance with applicable legal and regulatory provisions, make any deductions from premium(s) and, generally, take all useful measures, perform any formalities required and enter into any agreements to ensure the completion of the issues envisaged, request the listing of the securities where applicable, record such listings, and amend the Articles of Association accordingly, ensuring that everything is done in compliance with applicable laws and regulations, with the understanding that the amount paid or payable to the Company for each of the shares issued under this authorisation shall be at least equal to the minimum amount set by the laws and regulations applicable at the time of implementation of this authorisation, after any adjustment of this amount to take account of any difference in the dividend entitlement date.

This authorisation is granted to the Board of Directors for a period of 26 months as from the date of this shareholders' meeting. It supersedes and cancels, with immediate effect, the unused portion of the previous such authorisation granted by the Company's Combined Shareholders' Meeting of 26 July 2016 in its nineteenth resolution.

TWENTY-FIFTH RESOLUTION

(Delegation of authority to the Board of Directors to issue, with the cancellation of shareholders' preferential subscription rights, Company shares and/or securities giving access to the Company's share capital and/or securities granting entitlement to the allocation of debt securities, by means of private placements as laid down in Article L. 411-2 of the French Monetary and Financial Code)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors, and deliberating in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-131, L. 225-135, L. 225-136 and L. 228-91 et seq. of said Code, and Article L. 411-2 II of the French Monetary and Financial Code,

- gives the Board of Directors full authority, with the authority to sub-delegate in accordance with legal and regulatory requirements, to decide on and carry out, on one or more occasions, in the amount and at the time of its choice, in France and/or abroad and/or on the international market, in euros, in foreign currencies or in any monetary unit pegged to a basket of currencies, the issue by public offering pursuant to Article L. 411-2 of the

French Monetary and Financial Code, of Company shares or any marketable securities pursuant to Article L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the French Commercial Code, giving access, immediately or in the future, to Company share capital or conferring entitlement to the allocation of debt securities;

- resolves that issues of preference shares and of marketable securities giving immediate or future access to preference shares shall be excluded from this authorisation;
- resolves that subscriptions may be paid in cash, or be offset against certain liquid, payable Company debts;
- resolves that the maximum nominal amount of the capital increases that may be carried out immediately or in the future under this authorisation may not exceed the legal ceiling, with the understanding that (i) this amount shall be deducted from the overall nominal amount laid down in the twenty-fourth resolution of this shareholders' meeting, and (ii) this limit does not take account of Company shares to be issued in respect of any adjustments required under applicable legal or regulatory provisions, and, if applicable, contractual provisions providing for other cases of adjustment in order to preserve the rights of holders of marketable securities or other rights giving access to the share capital, and (iii) the nominal amount of any capital increases carried out within the scope of an offering pursuant to Article L. 411-2 of the French Monetary and Financial Code may in no event exceed 20% of the share capital per year;
- resolves that the maximum nominal amount of marketable securities representative of debt securities that may be issued under this authorisation shall not exceed €500,000,000 or its equivalent in any other currency on the date the issue is decided upon, or in any monetary unit pegged to a basket of currencies, and shall be deducted from the limit set for marketable securities representative of debt securities under the twenty-fourth resolution of this shareholders' meeting, without taking account of any adjustments required under applicable legal provisions;
- resolves that:
 - the issue price of the new shares shall at least be equal to the minimum price set by the legal and regulatory provisions applicable on the date of the issue (i.e. currently the weighted average closing price over the last three trading sessions preceding the setting of the share subscription price, potentially reduced by a maximum discount of 5%), after any adjustment of this amount to take account of any difference in the dividend entitlement date,
 - the issue price of marketable securities giving access to the Company's share capital shall be such that, for each share issued as a result of the issue of said marketable securities, the amount immediately received by the Company, plus any amount it may receive at a later date, shall be at least equal to the issue price defined in the previous paragraph;
- resolves to cancel the shareholders' preferential subscription right to the shares and marketable securities to be issued in respect of the above authorisation, up to the amount defined above;
- resolves that the Board of Directors may, if the issue of shares or marketable securities is under-subscribed, decide to limit the issue to the amount of subscriptions received, provided they amount to at least three-quarters of the amount of the issue decided upon;
- takes note, insofar as required, that the aforementioned authorisation automatically entails, in favour of the holders of securities issued under this authorisation and giving access to the Company's share capital, the shareholders' waiver of their preferential subscription right to the shares or marketable securities to which these marketable securities confer entitlement;
- resolves that the Board of Directors shall have all powers, with the authority to sub-delegate under the conditions laid down by law, to implement this authorisation – as well as defer it where relevant – and notably to set, in accordance with market opportunities, the subscription prices, the conditions and characteristics of the issues, the amounts to be issued, determine the issue terms and the category of marketable securities to be created, the fixed or variable interest rate for debt securities and a payment date, as well as the price and terms of repayment of the principal of these debt securities with or without premium, determine whether securities are subordinate or not, fixed term or not, either in euros, in other currencies, or in any monetary unit pegged to a basket of currencies, determine their amortization terms according to market conditions, the method of payment for the shares or other marketable securities giving access to the share capital, set the date, even retroactive, from which the new shares will rank for dividend, and lay down the conditions for their buyback, determine and carry out any adjustments required under applicable legal and regulatory provisions and any contract stipulations, take all measures aimed at preserving the rights of holders of marketable securities giving access to the share capital, possibly suspend the exercise of the rights attached to such marketable securities for a period determined in accordance with applicable legal and regulatory provisions, make any deductions from premium(s) and, generally, take all useful measures, perform any formalities required and enter into any agreements to ensure the completion of the issues envisaged, request the listing of the securities where applicable, record such listings, and amend the Articles of Association accordingly, ensuring that everything is done in compliance with applicable laws and regulations, with the understanding that the amount paid or payable to the Company for each of the shares issued under this authorisation shall be at least equal to the minimum amount set by the laws and regulations applicable at the time of implementation of this authorisation, after any adjustment of this amount to take account of any difference in the dividend entitlement date.
- takes note that, insofar as required, the Board of Directors may decide to use treasury shares as a replacement for the shares to be issued under this resolution.

The shareholders' meeting:

- authorises the issue (i) by any company in which Rémy Cointreau (the "Controlled company") directly or indirectly holds more than 50% of the share capital, subject to approval by the Board of Directors of Rémy Cointreau, of marketable securities giving access by any means, immediately or in the future, to Rémy Cointreau shares to be issued, and/or (ii) by any company holding, directly or indirectly, more than 50% of the share capital of Rémy Cointreau (the "Controlling company"), of marketable securities giving access by any means, immediately or in the future, to Rémy Cointreau shares to be issued;

- gives the Board of Directors full authority to issue shares and marketable securities giving access to the Rémy Cointreau share capital, to which those marketable securities that may be issued by a Controlled company and/or a Controlling company may give entitlement, subject to approval by the Board of Directors of Rémy Cointreau;
- resolves to cancel the preferential subscription right of Rémy Cointreau shareholders to the shares and marketable securities to be issued under this authorisation, and takes note that this decision entails, in favour of the holders of securities issued under this authorisation and giving access to the Rémy Cointreau share capital, the waiver by Rémy Cointreau shareholders of their preferential subscription right to the Rémy Cointreau shares or marketable securities giving access to the Rémy Cointreau share capital to which these marketable securities confer entitlement;
- resolves that the maximum nominal amount of the capital increase resulting from any issues carried out or securities representing a portion of the share capital allocated as a result of the issue of securities by a Controlled Company or a Controlling Company, is set at €20,000,000, with the understanding that this ceiling shall be deducted from the overall maximum ceiling set by this shareholders' meeting in the twenty-fourth resolution, and that it does not take account of the Company shares to be issued in respect of the adjustments that may be required under applicable legal provisions or, where applicable, contract stipulations;
- resolves that the Board of Directors shall have all powers, with the authority to sub-delegate under the conditions laid down by law, to set, with the authority to sub-delegate under the conditions laid down by law and by the Board of Directors' report, in agreement with the Board of Directors or Chairman of the company or companies wishing to carry out an issue, the amounts to be issued, determine the category of marketable securities to be created and all of the issue terms and, in general, sign all agreements, take all necessary measures and carry out all formalities for the completion of the issues envisaged, with the understanding that the Board of Directors shall set the exchange ratios and, where applicable, any amounts to be paid in cash.

This authorisation is granted to the Board of Directors for a period of 26 months as from the date of this shareholders' meeting. It supersedes and cancels, with immediate effect, the unused portion of the previous such authorisation granted by the Company's Combined Shareholders' Meeting of 26 July 2016 in its twentieth resolution.

TWENTY-SIXTH RESOLUTION

(Authorisation for the Board of Directors to set the issue price of the securities to be issued, by public offering or private placement, with cancellation of shareholders' preferential subscription rights, within the limit of 10% of the share capital per year)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors, in accordance with the provisions of Article L. 225-136-1 of the French Commercial Code;

- authorises for a period of twenty-six months as from this day, pursuant to the twenty-fourth and twenty-fifth resolutions of this meeting and within the limit of 10% of the share capital per

year and subject to the ceiling provided for in the twenty-fourth or twenty-fifth resolutions of this shareholders' meeting, as applicable to the issue decision made, the Board of Directors, with the authority to sub-delegate in accordance with legal and regulatory requirements, to derogate from the price-setting conditions laid down in the aforementioned resolutions and to determine the issue price, at the Board of Directors' discretion, according to the following conditions:

- the issue price of the new shares shall be at least equal to (a) the average price weighted by the trading volume over the 20 trading sessions prior to the setting of the issue price or (b) the average price weighted by the trading volume on the trading session prior to the setting of the issue price, in both cases, reduced by a potential maximum discount of 10% and on condition that the amount to be received for each share is at least equal to its par value,
- the issue price of marketable securities giving access to the Company's share capital shall be such that, for each share issued as a result of the issue of said marketable securities, the amount immediately received by the Company, plus any amount it may receive at a later date, shall be at least equal to the issue price defined in the previous paragraph.

In such a case, the Board of Directors shall produce an additional report, certified by the Statutory Auditors, describing the final terms and conditions of the operation and providing relevant information to assess its actual impact on the shareholder's position.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

This resolution renders ineffective the unused portion of the authorisation given by the Company's Combined Shareholders' Meeting of 26 July 2016 in its twenty-first resolution.

TWENTY-SEVENTH RESOLUTION

(Authorisation for the Board of Directors to increase the number of securities to be issued in the event of over-subscription, within the limit of 15% of the initial issue with or without shareholders' preferential subscription rights)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code,

authorises the Board of Directors, with the authority to sub-delegate in accordance with legal and regulatory requirements, to increase the number of shares to be issued in each of the issues with or without preferential subscription rights decided upon under the twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions of this shareholders' meeting, within thirty days of the subscription closing date and within the limit of 15% of the initial issue and at the same price as the initial issue, subject to compliance with the ceiling set in the resolution under which the issue is decided.

The authorisation granted to the Board of Directors by this resolution is valid for a period of 26 months as from this day.

This resolution renders ineffective the unused portion of the authorisation given by the Company's Combined Shareholders' Meeting of 26 July 2016 in its twenty-second resolution.

TWENTY-EIGHTH RESOLUTION

(Delegation of authority to the Board of Directors to issue Company shares and/or securities giving access to the Company's share capital and/or negotiable securities giving access to the share capital, with cancellation of shareholders' preferential subscription right, in consideration of contributions in kind made to the Company, within the limit of 10% of the share capital)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings and in accordance with the provisions of Article L. 225-147 of the French Commercial Code, having reviewed the Board of Directors' report and the special report of the Statutory Auditors, ruling in accordance with the provisions of Articles L. 225-147 and L. 228-91 et seq. of the French Commercial Code,

- cancels, with immediate effect, the unused portion of the authorisation given by the Combined Shareholders' Meeting of 25 July 2017 in its twenty-first resolution;
- gives the Board of Directors full authority, with the authority to sub-delegate in accordance with legal and regulatory requirements, to issue, in France or abroad, in the proportions and at the times of its choice, shares or marketable securities giving immediate or future access, by any means, to existing or new Company shares (excluding preference shares), within the limit of 10% of its share capital at the time of the issue, in consideration of contributions in kind made to the Company and consisting of shares or marketable securities giving access to the share capital, when the provisions of Article L. 225-148 of the French Commercial Code are not applicable;
- resolves, on the one hand, that the total nominal amount of the capital increases that may be carried out, immediately and/or in the future, may not exceed 10% of the share capital appraised on the date the issue is decided upon, and on the other hand, that the nominal amount of the capital increases carried out under this resolution shall be deducted from the ceiling of 15,000,000 set in the twenty-fourth resolution of this shareholders' meeting (or, where applicable, from the ceiling set in any similar resolution which may supersede said resolution during the period of validity of this authorisation);
- resolves that the total nominal amount of the issues of debt securities that may be carried out shall not exceed €500,000,000, or its equivalent on the date the issue is decided upon, in the event of an issue in another currency or in a monetary unit pegged to a basket of currencies;
- resolves, insofar as required, to cancel shareholders' preferential subscription right to the shares or marketable securities thus issued, in favour of the holders of the shares or marketable securities tendered;
- takes note, insofar as required, that this decision entails the waiver by shareholders of their preferential subscription right to the Company shares to which the marketable securities issued on the basis of this authorisation would confer entitlement, in favour of the holders of these shares.

The shareholders' meeting gives the Board of Directors full authority, with the option to sub-delegate this authority in accordance with legal and regulatory requirements, to give effect to this authorisation, notably in order to:

- approve the report of the Contribution Auditor(s);
- approve all the terms and conditions of authorised transactions and, in particular, to evaluate contributions as well as the grant, as the case may be, of specific benefits;
- set the number of shares to be issued in consideration for contributions as well as the date on which such shares rank for dividends;
- make any deductions from additional paid-in capital and, in particular, costs arising from issues;
- record the capital increase and amend the Articles of Association accordingly; and
- more generally, take all necessary measures and enter into any agreements, perform any formalities required for the admission to trading of the shares issued and carry out any publication formalities required.

This authorisation is granted to the Board of Directors for a period of 26 months as from the date of this shareholders' meeting. It supersedes and cancels, with immediate effect, the unused portion of the previous such authorisation granted by the Company's Combined Shareholders' Meeting of 25 July 2017 in its twenty-first resolution.

TWENTY-NINTH RESOLUTION

(Delegation of authority given to the Board of Directors to increase the share capital by the incorporation of reserves, profits or premiums)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report, and ruling in accordance with the provisions of Articles 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code,

- cancels, with immediate effect, the unused portion of the authorisation given by the Company's Combined Shareholders' Meeting of 25 July 2017 in its twentieth resolution;
- authorises the Board of Directors, with the authority to sub-delegate under the conditions established in law, to increase the share capital, on one or more occasions, at the times and under the terms of its choosing, through the incorporation of reserves, profits or premiums, the capitalisation of which is permitted by law or by the Company's Articles of Association, followed by the creation and bonus issue of shares or the increase in the par value of existing shares, or a combination of both.

The new shares will be subject to all the provisions contained in the Articles of Association, will have the same rights and privileges as existing shares as of the date of completion of the capital increase and their first dividend entitlement will be from any profit distributions that may be decided for the current financial year on the date of completion of the capital increase.

The shareholders meeting resolves that the nominal amount of capital increases that may be carried out under this resolution may not exceed €20,000,000, it being specified that (i) this amount will be deducted from the ceiling provided for in the twenty-third resolution of this meeting (or, as the case may be, from the ceiling provided for in any similar resolution that may supersede said resolution during the term of this delegation), and (ii) that this amount does not take account of any adjustments that may be made as required by applicable law and regulations, and, where appropriate, contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.

The shareholders' meeting grants the Board of Directors, in particular, but not limited to, full authority, with the option to delegate in accordance with legal requirements, if this authorisation is used, and in particular:

- to determine the terms and conditions of authorised transactions and, in particular, to set the amount and nature of the sums to be incorporated into the capital, to set the number of new shares to be issued or the amount by which the par value of existing shares making up the share capital is to be increased, to approve the date from which the new shares rank for dividend, even retroactive or the date on which the increase in par value will take effect;
- to resolve, in the event of bonus shares being distributed, that fractional rights are not transferable and that the corresponding shares are to be sold under the terms provided for by applicable regulations and that the proceeds of the sale are to be allocated to rights holders within thirty days of the date of registration of the number of whole shares allocated to their account;
- to make any adjustments required by law and regulation, and, where applicable, contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital;
- to record each capital increase and make the corresponding amendment to the Articles of Association;
- to take all necessary measures and enter into any agreements to ensure the successful outcome of the proposed transactions and, generally speaking, to do all that is deemed necessary, perform all acts and formalities required in order to finalise the capital increase or increases that may be conducted under this authorisation.

This authorisation is granted to the Board of Directors for a period of 26 months as from the date of this shareholders' meeting. It supersedes and cancels, with immediate effect, the unused portion of the previous such authorisation granted by the Company's Combined Shareholders' Meeting of 25 July 2017 in its twentieth resolution.

THIRTIETH RESOLUTION

(Authorisation given to the Board of Directors to grant bonus shares, whether existing or to be issued, in favour of employees and executive officers or to some of them)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special

report of the Statutory Auditors, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code:

- cancels, with immediate effect, the unused portion of the authorisation given by the Company's Combined Shareholders' Meeting of 26 July 2016 in its twenty-third resolution;
- authorises the Board of Directors, on one or more occasions, to grant bonus shares, whether existing or to be issued, to employees of the Company or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code or certain categories thereof, as well as corporate officers defined by law, subject to the statutory trading restriction periods;
- resolves that the Board of Directors shall determine the identity of the beneficiaries of the allocation as well as the conditions and, where appropriate, the criteria for the allocation of the shares;
- resolves that the total number of shares allocated free of charge may not be such that the total number of bonus shares granted under this resolution represent more than 2% of the number of shares in the share capital on the date the Board of Directors resolves to award the bonus shares;
- resolves that the total number of bonus shares awarded pursuant to this authorisation to the Company's executive officers may not represent more than 0.2% of the number of shares in the share capital on the date of the Board of Directors' decision to allocate the bonus shares;
- resolves that the allocation of shares to their beneficiaries will become final at the end of a minimum vesting period of one year and the minimum period of retention of the shares by the beneficiaries is set at one year. However, if the vesting period is a minimum of two years, the shareholders' meeting authorises the Board of Directors not to impose any retention period for the shares in question. Moreover, in the event of the death or invalidity of the beneficiary, and in accordance with legal requirements, the final allocation of the shares may take place before the end of the vesting period;
- concerning executive officers, the Board of Directors may, in accordance with legal requirements, place restrictions on the sale of the bonus shares awarded to executive officers prior to the termination of their position or set the number of such shares to be held in the form of registered shares until the termination of their position;
- resolves that the Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions;
- resolves that, concerning the Company's executive officers, the final allocation of shares shall be subject to their presence within the Group, as well as the attainment of certain performance conditions to be determined by the Board;
- authorises the Board of Directors to carry out, where appropriate, during the vesting period, any adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries;
- takes note that the bonus shares allocated may consist of existing shares or new shares;

- takes note that, concerning the shares to be issued, (i) this authorisation shall entail, at the end of the vesting period, a capital increase and the corresponding waiver, in favour of the beneficiaries of the share award, of shareholders' rights to a portion of the reserves, profits and premiums which, where applicable, shall be incorporated in the capital, (ii) this authorisation shall automatically entail the waiver of shareholders' preferential subscription rights, in favour of the beneficiaries of said shares;
- resolves that, for the shares to be issued, the nominal amount of the capital increase likely to be decided pursuant to this authorisation may not exceed a maximum of €1,600,000, it being specified that, in the event of an operation involving the Company's shares or shareholders' equity, the number of shares allocated to adjustments to preserve the rights of beneficiaries of share awards shall be deducted from this ceiling and that this ceiling shall be deducted from the capital increase ceiling set in the twenty-fourth resolution of this shareholders' meeting (or, where applicable, from the ceiling set in a similar resolution which may supersede said resolution during the period of validity of this authorisation);
- gives the Board of Directors full authority, with the option to sub-delegate this authority within the limits defined by law, to implement this authorisation and in particular to determine the identity of the beneficiaries, set the share award terms and dates, in particular the vesting period and, where applicable, the minimum holding period for each beneficiary, determine the performance conditions, determine the share allocation criteria and performance conditions applicable to the Company's executive officers; determine whether the bonus shares awarded will consist of existing shares or shares to be issued, and where applicable, to preserve the beneficiaries' rights, carry out any required adjustments to the number of shares awarded, in accordance with any transactions in the Company's share capital (with the understanding that the shares awarded under these adjustments shall be deemed as having been allocated on the same date as the initial share award); in the event of the award of newly issued shares, set the amount and nature of the reserves, profits and premiums to be incorporated in the capital, set the dates from which the new shares will rank for dividend, record the dates of final allocation and the dates from which the shares may be sold; carry out all formalities and declarations and record, where applicable, the increases in share capital, amend the Articles of Association accordingly, and in general, to do whatever is necessary.

The Board of Directors shall inform the Ordinary Shareholders' Meeting each year of the transactions performed under this resolution, in accordance with the provisions of Article L. 225-197-4 of the French Commercial Code.

This authorisation, which supersedes the authorisation granted under the terms of the twenty-third resolution of the Combined Shareholders' Meeting of 26 July 2016, depriving it of effect for the portion unused to date, shall be valid for a period of thirty-eight months from this meeting.

THIRTY-FIRST RESOLUTION

(Authorisation to the Board of Directors to grant subscription and/or purchase options for ordinary shares in the Company pursuant to Article L. 225-177 et seq. of the French Commercial Code, for the benefit of employees and executive officers)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors,

- authorises the Board of Directors, with the option of sub-delegation under legal and regulatory conditions, pursuant to Articles L. 225-177 et seq. of the French Commercial Code, to grant, on one or more occasions, for the benefit of all or certain employees of the Company and companies under Article L. 225-180 of the French Commercial Code, as well as to corporate officers of the Company and companies under Article L. 225-180 of the French Commercial Code, subject to the limits stipulated in Article L. 225-182 of the French Commercial Code, options giving the right to subscribe to new Company shares, to be issued for the purpose of a capital increase, or to options giving right to the purchase of shares in the Company resulting from a share buyback under the conditions stipulated in Articles L. 225-208 or L. 225-209 et seq. of the French Commercial Code, it being specified that in accordance with the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options to corporate officers and employees of companies related under the conditions stipulated in Article L. 225-180 that hold more than 10% of the share capital;
- resolves that the Board of Directors will carry out the allocations and decide the identity of the beneficiaries;
- resolves that the Board of Directors may make the definitive grant of some or all of the shares granted conditional on the achievement of one or more performance conditions;
- resolves that for Company executive officers, the definitive allocation will be subject to the achievement of performance conditions that the Board of Directors will set, as well as a condition of presence in the Group;
- resolves that the number of shares likely to be subscribed or purchased by the beneficiaries through the exercise of the options granted by the Board of Directors pursuant to this authorisation may not exceed 2% of the Company's share capital existing at the date of the allocation decision by the Board of Directors;
- resolves that for Executive corporate officers, the total number of shares likely to be subscribed or purchased by the beneficiaries through the exercise of the options granted by the Board of Directors pursuant to this authorisation may not exceed 0.2% of the share capital existing at the date of the allocation decision by the Board of Directors;

The nominal value of the ordinary shares to be issued, if applicable, in order to preserve the rights of the holders of marketable securities or other rights giving access to the share capital, in accordance with the law and applicable contractual provisions stipulating other cases of adjustment, shall be deducted from these ceilings;

- resolves that the nominal amount of the Company capital increase resulting from the issue of shares carried out pursuant to this authorisation shall be deducted from the ceiling of the twenty-third resolution of this shareholders' meeting;
- resolves that the subscription or purchase price of shares for the beneficiaries of options shall be set by the Board of Directors on the date that it grants the options to the beneficiaries, subject to the limits indicated hereafter:
 - with regard to share subscription options, the subscription price for the ordinary shares may not be lower than the average of the listed prices during the twenty trading sessions prior to the date on which the options are granted, it being stated that in all cases, the subscription price for shares set by the Board of Directors may not be lower than the threshold set by Article L. 225-177 of the French Commercial Code;
 - with regard to ordinary share purchase options, the purchase price of the shares may not be either lower than the average of the listed prices during the twenty trading sessions prior to the date on which the options are granted, or lower than the average purchase price of shares owned by the Company in respect of Articles L. 225-208 and/or L. 225-209 of the French Commercial Code.

These prices may not be modified, unless in one of the cases stipulated by the law, at the time of financial or securities transactions. If the Company carries out one of the transactions stipulated by Article L. 225-181 of the French Commercial Code or by the Articles R. 225-137 to R. 225-142 of the French Commercial Code, the Company shall take the necessary measures to protect the interests of the beneficiaries, subject to the conditions stipulated by current regulations, including, if applicable, by carrying out an adjustment to the number of shares that may be obtained by the exercise of the options granted to the beneficiaries to take into account the impact of this transaction, it being specified that the number of new or additional shares obtained in application of any adjustments, if applicable, shall be added to the ceiling above.

- notes that options may not be granted by the Board of Directors:
 - within ten trading sessions prior to and following the date on which the consolidated financial statements or the annual financial statements are published,
 - during the period between the date on which the Company's management bodies are aware of information which, if it were made public, could significantly impact the Company's share price, and the date ten trading sessions following the date when this information is made public,
 - less than twenty trading sessions following an ex-coupon date entitling the holder to a dividend or capital increase;
- resolves that subscription options and ordinary share purchase options granted pursuant to this authorisation must be exercised within a maximum of ten years from their allocation;

- notes that this authorisation includes, for the benefit of the beneficiaries of subscription options, the express waiver by shareholders of their preferential subscription rights to the ordinary shares that will be issued as and when the subscription options are exercised. The capital increase resulting from the exercise of subscription options shall be completed solely by the declaration of the exercise of options, accompanied by the subscription form and the payment, in cash or by offsetting receivables, for the corresponding amount;
- gives full powers to the Board of Directors, with the option to sub-delegate in accordance with legal and regulatory requirements, within the limits set above to:
 - decide the type of options offered (subscription or purchase options),
 - decide the terms and conditions of the plan(s) and set the conditions and dates on which the options will be granted. These conditions may include clauses prohibiting the immediate resale of part or all of the shares, provided that the period for which the shares must be retained does not exceed three years from exercise of the option, it being specified that in the case of options granted to corporate officers, the Board of Directors must either (a) decide that the options may not be exercised by grantees before they cease to hold office, or (b) stipulate the quantity of shares that they are required to retain in registered form until they cease to hold office, decide the number of shares that each beneficiary may subscribe or acquire, the date(s) or exercise period(s) for the options, it being understood that the Board of Directors may (a) bringing forward the dates or periods for the exercise of the options, (b) extend the exercisable nature of the options or (c) modify the dates or periods within which the shares obtained by exercise of the options may not be transferred or held in bearer form,
 - establish the period(s) for granting the options,
 - determine the list of option beneficiaries and the number of options granted to each one,
 - determine the conditions under which the price and number of shares that can be subscribed may be adjusted under the cases stipulated by the law,
 - if applicable, subject the allocation of all or part of the options to the achievement of one or several performance conditions that the Board of Directors will determine, it being understood that all the options granted to corporate officers must be made subject to performance conditions,
 - if applicable, limit, suspend, restrict or prohibit the exercise of options or the sale or transfer to bearer form of shares obtained by the exercise of the options, during certain periods or following certain events, with this decision covering all or part of the options or shares or concerning all or part of the beneficiaries,
 - determine the date, which may be retroactive, from which the new shares derived from the exercise of subscription options shall be entitled to dividends,
 - perform, either itself or via an authorised representative, all acts and formalities required in order to finalise the capital increases that may be conducted pursuant to the authorisation under this resolution,

- amend the Articles of Association accordingly and generally do all that is necessary,
- decide the temporary suspension of the right to exercise options in the event of financial transactions requiring accurate, prior knowledge of the number of shares comprising the share capital, or in the event of a transaction giving rise to adjustments stipulated by the law,
- in the event that subscription options and/or ordinary share purchase options are allocated to persons domiciled or resident abroad or to persons domiciled or resident in France but subject to a foreign tax regime, adapt the conditions applicable to the subscription options and/or ordinary share purchase options, to render them compliant with the provisions of the relevant foreign legislation and to ensure optimum tax treatment; to this end, the Board of Directors may, at its sole discretion, adopt one or more sub-programmes for the various categories of beneficiaries indicated in this resolution and subject to foreign legislation, and
- more generally, do all that is useful or necessary.

The Board of Directors shall inform the Ordinary Shareholders' Meeting each year of the transactions performed under this resolution, in accordance with the provisions of Article L. 225-184 of the French Commercial Code.

This authorisation is granted for a period of thirty-eight months from the date of this shareholders' meeting, and renders ineffective the unused portion of any prior delegations with the same purpose.

THIRTY-SECOND RESOLUTION

(Authorisation for the Board of Directors to increase the share capital via the issue of shares reserved for members of a Company or Group employee savings scheme, with the cancellation of shareholders' preferential subscription rights)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors,

- authorises the Board of Directors, with the authority to sub-delegate in accordance with legal and regulatory requirements, subject to the provisions of the French Commercial Code and specifically in accordance with the provisions of Article L. 225-129-6 subparagraphs 1 and 2 and Article L. 225-138-1 of said Code, as well as Articles L. 3332-1 and L. 3332-18 et seq. of the French Labour Code, to increase the share capital, on one or more occasions, at its sole discretion, in the amount and at the time or times of its choice, via the issue of shares (other than preference shares) reserved for members of an employee savings scheme (Company or Group scheme), and resolves to cancel the preferential rights to subscribe for the shares authorised to be issued under this resolution, in favour of the beneficiaries;
- resolves that the beneficiaries of the capital increases authorised hereunder shall be the members of an employee savings scheme of the Company or Group or related companies within the meaning of Article L. 225-180 of the French Commercial

Code, and who also fulfil the conditions potentially set by the Board of Directors;

- resolves that the maximum nominal amount of the overall capital increase that may be carried out by such issuing of shares shall be €1,500,000, with the understanding that that this maximum amount is included in the maximum capital increase allowed under the twenty-fourth resolution of this shareholders' meeting (or where applicable, the maximum amount set in such other resolution that may potentially replace said resolution during the period of validity of this authorisation);
- resolves that the price of the shares subscribed by the beneficiaries referred to above, pursuant to this authorisation, shall be determined in accordance with legal and regulatory provisions, and that, in the case of shares that are already listed on a regulated market, the price shall not be higher than the average share price for the 20 trading sessions prior to the date on which the decision establishing the opening date of the subscription period was taken, nor more than 20% lower than this average, or 30% where the vesting period provided by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is equal to or more than 10 years;
- resolves that the Board of Directors may also provide for the allocation of bonus shares or other marketable securities giving access to the Company's share capital pursuant to this authorisation, under the conditions specified in Article L. 3332-21 of the French Labour Code;
- resolves that the shares may be subscribed and paid for either in cash, or by set-off, under conditions approved by the Board of Directors;
- authorises the Board of Directors to issue any shares giving access to the Company's share capital that may be authorised by the law or regulations in force pursuant to this authorisation;
- resolves that the Board of Directors shall have all powers to give effect to this authorisation, with the authority to delegate same under legal and regulatory conditions, within the limits and subject to the conditions specified above, specifically in order to:
 - draw up a list of the beneficiaries and the conditions that the beneficiaries of the new shares resulting from the capital increases pursuant to this resolution shall be required to meet;
 - approve the conditions of the issue(s);
 - decide on the amount to issue, the issue price, and the dates and terms and conditions for each issue;
 - determine the length of time granted to subscribers to pay for their securities;
 - approve the date from which the new shares rank for dividend, even if it is retroactive;
 - record or arrange for the recording of the capital increase corresponding to the number of shares actually subscribed for;
 - at its sole discretion, charge the cost of the capital increase against the corresponding share premiums, and deduct from such proceeds the amounts necessary to bring the legal reserve up to one-tenth of the new share capital after each increase;

- in general, take all measures to perform the capital increases, complete the formalities resulting from these increases, and make the corresponding amendments to the Articles of Association.

This authorisation, which supersedes the authorisation granted under the terms of the twenty-second resolution of the Combined Shareholders' Meeting of 25 July 2017, depriving it of effect for the portion unused to date, shall be valid for a period of thirty-eight months from this meeting.

THIRTY-THIRD RESOLUTION

(Ratification of the amendment of Article 22 of the Articles of Association to bring it into compliance with the provisions of Article L. 823-1 paragraph 2 of the French Commercial Code amended by law No. 2016-1691 of 9 December 2016)

The shareholders' meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings,

having reviewed the Board of Directors' report, approves the deletion of the third paragraph of Article 22 concerning the appointment of one or more alternate Statutory Auditors, decided by the Board of Directors on 5 June 2018, to comply with the provisions of Article L. 823-1 paragraph 2 of the French Commercial Code as amended by law No. 2016-1691 of 9 December 2016.

The other stipulations of Article 22 of the Articles of Association remain unchanged.

THIRTY-FOURTH RESOLUTION

(Powers to accomplish formalities)

The shareholders' meeting confers all powers to accomplish all legal filing and public notice formalities to the bearer of a copy or a certified excerpt of these minutes.

— 8.3 STATUTORY AUDITORS' SPECIAL REPORTS ON REGULATED AGREEMENTS AND COMMITMENTS

General meeting called to approve the financial statements for the year ended 31 March 2018

This is a translation into English of the statutory auditors' special report on regulated agreements and commitments of the company issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General meeting of Rémy Cointreau,

In our capacity as statutory auditors for your company, we present to you our report on the agreements and commitments with related parties.

We are required to inform you, on the basis of the information provided to us, of the terms, conditions and reasons justifying the company interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial Code (*Code de commerce*) on the implementation, during the year, of agreements and commitments previously approved by the general meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1. AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING

1.1 Agreements and commitments authorised and entered into during the past year

Pursuant to Article L. 225-40 of the French commercial Code (*Code de commerce*), we have been advised of the following agreements and commitments entered into during the past year which were previously approved by your board of directors.

1.1.1 Defined benefit pension commitment of Mr. Marc Hériard Dubreuil

Person concerned: Mr. Marc Hériard Dubreuil, Chairman of the board of directors of Rémy Cointreau.

Nature and purpose / Terms and conditions: Mr. Marc Hériard Dubreuil, as a director, had a defined benefit pension plan financed by a controlling company, Andromède.

At the time of his appointment as Chairman of the board of directors effective 1st October 2017, the board of directors of 29 September 2017 approved the defined benefit pension commitment made to his benefit by Andromède.

This plan provides for the payment of a pension equal to 1% of the reference remuneration (12-month average annual gross salary over the last 24 months) per full year of seniority at Andromède, capped at 10% of the reference compensation. It is under condition of presence at the time of retirement.

Reasons justifying the company interest:

The board of directors expressed the wish that Mr. Marc Hériard Dubreuil retain the defined benefit pension plan applicable to him as a director, without performance conditions.

1.1.2 Defined benefit pension commitment of Mrs. Valérie Chapoulaud-Floquet

Person concerned: Mrs. Valérie Chapoulaud-Floquet, Chief Executive Officer of Rémy Cointreau.

Nature, purpose and conditions: Mrs. Valérie Chapoulaud-Floquet, Chief Executive Officer, benefits from a defined benefit pension plan authorized by the board of directors of 27 January 2015.

On the occasion of the renewal of her term as Chief Executive Officer effective 27 January 2018, the board of directors of 17 January 2018 decided to maintain the defined benefit pension commitment as approved by the board of directors of 25 September 2014 and the general meeting of 29 July 2015.

This plan provides for the payment of an annuity of 8% to 15% of the average annual gross compensation for the last two years of activity according to seniority, and is paid on a condition of presence at the time of retirement. It is capped so that all replacement income received does not exceed 50% of the activity remuneration.

The board of directors' meeting of 17 January 2018 decided that vesting will be subject to performance conditions aligned with those of the annual variable portion of the Chief Executive Officer compensation (financial portion and individual portion).

For the rights granted for the period from 27 January 2018 to 31 March 2018, the board of directors of 5 June 2018 considered that the duration was too short to justify the application of the conditions it provided. After having nevertheless ensured that the criteria would have been met in any event over a full financial year, the board took note of a mechanical increase of 1% of the rights for the 2017/2018 financial year.

For the next financial year, the board of directors of 5 June 2018 approved the vesting of performance-based rights aligned with the cumulative performance of the quantitative criteria related to the financial portion of the variable portion, such as for the 2017/2018 financial year:

- the consolidated operating result;
- cash generation;
- the consolidated net result;
- ROCE (return on capital employed).

The increase for a financial year will be calculated as follows:

- 1% if the cumulative performance of the above criteria is between 50% and 90%;
- 1.5% if the cumulative performance of the above criteria reaches a ceiling of 100%;
- 0.1% per 2-points increase between 90% and 100% of the cumulative performance of the above criteria. For example, if the cumulative performance of the criteria is 94%, the increase will be 1.2%.

Reasons justifying the company interest:

The board of directors expressed the wish that Mrs. Valérie Chapoulaud-Floquet retain the defined benefit pension commitment that was applicable to her in her previous term as Chief Executive Officer.

In application of the law of 6 August 2015 for growth, activity and equal opportunities, the acquisition of additive pension rights for executives of listed companies in respect of a financial year is subject to compliance with performance, appreciated in relation to that of the company.

The performance conditions applicable to the defined benefit pension commitment benefiting to Mrs. Valérie Chapoulaud-Floquet as of 27 January 2018, the effective date of her re-appointment as Chief Executive Officer, are consistent with market practices in which use is made of these devices.

1.1.3 Defined contribution pension and death, incapacity, disability and health care expenses of Mrs. Valérie Chapoulaud-Floquet

Person concerned: Mrs. Valérie Chapoulaud-Floquet, Chief Executive Officer of Rémy Cointreau.

Nature and purpose: Mrs. Valérie Chapoulaud-Floquet, Chief Executive Officer, benefits from a defined contribution pension plan and from death, incapacity, disability and health insurance.

On the occasion of the renewal of her term of office as Chief Executive Officer, the board of directors of 17 January 2018 decided to renew the defined contribution pension and death, incapacity, disability and health care plan as approved by the board of directors of 7 June 2017 and by the general meeting of 25 July 2017.

The amount of this plan represents 8% of the Chief Executive Officer's annual remuneration, of between eight and sixteen times the annual ceiling of the Social Security. The company's commitment is limited to the payment of the contribution to the insurance company that manages the plan.

Conditions:

For the year ended 31 March 2018, the contributions paid by the company to the insurer amounted to €4,416.35.

Reasons justifying the company interest:

The board of directors expressed the wish that Mrs. Valérie Chapoulaud-Floquet retain the defined contribution pension plan that was applicable to her in her previous term as Chief Executive Officer, with no performance conditions.

1.1.4 Severance and non-compete clause indemnities of Mrs. Valérie Chapoulaud-Floquet

Person concerned: Mrs. Valérie Chapoulaud-Floquet, Chief Executive Officer of Rémy Cointreau.

Nature and purpose: On the occasion of the renewal of her term of office as Chief Executive Officer, the board of directors of 17 January 2018 decided to renew the indemnities that may be due to Mrs. Valérie Chapoulaud Floquet, in the event of the termination of her position. These allowances include:

- a severance pay of a maximum of twenty-four months of gross fixed and variable compensation which is subject to performance conditions;
- a compensation payable under the non-compete clause equivalent to twelve months of fixed and variable gross compensation.

The total amount of severance and non-compete clause indemnities is capped and cannot exceed 24 months of salary.

Severance pay will be paid only in the event of forced departure. It will not be due in case of serious cause or fault or even in case of failure of the company.

In case of failure of the company, the board of directors may completely or partially exonerate itself from the actual payment of the severance pay. The situation of the company will be assessed in light of the results measured at the end of the last two financial years. The situation of failure will be characterized if the operating result of the company, cumulated over the last two financial years, is less than M€250.

The actual payment of this indemnity is subject to the detailed performance conditions as follows:

- Quantitative performance criteria:
 - If the quantitative results, validated by the board and used as a basis for calculating the bonus of the members of the executive committee are less than 75% of the budgetary objectives, no compensation will be due.
 - If the quantitative results, validated by the board and used as a basis for calculating the bonus of the members of the executive committee are greater than or equal to 75% of the budgetary objectives, the compensation paid will be equal to 24 months of gross remuneration multiplied by the percentage retained (maximum 100%). For example, if the percentage chosen is 87.5%, the compensation will be 21 months. The percentage taken into account for the calculation of the indemnity will be the average percentage of the last two financial years.
- Qualitative performance criteria
 - The board of directors may adjust the amount of the bonus, expressed as a percentage of the gross annual remuneration and calculated according to the quantitative criteria, taking into account the result measured on a qualitative criterion. In this regard, the board agrees to maintain the company's corporate social responsibility rating with a Vigéo-type rating agency. The amount of the final indemnity remains capped at 24 months of salary as defined above.

Reasons justifying the company interest:

Severance pay is intended to protect executives in the event of forced departure of members of the executive team. The non-compete clause aims to protect the group in the event of the departure of any executive director.

These terms were determined to take into account the AFEP-MEDEF corporate governance code and market practices in which non-compete clauses and severance pay are observed.

1.1.5 Cash management agreement between Rémy Cointreau and Orpar

Persons concerned: Mr. Marc Hériard Dubreuil, Chairman of the board of directors of Rémy Cointreau and Vice-Chairman and board member of Orpar; Mr. François Hériard Dubreuil, Chairman and Chief Executive Officer of Orpar and Member of the board of directors of Rémy Cointreau; Mrs. Dominique Hériard Dubreuil, Member of the board of directors of Rémy Cointreau and Orpar; Mrs. Gisèle Durand, permanent representative of Orpar, director and controlling company.

Nature, purpose and conditions: The board of directors of 17 January 2018 authorized the renewal of a cash management agreement between Rémy Cointreau and Orpar, initially concluded on 31 March 2015.

This cash management agreement concluded on 31 March 2018 is intended to make available, from 7 April 2018, by Orpar to Rémy Cointreau, the amount of 60 million euros at the rate of 0.60% per year and for a maximum period of three years.

Reasons justifying the company interest: Given the current financial market conditions and refinancing conditions of Rémy Cointreau, the board of directors considered that it was in the company's interest to continue to have financial resources of the same amount on a multi-year horizon at a very competitive cost.

2. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

2.1 Agreements and commitments approved in prior years

a) execution of which continued during the past year

In accordance with Article R. 225-30 of the French commercial Code (*Code de commerce*), we were informed that the execution of the following agreements and commitments, already approved by the general meeting of shareholders in prior years continued during the past year.

2.1.1 Service provision agreement with Andromède

Persons concerned: Mr. Marc Hériard Dubreuil, Chairman of the board of directors of Rémy Cointreau and Chief Executive Officer of Andromède; Mr. François Hériard Dubreuil, Chairman of the board of directors of Andromède and Member of the board of directors of Rémy Cointreau; Mrs. Dominique Hériard Dubreuil, Member of the board of directors of Rémy Cointreau and Andromède.

Nature and purpose: Andromède and Rémy Cointreau signed a service provision agreement on 31 March 2011 under which Andromède provides to Rémy Cointreau services in the field of management strategy and finance, institutional and commercial relationship, development and external growth, and directors' management. This contract was approved by the board of directors of 22 March 2011, 24 March 2015 and 28 March 2017.

The general meeting of 29 July 2015 modified the agreement duration of 3 years to an indefinite period from 1 April 2015.

Conditions: The agreement provides for compensation calculated on the basis of the service cost plus a 5% mark-up.

During the year ended 31 March 2018, the amount charged by Andromède to your company under this agreement was €2,712,586.78 euros excluding taxes.

2.1.2 Cash management agreement with Orpar

Persons concerned: Mr. Marc Hériard Dubreuil, Chairman of the board of directors of Rémy Cointreau and Vice-Chairman and board member of Orpar; Mr. François Hériard Dubreuil, Chairman and Chief Executive Officer of Orpar and Member of the board of directors of Rémy Cointreau; Mrs. Dominique Hériard Dubreuil, Member of the board of directors of Rémy Cointreau and Orpar.

Nature and purpose: Rémy Cointreau and Orpar entered into an open-ended cash management agreement on 14 December 2004, under which they agreed the terms for management of their cash surpluses.

An endorsement made on 4 July 2007, approved by the board of directors on 5 June 2007, also mentions the conditions for revising the remuneration determined on the basis of the Euribor, plus a margin, fixed according to the conditions of the syndicated credit applicable to Rémy Cointreau.

A second endorsement made on 8 June 2016, authorized by the board of directors of 7 June 2016, specifies the methods for calculating interest.

Conditions: This agreement provided for payment of advances granted by Orpar and your company. The calculation is based on Euribor, increased by a margin on the conditions of the syndicated credit applicable to your company.

At 31 March 2018, the balance of advances granted by Orpar to Rémy Cointreau was €702.71. The interest expenses charged to your company by Orpar under this agreement during the financial year ended 31 March 2018 were €367.34.

2.1.3 Current-Account agreement with Orpar

Persons concerned: Mr. Marc Hériard Dubreuil, Chairman of the board of directors of Rémy Cointreau and Vice-Chairman and board member of Orpar; Mr. François Hériard Dubreuil, Chairman and Chief Executive Officer of Orpar and Member of the board of directors of Rémy Cointreau; Mrs. Dominique Hériard Dubreuil, Member of the board of directors of Rémy Cointreau and Orpar.

Nature and purpose: On 31 March 2015, your company signed a current-account agreement with Orpar authorized by the board of directors of 24 March 2015.

Terms: This agreement provides the provision of 60 million euros by Orpar for a 3-year period from the payment date. This advance bears interest at 1.25% per annum. It is refundable in fine, or at any time at the request of Orpar with a notice of three months.

During the financial year ended 31 March 2018, the interest expense charged to your company under this agreement amounts to €750,000.

b) Agreements and commitments approved in prior years with no execution during the past year

Moreover, we were informed of the continuation of the following agreements and commitments, already approved by the general meeting of shareholders in prior years which did not give rise to performance during the past year.

2.1.4 Commitment to a retirement with defined services of M. Marc Hériard Dubreuil

Mr. Marc Hériard Dubreuil, in his capacity as director, benefits from this commitment that was made prior to the application of the law. This commitment was approved by the board of directors on 4 June 2009 and was ratified by the general meeting on 28 July 2009. The funding is provided by Andromède.

2.1.5 Defined benefit retirement commitment of Mrs. Valérie Chapoulaud-Floquet

The board of directors of 27 January 2015 authorized Rémy Cointreau to grant a defined benefit retirement commitment to the benefit of Mrs. Valérie Chapoulaud-Floquet Chief Executive Officer of Rémy Cointreau.

2.1.6 Severance and non-compete clause indemnities of Mrs. Valérie Chapoulaud-Floquet

The board of directors of 25 September 2014 decided to establish an indemnity that may be due to her in the event of the termination of her position. These indemnities include:

- a severance pay of a maximum of twenty-four months of gross fixed and variable compensation which is subject to performance conditions;
- a compensation payable under the non-compete clause equivalent to twelve months of fixed and variable gross compensation.

The total amount of severance and non-compete clause indemnities is capped and cannot exceed 24 months of salary.

2.2 Agreements and commitments approved during the past year

We were informed of the accomplishment of the following conventions and commitments, already approved by the general meeting of 25 July 2017, on the special report of the auditors of 14 June 2017.

2.2.1 Defined contribution pension and death, incapacity, disability and health care expenses of Mrs. Valérie Chapoulaud-Floquet

Mrs Valérie Chapoulaud-Floquet benefits from a defined contribution plan representing 8% of the annual remuneration between eight and sixteen times the annual ceiling of the Social Security. The company's commitment is limited to the payment of the contribution to the insurance company that manages the plan.

For the financial year ended 31 March 2018, the contributions paid by the company to the insurer amount to €20,770.65.

Paris and Paris-La Défense, 21 June 2018

The statutory auditors

Auditeurs et Conseils Associés - Aca Nexia

represented by

François Mahé

ERNST & YOUNG et Autres

represented by

Pierre Bidart

ADDITIONAL INFORMATION

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— 9.1 DOCUMENTS ON DISPLAY

The Articles of Association, minutes of the Shareholders' Meetings, Statutory Auditors' reports and other corporate documents may be consulted at the Company's registered office.

The Rémy Cointreau registration document filed with the AMF, together with the Company's press releases regarding sales and net income, the annual and half-yearly reports, the Company and

consolidated financial statements, and the information regarding transactions in treasury shares and the total number of shares and voting rights may be viewed on the Company's website, at the following address:

www.remy-cointreau.com

— 9.2 INFORMATION INCORPORATED BY REFERENCE

Pursuant to Article 28 of (EC) regulation No. 809/2004, the following information is incorporated in this document for reference purposes:

- the consolidated financial statements for the 2016/2017 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 111 to 174 of the registration document filed with the AMF on 23 June 2017 under number D. 17-0667;
- the consolidated financial statements for the 2015/2016 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 99 to 148 of the registration document filed with the AMF on 27 June 2016 under number D. 16-0639;
- Rémy Cointreau SA's financial statements for the 2016/2017 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' general and special reports, can be found on pages 175 to 190 respectively of the registration document filed with the AMF on 27 June 2016 under number D. 17-0667;
- Rémy Cointreau SA's financial statements for the 2015/2016 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' general and special reports, can be found on pages 149 to 164 respectively of the registration document filed with the AMF on 27 June 2016 under number D. 16-0639.

— 9.3 STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

"I hereby certify that, to the best of my knowledge, and after taking all reasonable measures to this end, the information contained in this registration document is accurate and contains no omissions likely to affect the import of that information.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the net assets, financial position and results of the Company and of all companies included in the scope of consolidation, and that the management report, included in this document, in accordance with the cross-reference table in section 9.5.3, provides a true and fair view of the business trends, results and financial position of the Company and

of all companies included in the scope of consolidation, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the Statutory Auditors, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements, as provided in this registration document, and have read the registration document in full.

The historical information presented in this document is covered in the Statutory Auditors' reports on pages 190 and 210 for the 2017/2018 financial year and incorporated by reference in this document for the 2016/2017 and 2015/2016 financial years."

Valérie Chapoulaud-Floquet
Chief Executive Officer of Rémy Cointreau

— 9.4 PERSONS RESPONSIBLE FOR THE AUDIT AND FEES

9.4.1 CURRENT MANDATES

STATUTORY AUDITORS

Firm	Ernst & Young et Autres 1/2 Place des Saisons 92400 Courbevoie Paris la Défense 1	Auditeurs & Conseils Associés 31 rue Henri Rochefort 75017 Paris
Represented by	Pierre Bidart	François Mahé
Date of first appointment	22/09/1988	26/09/1990
Date appointment renewed	26/07/2012	24/07/2014
Date appointment expires	Shareholders' Meeting to consider the 2018 financial statements	Shareholders' Meeting to consider the 2020 financial statements

ALTERNATE STATUTORY AUDITORS

Holder	Auditex 1/2 Place des Saisons 92400 Courbevoie Paris la Défense 1	Pimpaneau et Associés 31 rue Henri Rochefort 75017 Paris
Date of first appointment	22/09/1988	26/09/1990
Date appointment renewed	26/07/2012	24/07/2014
Date appointment expires	Shareholders' Meeting to consider the 2018 financial statements	Shareholders' Meeting to consider the 2020 financial statements

9.4.2 FEES PAID TO THE STATUTORY AUDITORS

The fees paid to the Statutory Auditors and members of their network for the year ended 31 March 2018 amounted to €1,419 thousand. They break down as follows:

	Ernst & Young et Autres				Auditeurs & Conseils Associés SA			
	AMOUNT		%		AMOUNT		%	
	2018	2017	2018	2017	2018	2017	2018	2017
Audit								
Auditing of the parent company (separate) and consolidated financial statements	1,041	1,122	95%	90%	325	328	100%	97%
▪ Rémy Cointreau SA	185	185			135	132		
▪ Fully consolidated subsidiaries	856	937			190	196		
Ancillary assignments	19	86	2%	7%	-	10	0%	3%
▪ Rémy Cointreau SA	-	20			-	10		
▪ Fully consolidated subsidiaries	19	66			-	-		
Sub-total	1,060	1,208	97%	97%	325	338	100%	100%
Other services								
Other services	34	34	3%	3%	-	-	0%	0%
Sub-total	34	34	3%	3%	-	-	0%	0%
TOTAL	1,094	1,242	100%	100%	325	338	100%	100%

— 9.5 CROSS-REFERENCE TABLES

9.5.1 CROSS-REFERENCE TABLE WITH THE HEADINGS OF ANNEX 1
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French Commercial Code	L. 233-6	Significant stakes acquired during the year in companies with their registered office in France	n/a	n/a
French Commercial Code	L. 232-1 and L. 233-26	Important events occurring between the balance sheet date and the date of the report	139	4.4.1
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the situation of the Company and the Group	139	4.4.2
French General Tax Code	243 bis	Dividends paid in respect of the last three financial years and the amount paid in respect of said financial years eligible for the allowance of 40%	199	6.4
Elements of presentation of the Group				
French Commercial Code	L. 225-100 and L. 225-100-2	Description of the principal risks and uncertainties that the Company faces	23-29	1.6
French Commercial Code	L. 225-100 and L. 225-100-2	Use of financial instruments by the Company: objectives and policy for the management of financial risks	25-26, 164-169	1.6.3 5.6 note 14
French Commercial Code	L. 225-100 and L. 225-100-2	Company exposure to price, credit, liquidity and cash risk	23-26, 164-169	1.6 5.6 note 14
French Commercial Code	L. 225-102-1, L. 225-102-2 and R. 225-104	Social and environmental consequences of the activity (including "Seveso" facilities)	27-28, 41-42	1.6.4 2.3.2
French Commercial Code	L. 232-1	Research and development activities	20	1.4.3
Items bearing on corporate governance				
French Commercial Code	L. 225-102-1	List of all holdings held in any company by each of the Board members during the year	80-88	3.2.1
French Commercial Code	L. 225-102-1	Total remuneration and benefits of all kinds paid to each corporate officer during the year	99-112	3.5
French Commercial Code	L. 225-102-1	Commitments of all kinds made by the Company for the benefit of its corporate officers, corresponding to remuneration, allowances or benefits due or liable to be due upon the assumption, termination or change of these functions by the persons in question or subsequent thereto	99-112	3.5
French Commercial Code	L. 225-184	Options granted, subscribed or purchased during the year by the corporate officers and each of the top ten employees of the Company who are not corporate officers, and options granted to all eligible employees, by category	n/a	n/a
French Commercial Code	L. 225-185	Conditions for the exercise and conservation of options by executive officers	n/a	n/a
French Commercial Code	L. 225-197-1	Conditions for the retention of bonus shares awarded to executive officers	103, 216	3.5.2, 7.3.3
French Monetary and Financial Code	L. 621-18-2	Transactions by executives and related parties on the Company's shares	113	3.5.5

REFERENCE TEXTS	COMMENTS ON THE FINANCIAL YEAR	NO. OF PAGES	CHAPTER NUMBER
Information on the Company and the capital			
French Commercial Code	L. 225-100-3 Rules applicable for the appointment and replacement of members of the Board of Directors or Executive Board and for amendments of the Articles of Association of the Company	78-79, 88-89	3.2.1, 3.2.2
French Commercial Code	L. 225-100-3 Powers of the Board of Directors or the Executive Board, in particular to issue or repurchase shares	216-220	7.3.3
French Commercial Code	L. 225-211 Detail of purchases and sales of treasury shares during the year	221-224	7.3.4
French Commercial Code	R. 228-90 Any adjustments to securities giving access to the capital in the event of share buybacks or financial transactions	n/a	n/a
French Commercial Code	L. 225-100 Table summarising the authorisations currently in force granted by the Shareholders' Meeting to the Board of Directors or Executive Board in respect of capital increases	219	7.3.3
French Commercial Code	L. 225-100-3 and L. 233-13 Structure of and change in the Company's capital	225	7.3.3
French Commercial Code	L. 225-100-3 Statutory restrictions on the exercise of voting rights and share transfers or agreement clauses brought to the knowledge of the Company	215, 224-228	7.2 7.4.1
French Commercial Code	L. 225-100-3 Direct or indirect shareholdings in the capital of which the Company has knowledge	224-225	7.4.1
French Commercial Code	L. 225-102 State of employee shareholdings in the share capital on the last day of the financial year and the proportion of capital represented by the shares held by employees under the Company savings plan and by employees and former employees in company mutual funds	224	7.4.1
French Commercial Code	L. 225-100-3 List of holders of any securities with special control rights, and description thereof	225	7.4.1
French Commercial Code	L. 225-100-3 Control mechanisms provided for in any employee shareholding scheme where the control rights are not exercised by it	n/a	n/a
French Commercial Code	L. 225-100-3 Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights	226-228	7.4.1
French Commercial Code	L. 225-100-3 Agreements concluded by the Company that are modified or terminated in the event of a change of control of the Company, unless such disclosure, except in the case of a legal duty of disclosure, would seriously harm its interests	230	7.5
French Commercial Code	L. 225-100-3 Agreements providing for compensation for members of the Board of Directors, senior management or employees if they resign or are dismissed without just cause or if their employment ceases because of a public offer	110	3.4.4
French Commercial Code	L. 464-2 Injunctions or penalties for anti-competitive practices	n/a	n/a
Items bearing on the financial statements			
French Commercial Code	L. 232-6 Any changes in the presentation of financial statements or in the valuation methods used	148	5.6 note 1
French Commercial Code	R. 225-102 Results of the Company over the last five financial years	199	6.4



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