2016

RÉMY COINTREAU

REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

2015/2016

CONTENTS

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AND ANNUAL FINANCIAL REPORT

The Rémy Cointreau Group is one of the major operators in the global Wines and Spirits market, with a portfolio of exceptional brands that includes the Rémy Martin and Louis XIII cognacs and Cointreau liqueur. The brands are mainly distributed via a network of subsidiaries located in the Group's various strategic markets.

Rémy Cointreau is listed on Euronext Paris. The free float comprises approximately 44% of the share capital. The majority of the Rémy Cointreau Group is held by a family holding company, Andromède.

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.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document was filed with the French Financial Markets Authority (AMF) on 27 June 2016, 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.

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OVERVIEW OF THE GROUP

1.1 KEY FIGURES

Data in € millions, for the period 1 April to 31 March	**2016**	**2015**
Net sales	1,050.7	965.1
Current operating profit	178.4	156.0
Current operating margin	17.0%	16.2%
Net profit – Group share	102.4	92.6
Net profit excluding non-recurring items	110.4	94.6
Capital expenditure and administrative investments	30.8	36.8
Equity – attributable to the owners of the parent	1,111.9	1,074.3
Net financial debt	458.2	466.6
Dividends paid during the financial year (per share in €):	1.53	1.27
Earnings per share (basic, in €):		
On net profit excluding non-recurring items – attributable to the owners of the parent	2.27	1.95
On net profit attributable to the owners of the parent	2.11	1.91

NET SALES BY CATEGORY

	2016	**2015**
Rémy Martin	647.8	564.8
Liqueurs & Spirits	273.7	262.9
Sub-total Group brands	**921.5**	**827.8**
Partner Brands	129.2	137.3
TOTAL	**1,050.7**	**965.1**

CURRENT OPERATING PROFIT

	2016	**2015**
Rémy Martin	139.7	117.4
Liqueurs & Spirits	48.1	51.8
Sub-total Group brands	**187.8**	**169.2**
Partner Brands	6.0	7.3
Holding	(15.4)	(20.5)
TOTAL	**178.4**	**156.0**

NET SALES BY GEOGRAPHIC AREA

	% total	**2016**	**2015**
Europe-Middle East-Africa	34.2%	359.6	329.2
Americas	37.6%	394.6	342.7
Asia-Pacific	28.2%	296.5	293.2
TOTAL	**100.0%**	**1,050.7**	**965.1**

NET SALES BY CURRENCY

	% total	**2016**	**2015**
Euro	25.1%	264.2	246.2
US dollar, HK dollar, Chinese yuan, Barbadian dollar	57.8%	607.5	558.9
Other currencies	17.1%	179.0	160.0
TOTAL	**100.0%**	**1,050.7**	**965.1**

1.2 History

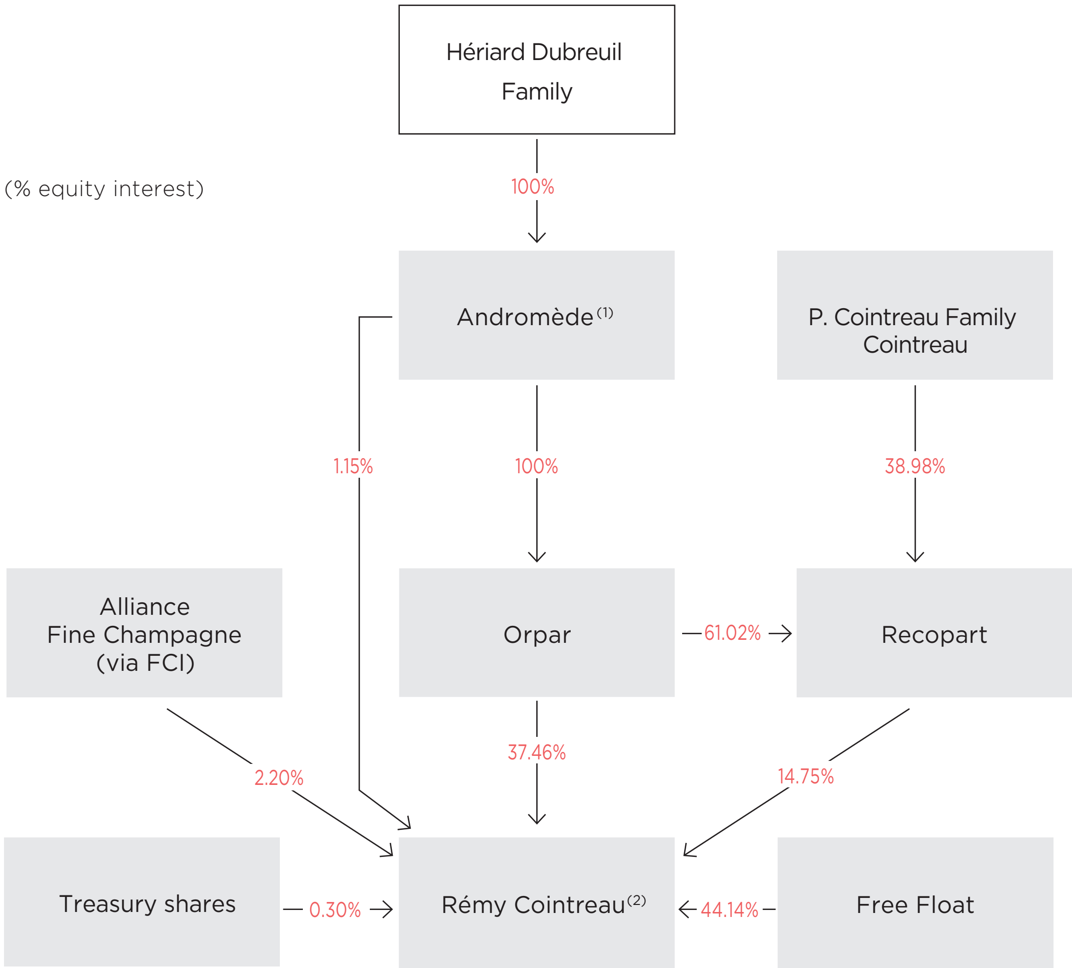
The Rémy Cointreau Group, whose charentaise origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which controlled E. Rémy Martin & Cie SA and Cointreau & Cie SA respectively. It is also the result of successive alliances 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 & Cie 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 Passoa 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 Chairman 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
	Disposal of Bols' Polish operations to CEDC
	Maxxium reinforced by taking over the distribution of a number of Allied Domecq brands acquired by Fortune Brands
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	Transition year in view of the Maxxium exit
	Creation of a proprietary distribution structure
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
	Rémy Cointreau continues as the sole distributor of Piper-Heidsieck and Charles Heidsieck, as well as Piper Sonoma (the US sparkling wine brand)
2012	3 September: acquisition of the Bruichladdich Distillery, which produces single malt Scotch whisky 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

1.3 Shareholding structure

AT 31 MARCH 2015



(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 Rémy Cointreau Group is one of the major operators in the global Wines and Spirits market.

The Wine and 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 high-quality brands in the premium segments of the global markets, which offer high growth and earnings potential.

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).

Rémy Cointreau, which has its own distribution network in Asia, the US and in some European countries, controls about 85% of its sales. The Group is therefore able to implement a pricing and distribution strategy consistent with its premium positioning.

Thanks to its distribution operations, which are strong, highly responsive and very close to customers, and its robust financial health, the Group seeks to develop its premium 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 organisation spans brand divisions and market divisions which manage the distribution network. All of these divisions benefit from the support of the holding company.

The product categories, production processes and geographic sales distribution are taken into account to allocate each brand to one of two divisions: "Rémy Martin" and "Liqueurs & Spirits".

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

RÉMY MARTIN

Rémy Martin produces a range of cognacs under the Rémy Martin and Louis XIII brands.

The 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.

Rémy Martin is positioned primarily in the premium segment, witness its three flagship products, VSOP Fine Champagne, XO Excellence Fine Champagne and Louis XIII Grande Champagne.

In 2015/2016, Rémy Martin accounted for 62% of the Group's total net sales. 99% of Rémy Martin's sales are generated by exports.

KEY FIGURES

In € millions or %	**2016**	**2015**
Net sales	**647.8**	**564.8**
Breakdown by geographic area:		
Europe-Middle East-Africa	18.0%	16.7%
Americas	42.2%	38.3%
Asia-Pacific	39.8%	45.0%
TOTAL	**100%**	**100%**
Current operating profit	139.7	117.4
Current operating margin	21.6%	20.8%

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 over 87% 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 12.8% (source: BNIC March 2016). Rémy Martin makes over 98% of its shipments in the QS *(Qualité Supérieure)* segment, which accounts for 53% of the total cognac market (source: BNIC March 2016).

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 Maison Rémy Martin.

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

- 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 & Cie and partly through bank financing or the co-operative's own funds. E. Rémy Martin & Cie 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 & Cie, AFC and the members concerned. Since April 2005, E. Rémy Martin & Cie 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 2015/2016, the Liqueurs & Spirits division accounted for 26% 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;
- Passoa, a passion-fruit liqueur;
- Bruichladdich, Port Charlotte and Octomore, three brands of single malt Scotch whisky from the Isle of Islay (Scotland);
- The Botanist, a gin from Islay (Scotland).

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

Key figures

In € millions or %	2016	2015
Net sales	**273.7**	**262.9**
Breakdown by geographic area:		
Europe-Middle East-Africa	51.1%	53.6%
Americas	38.9%	36.2%
Asia-Pacific	10.0%	10.2%
TOTAL	**100%**	**100%**
Current operating profit	48.1	51.8
Current operating margin	17.6%	19.7%

Competitive positioning

The Liqueurs and 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, Beam and Bacardi Martini. 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 17% of the total volume of Group brands.

PARTNER BRANDS

In 2015/2016, Partner Brands accounted for 12% 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.

It also includes some of the Group's minor brands, insofar as they are not significant and their distribution is limited to one or two markets.

The most significant partnerships concern the Champagnes Piper-Heidsieck and Charles Heidsieck, Russian Standard vodkas, 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 four production sites specific to its brands.

Cognac (France)

All Maison 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 202,400 sq. m

The "Domaines Rémy Martin" entity manages the wine estates of Maison Rémy Martin (246 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.

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 144 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. It should be noted that part of the administrative services are located in Glasgow.

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 US (primarily New York), China (Shanghai and Hong Kong), Singapore, Russia, Belgium, Czech Republic, the United Kingdom (London and Glasgow) and Germany. 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

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

The sum total of disbursements relating to property, plant and equipment and intangible assets, excluding brands and goodwill, was €30.8 million for the 2015/2016 financial year.

The main disbursements were:

- purchases of casks to store *eaux-de-vie* and aged products. This was the most significant area of capital expenditure for the Rémy Martin entities;
- on Islay, a large-scale project was begun during the course of the year to build a whisky ageing cellar complex on land acquired close to the Bruichladdich distillery;
- on Barbados, distilling expenditure remained significant over the financial year, with the Ste-Lucy distillation site being brought up to standard;
- major investment in a sales and operations planning computer system to improve the Group's ability to manage its global sales forecasts.

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

In € millions	**2016**	**2015**	**2014**
	30.8	36.8	42.2

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

See the Statutory Auditors' special report for the year ended 31 March 2016 for regulated agreements entered into in previous years and which remained in force during the year under review.

No regulated agreements were entered into during the 2015-2016 financial year.

At its meeting on 22 March 2016, the Board of Directors also conducted a review of the regulated agreements entered into and authorised in prior years and whose performance continued in 2015/2016, 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 endorsement 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 endorsement.

- **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 endorsement 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 three months' notice. 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, with the payment submitted to performance conditions,
  - a 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 not changed during the 2015/2016 financial year;

- **Commitment to a retirement with defined services**

  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 director, 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 foresees the payment of a pension from 8 to 15% of the average gross annual earnings of the last two years of activity. This pension is paid on presence conditions 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 22 March 2016, 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 of a normal nature as regards 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.

1.6 RISK FACTORS AND INSURANCE POLICY

1.6.1 STRATEGIC RISKS

PRINCIPAL CONTRACTS AND CUSTOMERS

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 these 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.

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 concluded by Group companies form part the ordinary course of business and the commitments therein are 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 10 customers represent 39% 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 67% 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

The Wine and 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.

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. Finally, Rémy Cointreau is continuing to invest in and develop its own distribution network, guaranteeing its independence and ability to be present in all of its markets.

CHANGING TASTES AND CONSUMER PREFERENCES

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.

Rémy Cointreau's brand portfolio includes eight 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 Honey Shot and Metaxa 12 stars), Mount Gay rum (launch of Black Barrel in 2013), The Botanist gin and Bruichladdich whisky (Bruichladdich, Port Charlotte, Octomore), 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 customer demand for new products.

1.6.2 Brand and product-related risks

RISKS ASSOCIATED WITH BRAND PROTECTION

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.

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. Furthermore, administrative and judicial decisions in 2015 and 2016 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

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 Rémy Cointreau Group has a strong work ethic. Its teams are renowned for their professionalism and its products are recognised as being premium 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 customers, 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 on brands and intellectual property.

RISKS LINKED TO THE QUALITY OF RÉMY COINTREAU PRODUCTS

Rémy Cointreau brands are known and recognised for their excellence. The premium 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 customers, 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.

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 customers 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

FOREIGN EXCHANGE RISK

Rémy Cointreau's results are sensitive to movements in exchange rates as the Group realises around 75% of its net sales in currencies other than the euro, whereas most of the production is within the euro zone.

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), Hong Kong dollar (HKD), Australian dollar (AUD), Canadian dollar (CAD), yen (JPY) and pound sterling (GBP).

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 structurally represents around 80% 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

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.

At 31 March 2016, net financial debt represented only 69% of confirmed resources. 62% of resources were at fixed interest rates. 60% 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 2.29 at 31 March 2016. 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 2016, the Group's rating by specialist agencies was as follows: Standard & Poor's: BB+, outlook stable – Moody's: Baa3, outlook negative.

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 RISKS

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.

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 regulations: EEC regulation no. 110/2008, EU regulation no. 1169/2011 and EU regulation no. 716/2013, and specific national regulations. Their definitions, raw materials, authorised processes, sales denominations, minimum alcohol content, labelling rules and conditions for obtaining protected geographical indications status 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 United States. 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 2013 in accordance with US regulations.

In December 2008, 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, Rémy Cointreau and Rémy Cointreau USA supply chain was carried out, and received approval in November 2015. 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 RISKS

IT risks consist of data loss (both commercial and financial), the inability to operate effectively due to a technical fault, and system intrusion or hacking.

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. Finally, hacking could result in the theft of confidential data.

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. Finally, Rémy Cointreau uses the latest technologies to protect its network and servers and to prevent hacking.

1.6.4 External risks

SEASONALITY OF THE BUSINESS

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.

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.

INDUSTRIAL AND ENVIRONMENTAL RISKS

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.

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

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.

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.

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

1.6.5 Insurance

The Rémy Cointreau Group has always been committed to a pro active risk management policy, which implements:

- risk identification procedures;
- a co-ordinated, centralised, global approach to insurance programmes;
- prevention and protection audits for people and industrial assets.

In order to increase its responsiveness to a major incident, in 1997 the Rémy Cointreau Group drew up a crisis management plan to deal from the outset with all damage of any kind suffered by the Group.

In this context, the Group has opted to transfer its risks on the insurance market to companies with acknowledged solid financial bases and works in close cooperation with the world leader in risk management consulting and insurance brokerage.

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 2015/2016 financial year did not exceed 0.24% 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.

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.

Damage related to contamination or pollution is covered under this policy.

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.

An additional insurance line of €250 million has been taken out for the company E. Rémy Martin & C°.

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 United States 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, the environment, property and personnel during business travel. Their cover applies worldwide.

2

CORPORATE SOCIAL RESPONSIBILITY (CSR)

2.1 The Group's policy and commitments

A CSR policy which is part of our DNA

Rémy Cointreau's long-term business activity is different to many other businesses (with some of its finished products taking a century to create). Therefore it relies on being able to use the best of what nature has to offer. For this reason, CSR is in the Group's DNA, both strengthening its value strategy and structuring its activity.

Since it joined the Global Compact in 2003, acting responsibly comes as second nature to a company that has strong ties with its local regions and an international presence. As a member of the GC Advanced working group, every year Rémy Cointreau submits a communication to the Global Compact on progress made regarding the measures implemented within the context of its corporate social responsibility (CSR) policy. In June 2015, Rémy Cointreau also renewed its GC Advanced Qualification for its annual CSR reporting. This is the highest level of differentiation for the Global Compact and demonstrates the Group's CSR commitment. Rémy Cointreau is also a member of the GC Advanced Club, the aim of which is for each member to share its best practice with other members.

Aligned with the ISO 26000 standard, Rémy Cointreau's CSR policy aims to comply with best practice in human rights, labour standards, the environment and the fight against corruption. The Group keeps a very close eye on developments in the standard (responsible purchasing, breakdown by business segment).

The international dissemination of the CSR Charter and code of ethics illustrates Rémy Cointreau's commitment to ensuring that CSR is fully integrated into the daily activities of all employees. The Group also endeavours to promote its CSR best practice to its suppliers and to assess its suppliers' CSR performance. Rémy Cointreau has outsourced and pooled this process, using the dedicated supplier CSR assessment platform SEDEX.

Pursuant to the requirements of Article 225 of France's Grenelle II environment law of 12 July 2010, and firmly convinced that the regulatory requirements should be viewed as an opportunity, Rémy Cointreau extended the scope of CSR reporting to all production sites and distribution subsidiaries. This reporting is verified by an independent external expert, certifying the inclusion of the employee-related, environmental and societal information required under French regulations. Rémy Cointreau is also implementing the new rules for company energy audits. The Cognac and Angers sites have therefore undergone energy audits, and progress plans have been approved.

The 2020 CSR Plan: a shared goal

A VERY ADVANCED REPORTING PROCESS AND POLICY

2014 saw the implementation of the third and final year of the 2015/2016 CSR Plan, a three-year programme to continuously improve our CSR strategy. Throughout this plan, the Group has structured its CSR strategy in such a way as to anticipate regulatory requirements, deploy the Group's commitments to all of its stakeholders and meet the expectations of civil society.

24 companies within Rémy Cointreau's scope now report all or part of their employee-related and environmental information according to the specifications described in the section entitled "Note on methodology". The indicators associated with the information are calculated in accordance with Rémy Cointreau's reporting protocol, which can be obtained on request from the Group's CSR Director and is summarised in the section entitled "Note on methodology". This protocol, which is updated on a yearly basis, is validated by external auditors.

Rémy Cointreau continues to base its strategy on international ISO standards which guarantee standards relating to quality, food safety and respect for consumers and their health. Mount Gay is ISO 9001 Quality certified, while Cointreau and Rémy Martin are both Quality, Environment and Food Safety certified (ISO 9001, ISO 14001 and ISO 22000). Cointreau is also OHSAS 18001 Safety certified.

The Cognac and Angers sites have a high level of involvement in this process, and their QSE follow-up audits within the ISO framework demonstrate the improvements that they have made. They are also preparing for changes to ISO 9001, 14001 and 22000 by conducting mock audits, with a view to renewing their certifications for the new 2016/2017 standards. The renewal of the "high environmental value farming" level-3 certification for Domaines Rémy Martin also attests to the Group's environmental commitment.

Aware of the impact of its activities, Rémy Cointreau measures the reduction of its carbon emissions and monitors its environmental indicators. Its annual carbon footprint assessment has been extended to Mount Gay's Barbados production site and Bruichladdich's Scottish site. Although not bound by this obligation, the Group conducts a carbon footprint assessment every year (scopes 1 and 2) and a full carbon footprint assessment (scopes 1, 2 and 3) every three years. The latter includes raw materials and their transportation, as well as product shipping.

The Group now handles all CSR data using *ad hoc* reporting software that allows for faster and more analytical data processing and also improves awareness at the sites. Rémy Cointreau stresses the importance of CSR reporting for all its sites in France and abroad. The indicators are linked to GRI benchmarks (Global Reporting Initiative – version G4).

Rémy Cointreau is also keen to involve all of its employees, and its CSR policy is one of the cornerstones of its company culture. New employees receive a detailed overview of the Group's CSR policy and actions as soon as they enter the induction process, in order to incorporate the Company's commitments into their role. In order to raise awareness further among employees across the board, since 2014 the CSR criterion has been included in the profit-sharing agreement *via* waste sorting and recycling indicators.

Also in the interests of raising awareness, the Group's CSR Charter (available in French and English) and code of business ethics (available in all languages spoken in the Group) are disseminated internationally and set the benchmark for all issues of professional ethics, including conflicts of interest and corruption.

As regards the Group's ethics on a global level, Rémy Cointreau has joined the European Union's Transparency Register in order to respect the transparency required for all of its European lobbying actions and to reaffirm its honest practices.

Rémy Cointreau republished its Responsible Communication Charter last year to address the impact of its production processes on society. At the same time, the Group is continuing to raise awareness of responsible consumption, both internally and with service providers who are obliged to serve its products at external events.

A NEW AMBITIOUS PLAN TO REFLECT A DEMANDING ENVIRONMENT

International events over the past few years have served only to strengthen Rémy Cointreau's resolve, the Company having already been very committed to Corporate Social Responsibility.

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 focus: Limiting global warming to an increase of 2°C (or even 1.5 °C) by 2100.

On employee-related issues, the Group has always fully subscribed to the United Nations Sustainable Development Goals on Human Rights and Labour law. They aim to achieve respect and dignity for every person on the planet in both their personal and professional lives.

As regards societal issues, the Group is aware of the increasingly demanding expectations of both society and the public authorities as regards the impact of its advertising on alcohol consumption. Expectations are also growing in relation to the impact of the Group and its economic activity on society and local areas. The Company therefore meets its obligations by participating in the development of local areas, in keeping with its own values.

Finally, the Group is fully responsible for ensuring that its brands fulfil their promises, by thoroughly monitoring both their responsibility and ethics as well as their product quality. This therefore ensures that stakeholders can trust them to deliver. The Group's overall aim is for CSR (as one of its six priorities) to be communicated at all levels, right down to the consumer.

A PLAN INVOLVING ALL PARTIES WHICH ABOVE ALL AIMS TO REDUCE GREENHOUSE GASES (GHG)

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 change in relation to the 2015 CSR plan is that the new plan will enable the Group to set clear objectives, (currently being defined for 2016/2017), eliminate any constraints and achieve its aims, and will be applied at all levels of the Company. The objectives will also be incorporated into the 2017/2018 executive management remuneration package. This year, CSR Ambassadors will also be appointed for the main brands and regions (Europe, Asia, United States), to support the international deployment of this shared CSR culture.

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

The main social challenges are as follows:

- to comply with social legislation and to promote the fundamental conventions of the International Labour Organization, including upholding freedom of association and the right to collective bargaining, and eliminating discrimination;
- to promote the professional and personal development of our employees, notably through ongoing training.

The main challenges covered by the environment plan are:

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

In terms of societal challenges, the priorities are as follows:

- protecting biodiversity, and more comprehensive responsibility towards the local areas in which the Company's sites are located ("giving back to the community"); and
- responsible purchasing.

Finally, governance is also at the core of the plan. The major challenges in this area are:

- incorporation of CSR objectives, including in executive management remuneration (from year two of the plan); and
- creation of a CSR Committee within the Board of Directors, while making CSR one of the Group's six strategic priorities.

These challenges have been developed within the framework of each activity so that they are relevant to the whole company and fully involve all employees, based on the following chronological sequence: upstream/processing/sales. Therefore, everyone is responsible for their own area and contributes to the end quality of the process. In other words, responsible sales are based on high-quality processing, which itself is dependent on high-quality raw materials. These raw materials in particular play a crucial role. Not only does their quality influence the quality of the products, but our specialist knowledge of the source of our raw materials ensures that our products are of the highest quality. Our partnership with winemakers from the Alliance Fine Champagne (Cognac site) is a perfect example, also enabling us to share sustainable development know-how.

For the 2020 CSR plan, this process has been approved through the CSR audits performed on production sites in accordance with the French "Grenelle" environment laws. There has also been a significant widening of the Group's CSR reporting scope as well as its carbon footprint assessment, in order to prepare for future requirements of the French energy transition law. Another of the Group's assessment criteria to measure the progress of the 2020 CSR plan is the non-financial rating (primarily through Gaïa classification and the Vigeo rating).

The plan also aims to obtain new certifications. The initial focus is the environmental certification of the Group's recently-acquired production sites, such as those located at Mount Gay and Bruichladdich. Rémy Cointreau aims to gain ISO 26000 certification for the whole Group by the end of the (2020) plan.

Meanwhile, the 2020 CSR plan will create a Rémy Cointreau Foundation, the purpose of which will be to support public interest initiatives in France and internationally. More precise areas of action will be defined in 2016/2017.

One of the 2020 CSR plan's main challenges is its reduction in greenhouse gases (GHG) and carbon footprint plan. Indeed, this indicator is 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, and include winemaking practices, energy efficiency, the eco-design of packaging and the optimisation of product transportation.

A CONSISTENT HUMAN RESOURCES POLICY

The culture of the Rémy Cointreau Group is based on five fundamental values: the craft-oriented aspect, thoroughness, authenticity, creativity and a personal touch. These fundamentals guide its human resources policy and all of its action plans.

In all areas in which it operates, the Group strives to comply at all times with local labour legislation and to promote the provisions of the fundamental conventions of the International Labour Organization, including upholding freedom of association and the right to collective bargaining, eliminating discrimination and forced labour and abolishing child labour.

Rémy Cointreau applies the principle of excellence to its international human resources policy. The search for perfection rests on its ability to draft a policy that covers both the entire Group and each individual employee. Its aim is to foster the personal and professional development of our employees, wherever they are located, and whatever job they do, notably through ongoing training. A company that is growing offers opportunities to identify employees with potential and to adopt more inclusive forms of traineeships. At the same time, we pay particular attention to maintaining a positive and productive working environment.

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 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 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 2015/2016 financial year, the Group pursued its actions in the area of employees' 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

Rémy Cointreau has launched a worldwide satisfaction survey to measure its employees' commitment. 85% of the Group's employees responded to the survey, the results of which 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 planning and training 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 logical consequence of the Group's activity being heavily favoured towards exports, 61% of its workforce is located outside France. 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 2015/2016 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.

In France, wage policy has been defined within the framework of collective agreements. This once again highlighted the maturity of the Group's social partners.

2.2.2 Changes in the workforce

THE GROUP'S WORKFORCE

At 31 March 2016, the Group's total workforce stood at 1,762 employees on permanent and fixed-term contracts.

The Group hired 258 new employees, 157 of whom are on permanent contracts (*i.e.* 61%). 27% were recruited for the sales team, 12% in production roles and 23% in marketing.

At the same time and within the same scope, there were 303 departures, of which 40% were resignations, 7% were mutually agreed and 15% were as a result of fixed-term contracts coming to an end. Redundancies on personal grounds accounted for 24% of departures.

WORKFORCE BY GEOGRAPHIC AREA (GRI INDICATOR G4-LA1)

	March 2016	%	March 2015	%	March 2014	%
France	690	39	705	39	721	42
Europe (outside France) – Africa	353	20	332	18	280	16
Americas	342	19	342	19	333	19
Asia	377	21	429	24	421	24
TOTAL	**1,762**	**100**	**1,808**	**100**	**1,755**	**100**

WORKFORCE BY DIVISION (GRI INDICATOR G4-LA1)

	March 2016	%	March 2015	%	March 2014	%
Group brands	706	40	713	39	686	39
Distribution	994	56	1,032	57	1,005	57
Holding	62	4	63	4	64	4
TOTAL	**1,762**	**100**	**1,808**	**100**	**1,755**	**100**

The distribution business still accounts for more than half of the Group's workforce (56%).

WORKFORCE BY FUNCTION AND OCCUPATION

	March 2016	%	March 2015	%	March 2014	%
Sales	480	27	528	29	504	29
Marketing	258	15	246	14	246	14
Production and purchasing	350	20	356	20	352	20
Supply chain	145	8	158	9	156	9
Ageing	136	8	143	7	126	7
Finance & legal	225	13	201	11	201	12
Information systems	50	3	46	3	49	3
Human resources	45	3	40	2	39	2
General services	32	2	48	3	42	2
Senior management	41	2	42	2	40	2
TOTAL	**1,762**	**100**	**1,808**	**100**	**1,755**	**100**

The breakdown of the workforce by gender remained stable; men accounted for 57% of the workforce and women 43%, 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, customer services and packaging.

BREAKDOWN BY PROFESSIONAL CATEGORY

45% of the workforce is made up of executives (managers), working mainly in sales, marketing and finance positions.

The Group's production operations comprise the majority of its operator and technician positions, around 80% of which are located in France on the Cognac and Angers sites, with the remainder in Scotland (Bruichladdich) and Barbados (Mount Gay).

AVERAGE AGE AND LENGTH OF SERVICE

The average age of Rémy Cointreau's workforce is 41 years, although in France it is higher, at 44.

The average length of service of the Group's workforce is 9.4 years, although in France it is higher, at 15.

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 4.5% of the workforce in France at the end of March 2016.

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. In strict compliance with laws and collective bargaining agreements, operational requirements may occasionally require overtime.

2.2.4 Remuneration

In order 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 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 2015/2016 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 uses individual pay rises 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 enabled the provision of competitive guarantees in light of market practices, including a significant employer contribution.

2.2.6 A training policy that targets excellence

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

As a Group priority, the main aim of training is to guarantee the employability of all of its employees and the sustainability of its know-how.

The "Rémy Cointreau Academy" has continued to develop, adding new subject areas. This range of training courses is developed by the highest level of the Group's management, who supervise it personally. This internal University is fully tailored to training the 300 key managers within the Group's own culture.

The scope of these training courses is extended in stages and by the end of the programme the modules will have covered all the key areas of the Group's activity.

- The Brand Academy tackles sales and marketing aspects of the Group's brands and the luxury goods sector from a strategic angle. All of our senior managers have already taken this module. A digital module has been made available to the managers to allow them to refer to it when conducting their activities.
- The Art of Selling Academy provides specific training in the Group's sales strategy, with a pragmatic and differentiating market approach, in order to support the brands and create value for our partners and customers. These training modules have been widely deployed across the entire Group.
- Training at the Finance Academy is provided to all managers. 150 non-financial employees have already received training, mainly in France and Europe. Aside from the particular financial aspects of our business, this training will make employees more financially aware and improve their understanding of all the Group's criteria for achieving efficiency.
- The Quality Academy was launched in November 2012. Deployment of this module has continued in all regions during the financial year.

Finally, in the longer term, training in Human Resources management will focus more specifically on leadership and managerial functions.

The availability of these modules on the Company's intranet will enable new entrants to quickly grasp the essential principles of the Group's culture, with the most functional and practical approach possible.

The training programme continued in parallel, to support employees' professional development. In particular, e-learning is promoted to encourage every employee to learn foreign languages.

A development library is also available to everyone so that they can expand their knowledge at their own initiative.

Finally, a digital integration module for new recruits was implemented on an international scale. It supplements the integration process that is already greatly appreciated by employees joining the Group.

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 newsflashes (indicators, first aid, noise pollution, etc.).

A special customer services programme was set up in Angers in 2015 for optimised change management. This training action has promoted team involvement at the heart of the transition to new IT systems and changes to structures.

At the Mount Gay site, training and development are essential in order to continue the site's great tradition of high-quality artisan trades. Over the previous financial year, training actions have been primarily focused on good manufacturing practices (over 90% of employees attended this training course). The Mount Gay site has also implemented training actions to improve customer services, and to promote effective sales techniques and IT skills.

The number of training hours declared in 2015/2016 for the entire Group scope, excluding Europe (outside France), for employees on permanent contracts, was 15,954 hours of which 6,618 were for women and 9,336 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.

Rémy Cointreau identifies talent in all of the Group's business sectors and geographical 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).

Rémy Cointreau shares its know-how and excellence in the trades in which it has a long tradition. The Group is particularly mindful of observing the heritage of the various Houses and their respective methods. Junior-senior partnerships have therefore been established to prepare and provide the transfer of skills under the best possible conditions in these high value-added trades.

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 terms of diversity, the Group implemented measures related to diversity in recruitment, gender equality, the integration of disabled employees and reintegration at local level.

In 2015, with 8% disabled workers, the Cognac site continued to have the highest number of disabled workers of all Rémy Martin sites. Rémy Martin is therefore continuing its efforts to integrate disabled people in both permanent and temporary roles, or through the Cognac work-based support centres.

In addition, for the second year running, the Cognac site organised a fun programme for disability awareness in the business world on its premises. Guests included Human Resources managers, communications managers, managing directors and journalists. Rémy Martin was also involved in the 6th *Handi Rencontres* forum held in Cognac in 2015, with the aim of promoting the recruitment and integration of disabled employees.

In Cognac, HRM and the production managers launched an ergonomic product line. The project was run in partnership with the CHSCT (Workplace Health and Safety Committee) and the inter-company medical service. A new "adapted" line will be manufactured from May 2016. It offers optimal working conditions to all employees, particularly operators with medical restrictions.

Furthermore, the *Nos Quartiers ont des talents* (our neighbourhoods have got talent) scheme launched by the Cognac site has, to date, enabled 12 young graduates from disadvantaged neighbourhoods or rural areas to find a job. These young people are receiving active support from 11 Company mentors. A similar initiative (Job Academy) was launched on the Angers site, in partnership with FACE (Foundation for Action to Combat Exclusion), enabling a number of managers to support young people looking for a job. In addition, the Angers site is currently trialling mentoring with a local secondary school, to support students and help them with career planning.

Finally, the Cognac site has implemented a proactive professional development policy to enable employees to boost their own development. In 2015, this policy allowed 19 employees to change to a different role. 42% of those helped by the programme were women.

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 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, customers, 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 held 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.

In 2015, the Angers site provided 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 e-mails and professional mobile phones. An internal carpooling database was also set up to promote communication between employees, and to optimise transportation.

Both at Angers and Cognac, various ergonomic improvements have been made to certain administrative or industrial workstations to improve working conditions. The Angers site, for example, has developed safety features to optimise the safe delivery of alcohol tanks.

In terms of safety, systematic training courses are given to all new employees and onsite 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 the Angers site, specific "Movements and Postures" training has been developed and adapted with information on overheating, as well as "Wearing a Restraint" technical training to adapt behaviour to new safety features.

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.

At the CEP (Product Development Centre) in Cognac, the project to install access walkways in cask storage areas has been finalised. Its purpose is to enable employees to work safely during operations to be conducted at height. The project led to the deployment of more than 20 detachable and entirely secure walkways in all storage cellars.

In addition, as part of the reopening of the Rémy Martin cooperage, considerable work has been completed to ensure good working conditions, particularly as regards dust and noise pollution. A budget of €100K was allocated to this project, which covered the construction of a cask cleaning area, the purchase of a lifting system to handle the casks, laying of a resin (to help with cleaning), a class M suction fan, and more.

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, is 4.63% for 2015/2016. This rate does not include sick leave periods of more than 90 days (except for the Barbados site).

In France, one occupational illness was reported to and recognised by the relevant Health Insurance authorities during the 2015/2016 financial year.

For 2015/2016, the workplace accident frequency rate at the France, Barbados and Islay sites is 8.9, expressed as the number of workplace accidents with workdays lost per million hours actually worked.

The severity rate is low at 0.07 expressed as the number of days lost to workplace accidents per thousand actual hours worked. 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

Protection of the environment, and thereby of the terroirs and natural resources (raw materials) that it provides to the Group, is crucial to Rémy Cointreau's business. For this reason, it is a priority under the 2020 CSR plan. Drawing on its roots and its long history, Rémy Cointreau has made its environmental commitment a long-term driver of its economic success, partly through an ambitious certification policy.

Environmental information covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), as well as the Domaines Rémy Martin. The Paris administrative site and 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.

2.3.1 Winemaking

Rémy Martin cognac *eaux-de-vie* originates in vine products. Rémy Martin sources its supplies mainly from the Alliance Fine Champagne (AFC), a co-operative organisation that is exclusive to the Company and that has accompanied its growth since 1966. Rémy Martin also has its own vineyards within the Domaines Rémy Martin, which are used as a testing platform to promote the Group's winemaking policy.

A CERTIFICATION POLICY TO RECOGNISE EFFORTS MADE AND GUIDE PRACTICES

Rémy Cointreau has strong targets in the area of winemaking. All of the initiatives introduced aim to place the Group in the leading position for economically-competitive winemaking, while protecting the environment and without compromising on quality. 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. Employee training has primarily focused on familiarity with a new traceability software program, as well as on-going efforts to obtain the "Certiphyto" certificates which are required for the use of pesticides (GRI indicator G4-LA9). This represents 23 days of training, a net increase on the previous year (10 days in 2014/2015).

In 2012, the Domaines Rémy Martin vineyards were among the first in France to obtain "high environmental value farming" (AHVE) certification, as well as the *agriculture raisonnée* (integrated agriculture) certification acquired some years ago. After fully satisfying all criteria of the standards, which include protecting biodiversity and the proportion of inputs in sales, Domaines Rémy Martin obtained AHVE level three certification issued by the Afnor, in respect of measures undertaken to protect biodiversity and to reduce the use of pesticides. The certification was renewed this year for three years. As both recognition of the work carried out by the Group and a guide for its day-to-day operations, these standards are a real management tool.

Moreover, the Domaines maintained their PEFC certification, which ensures the sustainable management of the forests on their land (GRI indicator G4-EN12).

PRACTISING ENVIRONNEMENTALLY FRIENDLY WINEMAKING

Domaines Rémy Martin is a member of the Ecophyto network, a national initiative led by the French Ministry for Agriculture and originating in the Grenelle de l'Environnement that seeks to gradually decrease the use of pesticides and thus cut soil pollution. Domaines Rémy Martin has demonstrated its commitment to this initiative by confirming its willingness to support various tests. Soil and leaf analyses, essential for monitoring the vine, are now more comprehensive, allowing the application of fertilisers to be dosed as precisely as possible.

This year, Domaines Rémy Martin also hosted the fourth "Spraying" forum, where more than 300 winemakers attended meetings and workshops on the prevention of and use of crop treatment products. Its purpose was to optimise and reduce the use of pesticides. Demonstrations were provided of equipment with collection systems to limit the quantities of pesticides used.

With a view to adopting environmentally-friendly growing methods, all pesticides used on the Domaines are harmless to neighbouring wildlife. The application of pesticides was 9% below approved doses. Natural grass cover was up slightly, covering 39% of surfaces. Domaines Rémy Martin confirmed its commitment to eliminating the use of herbicides on the entire vineyard. Investments in under-the-row crop equipment enabled this commitment to be met in 2015.

This year, 24 leaf analyses (up from 20 the previous year) allowed fertiliser input to be controlled (500 kg/ha compared with 522 in 2014/2015) for regular maintenance of the vineyard. These analyses are maintained from year to year so that fertilisation requirements for land parcels yet to be planted may be identified more effectively. Natural control methods (natural predators) are used on all vineyards. The mating disruption technique has been used since 2010 to reduce the use of insecticides.

A biocontrol platform was introduced with the Charente Chamber of Agriculture for the second year running, again in the interests of reducing the use of pesticides. This involves testing a recent technique on vineyard plots, in which trichogramma (small insects) are released to destroy vine moths. A research contract has therefore been entered into. The promising results will lead to the initiative being extended in 2016/2017 on two plots in order to perfect the trichogramma release strategy and optimise its efficiency. This is the only French platform for viticulture research on this subject: Domaines Rémy Martin are, therefore, continuing to contribute to the quest for environmental excellence in French winemaking.

PROMOTING OUR PARTNERS' SOUND WINEMAKING PRACTICES

Rémy Cointreau would like all of the AFC's winemakers and distillers to follow its lead by obtaining AHVE certifications. In previous years, Rémy Martin has offered training sessions on general aspects of CSR. This year, 488 winemakers, or 60% of AFC cooperative members, have attended information sessions on the topic of CSR. In addition, with the assistance of the chambers of agriculture, 51 winemakers were trained in AHVE 1 ("high environmental value farming") (including the pilot 2014/15 group), and 19 are undergoing training. Two winemakers have been AHVE 3-certified (and two are undergoing the certification process). 153 winemakers have also expressed a wish to attend the AHVE 1 training sessions.

Rémy Martin also introduced the Rémysphère Newsletter to establish a real link with winegrowers and to provide them with all the necessary information about the partnership and the Company itself. The newsletter is compiled with the support of a group of young AFC winegrowers who are responsible for validating its contents. Sent out three times a year to eau-de-vie carriers, it is timed to coincide with the different phases of winegrowing, *i.e.* flowering, harvest and distillation.

In practical terms, this newsletter allows the Group to provide information about its results, brand updates and news on the economic climate. It provides technical information on various subjects such as the quality of *eaux-de-vie*, winemaking, casks, contracts, tastings, test results, training and the environment. It also allows the winemakers themselves, along with other experts, to have their say in their own articles and accounts. The newsletter, which is not only distributed in hard copy but is also available on the remysphere.com website, now constitutes a vital means of communication which has played a central role in strengthening links with winegrowers.

Broad guidelines have already been adopted for the next three years in order to encourage voluntary practices on the part of distillers and to promote sound practices, including reduced use of pesticides and the adaptation of treatments according to parasitic pressure, whilst maintaining a maximum yield. A charter and an environmental benchmark are also being prepared.

Finally, the annual *Centaures de la distillation* trophy, which rewards the best distillers from Maison Rémy Martin, this year recognised the exceptional quality of the *eaux-de-vie* produced by 45 distillers. Nine distillers were awarded the distinction of *Centaure d'or de la distillation* ("Golden Centaur of Distilling").

2.3.2 Environment

In 2015/2016, the Group invested €2.6 million in quality, safety and environmental improvements (GRI indicator G4-EN31) on all of its production sites.

A total of 2,696 hours of training for 316 people was completed for these three components (GRI indicator G4-LA9). The sessions were primarily focused on fire risk (handling extinguishers, first aid training) and employee health (Movements and Posture training).

The Group is keen to involve its employees in the QSE initiative and called for volunteers to create a corporate network. On the Cognac site, 33 environment correspondents are deployed in different departments. Their main duties involve acting as relays and spokespeople for staff in their business sector, in order to assess practical arrangements for reducing environmental impacts (solid waste sorting, incidents, near misses etc.), and to escalate any suggestions for improvement to our Environment and Safety Management System. They help to achieve Safety and Environment objectives, and are required primarily to reflect on changes in practice, respond to surveys or help to distribute surveys. Nine meetings were held over the 2015/2016 financial year. For example, the correspondents helped to raise their colleagues' awareness of energy consumption (particularly in administrative offices), and a working group was set up to improve the visibility of solid waste recycling bins.

Again in Cognac, staff from all sites had the opportunity to attend safety/environment stands over two days in November 2015. The purpose of these days was to communicate messages and reminders about specific safety and environment topics in a fun and innovative way, and to strengthen the safety and environment culture of employees on general risks both in their personal and professional lives. Five two-hour sessions were held, including five fun 20-minute stands, on: road safety – safety and environment games (hazard hunt and environment QCM) – forklift trucks – defibrillator – safety behaviour culture. A total of 220 of the 380 employees attended this event. The satisfaction survey indicated very positive results, and a wish to repeat the initiative. Following the success of these events, a decision was taken to deploy 1st aid training.

An energy awareness day was held at the Angers site this year, to add to the energy management process which has already been applied to technical roles for around 10 years. The purpose of this day was to get employees on board, as well as educating them on energy-saving measures both at home and in the workplace. The day was organised by the group Énergie de l'entreprise, and was based around three workshops on the topics of electricity, gas and water. Activities included a wattmeter connected to different types of lamp, showing their daily consumption and the potential energy savings. An air flow sensor showed the impact of compressed air leaks on energy consumption. The day was a resounding success, with around 100 of the 170 site employees attending. The suggestions box provided the Energy group with 70 ideas suggested by employees, around 30 of which may actually be implemented on the site. The objective now is to continue to raise awareness and improve communications on issues linked to energy management, in order to pursue efforts and implement an action plan.

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 continued the efforts undertaken to reduce its energy consumption. Requests for energy certificates are issued on all new equipment installed, such as lighting fixtures and heat pumps.

Audits and progress plans

The Cognac and Angers sites have undergone energy audits, and progress plans have been approved. The Group has chosen to view the regulatory constraints as an opportunity to make ambitious plans, following in the footsteps of the 2020 CSR plan.

Examples of measures implemented on the Cognac site include: the reduction of heating setpoint temperatures and raising employee awareness in this area, insulation of premises, optimising air compressor operation, replacing old lighting with LED lighting and the replacement of steam boilers. The target is to save 600 MWh (nearly 70 Teq CO_2).

Examples of planned initiatives on the Angers site include: optimising air compressor operation, adjustment of boiler rooms, automated lighting, setting up a centralised energy monitoring computer system. The target is to save 1,800 MWh (nearly 400 Teq CO_2).

Actions already in progress

On a wider scale, a major long-term project relating to the lighting and heat insulation of the Group's sites has been underway for several years. Regular renovation projects are carried out at the buildings on the Cognac and Angers sites to optimise lighting (replacement of high-consumption bulbs by LED bulbs), heating and air conditioning. Optimising the heating installation at the Cognac site enabled gas consumption savings of 16% to be made for the 2015/2016 financial year. In addition, the replacement of the gas boiler on the CEP (Product Development Centre) site should considerably reduce consumption for the next financial year.

On the Angers site, the boiler room operation has been optimised through the insulation of the system's steam valves, heating control and a reduction of setpoint steam pressure during overnight periods. At the same time, the site has also created a pilot energy benchmark, reduced its consumption of compressed air at source by identifying leaks, and examined the reduction of the compressor output working pressure, which has therefore been reduced from 6 to 5.5 bars (reducing its electricity consumption by 3.5%).

On the Cognac site, efforts were focused on air compressor management in the same way as on the Angers site. New buildings designed for use as packaging workshops benefited from improved heat insulation. The Centralised Technical Energy Management System was also optimised, with daily monitoring of the temperature and energy consumption of various equipment. Finally, the use of LED light fittings for external lighting over the whole site has significantly reduced external lighting energy consumption.

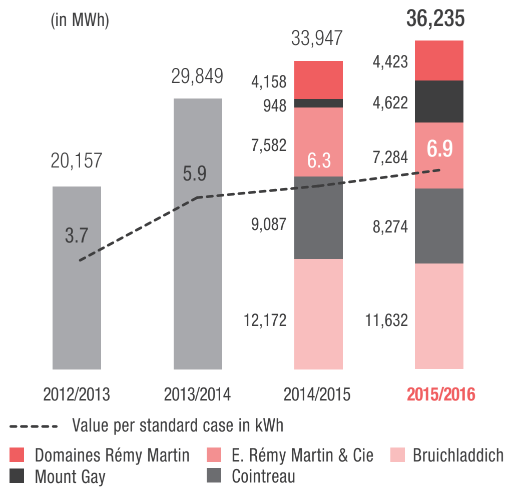
Staff awareness-raising is ongoing in order to encourage greater care with respect to energy use. An internal information campaign is being conducted to help reduce day-to-day energy expenditure, for example, by the regular release of newsflashes on reducing energy consumption and by affixing information and practical tips next to light switches.

This initiative naturally encompasses the reduction of the environmental footprint of the Group's IT equipment (Green IT protocol). New, more energy-efficient equipment is regularly rolled out at sites. The computer servers have therefore been removed, which has had a huge impact on energy use due to the resulting reduction in air conditioning.

The studies carried out on sites to assess the possibility of integrating green energy into the production process culminated in the signing of contracts to procure renewable energy. These contracts means that 21% of electricity consumed at French sites is “green” energy.

Energy consumption totalled 36,235 MWh, up 7% on the previous year, as a result of the inclusion in the reporting scope of the distillation activities on the Barbados site (GRI indicator G4-EN3).

TOTAL ENERGY CONSUMPTION (GRI INDICATOR: G4-EN3)

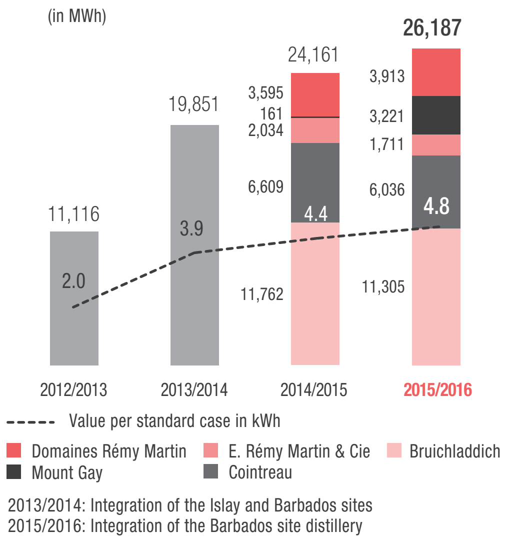


2012/2013: Integration of the Barbados site
2013/2014: Integration of the Islay site
2015/2016: Integration of the Barbados site distillery

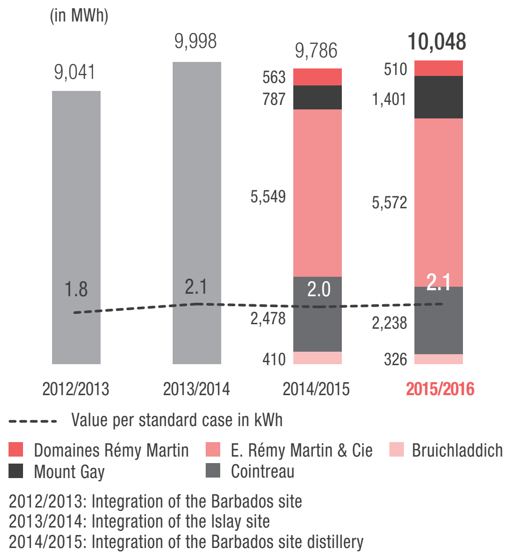
Total energy consumption came to 6.9 kWh per standard case, excluding Domaines Rémy Martin. Total energy consumption for Domaines Rémy Martin came to 66.4 kWh per hectolitre of wine produced, down 5% on the previous year.

As regards direct energy (gas, fuel oil, diesel), total consumption came to 26,187 MWh, an increase of 8% compared with last year, primarily due to an increase in distillation at the Barbados site (GRI indicator G4-EN3).

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



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



Total direct energy consumption was 4.8 kWh per standard case (GRI indicator EN4), excluding Domaines Rémy Martin. Total direct energy consumption for Domaines Rémy Martin came to 58.7 kWh per hectolitre of wine, down 2% on the previous year.

Direct energy consumption on the Cognac site was down considerably, falling from 2,034 MWh to 1,711 MWh, representing a 16% drop in consumption. This is primarily due to a considerable fall in gas consumption to heat the premises, following a mild winter.

The Angers site recorded a 9% fall, down from 6,609 MWh to 6,036 MWh, mainly due to milder winter temperatures.

Direct energy consumption for Domaines Rémy Martin rose from 3,595 to 3,913 MWh, up by 9% due to an increase in the volume of wine distilled (+11%).

Direct energy consumption on the Islay site fell by 4%, down from 11,762 MWh to 11,305 MWh.

On the Barbados site, direct energy consumption increased sharply from 161 to 3,221 MWh, as a result of new distillation activities.

As regards indirect energy, electricity consumption rose from 9,786 MWh to 10,048 MWh, representing a 3% increase (GRI indicator G4-EN3). This is essentially a result of increased distillation on the Barbados site.

Total indirect energy consumption came to 2.1 kWh/standard case, excluding Domaines Rémy Martin. Total indirect energy consumption for Domaines Rémy Martin came to 7.7 kWh per hectolitre of wine, down 19% on the previous year.

At the Angers site, electricity consumption fell by 10% from 2,478 to 2,238 MWh, following energy consumption reduction measures and a milder winter. On the Cognac site, it was stable, rising from 5,549 to 5,572 MWh. This reflects initiatives to raise employee awareness of saving energy.

Electricity consumption for Domaines Rémy Martin fell from 563 to 510 MWh, representing a 9% drop, primarily due to the replacement of old equipment by more energy-efficient equipment (the distillery's "Cold" group).

Electricity consumption on the Islay site fell by 20%, (326 MWh compared with 410 MWh in 2014/2015) due to a fall in production.

Electricity consumption on the Barbados site saw a sharp 78% increase from 787 MWh to 1,401 MWh, due to new distillation activities.

Water consumption

Total water consumption has increased by 10% and now stands at 123,729 m³ (GRI indicator G4-EN8).

On the Angers site, water consumption fell by 5%, from 29,442 to 28,081 m³ of water.

Water consumption on the Cognac site increased sharply by 43% from 24,806 to 35,581 m³. This was mainly due to the site's increased activity and to an equipment malfunction which led to an over-consumption of water.

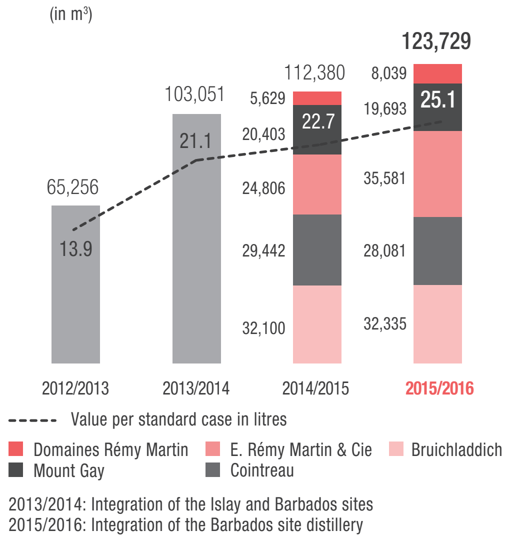
An immediate leak repair procedure is now in place on both sites, and pipework has been repaired. In addition to these repairs, taps on the sites are gradually being replaced by automatic sensor-operated taps. Staff have also been made aware of these issues through a dedicated newsflash.

At Bruichladdich, the Islay site consumption is stable, rising from 32,100 to 32,335 m³ of water. A closed water cooling system has been fitted for distillation.

Water consumption on the Barbados site fell by 3% from 20,403 to 19,693 m³.

Domaines Rémy Martin water consumption saw a sharp 43% rise (8,039 m^3 instead of 5,629 in 2014/2015). This was due to a rise in distillation activities and the extension of the vineyard.

WATER CONSUMPTION (GRI INDICATOR: G4-EN8)

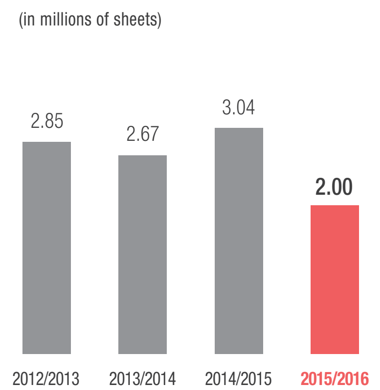


Water consumption amounted to 25.1 litres per standard case, excluding Domaines Rémy Martin. Total water consumption for Domaines Rémy Martin came to 120.6 litres per hectolitre of wine, an increase of 28% in relation to 2014/2015. This is mainly due to an increase in distillation activities and the extension of the vineyard.

Consumption of office paper

Paper consumption fell this year by 34% from 3.04 to 2.00 million sheets (GRI indicator G4-EN1) mainly as a result of the computerising of documents on the Cognac site.

Paper consumption amounted to 10.4 tonnes, *i.e.* 14 sheets of paper used per person per day.



NOISE POLLUTION

The studies carried out on the sites relating to noise pollution on the property line (during the day and at night) have ensured that the values measured were below regulatory limits. The sites therefore do not cause any noise pollution to their surrounding areas. Internally, noise measurements are also taken as part of staff protection processes. Again, the values obtained fell below regulatory limits.

A working group was launched on the Cognac site to reduce noise pollution. This meant that an automation engineer could be called in to adjust bottle conveyors to prevent bottles from banging together on the bottling line. This means less noise pollution for employees. In addition, this year work station and individual measurement schemes led to an extension of the areas in which personal protective equipment must be worn. Noise reduction panels were also installed in the new area of the packaging workshop.

On the Angers site a personal dosimetry campaign is being finalised at packing and operating stations. Investment has already been made in installing silencers on some pieces of equipment and purchasing new equipment incorporating noise and noise reduction issues. At the same time, acoustic panels were installed in the noisiest part of the packing workshop. This year, an inventory of all blow guns was also performed, and a blow gun benchmark was defined, *i.e.* a total of 13 blow guns changed for an average 4.8 dB(A) improvement. Acoustic tile efficiency was also measured, and the two parameters measured in relation to the premises' acoustic properties (reverberation time and spatial decay) produced conclusive results. Therefore, installation of acoustic tiles will continue in the bottling hall, with an average 5.6 dB(A) improvement.

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. Paris led the way this year by setting up solid paper waste sorting in its offices.

Generally, solid waste from the Group's production sites supplies energy and materials recycling channels. It is mainly comprised of packaging waste (glass and cardboard).

Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been recycled by a combined energy unit (urban heating).

In a similar vein, since 2012 Rémy Cointreau has put in place a partnership with Ateliers du Bocage in the Poitou Charentes region to recycle or reuse all used mobile phones and electronic mobile phone equipment.

As regards the Domaines Rémy Martin vineyards, waste from dirty containers is not included in volumes of hazardous waste, since it is fully recovered and reprocessed by the national ADIVALOR network.

Total waste (GRI indicator G4-EN23) was up 22% over the year from 2,404 tonnes to 2,935 tonnes. This is primarily due to exceptional cleaning activities on the Cognac site, as well as the inclusion of solid waste from the Barbados site.

Waste tonnage rose by 44% on the Cognac site (1,426 tonnes compared with 990 in 2014/2015).

As regards Domaines Rémy Martin, this year's cleaning operations produced 28 tonnes of solid waste.

On the Angers site, solid waste tonnage fell by 6%, from 1,308 tonnes in 2014/2015 to 1,233 tonnes this year.

Waste tonnage on the Islay site was up 6% (112 tonnes instead of 105 in 2014/2015), due to building maintenance work. At the Barbados site, waste tonnage was 136 tonnes.

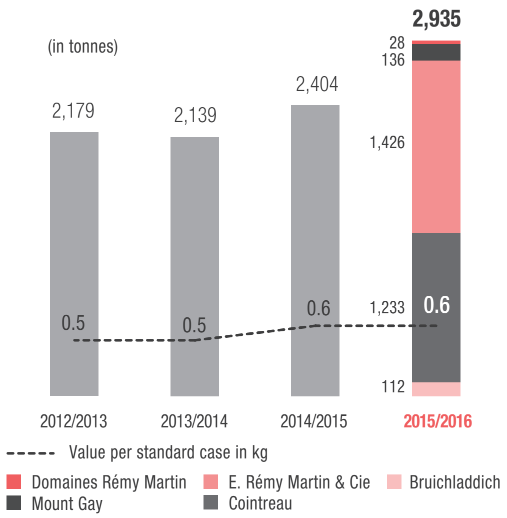
Sorting and recycling rates were measured respectively at 89% and 90%, down from 94% and 95% in 2014/2015. The lower sorting and recycling rates were primarily due to the inclusion of unsorted and unrecycled waste from the Barbados site, as these are sent to a local collection centre.

Waste sorting and recycling volumes were respectively 96% and 100% for Angers (stable in relation to 2014/2015).

Recycling rates were 92% in Cognac (compared with 91% in 2014/2015) and 72% on the Islay site, which represented a fall in relation to 2014/2015 (83%) due to rebuilding work.

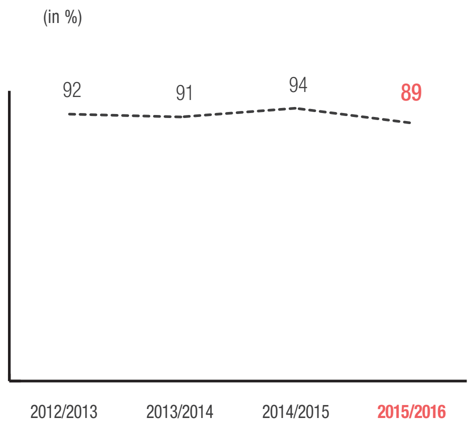
Waste per standard case was up from 0.56 to 0.63 kg.

QUANTITY OF SOLID WASTE (GRI INDICATOR: G4-EN23)



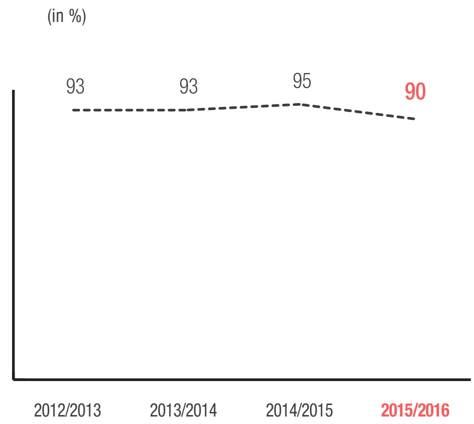
2013/2014: Integration of the Islay site
2015/2016: Integration of the Barbados site (including the distillery)

WASTE SORTING RATE



2013/2014: Integration of the Islay site
2015/2016: Integration of the Barbados site (including the distillery)

WASTE RECYCLING RATE



2013/2014: Integration of the Islay site
2015/2016: Integration of the Barbados site (including the distillery)

LIQUID WASTE

This year, liquid waste volumes have seen a sharp increase from 24,962 m³ to 69,410 m³ (GRI indicator: G4-EN22), primarily due to the inclusion of liquid waste volumes from the Barbados and Islay sites.

On the Cognac site they increased by 60% from 7,917 m³ to 12,683 m³, due to an increase in activity and industrial vat cleaning.

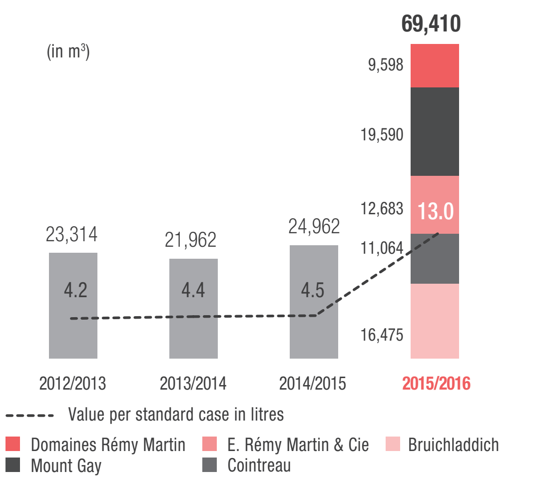
On the Angers site they were stable, rising slightly from 11,045 to 11,064 m³.

Liquid waste volumes were up for Domaines Rémy Martin, from 6,000 m³ to 9,598 m³, the increase being due to the rise in distillation activities.

This year, liquid waste volumes for the Barbados and Islay sites were included with respective volumes of 19,590 m³ and 16,475 m³.

The quantity of liquid waste per standard case increased from 4.5 to 13.0 litres. As regards Domaines Rémy Martin, the quantity of liquid waste was up by 43% to 144 litres per hectolitre of wine produced. This is due to the increase in distillation.

VOLUME OF LIQUID WASTE (GRI INDICATOR: G4-EN22)



2015/2016: Integration of the Islay and Barbados sites (including the distillery)

For the Angers and Cognac sites, overall liquid waste pollution discharged from the site (pre-treatment) was down to 18.6 tonnes of BOD - biochemical oxygen demand (down 9% from 20.4 in 2014/2015) and 33.8 tonnes of COD - chemical oxygen demand (up from 33.3 in 2014/2015). After the waste was treated by external treatment plants and returned to the natural environment, pollution was largely stable on the previous year from 0.7 to 0.8 tonnes of BOD and from 2.2 to 2.4 tonnes of COD (average reduction rate of 97% for BOD and 95% for COD). Liquid waste pollution for Domaines Rémy Martin increased on the previous year, with 0.73 tonnes of BOD and 2.98 tonnes of COD after treatment and return to the natural environment. This is due to the increase in distillation.

This year, liquid waste pollutions discharged by the Barbados and Islay sites has been included for the first time. Values for the Barbados site are 215 tonnes of BOD and 1,272 tonnes of COD, and for the Bruichladdich site 219 tonnes of BOD and 515 tonnes of COD.

Therefore, the total liquid waste discharged from the site is 439 tonnes of BOD and 1,743 tonnes of COD.

These values give a liquid waste pollution rate of 95 grams of BOD and 378 grams of COD discharged from the site per standard case. These values are up on 2014/2015 as the Barbados and Islay sites have been included.

As regards Domaines Rémy Martin, the liquid waste pollution rate was 11 grams of BOD and 44.7 grams of COD per hectolitre of wine produced. These values saw a respective increase due to additional distillation activity.

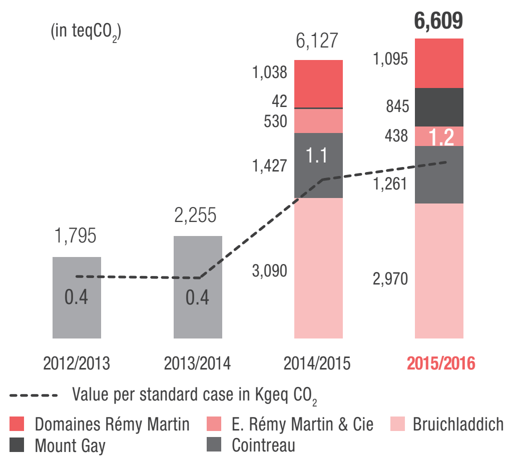
GREENHOUSE GAS EMISSIONS

A number of measures have been implemented in order to control greenhouse gas emissions (GHG). Over the last few years, the increasingly systematic use of videoconferencing, the introduction of electric vehicles on the Angers and Cognac sites and eco-design of products have all helped reduce CO_2 emissions.

Due to the integration of the distillation activity on the Barbados site, CO_2 emissions have increased and reached 8,207 Teq CO_2 (Scope 1: 6,609 Teq CO_2/Scope 2: 1,598 Teq CO_2).

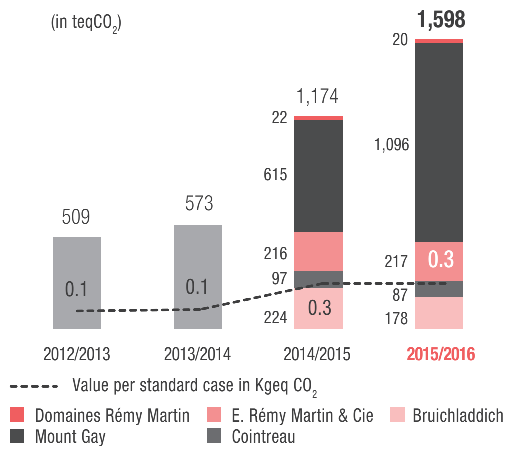
Per standard case these emissions amounted to 1.54 kgeq CO_2. For Domaines Rémy Martin they reached 16.7 kgeq CO_2 per hectolitre of wine produced.

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



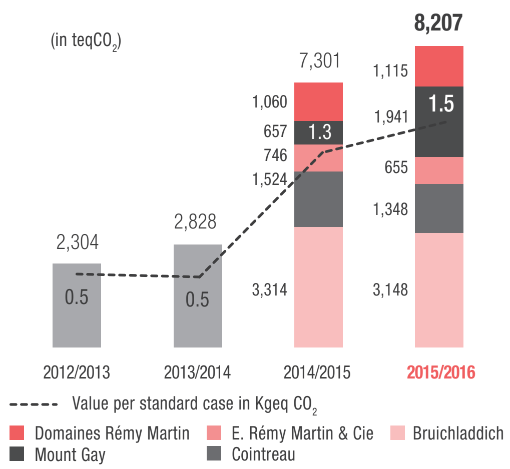
2014/2015: Integration of the Islay and Barbados sites
2015/2016: Integration of the Barbados site distillery

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

GREENHOUSE GAS EMISSIONS/SCOPES 1 & 2



2014/2015: Integration of the Islay and Barbados sites
2015/2016: Integration of the Barbados site distillery

GHG emissions fell by 12% on the Angers site with 1,348 Teq CO_2, reducing scope 1 values from 1,427 to 1,261 Teq CO_2 (primarily as a result of lower gas consumption) and reducing scope 2 values from 97 to 87 Teq CO_2 (GRI indicator G4-EN15 and G4-EN16). GHG emissions also dropped 12% on the Cognac site to 655 Teq CO_2 emitted in 2015/2016. Scope 1 values on the site fell from 530 to 438 Teq CO_2 (primarily due to lower gas consumption), and scope 2 values rose slightly from 216 to 217 Teq CO_2.

As regards Domaines Rémy Martin, GHG emissions are up at 1,115 Teq CO_2, due to the increase in distillation activities. Scope 1 values rose from 1,038 to 1,095 Teq CO_2, and scope 2 values fell from 22 to 20 Teq CO_2.

GHG emissions on the Islay site dropped to 3,148 Teq CO_2, while scope 1 values fell from 3,090 to 2,970 Teq CO_2 and scope 2 from 224 to 178 Teq CO_2.

CO_2 emissions at the Barbados site saw a sharp increase due to the start of the site's distillation activities, climbing to 1,941 Teq CO_2, with a scope 1 value of 845 Teq CO_2 and a scope 2 value of 1,096 Teq CO_2.

Rémy Cointreau continued its indirect greenhouse gas emission reduction initiatives. This resulted in savings in these emissions of 1,218 Teq CO_2 (GRI indicator G4-EN19).

The main initiatives this year were:

- eco-design initiatives to modify our packaging. This led to a reduction in GHG emissions of 42 Teq CO_2 (based on 2015/2016 sales);
- use of videoconferencing: 1,134 Teq CO_2 were saved this year, up from 985 in 2014/2015;
- management of business travel: 31 Teq CO_2;
- a reduction in travel of 11 Teq CO_2 using our internal fleet;
- the implementation of an action plan to reduce CO_2 emissions from the Company vehicle fleet. Currently, average emissions for the whole fleet are 139 g CO_2 per km. The target of the 2020 CSR plan is to reach 80% of rechargeable hybrid or electric cars. Stage one was completed in 2015/2016, with six vehicles replaced and four vehicles purchased (including three rechargeable hybrids). Average emissions for new vehicles is 124 gCO_2 per km, compared with 156 in the past, which represents a 20% drop in emissions.

The Angers site has also set up a carpooling database for commuting, as well as an electricity point for employees to charge their own vehicles.

The Group also continued to reduce carbon emissions generated by postage (Cognac and Angers sites). 92% of post is now sent *via* the *lettres vertes* ("green letters") scheme provided by La Poste (87% in 2014/2015).

Similarly, an electric train now permits visitors to discover the site and to visit it whilst limiting carbon emissions.

ECO-DESIGN

With respect to the development of new packaging and new products, Rémy Cointreau strives to assess their environmental impact upstream through an eco-design process. Since 2010, every new package has thus been assessed using a tool that takes into account the weight of the package, the CSU (consumer sales unit), the product volume it contains and the journey taken by the product.

This year, research led to the design of the new Passoa bottle. The weight of the bottle has been reduced by 2%, giving a saving of 14 tonnes of glass (based on 2015/2016 sales).

In addition, the type of glass used for the Passoa bottle has been changed, to increase the volume of recycled glass used to make this bottle.

All of these measures have reduced GHG emissions by 42 tonnes Teq CO_2.

Implementing the CSR 2015 Plan, Rémy Cointreau rolled out a piece of 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 (GRI indicator G4-EN1). Tonnage totalled 33,983 tonnes (compared with 34,608 tonnes in 2014/2015) mainly comprising glass (29,395 tonnes), cardboard (3,924 tonnes), plastics (260 tonnes), metals (205 tonnes), paper (55 tonnes) and miscellaneous materials (143 tonnes). This represents an average packaging weight of 984 grams per litre of product (based on 2015/2016 sales data), which represents a very slight drop compared with 2014/2015 (992 grams per litre of product).

This year, the related carbon emissions were also calculated at 38,224 Teq CO_2, or 1.1 kgeq CO_2 per litre of product.

As part of *Projet Verre* (Project Glass), the Group has also set up a bottle library which holds all of the glass containers that it produces. The bottle library was updated this year. Information is held on the glass weight and related CO_2 emissions of each bottle, with a view to reducing both of the above.

CLIMATE CHANGE AND BIODIVERSITY

The erosion of biodiversity is now a scientific reality. Aware of its role faced with this key issue, which has a huge impact on it due to its dependency on natural resources for its production, for a number of years Rémy Cointreau has undertaken various actions to incorporate the protection of biodiversity into all of its activities. It reiterated this commitment in its 2020 CSR plan.

Cognac site

With respect to adapting to climate change, for the last two years the Group has been actively participating in initiatives led by relevant inter-professional bodies. In Cognac, Domaines Rémy Martin joined a research programme run by regional research centres in France on adapting vine varieties to climate change.

The decline in forest cover is one of the most striking examples of the destruction of natural habitats. For this reason, the Group has worked for several years to protect forests.

This year, a third sponsorship project was agreed in partnership with the ONF (Office national des forêts, the French National Forestry Office). Following the replanting of the Senonches forest in the Eure-et-Loir region, which saw more than 115,000 oak seedlings planted, together with the planting of more than 300 trees and the installation of information boards explaining the importance of maintaining biodiversity in the François I park in Cognac (which was almost completely destroyed by storm in 1999) Rémy Martin funded layout work for the La Braconne Bois-Blanc national forest park.

The forest is located to the East of Angoulême, and is the largest wooded area in the Charente region. It was also damaged by the 1999 storm. Visitor facilities were also becoming obsolete. The ONF therefore created a multimedia trail in order to raise public awareness of forest protection and to provide high-quality visitor facilities, enabling visitors to discover the forest in a fun and innovative way, using new information and communication technologies to convey the message. A smartphone mobile app was created, inviting the user to join the adventure and take on challenges.

This year, Domaines Rémy Martin planted and maintained a hedge as part of "regional tree and hedge week 2015".

The barrels manufactured for the Cognac site are all made from PEFC-certified oak from sustainably managed forests.

In the same vein, the Group confirmed the commitments undertaken in previous years concerning the experimental plantation of alluvial forests and the protection of bees, whose importance for the preservation of biodiversity is well-known, *via* the provision of fallow land dedicated to bees.

As regards bee preservation, 10 hives were installed in the Charente, in partnership with the *Un toit pour les abeilles* bee protection association. These hives are located right in the heart of the Charente, in a truffle oak-growing area surrounded by 40 hectares of flowers, thus enabling honey to be produced pesticide-free with both nectar and pollen being uncontaminated. This honey is then distributed to all employees in France (860 pots accompanied by an educational leaflet on the importance of protecting bees), so as to raise Group employee awareness of the issue.

A new project has also been set up to install 10 new hives in the Domaines Rémy Martin vineyards with bee breeding colonies. Major action is being taken at this site to protect the bee population.

Rémy Cointreau entered into an innovative project with the Charente Chamber of Agriculture. Along the same lines as the initiatives undertaken to dedicate fallow land to bees, the Group, through Domaines Rémy Martin, is now a stakeholder in a three-year agronomic research programme on the most profitable crops for fallow soil. The aim is to reduce the use of fertilisers during future vine planting.

In 2015/2016, the programme confirmed expected outcomes in terms of improvements in soil texture and biodiversity. The 2014 vine plantation confirmed that the fallow land planted with lucerne and truffles had developed successfully, despite no fertilizers being used on the plantation.

Isle of Islay

Bruichladdich, true to its motto We believe terroir matters, is leading a project to re-establish traditional barley plants on the Isle of Islay. This experiment has been conducted for 12 years now (first harvest in 2004) with different varieties of barley, with the aim of preserving the terroir. The conservation of Bere Barley has been awarded the Scotland Food and Drink Excellence Award for Innovation. Also noteworthy is the case of organic barley produced by the Mid Coul agricultural production, on the coast of the Moray Firth in North-East Scotland, where crop rotation is required for every fifth harvest in order to protect soil fertility. This type of organic farming has a proven positive effect on local biodiversity.

The Bruichladdich Academy has also been set up, with the purpose of enabling the visitor to see and feel the terroir's intensity. It offers visits to Islay to gain a better understanding not only of the island, but also its culture and the distillery's philosophy. Several hundred people from all over the world have already made the journey.

The Botanist also launched a Foundation, with the purpose of working with residents of the Isle of Islay to improve understanding and conservation of the island's botanical diversity. This involves ensuring that the island's crop harvests are sustainable and responsible, to ensure long-term protection of species. Without such diversity, the future of The Botanist brand is also at risk.

Barbados

In Barbados, the Group decided to return to Mount Gay, the location in which cane sugar growing originated. 134 ha of cane sugar production land was purchased. This process was partially based on a need to return to the initial stages of production and the raw materials used, in order to create an environmental policy as Rémy Cointreau does on other sites (such as the Domaines Rémy Martin). This is not only a means of overseeing the whole production chain, but also of sharing the Group's know-how with local farmers as well as the practices that it might put in place.

2.4 Societal information

2.4.1 Citizenship: relations with stakeholders

As a global company, Rémy Cointreau is acutely aware of societal problems and its local impact. It helps to ensure progress for all by supporting the sustainable economic development of local areas and supporting community initiatives: The concept of "giving back to the community" is at the heart of the 2020 CSR plan's societal component.

COMMUNICATION WITH KEY PLAYERS AND INVESTOR RELATIONS

A conspicuous presence in local economies, Rémy Cointreau works alongside associations, schools and universities, and bodies dedicated to economic development, providing its expertise in various key areas and promoting the virtues of a CSR policy. Its commitment is also reflected in its support for regional associations that work to promote sustainable development.

In France, Rémy Cointreau was involved in awards for the fourth *Développement Durable en Pays de Cognac* (Sustainable Development in the Cognac Region) prize awards, which recognise local sustainable development initiatives in the region by local authorities, associations, companies, educational establishments and even individuals.

The Group also supports associations which promote discussion on CSR-related topics. The Group uses every opportunity to present its community actions, whether by hosting a CSR Governance workshop organised by the Altère association of companies in Poitou-Charentes, participating in a biodiversity and climate change evening organised by Dirigeants Responsables de l'Ouest (Western Region Responsible Senior Managers), or participating in the Club Carbon'At in the Loire region.

The Group also contributes to the pooling of best CSR practice as a member of the network of sustainable development correspondents under the Colbert Committee, which promotes French luxury values. Best CSR practice sheets are distributed to the network. The Group is also a member of the BNIC (National Interprofessional Cognac Office) Sustainable Development Project group.

The Group 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. Rémy Cointreau has presented to students about the responsible approach that it takes towards its business activities, on topics as varied as Responsible Leadership (École Audencia Nantes) and developing CSR in industrial areas (IAE in Poitiers).

We have also established links with the Sup de Co La Rochelle Business School, to discuss the topic of "CSR as an innovation opportunity" with lecturers and researchers. This led to a publication in April 2016 which included a case study on the Group based on the title: "Towards structured and reliable CSR reporting based on financial reporting processes".

As far as Socially Responsible Investment (SRI) and non-financial rating is concerned, Rémy Cointreau was assessed by the non-financial Gaïa 2015 (EthiFinance) index, which is the benchmark Sustainable Development index for medium-sized listed and unlisted companies. The Gaïa index assesses transparency on environmental, employee-related and governance criteria, which are linked to the CSR processes of 400 European companies. The Group primarily answered questions on its carbon emissions and reducing its emissions. It obtained third place for companies with net sales of over €500 million (thus going straight into the top five), and first place in the manufacturing sector.

CHARITY WORK & CULTURAL SPONSORSHIP

Rémy Cointreau is involved in charity work through awards, auctions and donations. In Indonesia, Rémy Cointreau has invested in the installation of solar panels on the island of Pulau Blanding, where the Group had already been involved in setting up the supply of drinking water.

Rémy Cointreau continues to actively support local associations working towards social progress. Working alongside the Fondation de la Deuxième Chance (Second Chance Foundation) for the last eleven years, the Group has helped disadvantaged people formulate a viable career plan.

By making this commitment, Rémy Cointreau hopes to support the creation of even the smallest businesses, for those who have faced considerable professional, social and emotional difficulties and wish to rebuild their lives through a new career path. In addition to financial support, users in the Poitou-Charentes region benefit from mentoring to help them put together the relevant documents and set up their plan. (So far 38 people are being monitored, and there have been 150 plan support appointments). This year, the Group participated in the Handi Rencontres forum in Angoulême, and was involved in presenting the Fondation de la Deuxième Chance to the bodies and associations attending the event. With Rémy Cointreau's support and since the installation of the Foundation's Cognac site in 2005, 160 aid cases have received a total of nearly €580,000 from the Fondation de la Deuxième Chance.

Rémy Cointreau also supports cultural sponsorship programmes: in China the Group backs the New Century Art Foundation, as well as "The Film Foundation" in the United States which restores old films.

2.4.2 Suppliers: sharing responsibility requirements

Rémy Cointreau is keen to do more to involve its stakeholders, therefore turning to its suppliers to share its responsibility goals. In the CSR 2020 plan, these goals are embodied by a responsible purchasing policy which is both simpler and more effective. It uses shared tools to benefit all parties.

This year, 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. It is a collaborative platform through which ethical data is shared. This innovative and effective solution enables responsible supply chain management while minimising risk.

The Group's responsible purchasing policy has therefore changed considerably, moving from an integrated operation approach to a shared assessment approach. In the past, 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. Now, SEDEX shares supplier audits performed by their other customers. This provides a considerable time saving to the Group, which knows in advance whether or not its supplier is trustworthy (if the supplier in question has already been audited at the request of another customer). It also saves time for the supplier, who does not have to repeat the process and answer the same questions again.

This inter-company collaborative practice (which also includes the Group's competitors) both saves time and improves ethical supply chain performance. Information on working standards, health and safety, the environment and sales ethics is available online. SEDEX also has an agreement with the Carbon Disclosure Project (of which Rémy Cointreau is already a member), which means that carbon emissions data will also ultimately be provided. In the coming years, the Group plans to develop its supplier actions in the area of carbon emissions, which is key to the 2020 CSR plan.

Rémy Cointreau currently asks its suppliers to join SEDEX. Currently, 54% of the Group's suppliers identified as strategic are members of SEDEX, with the target being to reach 70% in 2016/2017.

2.4.3 Honest practices

Rémy Cointreau maintains relationships of trust with its suppliers and consumers. The rigour of the Group's ethical rules, which apply to both employees and partners, also guarantees lasting commercial success. Rémy Cointreau's continual quest for excellence is reflected in its ethical commitment via its desire for maximum transparency, which it expresses through its adherence with a number of ethical charters.

A TRANSPARENCY POLICY GUIDED BY A SET OF REFERENCE MATERIALS

The Group's ethics in its environmental, social and commercial practices are fundamental for ensuring trusting relationships with stakeholders. Rémy Cointreau considers it a duty to make all of its employees aware of its commitments.

In order to guarantee the transparency of its practices, Rémy Cointreau draws on a set of reference materials:

- Global Compact Charter: Having already been a member of the Global Compact for a number of years, Rémy Cointreau intends to maintain this commitment, which provides a long-term guarantee of its responsibility and the compliance of its policy with international ethical standards;
- Corporate Social Responsibility Charter: aligned with ISO 26000, it forms the basis of the Group's CSR policy. The charter has been widely distributed in French and English. Committed to making sure it is followed on a daily basis and in the belief that responsibility concerns everyone, Rémy Cointreau supports the distribution of the charter by arranging awareness-raising initiatives for all staff;
- code of business ethics: the Group's sole reference guide. It is regularly updated and has been translated into the 13 languages spoken throughout the Group. Linking the rules of conduct specific to Rémy Cointreau and its CSR commitments with the guiding principles of the Global Compact and the OECD, it guides the commercial, social and environmental practices of all employees. Accessible to all, new employees are made aware of this code on their arrival. The code deals with the following subjects, divided into four main sections:
  - responsibility in business: compliance with the law, competition, responsible communication, conflicts of interest, gifts and hospitality, corruption;
  - responsibility towards others: political activities, respect for people, responsible consumption, respect for the environment, health and safety, commitments to customers, consumers and suppliers;
  - responsibility towards the Company: protecting the reputation of the Company, confidentiality and insider trading, Company assets and resources, information and communication systems, intellectual property, cash transactions, business and financial data, illegal activities;
  - key principles.

  The Group has sent a no gift letter to all suppliers to combat corruption ;
- responsible communication charters for Rémy Cointreau and the Union Des Annonceurs: These charters ensure self-regulation of advertising campaigns and compliance with principles promoting moderate alcohol consumption.

  An annual report lists the initiatives implemented by Rémy Cointreau in a number of areas (Responsible Advertising Code, internal process for the validation of advertising campaigns, incorporation of environmental and social criteria in the selection of advertising media, etc.);
- guide to responsible consumption in the workplace environment: This has been sent out to all French employees, translated into several languages and distributed to teams in Asia;

- the European Union's Transparency Register as Rémy Cointreau's lobbying forms part of a transparent decision process within the EU, the Group has committed to recording the interests that it defends and the associated budgets in the Register. This attests to the Group's firm resolve to uphold transparency in respect of the European institutions and the citizens that they represent. Signing up to a code of conduct also sends a strong message to both its partners and its competitors.

2.4.4 Consumers

Rémy Cointreau endeavours to provide its customers with the best that nature has to offer. In order for the Group's brands to fulfil their promises, the Group must have upstream responsibility processes in place, covering all activities from raw materials to processing and sales. This final stage requires the Group to promote responsible consumption.

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 customers, 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 responsible strategy developed by the spirits industry.

The main organisations are:

- in France: The FFS (French Spirits Federation), the FEVS (Federation of Wines and Spirits Exporters), Entreprise et Prévention (Companies and Prevention), 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 develop 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 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-ENPR3);
- 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 voluntary application, in China, of wording promoting moderation and "Don't Drink and Drive" warnings on all Rémy Cointreau brand advertising;
- the development of a responsible consumption page on the Rémy Cointreau Intranet;
- a responsible consumption awareness campaign on the French production sites;
- a responsible consumption training programme for all new recruits;
- a responsible consumption and advertising awareness campaign for marketing teams;
- launch of an iPhone app called RC AlcooFlash (road safety awareness);
- posting of information on our three French websites on "How to plan for reasonable consumption of our products when welcoming and receiving guests";
- updating of the Responsible Communication Charter;
- production of a responsible consumption video with Rémy Cointreau employees and well-known personalities who support the Group brands. With passages in several languages, the video reflects Rémy Cointreau's international dimension and its commitment to responsible consumption the world over;
- distribution of responsible consumption materials to sales teams, including 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";
- opening of a series of conferences at the Paris site, the first being held in March on the topic of alcohol and the social link, and lead by Véronique Nahoum Grappe, Anthropologist and Researcher at EHESS (School for Advanced Studies in the Social Sciences).

ADVERTISING CONTROL FOR THE 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 eight members representing the Public Relations and CSR, Legal, Marketing, Communications and Sales departments.

The CCR participates in quarterly meetings where new advertising initiatives for the brands are presented to the Group's Executive Committee, in particular new products and their corresponding advertising campaigns.

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 nine new campaigns:

- Louis XIII and Rolls Royce;
- Rémy V TV campaign in the United States;
- Cointreau Fizz France Visual;
- Metaxa Honey Shot PR Digital Campaign;
- Louis XIII Facebook post approval;
- New Rémy Martin Online Program;
- Cointreau Creative Crew;
- One Life/Live Them Rémy Martin;
- Passoa Visual.

The other ads used throughout the past year had been created during previous years. In all, there were a total of 34 advertising campaigns, nine of which were approved by the CCR this year, and 25 in previous years.

In 2013/2014, the CCR introduced 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 that all new creative advertising work and initiatives are sent to the CCR for approval.

MAINTAINING HIGH-QUALITY RELATIONSHIPS WITH CUSTOMERS

Rémy Cointreau keeps a very close eye on the demands of its customers, responding to them as quickly and completely as possible, through constant monitoring, especially on social networks. The Marketing Intelligence department constantly works to develop a policy that dovetails particularly well with consumer expectations. Similarly, principles governing the respect of private data have been adopted.

Furthermore, to meet consumer expectations in respect of environmental information about its products, Rémy Cointreau invests in reviews carried out on this subject in inter-professional working groups. Internal tools have already been developed to assess our products' environmental impacts, in response to requests from distribution networks and consumers.

This year the Group has also responded to requests about its best environmental practices in the United States and Sweden, the reduction of carbon emissions in the United Kingdom and Belgium, and responsible consumption in the United Kingdom.

The Group introduced an internal rating system to assess the level of satisfaction of all its retail customers. This year, the rating was 17.9/20, a slight improvement on the previous year (17.7/20 in 2014/2015 - GRI indicator G4-PR5). This rating is conducted twice a year and areas for improvement are then systematically studied and shared with customers.

The site visits offered by the Group also reflect its quest for excellence. Tailor-made programmes, a warm welcome: Rémy Martin's oenotourism offer in Cognac puts an emphasis on developing warm relationships with visitors, while offering tours featuring know-how related to spirits, their heritage and their history.

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

After winning the national oenotourism awards in 2012/2013 in the "development of a cellar or viticulture site" category, this year, for the third year running, the Cognac site was awarded the certificate of excellence by the Trip Advisor website.

The Angers site's "Quality Tourism" certification was renewed in 2015.

At Cognac and Angers, the visitor circuit guides have been trained in the CSR policy so that they can explain and promote Group best practice to visitors.

The Group also holds the French government's Entreprise du Patrimoine Vivant (Living Heritage Company) label, which was established to reward businesses who promote craftsmanship and the French tradition of excellence.

2.5 TABLE OF ENVIRONMENTAL INDICATORS BY SITE

	2013/2014	Value/ std case	Value/ hectolitre of wine	2014/2015	Value/ std case	Value/ hectolitre of wine	2015/2016	Value/ std case	Value/ hectolitre of wine
Total energy consumption, in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator: G4-EN3)									
Total	**29,849**	**5.95**	**75.60**	**33,947**	**6.35**	**69.54**	**36,235**	**6.91**	**66.35**
o/w Cointreau	8,277	3.45		9,087	3.81		8,274	3.68	
o/w E. Rémy Martin & Cie	8,032	4.58		7,582	4.13		7,284	3.89	
o/w Domaines Rémy Martin	2,246		75.60	4,158		69.54	4,423		66.35
o/w Mount Gay	893	2.17		948	2.44		4,622	12.00	
o/w Bruichladdich	10,400	138.78		12,172	141.29		11,632	119.68	
Direct energy consumption (gas, heating oil, diesel), in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator: G4-EN3)									
Total	**19,851**	**3.89**	**61.38**	**24,161**	**4.38**	**60.13**	**26,187**	**4.84**	**58.70**
o/w Cointreau	5,778	2.41		6,609	2.77		6,036	2.68	
o/w E. Rémy Martin & Cie	2,110	1.20		2,034	1.11		1,711	0.91	
o/w Domaines Rémy Martin	1,824		61.38	3,595		60.13	3,913		58.70
o/w Mount Gay	153	0.37		161	0.42		3,221	8.36	
o/w Bruichladdich	9,986	133.25		11,762	136.6		11,305	116.32	
Indirect energy consumption (electricity), in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator: G4-EN3)									
Total	**9,998**	**2.06**	**14.22**	**9,786**	**1.97**	**9.41**	**10,048**	**2.07**	**7.65**
o/w Cointreau	2,499	1.04		2,478	1.04		2,238	0.99	
o/w E. Rémy Martin & Cie	5,922	3.38		5,549	3.02		5,572	2.98	
o/w Domaines Rémy Martin	422		14.22	563		9.41	510		7.65
o/w Mount Gay	741	1.80		787	2.03		1,401	3.64	
o/w Bruichladdich	414	5.53		410	4.76		326	3.36	
Water consumption, in m^3, and in litres for values per standard case or hectolitre of wine (GRI indicator: G4-EN8)									
Total	**103,051**	**21.12**	**171.65**	**112,380**	**22.75**	**94.15**	**123,729**	**25.12**	**120.60**
o/w Cointreau	32,064	13.37		29,442	12.35		28,081	12.48	
o/w E. Rémy Martin & Cie	26,526	15.13		24,806	13.52		35,581	19.00	
o/w Domaines Rémy Martin	5,100		171.65	5,629		94.15	8,039		120.60
o/w Mount Gay	14,638	35.53		20,403	52.60		19,693	51.12	
o/w Bruichladdich	24,723	329.89		32,100	372.62		32,335	332.70	
Paper consumption, in millions of sheets (GRI indicator: G4-EN1)									
Total	**2.67**			**3.04**			**2.00**		
o/w Cointreau	0.72			0.77			0.61		
o/w E. Rémy Martin & Cie	1.20			1.69			0.72		
o/w Paris site	0.74			0.58			0.66		

	2013/2014	Value/ std case	Value/ hectolitre of wine	2014/2015	Value/ std case	Value/ hectolitre of wine	2015/2016	Value/ std case	Value/ hectolitre of wine
Quantity of waste, in tonnes, and in kg for values per standard case or hectolitre of wine (GRI INDICATOR: G4-EN23)									
TOTAL	**2,139**	**0.46**	**0.67**	**2,404**	**0.56**	**0.00**	**2,935**	**0.63**	
o/w Cointreau	1,299	0.54		1,308	0.55		1,233	0.55	
o/w E. Rémy Martin & Cie	737	0.42		990	0.54		1,426	0.76	
o/w Domaines Rémy Martin	20		0.67	0		0.00	28		0.42
o/w Mount Gay	nm			nm			136	0.35	
o/w Bruichladdich	83	1.11		105	1.22		112	1.15	
Volume of solid waste sorted, in %									
TOTAL	**91**			**94**			**89**		
o/w Cointreau	97			96			96		
o/w E. Rémy Martin & Cie	85			91			92		
o/w Domaines Rémy Martin	nm			-			100		
o/w Mount Gay	nm			nm			0		
o/w Bruichladdich	81			83			72		
Volume of solid waste recycled, in %									
TOTAL	**93**			**95**			**90**		
o/w Cointreau	100			100			100		
o/w E. Rémy Martin & Cie	85			91			92		
o/w Domaines Rémy Martin	nm			-			100		
o/w Mount Gay	nm			nm			0		
o/w Bruichladdich	81			83			72		
Volume of liquid waste, in m^3, and in litres for values per standard case or hectolitre of wine (GRI indicator: G4-EN22)									
TOTAL	**21,962**	**4.36**	**130.42**	**24,962**	**4.49**	**100.35**	**69,410**	**12.99**	**143.99**
o/w Cointreau	10,675	4.45		11,045	4.63		11,064	4.92	
o/w E. Rémy Martin & Cie	7,412	4.23		7,917	4.31		12,683	6.77	
o/w Domaines Rémy Martin	3,875		130.42	6,000		100.35	9,598		143.99
o/w Mount Gay	nm			nm			19,590	50.85	
o/w Bruichladdich	nm			nm			16,475	169.52	
Liquid waste: BOD, after treatment, in tonnes, and in grams for values per standard case or hectolitre of wine									
TOTAL	**0.94**	**0.23**		**1.17**	**0.17**	**7.73**	**1.52**	**0.19**	**10.95**
o/w Cointreau	0.91	0.38		0.70	0.29		0.78	0.35	
o/w E. Rémy Martin & Cie	0.03	0.02		0.01	0.01		0.01	0.01	
o/w Domaines Rémy Martin	nm			0.46		7.73	0.73		10.95
Liquid waste: BOD, discharged from the site, in tonnes, and in grams for values per standard case									
TOTAL							**434.11**	**899.8**	
o/w Mount Gay	nm			nm			215.49	559.34	
o/w Bruichladdich	nm			nm			218.62	2,249.4	

	2013/2014	Value/ std case	Value/ hectolitre of wine	2014/2015	Value/ std case	Value/ hectolitre of wine	2015/2016	Value/ std case	Value/ hectolitre of wine
Liquid waste: COD, after treatment, in tonnes, and in grams for values per standard case									
TOTAL	**2.65**	**0.64**		**3.99**	**0.52**	**29.91**	**5.43**	**0.59**	**44.71**
o/w Cointreau	2.49	1.04		2.12	0.89		2.36	1.05	
o/w E. Rémy Martin & Cie	0.16	0.09		0.08	0.05		0.09	0.05	
o/w Domaines Rémy Martin	nm			1.79		29.91	2.98		44.71
Liquid waste: COD, discharged from the site, in tonnes, and in grams for values per standard case									
TOTAL							**1,788.06**	**3,706.2**	
o/w Mount Gay	nm			nm			1,272.2	3,303.5	
o/w Bruichladdich	nm			nm			515.34	5,302.4	
GHG emissions (Scope 1), in Teq CO_2, and in kgeq CO_2 for values per standard case or hectolitre of wine (GRI indicator: G4-EN15)									
TOTAL	**2,255**	**0.40**	**20.21**	**6,127**	**1.08**	**17.36**	**6,609**	**1.20**	**16.43**
o/w Cointreau	1,176	0.49		1,427	0.60		1,261	0.56	
o/w E. Rémy Martin & Cie	478	0.27		530	0.29		438	0.23	
o/w Domaines Rémy Martin	601		20.23	1,038		17.36	1,095		16.43
o/w Mount Gay				42	0.11		845	2.19	
o/w Bruichladdich				3,090	35.87		2,970	30.56	
GHG emissions (Scope 2), in Teq CO_2, and in kgeq CO_2 for values per standard case or hectolitre of wine (GRI indicator: G4-EN16)									
TOTAL	**573**	**0.12**	**0.91**	**1,174**	**0.25**	**0.37**	**1,598**	**0.34**	**0.30**
o/w Cointreau	162	0.07		97	0.04		87	0.04	
o/w E. Rémy Martin & Cie	384	0.22		216	0.12		217	0.12	
o/w Domaines Rémy Martin	27		0.91	22		0.37	20		0.30
o/w Mount Gay				615	1.59		1,096	2.84	
o/w Bruichladdich				224	2.60		178	1.83	
GHG emissions (Scope 1 and 2), in Teq CO_2 , and in kgeq CO_2 for values per standard case or hectolitre of wine									
TOTAL	**2,828**	**0.47**	**21.14**	**7,301**	**1.33**	**17.73**	**8,207**	**1.54**	**16.73**
o/w Cointreau	1,338	0.56		1,524	0.64		1,348	0.60	
o/w E. Rémy Martin & Cie	862	0.49		746	0.41		655	0.35	
o/w Domaines Rémy Martin	628		21.14	1,060		17.73	1,115		16.73
o/w Mount Gay				657	1.69		1,941	5.04	
o/w Bruichladdich				3,314	38.47		3,148	32.39	

2.6 Report on Objectives 2015/2016 and Objectives 2016/2017

Topics	Objectives 2015/2016	Results 2015/2016	Objectives 2016/2017
CSR governance	▪ CSR reporting (objective: international extension)	▪ International extension of CSR reporting scope (full integration of the Bruichladdich and Mount Gay sites)	▪ Creation of an international network of CSR officers ▪ Creation of a Board-level CSR Committee
Working conditions	▪ Reduce the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduction in male/female discrimination)	▪ Compliance with, and monitoring of, procedures aimed at guaranteeing non discrimination between men and women in similar positions, with similar skills and levels of experience in all Group entities	▪ Reduce the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduction in male/female discrimination)
	▪ Monitoring of absenteeism (objective: absenteeism rate < 4%)	▪ The target absenteeism rate (3.55%) was achieved within the scope monitored	▪ Monitoring of absenteeism (objective: absenteeism rate < 4%)
	▪ "Workplace safety" action plans (objective: reduction in workplace accidents and work-related illness)	▪ Compliance with action plans to reduce the accident frequency and severity rate within the scope monitored	▪ "Workplace safety" action plans (objective: reduction in workplace accidents and work-related illness)
	▪ Give special attention to the inclusion of disabled people in the workforce (objective: comply with regulations)	▪ Implementation of specific measures for the inclusion of disabled people in the workforce (measures introduced in France to promote indirect employment of people with disabilities - sheltered employment sector)	▪ Give special attention to the inclusion of disabled people in the workforce (objective: specific adjustments)
	▪ Designing, developing and implementing training programmes (objective: professional career development)	▪ Monitoring of "Training" action plans	▪ Designing, developing and implementing training programmes (objective: professional career development)
	▪ Organisational study on targeted positions	▪ Specific measures to improve the ergonomics of certain work stations.	
Winemaking	▪ Reduce the use of pesticides (objective: 16%)	▪ Reduce the use of pesticides (-9%)	▪ Reduce the use of pesticides (based on the treatment frequency index)
	▪ Raise environmental awareness among winemakers (objective: AHVE certified winemakers)	▪ Raise environmental awareness among winemakers (51 winemakers trained to AHVE 1 level)	▪ Raise environmental awareness among winemakers (objective: AHVE certified winemakers)

Topics	Objectives 2015/2016	Results 2015/2016	Objectives 2016/2017
Environment	▪ Energy, water and paper (objective: optimise consumption)	▪ Energy, water and paper (continuation of measures to optimise consumption)	▪ Energy, water and paper (objective: optimise consumption)
	▪ Renewable energy (21%)	▪ Renewable energy (21% of the energy consumed on French sites)	▪ Renewable energy (> 21%)
	▪ CO_2 emissions (objective: Carbon Footprint Scopes 1 & 2)	▪ CO_2 emissions (extension of Carbon Footprints Scopes 1 & 2 at the Barbados and Islay sites)	▪ CO_2 emissions (objective: Carbon Footprint Scopes 1, 2 & 3 of French sites)
	▪ Solid waste (objective: sorting and recycling rate > 90%)	▪ Solid waste (sorting rate: 89%/ recycling rate: 90%)	▪ Solid waste (objective: sorting and recycling rate > 90%)
	▪ Liquid waste (measures extended at the Barbados site)	▪ Liquid waste for the Islay and Barbados sites (BOD: 434 tonnes/ COD: 1,788 tonnes)	▪ Liquid waste (objective: reduce liquid waste pollution/BOD and COD below 2015/16 values)
	▪ Biodiversity (objective: “Bees/Forests” conservation measures)	▪ Biodiversity (continuation of “Bees/ Forests” conservation measures)	▪ Biodiversity (objective: “Bees/Forests” conservation measures)
Fair trade practices	▪ CSR Charter, Communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices)	▪ CSR Charter, communication and responsible consumption charters, internal code of business ethics (comply with charters and codes/transparent practices)	▪ CSR Charter, Communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices)
Citizenship	▪ Exchange best CSR practices in the fields of education and business (objective: be a player in sustainable regional development/international expansion)	▪ Be a player in sustainable regional development: share best CSR practices in the fields of education and business	▪ Exchange best CSR practices in the fields of education and business (objective: be a player in sustainable regional development/international expansion)
Suppliers	▪ Sustainable, responsible purchasing (objective: CSR assessment of suppliers conducted by an independent third party)	▪ Sustainable, responsible purchasing: CSR assessment of suppliers based on Sedex information/Rémy Cointreau’s membership of Sedex)/Percentage of assessed suppliers: 54%	▪ Sustainable, responsible purchasing (objective: CSR assessment of suppliers by Sedex/Percentage of assessed suppliers > 70%)
Consumers	▪ Monitor and validate campaigns (objective: comply with the Internal Charter/campaign verification rate > 95%)	▪ Monitor and validate campaigns (comply with the Internal Charter/ campaign verification and validation rate: 100%)	▪ Monitor and validate campaigns (objective: comply with the Internal Charter/campaign verification rate > 95%)

2.7 Note on methodology for reporting environmental and employee-related indicators

Rémy Cointreau meets the requirement of the Grenelle II law obliging 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 customers, 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 2015/2016 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 2015/2016 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

christian.lafage@remy-cointreau.com
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 24 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 speaking, the environmental information covers the production sites of Cognac and Angers, Barbados, Islay (Scotland) and Domaines Rémy Martin (Cognac).

All production sites are therefore included in the environmental reporting scope. The Paris site and 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. Number of employees

   The employee-related reporting scope covers all 24 companies.

2. Movements

   Companies based in Europe (excluding France and Bruichladdich) only represent 15% of the Group’s workforce and therefore are not covered by these movement indicators. Renewals of fixed-term contracts and conversions from fixed-term contracts to permanent contracts count towards the movements.

3. 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 2015. For all companies, only training courses lasting for at least one hour are listed.

4. 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 recognised only covers the Cognac, Angers and Paris sites.

Absenteeism: scope limited to French companies, the Barbados and Islay sites. All absences (illnesses lasting for less than 90 days, workplace accidents, occupational illnesses, family events) of employees are included in the absenteeism rate 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, parental leave and long-term illnesses (more than 90 days). The absenteeism rate is calculated over the last twelve months and is equal to the number of hours of absence per theoretical hours worked.

Workforce scope for health and safety indicators:

- fixed-term contracts, permanent contracts and work-linked training contracts for the Cognac and Angers production sites and Paris site;
- permanent contracts for the Bruichladdich and Barbados production sites.

Workplace accident frequency rate: scope limited to French companies and the Barbados and Bruichladdich sites. All accidents to employees counted in the workforce as of 31 March, in the workplace or on business trips, 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 workdays lost per million actual hours worked. Actual hours worked are the theoretical hours worked less hours taken for trade union delegate and employee representative activities, training hours, compensatory hours and information meeting hours on the initiative of the management.

Workplace accident severity rate: scope limited to French companies and the Barbados and Islay sites. All accidents to employees counted in the workforce as of 31 March, in the workplace or on business trips, 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. Actual hours worked are the theoretical hours worked less hours taken for trade union delegate and employee representative activities, training hours, compensatory hours and information meeting hours on the initiative of the management.

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 Selected indicators

The 2014/2015 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 recognised
- 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, Barbados and Islay sites, and Domaines Rémy Martin (DRM)
- Direct energy consumption (fuel): Angers, Cognac, Barbados and Islay sites, DRM
- Indirect energy consumption: Angers, Cognac, Barbados and Islay sites, DRM

Water and liquid waste

- Water consumption: Angers, Cognac, Barbados and Islay sites, DRM
- Volumes of liquid waste: Angers, Cognac, Barbados and Islay sites, DRM
- Liquid waste pollution rate after treatment/Biological Oxygen Demand: Angers and Cognac sites, DRM
- Liquid waste pollution rate, discharged from the site: Barbados and Islay sites

Winemaking

- Soil and leaf analysis: DRM
- Control over the use of chemical fertilisers: DRM
- Reduction in the use of pesticides: DRM

Raw materials for packaging

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

Office paper

- Paper consumption: Angers, Cognac and Paris sites

Solid waste

- Quantity of solid waste: Angers, Cognac, Barbados and Islay sites, DRM
- Waste sorting rate (NHIW and HIW): Angers, Cognac, Barbados and Islay sites, DRM
- Waste recycling rate (NHIW and HIW): Angers, Cognac, Barbados and Islay sites, DRM

Carbon footprint

- Regulatory Carbon Footprint – GHG emissions (Scopes 1 and 2): Angers, Cognac, Barbados and Islay sites, DRM
- 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 Concordance table

CSR concordance table based on decree no. 2012-557 of 24 April 2012	Pages
Employee-related information	
Employment	
Total workforce (breakdown of employees by gender, age and geographical area)	23-24
Employees recruited (permanent and fixed-term contracts, any recruitment difficulties)	23-24
Redundancies (reasons, efforts to reclassify staff, to re-employ staff and accompanying measures)	23-24
Remuneration (change, social security charges, profit sharing and employee savings plan)	25
Organisation of working hours	
Organisation of working hours (duration of working hours for full-time and part-time employees, overtime, external labour)	25
Absenteeism (reasons)	28
Employment relations	
Organisation of social dialogue (rules and procedures for informing, consulting and negotiating with staff)	26
Review of collective agreements	23, 26-27
Health and safety	
Health and safety conditions in the workplace	27-28
Agreements signed with trade union organisations and staff representatives pertaining to health and safety in the workplace	23, 26-27
Workplace accident frequency and severity rate and accounting for occupational illnesses	28
Promotion of and compliance with the provisions of the core conventions of the ilo (upholding freedom of association and the right to collective bargaining, eliminating discrimination and forced labour and abolishing child labour)	20-23
Training	
Policies implemented with respect to training	25-26
Total number of training hours	26
Equal treatment	
Measures to promote equality between men and women	26-27
Measures to promote the employment and integration of the disabled	26
Policies to combat discrimination	26-27
Environmental information	
Overall environmental policy	
Company organisational structure and assessment and certification procedures	20
Training and information for employees on protecting the environment	29-30
Resources devoted to preventing environmental hazards and pollution	30
Amount of provisions and guarantees for environmental risks	30
Pollution and waste management	
Prevention, reduction and repair of discharges into air, water and soil severely affecting the environment	33-36
Prevention of waste production, waste recycling and elimination	33-35
Handling of noise pollution	33
Handling of all other forms of pollution specific to an activity	na

CSR concordance table based on decree no. 2012-557 of 24 April 2012	Pages
Sustainable use of resources	
Water consumption and supply according to local constraints	32-33
Consumption of raw materials and measures taken to improve their efficient use	33, 36
Energy consumption, measures taken to improve energy efficiency and use of renewable energy	31-32
Use of soil	29-30
Climate change	
Greenhouse gas emissions	35-36
Adaptation to the consequences of climate change	36-37
Protection of biodiversity	
Measures taken to preserve or develop biodiversity	36-37
Social information	
Regional, economic and social impact of activity	23-24, 29-30
Impact of activity on employment and regional development	23-24, 29-30, 38
Impact of activity on local and neighbouring populations	23-24, 29-30
Relations with stakeholders	
Terms of dialogue with stakeholders (work integration associations, educational establishments, environmental protection associations, consumer associations and neighbouring populations)	38
Partnership and sponsorship initiatives	38
Subcontractors and suppliers	
Taking social and environmental issues into account in the purchasing policy	39
Importance of subcontracting and taking suppliers' corporate social responsibility into account in relations with them	39
Fair trade practices	
Actions undertaken to prevent corruption	39
Measures taken to promote consumer health and safety	40-41
Other actions undertaken to promote human rights	**20-23**

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 31, 2016, presented in chapter 2.7 of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of 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 article R. 225-105 of the French commercial code *(Code de commerce)*, in accordance with the protocols used by the company, consisting of the HR, environmental and societal reporting protocol in its version dated February 2016 (hereafter referred to as the "Criteria"), and of which a summary is included in introduction to chapter 2.7 of the management report and available on request 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 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 article 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.

Our verification work was undertaken by a team of four people between February 2016 and the signature date of the current report for an estimated duration of four weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 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 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 article L. 233-1 and the entities which it controls, as aligned with the meaning of 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 three interviews with the people responsible for the preparation of the CSR Information in the different departments CSR, Human Resources and Payroll 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 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 of 43% of the headcount and 43% of the sales volumes expressed in standard crates.

(1) ***Environmental and societal information:*** *general environmental policy (approaches to evaluation and certification, the amount of reserves and guarantees set aside for environmental risks), pollution and waste management (preventative measures, reduction of and compensation for discharges into the air (Env.11 Regulatory GHG audit – GHG emissions (scope 1 and 2)) and into water (Env.3a Pollution rate of liquid waste/Biological Oxygen Demand, Env.3b Pollution rate of liquid waste/Chemical Oxygen Demand)), preventative measures, recycling and waste management (Env.10 Solid waste produced, Env.10b Volume of solid waste recycled), sustainable use of resources and climate change (energy consumption (Env.1 Total Energy Consumption, Env.1a Direction energy consumption (fuels), Env.1b Indirect Energy Consumption)), water consumption and water supply, considering local constraints (Env.2 Water Consumption), raw material consumption and measures undertaken to enhance resource efficiency (Env.7 Raw materials in packaging, Env.8 Quantity of glass packaging saved by eco-design of bottles and flasks), measures undertaken to preserve biodiversity; importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors (Societ.1 Rate of suppliers selected for CSR assessment, Societ.2 Rate of suppliers assessed for CSR), business ethics (measures undertaken in favour of consumers' health and safety), actions undertaken to prevent bribery and corruption.*

Social information*: total headcount (Soc.1 Total Group workforce) and terminations (Soc.5 Number of staff departures analysed by reason), absenteeism (Soc.9 Rate of absenteeism), health and safety at the work place, work accidents, notably their frequency (Soc.10 Rate of frequency of workplace accidents) and their severity (Soc.11 Rate of severity of workplace accidents in total workforce), as well as occupational diseases (Soc.12 Recognized occupational illness), total number of training hours (Soc.14 Number of hours of training by gender), promotion and respect of the ILO core conventions (freedom of association and collective bargaining, anti-discrimination policies and actions, elimination of forced labour and child labour).*

(2) ***Environmental and safety information:*** *site of Remy Martin (Cognac, France) and Bruichladdich (Islay, Scotland).*

Social information: *French perimeter (companies E. Rémy Martin & Cie, CLS Rémy Cointreau, Cointreau, Domaines Rémy Martin, Rémy Cointreau International Marketing Service).*

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 8, 2016

The Independent Verifier
ERNST & YOUNG et Associés

French original signed by

Eric Mugnier
Sustainable Development Partner

Bruno Perrin
Partner

3

CORPORATE GOVERNANCE AND INTERNAL CONTROL

3.1 COMPOSITION OF ADMINISTRATIVE AND MANAGEMENT BODIES

Since 7 September 2004, the Company has been governed by a Board of Directors. The Board of Directors elected on the same day to split the functions of Chairman of the Board and Chief Executive Officer. On 2 January 2014, the Board of Directors re-merged the functions of Chairman of the Board of Directors and Chief Executive Officer. On 27 January 2015, the Board again separated the functions of Chairman of the Board of Directors and Chief Executive Officer, following the appointment of Valérie Chapoulaud-Floquet as Chief Executive Officer. The Company adopted the AFEP/MEDEF Corporate Governance Code for Listed Companies in December 2008, and then its revised versions of June 2013 and November 2015 at the Board meetings of 24 September 2013 and 22 March 2016.

3.1.1 BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD OF DIRECTORS

MR FRANÇOIS HÉRIARD DUBREUIL
CHAIRMAN SINCE 27 JANUARY 2015

French nationality, 68 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 – 123, avenue des Champs-Élysées – 75008 Paris*

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. He was notably Chairman of Rémy Martin from 1984 to 1990 and Chief Executive Officer of Rémy Cointreau from 1990 to 2000, then Chairman of the Supervisory Board from 2000 to 2004. 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.
- Vice-Chairman of the Board of Directors of Oeneo SA.
- and Director 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.
- Director 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.
- Director of Dynasty Fine Wines Group Limited.
- Chairman of Mount Gay Distilleries Limited.
- Director of Rémy Cointreau International Pte Limited.
- Member of the Supervisory Board of 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)

- Chief Executive Officer of Andromède SA.
- Chairman of the Management Board of Récopart.
- Director 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, Director of Rémy Cointreau Aries SA.
- Deputy Chief Executive Officer of Oeneo SA.

DIRECTORS

MS DOMINIQUE HÉRIARD DUBREUIL

French nationality, 69 years old.
Date first appointed: *7 September 2004.*
Date term of office expires: *Shareholders' Meeting held to approve the 2017 financial statements.*
Business address: *Andromède SAS – 123, avenue des Champs-Élysées – 75008 Paris*

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 an Officer of the Legion of Honour and a Commander of the National Order of Merit.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

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

OTHER APPOINTMENTS OUTSTANDING

- Director of Orpar SA.
- Vice-Chair of the Supervisory Board of Wendel SA.
- Director of Fondation 2e Chance.
- Director of Fondation de France.
- Director of Comité Colbert.
- Director of Bolloré.

Appointments within the Rémy Cointreau Group.

- Chair of E. Rémy Martin & Co. SAS.
- Chair of Cointreau SAS.
- Representative of E. Rémy Martin & Co. SAS, Chair of Domaines Rémy Martin SAS.
- Member of the Supervisory Board of Rémy Cointreau Nederland Holding NV.
- Director of Rémy Concord Limited.
- Director of Rémy Pacifique Limited.
- Director 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.
- Chief Executive Officer of Andromède SA.
- Director of Baccarat SA.
- Director of Stora Enso Oyj.
- 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.
- Director of AFEP and member of the MEDEF Executive Committee.
- Director of INRA.
- Chair of Izarra-Distillerie de la Côte Basque SAS.

MR MARC HÉRIARD DUBREUIL

French nationality, 64 years old.
Date first appointed: *7 September 2004.*
Date Board appointment expires: *Shareholders' Meeting to approve the financial statements for the 2016 financial year.*
Business address: *Andromède SAS – 123, avenue des Champs-Élysées – 75008 Paris*

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.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman of the Board of Directors of Oeneo SA.

OTHER APPOINTMENTS OUTSTANDING

- Chief Executive Officer and member of the Management Board of Andromède SAS.
- Vice-Chairman, Deputy Chief Executive Officer and Director of Orpar SA.
- Member of the Management Committee of Récopart SAS.
- Chairman of LVLF 2 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 LVLF SAS.
- Director and member of the Audit Committee of Bull SA.
- Chief Executive Officer of Oeneo.
- Chairman of the Supervisory Board of Crescendo Industries SAS.

MS GUYLAINE DYÈVRE

French nationality, 55 years old.
Date first appointed: *24 July 2014.*
Date term of office expires: *Shareholders' Meeting held to approve the 2017 financial statements.*
Business address: *BNP PARIBAS – 3, rue d'Antin – 75002 Paris*

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.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Head of Corporate & Investment Banking Compliance at BNP Paribas Group.

OTHER APPOINTMENTS OUTSTANDING

- Director of Thalès.
- Director of Veolia Eau.
- Director 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.

MS LAURE HÉRIARD DUBREUIL

French nationality, 38 years old.
Date first appointed: *26 July 2011.*
Date term of office expires*: Shareholders' Meeting held to approve the 2017 financial statements.*
Business address: *1220 Collins Avenue, Miami Beach, FL. 33139, USA*

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. She set up The Webster store in Miami.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman and Chief Executive Officer of The Webster.

OTHER APPOINTMENTS OUTSTANDING

- Chairman of Laure HD Investissements SAS.

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None.

MS FLORENCE ROLLET

French nationality, 50 years old.
Date first appointed: *24 September 2013.*
Date term of office expires: *Shareholders' Meeting held to approve the 2016 financial statements.*
Business address: *25 Old Bond Street, W1S 4QB, London*

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.

She has been Group Vice-President Europe for the jeweller Tiffany & Co. since June 2013.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Group Vice-President Europe, Tiffany & Co.

OTHER APPOINTMENTS OUTSTANDING

- 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 B.V. (Netherlands). Manager of Tiffany & Co. Belgium SPRL (Belgium).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None.

MR EMMANUEL DE GEUSER

French nationality, 52 years old.
Date first appointed: *24 July 2014.*
Date term of office expires: *Shareholders' Meeting held to approve the 2017 financial statements.*
Business address: *Roquette Frères - 25 allée Vauban 59110 LA MADELEINE*

Mr Emmanuel de Geuser graduated from the Institut d'études politiques de Paris and has a master's degree in monetary economics from Université Paris IV-Dauphine, as well as being a qualified chartered accountant. After eight years as a manager with the firm Arthur Andersen, from 1996 to 2002, Mr de Geuser held the roles of audit director, coordinator of the "Performance 2001" plan and finance director of the cigarettes division of Seita (now the Altadis Group). 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

Head of Financial and Information Systems and member of the Group Management Committee, Roquette Frères.

OTHER APPOINTMENTS OUTSTANDING

- Director of Roquette Re, Actire, Reverdia, Roquette Management, Roquette Riddhi Siddhi 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.

MR YVES GUILLEMOT

French nationality, 55 years old – Chairman and Chief Executive Officer of Ubisoft Entertainment SA
Date first appointed: *24 September 2013.*
Date Board appointment expires: *Shareholders' Meeting to approve the financial statements for the 2016 financial year.*
Business address: *Ubisoft Entertainment SA, 28, rue Armand-Carrel, 93108 Montreuil*

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 29 countries and distributes games in more than 55 countries worldwide.

Mr Guillemot was voted Entrepreneur of the Year by Ernst & Young in 2009.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman and Chief Executive Officer of Ubisoft Entertainment SA.

OTHER APPOINTMENTS OUTSTANDING

- Deputy Chief Executive Officer and Director of Gameloft SE, Guillemot Corporation SA.
- Director and Deputy Chief Executive Officer of Guillemot Brothers SE (United Kingdom).
- Director of Rémy Cointreau SA.
- Member of the Supervisory Board of Lagardère SCA.
- Director of Gameloft Divertissements Inc. (Canada), Guillemot Inc. (Canada), Gameloft Live Développements Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom).
- Director of Advanced Mobile Applications 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 Motion Pictures Assassin's Creed SAS, Ubisoft Motion Pictures Splinter Cell SAS, Ubisoft Paris SAS, Ubisoft Production Internationale SAS, Nadéo SAS, Owlient SAS.
- General Manager of Ubisoft Learning & Development SARL, Ubisoft Motion Pictures SARL, Script Movie SARL, Ubisoft Mobile Games SARL, Ubisoft Paris – Mobile SARL.
- General Manager of Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft Entertainment SARL (Luxembourg), Ubisoft Sarl (Morocco), Related Designs Software GmbH (Germany).
- Chairman and Director of Ubisoft Divertissements Inc. (Canada), Ubisoft Musique Inc. (Canada), Ubisoft Editions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), 9275-8309 Québec Inc. (Canada), Studio Ubisoft Saint-Antoine Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Entertainment India Private Ltd (India), Ubi Games SA (Switzerland), Red Storm Entertainment Inc. (United States), Ubisoft CRC Ltd (United Kingdom).
- Vice-Chairman and Director of Ubisoft Inc. (United States)
- Chief Executive Officer and Director 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).
- Director 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), 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 A/B (Sweden), RedLynx Oy (Finland), Future Games of London Ltd (United Kingdom).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Chairman of Ludi Factory SAS, Ubisoft Books & Records SAS, Ubisoft Design SAS, Ubisoft Graphics SAS, Ubisoft Manufacturing & Administration SAS, Ubisoft Organisation SAS, Ubisoft World SAS, Tiwak SAS, Ubisoft Computing SAS, Ubisoft Marketing International SAS, Ubisoft Development SAS, Ubisoft Editorial SAS, Ubisoft Operational Marketing SAS, Ubisoft Support Studios SAS, Ubisoft Motion Pictures Far Cry SAS, Ubisoft Motion Pictures Ghost Recon SAS.
- General Manager of Ubisoft Art SARL, Ubisoft Castelnau SARL, Ubisoft Counsel & Acquisitions SARL, Ubisoft Emea SARL, Ubisoft Gameplay SARL, Ubisoft Market Research SARL, Ubisoft Marketing France SARL, Ubisoft Paris Studios SARL, Ubisoft Production Internationale SARL, Ubisoft Production Annecy SARL, Ubisoft Production Montpellier SARL, Ubisoft Design Montpellier SARL, Ubisoft Talent Management SARL, Ubisoft IT Project Management SARL, Ubisoft Innovation SARL, Ubisoft Services SARL, Ubisoft Créa SARL, Ubisoft Studios Montpellier SARL.
- Chairman and Director of Chengdu Ubi Computer Software Co. Ltd (China), Ubisoft Arts Numériques (Canada), Ubisoft Vancouver (Canada), Ubisoft Canada Inc. (Canada), L'Atelier Ubi Inc. (Canada), Technologies Quazal Inc. (Canada), Ubisoft Holdings Inc. (United States).
- Chairman of Ubisoft Finland OY (Finland), Ubisoft LLC. (United States).
- General Manager of Ubisoft GmbH (Germany), Spieleentwiclungskombinat GmbH (Germany), Max Design Entertainment Software Entwicklungs GmbH (Austria).
- Director of Ubisoft Norway A/S (Norway), Ubisoft Ltd (Ireland), Ubisoft Sweden A/B (Sweden).
- Alternate member of the Liquidation Committee and Chairman of Ubisoft Norway A/S (Norway).
- Deputy Chief Executive Officer and Director of Guillemot Brothers SE (France).
- Director of Gameloft Inc. (United States).

MR OLIVIER JOLIVET

French nationality, 43 years old.
Date first appointed: *24 September 2013.*
Date term of office expires: *Shareholders' Meeting held to approve the 2016 financial statements.*
Business address: *#05-01 Tourism Court, 1 Orchard Spring Lane, 247,729 Singapore*

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 Director and Construction Director.

In 2008, Olivier Jolivet joined the Aman Group as Chairman and Chief Executive Officer of the Group in Singapore.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Chairman and Chief Executive Officer of the Aman Group.

OTHER APPOINTMENTS OUTSTANDING

- 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), Princiere 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), Société Nouvelle de L'Hotel Bora Bora (French Polynesia), 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), Nusantara Island Resorts Limited (British Virgin Islands).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

None.

MR BRUNO PAVLOVSKY

French nationality, 53 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*

Mr Bruno Pavlovsky is a graduate of the Bordeaux Ecole supérieure de commerce and has an MBA from Harvard University. Mr Bruno 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 Bruno Pavlovsky is Chairman of the French Prêt-à-Porter, couturiers' and fashion designers' trade association and a director of Institut français de la mode.

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, Eres US Inc. (USA).
- 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, SCI Brunic.
- Director 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.

MR JACQUES-ÉTIENNE DE T'SERCLAES

French nationality, 68 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*

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 seven years within the Euromarché Group (acquired by Carrefour) where he was Chief Executive Officer.

He is currently founder and Chairman of the charity Agence du Don en Nature (Goods to Give), and Operating Partner at Advent International Global Private Equity. He is also an Independent Director and Chairman of the Audit Committee of Altran Technologies, and Director of Banimmo (Belgium) and the French Institute of Directors (IFA).

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

Founder and Chairman of the charity Agence du Don en Nature.

OTHER APPOINTMENTS OUTSTANDING

- Director of Altran Technologie SA.
- Director of the Institut français des administrateurs (IFA).
- Director of Banimmo (Belgium).

OTHER PREVIOUS FUNCTIONS AND APPOINTMENTS

(held during the past five years and now terminated)

- Chairman of the Supervisory Board of PricewaterhouseCoopers Audit.

NUMBER OF INDEPENDENT BOARD MEMBERS

Seven independent members as of 31 March 2016:

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

Mr Bruno Pavlovsky was appointed on 29 July 2015.

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

Number of members elected by employees: the Company does not have any employee members.

Number of shares that must be held by each member: 100.

3.1.2 Chief Executive Officer and Executive Committee

On 7 September 2004, the Board of Directors elected to split the positions of Chairman of the Board and Chief Executive Officer in accordance with Article L. 225-51-1 of the French Commercial Code. Jean-Marie Laborde was appointed Chief Executive Officer and held this position between 7 September 2004 and 30 September 2013. At the Board of Directors meeting of 24 September 2013, Frédéric Pflanz was appointed Chief Executive Officer of the Company from 1 October 2013, to replace Jean-Marie Laborde. Frédéric Pflanz held this position until his resignation for personal reasons on 2 January 2014. At the meeting of the Board of Directors held on the same day, François Hériard Dubreuil was appointed Chief Executive Officer for a term of three years. Prior to this appointment, the Board of Directors had decided to alter the general management model by re-merging the functions of Chairman of the Board of Directors and Chief Executive Officer, in accordance with Article L. 225-51-1, paragraph 2, of the French Commercial Code and Article 19.1 of the Articles of Association. The current and previous functions and appointments of Mr François Hériard Dubreuil are described in section 3.1.1. above on the Board of Directors.

On 16 September 2014, the Board of Directors appointed Valérie Chapoulaud-Floquet as Deputy Chief Executive Officer. On 27 January 2015, the Board of Directors once again decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer, with François Hériard Dubreuil appointed as Chairman from that date. Valérie Chapoulaud-Floquet was named Chief Executive Officer, replacing François Hériard Dubreuil with effect from the same date. Ms Chapoulaud-Floquet's appointment as Deputy Chief Executive Officer was therefore terminated on the same day.

Since 27 January 2015, the Chief Executive Officer has been assisted by an Executive Committee currently composed of:

- Ms Valérie Alexandre-Courbon, Director of Strategic Planning;
- Mr Marc-Henri Bernard, Group Human Resources Director;
- Mr Simon Coughlin, Chief Executive Officer of Bruichladdich Distillery Company;
- Mr David Ennes, Chief Executive Officer Asia;
- Mr Philippe Farnier, Chief Executive Officer Americas;
- Mr Spyridon Gkikas, Chief Executive Officer EMEA;
- Mr Patrick Marchand, Executive Vice President Operations;
- Mr Luca Marotta, Chief Financial Officer;
- Mr Peter Sant, Chief Executive Officer, Global Travel Retail;
- Mr Panos Sarantopoulos, Chief Executive Officer, Liqueurs & Spirits;
- Mr Éric Vallat, Chief Executive Officer, Rémy Martin, Louis XIII and Mount Gay.

3.1.3 Other information on the administrative and management bodies

ABSENCE OF CONVICTIONS FOR FRAUD, INVOLVEMENT IN A BANKRUPTCY, RECEIVERSHIP OR LIQUIDATION, OFFICIAL PUBLIC SANCTION AND/OR CHARGE, LEGAL DISQUALIFICATION FROM HOLDING OFFICE OR INVOLVEMENT IN THE RUNNING OF THE COMPANY

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, Chief Executive Officer nor any members of the Board of Directors 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

François and Marc Hériard Dubreuil are Dominique Hériard Dubreuil's brothers.

Laure Hériard Dubreuil is the daughter of Marc Hériard Dubreuil.

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 BINDING 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 directors. This agreement is mentioned in section 1.5 of this report and in the Statutory Auditors' special report.

3.1.4 Board practices

The Chief Executive Officer reports to the Board of Directors.

The Board of Directors currently has 11 members. Board members are appointed for three years. 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.

Between 1 April 2015 and 31 March 2016, the Board of Directors met seven times. The average attendance rate was 91%.

The members of the Board of Directors are informed, at the time they take up their appointment, of the legal and regulatory provisions in force in respect of corporate officers trading in the Company's shares.

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. There were no non-voting members as at 31 March 2016.

3.1.5 Board committees

Details of the two committees established by the Board of Directors can be found in the report of the Chairman of the Board of Directors to the Shareholders' Meeting on corporate governance and internal control.

There are two Board committees, the Audit and Finance Committee and the Nomination and Remuneration Committee.

3.2 Report of the Chairman of the Board of Directors

Dear Shareholders,

In compliance with Article L. 225-37 of the French Commercial Code, we hereby report to you on:

- the adoption of the Corporate Governance Code;
- the composition and conditions of preparation and organisation of the work of the Board of Directors;
- internal control and risk management procedures established by the Company;
- limitations that the Board of Directors has imposed on the powers of the Chief Executive Officer;
- specific procedures relating to shareholders' attendance at Shareholders' Meetings; and
- the principles and rules governing the remuneration and benefits paid to corporate officers.

Note that the disclosures required by Article L. 225-100-3 of the French Commercial Code are presented in section 7.5 of this registration document.

The Chairman's report was approved by the Board of Directors on 7 June 2016, following the consultation of the Audit and Finance Committee and the Nomination and Remuneration Committee on 6 June 2016.

3.2.1 Corporate Governance Code

At its meeting of 20 November 2008, the Board of Directors approved the Company's adoption of the AFEP/MEDEF Code issued as a set of recommendations in October 2008 and published officially in December 2008. The Board of Directors confirmed this decision at its meeting held on 4 June 2009. At its meetings of 24 September 2013 and 22 March 2016, the Board of Directors adopted the revised versions in June 2013 and November 2015 of the Corporate Governance Code for Listed Companies. As a result, the internal regulations of the Board of Directors were amended.

The version of this Code in force in November 2015 is available for consultation at Rémy Cointreau's head office in Paris and on the website www.medef.fr.

After altering the composition of the Audit and Finance and Nomination and Remuneration Committees on 24 July 2014 to bring them into line with the AFEP/MEDEF Code, the Company considers itself compliant with the recommendations of the Code.

3.2.2 Composition and conditions of preparation and organisation of the work of the Board of Directors

INTERNAL REGULATIONS

At its meeting of 7 September 2004, the Board of Directors elected to organise directors' information in such a way that all Directors, be they representatives of the majority shareholder or independent, have access to the same information. The Board reasserted that it is the sole authority with decision-making powers, notwithstanding the powers attributed to the Chief Executive Officer by the law or by the internal regulations.

In compliance with these principles, at its meeting of 8 December 2004, the Board elected to lay down its rules of procedure and its relationship with the executive management in a set of internal regulations.

The Board of Directors updated its internal regulations on 5 December 2005, 5 June 2007, 20 September 2011, 25 September 2012, 24 September 2013, 28 January and 3 June 2014, 24 March 2015 and 22 March 2016, mainly to reflect changes in legislation and the revised version of the AFEP/MEDEF Code, as well as the guidelines for implementing the Code issued by the Corporate Governance High Committee. Accordingly, in the event of a proposed sale for an amount equivalent to at least half of the Group's shares, the Board of Directors must establish an *ad hoc* committee and implement an advisory procedure at the Shareholders' Meeting.

This report refers to the main features of these internal regulations.

COMPOSITION OF THE BOARD OF DIRECTORS

It should be noted that Rémy Cointreau's Board of Directors currently has 11 members, and that at least 30% of them must, if possible, be independent. There were seven Independent Directors at the end of the 2015/2016 financial year, equivalent to 64% of the Board. The list of Board members, including reference to the positions held in other companies, is provided in the "Corporate governance" section.

Please also note that the Shareholders' Meetings of 26 July 2011, 24 September 2013 and 24 July 2014 appointed three women to the Board of Directors in compliance with the new law on the balanced representation of men and women on Boards of Directors. Consequently, four women now sit on the Board, representing more than a third of its members. At the next Shareholders' Meeting, Orpar SA will be put forward for nomination as a Board member.

If appointed, the permanent representative of this company will be Ms Gisèle Durand, bringing the number of women on the Board to five, *i.e.* over 40%, in accordance with the AFEP/MEDEF Code;

The choice of Independent Directors is subject to preliminary recommendations from the Nomination and Remuneration Committee. The Board of Directors is regularly informed of the independence of each of its members. The criteria selected to this end are reviewed annually, in accordance with the provisions of the AFEP/MEDEF Code. Generally, a Director is deemed independent when he/she has no relationship of any kind whatsoever with the Company, its Group or its management that could compromise the exercise of his/her freedom of judgement.

All Board members have extensive and multidisciplinary experience of the business world and international markets.

ASSESSMENT OF THE BOARD

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 Director, 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 internal regulations require this assessment to be made on an annual basis, and for a meeting to be held at which it is discussed by all of the members.

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 these provisions, the Board of Directors devoted part of its meeting of 7 June 2016 to the assessment of its practices and organisation. All of the Directors responded to the detailed questionnaire, which had been sent to them in advance. The responses were compared with those of the previous year in order to assess the improvements achieved. The discussion that took place between Board members indicated a high level of satisfaction regarding the Board's composition, organisation and information, with the same result for its committees.

The main reasons for this were the high attendance rate of more than 90% on average for the year, the increase in the representation of women on the Board to over a third – which the Directors want to see increased in future years – and the presence of several permanent residents in various other countries, bringing a rich cultural dimension and range of expertise to the work of the Board, enabling a diversity of business experience and new ideas to be contributed in discussions of the Board and with the Group's general management. During the 2015/2016 financial year, a new independent Board member with a fashion industry background was appointed.

The Board also noted that its duties had been carried out with the necessary competence and independence, thanks to the presence of proven professionals and a significant number of Independent Directors, 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 considered that a high quality of information was provided to its members several days before each of its meetings, particularly as regards medium- and long-term strategy and growth (medium-term plan and strategic data) and financial, legal and tax matters. In addition, the Directors deemed the working procedures of the Board and the quality of its discussions, as well as the work and recommendations of the Audit and Finance Committee and the Nomination and Remuneration Committee, to be highly satisfactory. The Board therefore considers that the quality of all of its work has undergone continuous improvement for a number of years.

Lastly, on 22 March 2016, the Board once again modified its internal regulations to incorporate the latest recommendations of the AFEP/MEDEF Corporate Governance Code for Listed Companies, based on the guidelines for implementing the Code issued by the Corporate Governance High Committee. The main provisions of these internal regulations are described in this report.

TRANSPARENCY RULES

Upon taking office, and then on a regular basis during their term, Directors are given the Guide published by the French Financial Markets Authority (Autorité des marchés financiers, AMF), which is aimed at directors of listed companies. It sets out their personal obligations with respect to holding Company shares.

Directors 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 Directors themselves, by spouses from whom they are not physically separated or by minors.

Each Director must hold a minimum of 100 shares.

The Directors, 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. Directors must therefore directly inform the AMF, within five trading days of the transaction, of any acquisition, sale, subscription or exchange of equity securities of the Company, as well as any transactions carried out on related financial instruments. 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, Directors 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.

Furthermore, Directors, the Chief Executive Officer and members of the Executive Committee must abstain from trading in the Company's shares 30 calendar days before the publication of the annual and half-yearly consolidated financial statements and 15 calendar days before the publication of quarterly financial information, in accordance with AMF recommendations. Outside these abstention periods, the Directors, Chief Executive Officer and members of the Executive Committee must not trade in the Company's shares if they have insider information.

Directors 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.

MEETING FREQUENCY

It should be noted that the Extraordinary Shareholders' Meeting of 7 September 2004 decided to change the Company's management by establishing a Board of Directors.

Article 16-1 of the Articles of Association provides that the Board of Directors meets as often as required in the interests of the Company. The Board of Directors accordingly met seven times during the financial year.

The schedule of Board meetings, the principal items on the agenda and attendance at these meetings during the 2015/2016 financial year were as follows:

9 June 2015

- Review and approval of the Group's consolidated financial statements to 31 March 2015; comparative review in light of budgetary commitments; report by the Audit and Finance Committee.
- Summary review of the 2015/2016 budget compared with the actual 2014/2015 figures.
- Approval of the Company's financial statements for the 2014/2015 financial year.
- Management report from the Board of Directors; report of the Chairman of the Board of Directors on the conditions of preparation and organisation of the work of the Board of Directors and on the internal control procedures implemented by the Company.
- Proposal for the appropriation of income and setting of the dividend; option for the payment of the dividend in cash or shares.
- Agreements covered by Article L. 225-38 of the French Commercial Code.
- Report by the Nomination and Remuneration Committee.
- Proposal for the reappointment of two directors.
- Proposal for two new directors to be appointed.
- Proposal to set directors' fees for members of the Board of Directors.
- Opinion on the elements of remuneration due or awarded for the 2014/2015 financial year to executive directors (AFEP/MEDEF Code).
- Preparation and review of the provisional management documents referred to in Articles L. 232-2 and L. 232-3 of the French Commercial Code.
- Review of the summary exchange rate hedge indicators.
- Renewal of the prior authorisation for sureties, pledges and guarantees.
- Corporate social responsibility (CSR) policy.
- Amendment of the Foreign Exchange Charter.
- Aims of the LTIP cash plan.
- 2015 Shareholders' Meeting. Proposed authorisations for the Board of Directors:
  - renewal of authorisation for the Board of Directors to buy and sell the Company's shares,
  - renewal of authorisation enabling the Board of Directors to reduce the share capital *via* the cancellation of treasury shares held by the Company,
  - renewal of the delegation of authority given to the Board of Directors to increase the share capital by the incorporation of reserves, profits or premiums,
  - renewal of the authorisation for the Board of Directors to issue shares or marketable securities giving access to the share capital of up to 10% of the share capital as consideration for contributions in kind,
  - authorisation to reduce the share capital,
  - authorisation for the Board of Directors to increase the share capital *via* the issue of shares reserved for members of an employee savings scheme.
- Proposed amendment to Article 20 of the Articles of Association relating to regulated agreements following the entry into force of the decree of 31 July 2014 and Article 23.1 of the Articles of Association following the entry into force on 1 January 2015 of the provisions of the decree of 8 December 2014.
- Notice of the Annual Shareholders' Meeting and an Extraordinary Shareholders' Meeting; setting of the agendas; approval of the Board of Directors' reports and the report of the Chairman to the Annual Shareholders' Meeting; draft resolutions; power.
- Assessment of the Board of Directors.

Attendance rate: 91%.

28 July 2015

- Decision on the application of Mr Elie Hériard Dubreuil for a position as director of the Company; Board voting recommendation concerning the 13th resolution submitted to the Annual Shareholders' Meeting of 29 July 2015; amendment to the fourteenth resolution subject to rejection of the thirteenth resolution by the Shareholders' Meeting; powers.

Attendance rate: 91%.

29 July 2015

- Subject to adoption of the 11th resolution, proposal to appoint Mr François Hériard Dubreuil as Chairman of the Board of Directors and set his remuneration; powers.
- Update on the Group's activities since the start of the year.
- Subject to adoption of the 3rd and 4th resolutions, setting of the issue price for new shares used as payment of dividend; authorisation for the Chairman of the Board of Directors to note the number of shares issued and make the necessary amendments to the Articles of Association, in accordance with Article L. 232-20 of the French Commercial Code.
- Report by the Nomination and Remuneration Committee; decision on changes to the basic remuneration paid to members of the Executive Committee.
- Information on the first full financial year (2014/2015) of operations at the new centre, located in Geneva, on brand growth in the Group's EMEA markets.

Attendance rate: 91%

24 September 2015

- Update on the Group's activities since the start of the year; consolidated results forecast at the end of September 2015.
- Presentation of the Americas area.
- Information from the Board on the number and value of shares issued as a result of the 2014/2015 dividend payment option in cash or shares; changes to the share capital and the Articles of Association in accordance with the powers vested in the Chairman by the Board of Directors at its meeting of 29 July 2015.

Attendance rate: 100%.

24 November 2015

- Update on the Group's activities since the start of the year.
- Review and approval of the interim consolidated financial statements to 30 September 2015; comparative review with budget commitments; report from the Audit-Finance committee.
- Information on the consolidated results forecast of 31 March 2016.
- Examination and approval of the provisional management documents referred to in Articles L. 232-2 and L. 232-3 of the French Commercial Code.
- Report by the Nomination and Remuneration Committee; performance share plans; powers.
- Distribution of Directors' fees for the 2014/2015 financial year.
- Information on the disposal of Izarra – Distillerie de la Côte Basque.
- Medium-term plan: Strategic options and priorities of the Group.
- Presentation of the Asia area.

Attendance rate: 91%.

26 January 2016

- Update on the Group's activities since the start of the year.
- Service provision agreement with Andromède: update.
- Update on the value of the Metaxa, Mount Gay and Bruichladdich brands.
- Decision concerning the obligation to retain the bonus shares granted to the Chief Executive Officer on 24 November 2015.
- Impersonation scams involving the President of the Company: information.
- Presentation of the 2020 CSR plan.

Attendance rate: 91%.

22 March 2016

- Update on the Group's activities since the start of the year and consolidated results forecast at 31 March 2016.
- Review and approval of the 2016/2017 budget; exchange rate proposal.
- Update to the Board's internal regulations.
- Annual review of regulated agreements authorised in previous financial years which continued being implemented this financial year.
- Report of the Nomination and Remuneration Committee on the performance criteria for the 2014 free share allocation plan; consequently, the decision to allocate 30,800 treasury shares to beneficiaries of the 2014 plan, under the authorisation granted to the Board of Directors in the 26th resolution of the Combined Shareholders' Meeting of 24 July 2014; powers.
- Update on the value of the Metaxa, Mount Gay and Bruichladdich brands.
- Review of EUR/RMB hedging assumptions.

Attendance rate: 82%.

NOTIFICATION OF BOARD MEETINGS

The schedule of Board meetings for the following year is agreed among the Directors at the September meeting of the Board of Directors, at the latest. The members of the Board are subsequently notified of each meeting by letter and 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 full-year financial statements.

REMUNERATION

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 Director'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.

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. No such remuneration was paid during the financial year under review.

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 Board of Directors determines the fixed and variable remuneration, signing bonuses, severance and non-compete clause indemnities and supplementary pension plans of Executive Directors, in line with the recommendations of the AFEP/MEDEF Code. Executive Directors must hold 33% of shares from the exercise of stock options or performance shares in the form of registered shares until the termination of their position. The Board of Directors may review this percentage of shares to be held at the time of a share allocation, in particular to take into account changes in an Executive Officer's situation.

In the event an individual bound by an employment contract to the Company or any other company controlled by or controlling it being appointed Chairman of the Board, the provisions of the said contract bearing, where applicable, on the compensation or benefits due or liable to be due as a result of the termination or modification of these duties, or subsequent to their termination, are subject to the legal provisions on regulated agreements. The same provisions apply on the appointment of the Chief Executive Officer and the Deputy Chief Executive Officer. Valérie Chapoulaud-Floquet, Chief Executive Officer, is eligible for a signing bonus on taking up office. In addition, two benefits could be payable in respect of her leaving office: a non-compete indemnity and a termination payment, the aggregate amount of which may not exceed two years' gross remuneration under the AFEP/MEDEF Code. These three benefits, the criteria for which (particularly the performance criteria) are described in section 3.4 of this report, were authorised by the Board of Directors at its meetings of 16 and 25 September 2014 and 27 January 2015. Ms Chapoulaud-Floquet is also eligible for a defined-benefit pension. This commitment, authorised by the Board of Directors on 27 January 2015, is mentioned in section 3.4 of this report. These indemnities and pension commitments were approved by the Combined Shareholders' Meeting of 29 July 2015.

INFORMATION PROVIDED TO BOARD MEMBERS

Board members are provided with all the necessary documentation and information prior to meetings of the Board and its various committees.

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 Directors is fundamental to the performance of their duties. As such, the Chairman of the Board of Directors verifies that the senior management provides, on an ongoing basis and without limits, all strategic and financial information necessary for them to perform their duties under the best possible conditions.

On the basis of the information provided, Directors can request any clarifications or information they deem necessary. The Directors undertake to maintain the strict confidentiality of information received. As this concerns, in particular, unpublished information acquired during the course of their work, Directors are therefore subject to a code of professional secrecy.

Before each meeting of the Board of Directors, the Directors receive reasonable notice, and subject to strict confidentiality, a file containing the items on the agenda, which they are required to consider prior to the meeting.

Outside Board meetings, Directors 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.

Directors 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.

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.

Each Director 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.

Directors 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, or in Cognac, at the Company's registered office. However, the Board may hold meetings in other locations, in France or another country, at the Chairman's request.

Pursuant to Article L. 225-37 of the French Commercial Code, Article 16-5 of the Articles of Association and Article 2 of the internal regulations, the meetings of the Board of Directors may be held by video- and/or teleconference. The technical resources used must provide for the identification of the Directors 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.

In the event that the Chairman of the Board notes that the videoconferencing system is not operating correctly, the Board may deliberate and/or continue the meeting with those members who are physically present, as long as there is still a quorum.

Any technical incident affecting the meeting will be noted in the minutes of the meeting, including the breakdown and restoration of participation by video- or teleconference.

A Director participating in a meeting by video- or teleconference who is deemed absent due to equipment malfunction may give proxy to a Director in attendance at the meeting after informing the Chairman of the Board. This Director may also give proxy before the meeting by stipulating that the said proxy shall only become effective in the event of a conferencing system malfunction that prevents him or her from being deemed present.

During the 2015/2016 financial year, no Board meetings were held by remote conference or video conference.

BOARD COMMITTEES

The Board of Directors has established two committees. The Board meeting of 26 January 2016 decided to establish a third committee called the Social and Environmental Responsibility (CSR) Committee. Its members are Dominique Hériard Dubreuil, Florence Rollet and Olivier Jolivet. This committee will meet for the first time in June 2016.

The Board defines the composition and powers of these committees. The Board appoints a member of each committee as Chairman.

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 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.

In order to establish the percentages of independent directors within the committees, the directors representing employee shareholders and directors representing employees, if these cases apply, are not counted.

The secretariat of each committee is provided by a person designated by the Chairman or in agreement with him/her.

Audit-Finance Committee

Chairman: Jacques-Étienne de T'Serclaes.

Members: Marc Hériard Dubreuil and Emmanuel de Geuser.

Number of independent members: two.

This committee was created to assist the Board in its analysis of the accuracy and fairness of the consolidated financial statements; it assesses material risks and supervises the quality of internal control and the disclosures made to shareholders and the market.

As such, it examines the financial statements, paying particular attention to the appropriateness and consistency of the accounting principles used. It monitors the process of preparing financial information. It examines significant risks, gives an opinion on the organisation of the internal audit service and on its work programme. It sees that the rules concerning the independence of the auditors are adhered to and gives opinions on the choice of auditor, and on the auditors' work and fees.

The Audit-Finance Committee met twice, on 8 June and 23 November 2015, with the participation of the Statutory Auditors. The attendance rate was 100%.

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.

Prior to the meeting, the committee members may hold a discussion with the Statutory Auditors, at which the senior management is not present.

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 introduced by Decree No. 2008-1278 of 8 December 2012.

The following are the main items addressed during these meetings:

- review of the 2015 annual and half-yearly financial statements, quarterly net sales and, more broadly, the Company's financial communications;
- 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);
- review of the Group's tax situation;
- review of risk mapping;
- review of the internal audit action plan and its findings;
- review of the independence of the Statutory Auditors;
- review of the report of the Chairman on internal control;
- self assessment by the Audit Committee.

Nomination and Remuneration Committee

Chairman: Mr Yves Guillemot.

Members: Dominique Hériard Dubreuil and Guylaine Dyèvre.

Number of independent members: two.

The committee met on 8 June, 23 November 2015 and 22 March 2016. The attendance rate was 100%.

It discussed the following items:

- update of the COP targets of the cash plan approved in March 2014;
- recommendation for the proposal of a new director at the Shareholders' Meeting;
- evaluation of the 14/15 bonus paid to members of the Executive Committee;
- benchmark for overall remuneration paid to members of the Executive Committee and proposed wage policy for 15/16;
- operation of the Board of Directors;
- schedule of meetings for the Remuneration Committee;
- "Expatriates" and "Locals" policy;
- indexed bonus share plan (AGAI);
- distribution of directors' fees;
- definitive acquisition of the 2014 bonus share plan;
- medium- and long-term incentive plan – Source of reflection;
- self-assessment questionnaire for the Board of Directors;
- time Savings Plan.

Each committee reports its findings to the Board of Directors.

APPROVAL OF REGULATED AGREEMENTS BY THE BOARD OF DIRECTORS

During the financial year, the Board of Directors did not authorise any regulated agreements.

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.

3.2.3 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 the "Risk factors and insurance policy" section, 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, 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 environment of control, which is the basis of both of them, particularly: 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 customers, 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; and
- 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 kept 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 respect of the safety of IT systems, the Group uses external consultants to assist it in reviewing the various procedures of its major units, including those located abroad. 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 to enable 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 enabling them to view a rich and diverse range of 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 of internal control

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 Group's Chief Executive Officer – 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.

Group 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.

Group 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 and Insurance department

The Legal department, in addition to its function as corporate secretary, assists companies in significant legal matters and 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.

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 LINKED 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; and
- 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 accounts, the 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 consolidated financial statements prepared by the Finance department;
- a review of all year-end accounting and financial data prepared by Group companies; and

- 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 accounts

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 accounts 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 restating 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; and
- 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.

3.2.4 Limitations on the 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 Board of Directors appointed Valérie Chapoulaud-Floquet as Chief Executive Officer for a three-year term from 27 January 2015.

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.

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 business agreement in common with other companies, be they 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; and
- 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 9 June 2015, 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 7 June 2016.

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. The members of the Executive Committee are listed in section 3.1.2 of this registration document.

3.2.5 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.

3.3 Statutory auditors' report prepared in accordance with article L. 225-235 of the French commercial code (*Code de commerce*), on the report prepared by the chairman of the board of directors of Rémy Cointreau

This is a free translation into English of a report issued in French. It is provided solely for the convenience of English speaking readers. This report was construed in accordance with French law and professional auditing standards applicable in France and should be read in conjunction with them.

To the Shareholders,

In our capacity as statutory auditors of Rémy Cointreau and in accordance with article L. 225-235 of the French commercial code *(Code de commerce)*, we hereby report to you on the report prepared by the chairman of your company in accordance with article L. 225-37 of the French commercial code *(Code de commerce)* for the year ended 31 March 2016.

It is the chairman's responsibility to prepare and to submit for the board of director's approval a report on the internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French commercial code *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the other information required by article L. 225-37 of the French commercial code *(Code de commerce)*. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weakness in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work is properly disclosed in the chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the board of directors in accordance with article L. 225-37 of the French commercial code *(Code de commerce)*.

Other information

We confirm that the report prepared by the chairman of the board of directors also contains the other information required by article L. 225-37 of the French commercial code *(Code de commerce)*.

Paris and Paris-La Défense, 8 June 2016
The Statutory auditors,

Auditeurs et Conseils Associés
Represented by
François Mahé

ERNST & YOUNG et Autres
Represented by
Pierre Bidart

3.4 Remuneration and benefits

3.4.1 Principles and rules for setting remuneration and benefits granted to corporate officers and executives

Overall remuneration paid to Executive Directors and members of the Executive Committee (Comex) is set by the Board of Directors, which arrives at its decisions taking into account the recommendations of the Nomination and Remuneration Committee.

The committee issues its recommendations on all the items comprising the overall remuneration, including:

- cash remuneration – fixed and annual variable remuneration (bonus);
- deferred remuneration – medium-and long-term performance incentive plan and supplementary pension plan.

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 ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

These principles, which are primarily for corporate officers and members of the Executive Committee, apply equally to all Group managers.

Fixed remuneration is determined based on the responsibilities and the performance of the incumbent, in line with market trends.

Variable annual remuneration – the bonus – is linked to objectives specified at the beginning of the period and approved by the Board of Directors. These objectives are partly quantitative and partly qualitative, and are based on the specific challenges identified for the financial year in question.

For 2015/2016, quantitative targets were set for the following indicators: operating profit, cash generation, net profit/(loss) and the ROCE (return on capital employed).

The variable remuneration policy is consistent throughout the Rémy Cointreau Group. The basic principles apply to all Group managers. The terms and conditions of application vary depending on the different levels of seniority and the nature of the assignments.

The medium- and long-term performance incentive plan is intended to associate the Company's senior executives with the Group's medium- and long-term objectives. The plan is wholly subject to performance conditions.

The objectives of the supplementary defined-benefit pension plan are to retain the loyalty of the executives concerned and to encourage long-term performance. 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 the condition of employment at the time of retirement; its amount varies from 8% to 15% of gross annual remuneration, depending on the age of the beneficiary at the time of retirement. These arrangements, which no longer apply to François Hériard Dubreuil, Group Chairman, apply to the Chief Executive Officer and the Group's key directors.

In addition, Rémy Cointreau offers a supplementary defined-contribution pension scheme to virtually all its French employees.

3.4.2 Remuneration of Executive Directors

Executive Directors' 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 DIRECTOR

(In €)	2016	2015
François Hériard Dubreuil, Chairman since 27 January 2015		
Remuneration due in respect of the period (specified in Table 2)	421,988	422,343
Value of options granted during the financial year	-	-
Value of performance shares granted during the financial year	-	-
TOTAL	**421,988**	**422,343**
Valérie Chapoulaud-Floquet, Chief Executive Officer since 27 January 2015		
Remuneration due in respect of the period (specified in Table 2)	1,105,715	430,595
Value of options granted during the financial year	-	-
Value of performance shares granted during the financial year	233,604	252,990
TOTAL	**1,339,319**	**683,585**

TABLE 2 – SUMMARY OF REMUNERATION PAID TO EACH EXECUTIVE DIRECTOR

	2016		2015	
	Payable	Paid	Payable	Paid
François Hériard Dubreuil, Chairman since 27 January 2015				
Fixed remuneration – Rémy Cointreau	200,761	200,761	335,503	335,503
Fixed remuneration – controlling companies	185,437	185,437	51,551	51,551
Variable remuneration	-	-	-	-
Deferred variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Performance shares or other (allocation)	-	-	-	-
Directors' fees – Rémy Cointreau	32,000	32,000	32,000	31,500
Directors' fees – controlling companies	-	-	-	-
Benefits in kind (car)	3,790	3,790	3,790	3,790
TOTAL	**421,988**	**421,988**	**422,343**	**422,343**
Valérie Chapoulaud-Floquet, Chief Executive Officer since 27 January 2015				
Fixed remuneration(1)	618,003	618,003	339,426	339,426
Variable remuneration(2)(3)	375,000	375,000	-	-
Deferred variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration(3)	91,000	91,000	91,000	91,000
Directors' fees	-	-	-	-
Benefits in kind	21,712	21,712	169	169
TOTAL	**1,105,715**	**1,105,715**	**430,595**	**430,595**

(1) On an annual basis, the fixed gross annual remuneration comprises a fixed gross salary of €500,000 and a gross repatriation bonus of €100,000.
(2) Annual variable remuneration is based on the targets described in paragraph 3.4.1. If all targets are achieved, this variable remuneration can correspond to 75% of the fixed annual salary.
(3) Valérie Chapoulaud-Floquet is eligible for a signing bonus contingent on her continued employment: €91,000 on 31 March 2015, €375,000 on 31 July 2015 and €91,000 on 31 March 2016.

TABLE 3 – DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY OTHER DIRECTORS

Board members		2016	2015
Dominique Hériard Dubreuil	Rémy Cointreau directors' fees Directors' fees – controlled companies Remuneration – controlling company Remuneration – controlled companies	€32,000 - €331,194 €125,997	€31,500 €20,000 €282,695 €126,638
Marc Hériard Dubreuil	Rémy Cointreau directors' fees	€32,000	€31,500
	Directors' fees – controlling company Remuneration – controlling company	€336,323	€374,570
Sir Brian Ivory	Director	€13,000	€37,200
	Non-voting member	€11,000	-
Jean Burelle		-	€15,750
Jacques-Étienne de T'Serclaes		€43,000	€42,000
Gabriel Hawawini		€32,000	€31,500
Timothy Jones	Director Non-voting member	- €16,000	€15,750 €7,800
Patrick Thomas	Director Non-voting member	€11,000 €11,000	€31,500 -
Didier Alix		-	€15,750
Caroline Bois		€11,000	€31,500
Laure Hériard Dubreuil		€32,000	€31,500
Florence Rollet		€32,000	€15,750
Yves Guillemot		€38,000	€15,750
Olivier Jolivet		€32,000	€15,750
Guylaine Dyèvre		€21,000	-
Emmanuel de Geuser		€21,000	-

TABLE 4 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR

None.

TABLE 5 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE DIRECTOR

None.

TABLE 6 – PERFORMANCE SHARES ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR

Valérie Chapoulaud-Floquet, Chief Executive Officer since 27 January 2015

Company Rémy Cointreau	
Date of Board of Directors' meeting	24 November 2015
Number of shares awarded	8,400
Share value	€233,604
Vesting date	24 November 2018
Date of earliest availability	24 November 2020
Performance conditions(1)	20% increase in share price

(1) The shares awarded will be fully vested if the share price has risen by at least 20% at the end of the vesting period, i.e. on 24 November 2018. If the share price is less than or equal to the grant price, no shares are vested. If the price is higher than the grant price but lower than this price plus 20%, the number of shares vested is commensurate with this growth.

TABLE 7 – PERFORMANCE SHARES VESTED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE DIRECTOR

None.

TABLE 8 – INFORMATION ON OPTIONS TO SUBSCRIBE OR PURCHASE SHARES

To date, none of the corporate officers in office during the 2015/2016 financial year have been granted stock options.

The last plan of this type expired on 23 December 2014, the 8,000 stock options remaining at 31 March 2014 having been subscribed during the financial year (see note **10.3** to the consolidated financial statements).

TABLE 9 – OPTIONS TO SUBSCRIBE OR PURCHASE SHARES GRANTED TO THE TOP TEN BENEFICIARIES OTHER THAN CORPORATE OFFICERS.

Plans of this type no longer exist.

TABLE 10 – HISTORY OF BONUS SHARE AWARDS

	Plan 2015 A	Plan 2015 B
Date of Board of Directors' meeting	27 January 2015	24 November 2015
Total number of shares awarded	82,500	88,800
Executive Directors	9,000	8,400
Valérie Chapoulaud-Floquet	9,000	8,400
Share vesting date	27 January 2018	24 November 2018
Number of shares vested as of 31 March 2016	-	-
Aggregate number of lapsed shares	10,750	-
Remaining allocation at year-end	71,750	88,800

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 who received the highest number of shares.

Company granting shares	Date of the plans	Total number of shares	Final vesting date	Date of earliest availability
Rémy Cointreau	27/01/2015	40,000	27/01/2018	27/01/2020
Rémy Cointreau	24/11/2015	45,700	24/11/2018	24/11/2020

Bonus shares vested during the year to the ten non-corporate officer employees who received the highest number of shares.

Company granting shares	Grant date	Total number of shares	Final vesting date	Date of earliest availability
Rémy Cointreau	25/03/2014	14,450	25/03/2016	25/03/2018

TABLE 11 – CONTRACTS RELATING TO CORPORATE 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: 02/01/2014				
Date Chairman's appointment expires: Shareholders' Meeting to approve the 2017/2018 financial statements				
Valérie Chapoulaud-Floquet	**NO**	**YES**(1)	**YES**(2)	**YES**(3)
Chief Executive Officer				
Date first appointed: 27 January 2015				
Date appointment expires: 27 January 2018				

(1) 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). It is worth noting that the pension described in paragraph 3.4.1 is evaluated based on the average gross remuneration for the last two years of employment. This pension is also capped so that the total replacement income received does not exceed 50% of income earned from work.

(2) In the event of her forced departure, except where there are serious grounds or misconduct, or in the event of business failure, Ms Chapoulaud-Floquet will receive a termination payment equal to two years' remuneration (including salary, repatriation bonus and last annual bonus). Actual payment of this benefit will be 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

If the departure occurs after 1 April 2016, this benefit 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 indemnity 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, are equal to or more than 75% of the budgetary targets, the indemnity 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 indemnity will be equal to 21 months.

The percentage used to calculate the indemnity 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 the VIGEO rating agency into consideration. The final indemnity amount is limited to 24 months' salary as defined above.

(3) 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, will be accompanied by an indemnity corresponding to one year's gross remuneration (fixed salary + repatriation bonus + last annual bonus).

The termination payment and non-compete indemnity will be capped at two years' pay, as explained above.

3.4.3 Transactions by corporate officers and directors on the Company's shares

DIRECTORS' DECLARATIONS

Person concerned	Type of transaction	Date of transaction	AMF decision no.
Valérie Chapoulaud-Floquet, Chief Executive Officer	Acquisition of shares	11 September 2015	2015DD390322
ORPAR SA Legal entity linked to François Hériard Dubreuil, Chairman of the Board of Directors, and to Dominique Hériard Dubreuil and Marc Hériard Dubreuil, Directors	Acquisition of shares	7-8-11-12-13-14-15-18-29 May 2015	2015DD368502 2015DD368503 2015DD368504 2015DD368790 2015DD369378 2015DD369379 2015DD369380 2015DD369641
		1-2-3-4-5-8-9-30 June 2015	2015DD371521 2015DD372176 2015DD372175 2015DD372368 2015DD372847 2015DD372844 2015DD373078 2015DD373356
		1-2-3-6-7-27-28-30-31 July 2015	2015DD377494 2015DD377684 2015DD378016 2015DD378290 2015DD378541 2015DD378788 2015DD382027 2015DD382537 2015DD383116
		26-27-28 August 2015	2015DD383414 2015DD387171 2015DD387174
		1-2-4-7-8-11-14-15 September 2015	2015DD387175 2015DD387684 2015DD387925 2015DD388307 2015DD388545 2015DD388813 2015DD389561 2015DD389788 2015DD390003

3.4.4 Shares and voting rights of members of the Board of Directors on 31 March 2016

Directors (natural persons)	Shares	%	Shares with double voting rights	Voting rights	%
Mrs Dominique Hériard Dubreuil	2,722	0.00	2,617	5,339	0.01
Mr François Hériard Dubreuil	110	0.00	106	216	0.00
Mr Marc Hériard Dubreuil	100	0.00	100	200	0.00
Mr Jacques-Étienne de T'Serclaes	552	0.00	536	1,088	0.00
Ms Laure Hériard Dubreuil	102	0.00	0	102	0.00
Ms Florence Rollet	100	0.00	0	100	0.00
Mr Yves Guillemot	100	0.00	0	100	0.00
Mr Olivier Jolivet	100	0.00	0	100	0.00
Ms Guylaine Dyèvre	100	0.00	0	100	0.00
Mr Emmanuel de Geuser	100	0.00	0	100	0.00
Mr Bruno Pavlovsky	100	0.00	0	100	0.00
TOTAL	**4,186**	**0.00**	**3,359**	**7,545**	**0.01**

4

COMMENTS ON THE RESULTS FOR THE YEAR

4.1 ANALYSIS OF THE BUSINESS AND CONSOLIDATED RESULTS

The Group posted a current operating profit of €178.4 million for the year ended 31 March 2016, representing organic growth of 6.1% (+14.4% in reported terms) on the previous year. The operating margin was 17%.

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 exchange rate basis compared with the previous period.

(In € millions)	**2016**	2015	Reported change	Organic change
Net sales	1,050.7	965.1	+8.9%	+0.3%
Current operating profit	**178.4**	**156.0**	**+14.4%**	**+6.1%**
Current operating margin	17.0%	16.2%		17.1%
Other operating expenses	0.3	0.5		
Operating profit	178.7	156.5		
Net financial income/(expense)	(27.3)	(29.7)		
Income tax	(44.1)	(33.5)		
Share in profit of associates	(4.8)	(0.7)		
Profit from continuing operations	102.5	92.6		
Net profit attributable to the owners of the parent	102.4	92.6	+10.6%	-1.4%
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent	**110.4**	**94.6**	**+16.7%**	**+5.0%**
Basic earnings per share:				
On net profit excluding non-recurring items attributable to the owners of the parent	€2.27	€1.95	+16.4%	
On net profit attributable to the owners of the parent	€2.11	€1.91	+10.5%	

4.1.2 General comments on current operating profit

Compared with March 2015, the change in current operating profit is as follows:

(In € millions)

Current operating profit – March 2015	**156.0**
Change due to exchange rates (net of hedges)	12.9
Change in volumes	3.7
Effect of price and mix changes on net sales	2.6
Change in advertising expenditure	(4.2)
Change in other expenses	7.4
Current operating profit – March 2016	**178.4**

Exchange rate fluctuations had a positive overall effect in the amount of €12.9 million. The EUR/USD exchange rate varied favourably compared to the previous year (1.10 on average compared to 1.27 in 14/15). The hedge rate on EUR/USD cash flows was an average of 1.23 for the year, compared to 1.30 obtained during the year ended 31 March 2015.

The volume impact of €3.7 million includes a positive volume effect in the Rémy Martin division for €7.2 million reflecting the brand's dynamism in the USA and the EMEA region over the year and an improvement in Asia during the last quarter. For Liqueurs & Spirits, the impact was negative for €1.2 million including the impact of macro-economic (Russia, Greece) and technical factors (USA). Partner Brands posted an effect of -€2.3 million due to the termination of certain distribution contracts.

The Group continues its price policy and reinforcement in the high end segment with determination, in a context of strong competition with a total price effect of €2.6 million for the period. Advertising expenditure fell in absolute terms (€4.1 million for Group brands) but was maintained at over 25% of net sales for Group brands, with increased brand communication.

The change in other expenses is mainly the result of a significant reduction in structural costs compared to the previous financial year.

Current operating profit recorded a sustained organic increase of 6.1%, whilst operating margin on comparable data is up nearly 1 point to 17.1%.

4.1.3 Business overview

All the changes described in the following comments relate to organic change (constant exchange rates).

In the year to 31 March 2016, the Rémy Cointreau Group generated net sales of €1,050.7 million, up 0.3% on the previous period in total, and 1.7% for Group brands.

BY GEOGRAPHIC AREA

(In € millions)	Europe-Middle East-Africa	Americas	Asia Pacific	Total
Net sales				
March 2016	359.6	394.6	296.5	1,050.7
March 2015	329.2	342.7	293.2	965.1
Reported change	+9.2%	+15.2%	+1.1%	+8.9%
Organic change	+7.9%	+1.0%	-9.0%	+0.3%

The Americas (38% of net sales) recorded excellent performance for the year with a 6.9% increase for Group brands and 1% in total, following the end of the distribution of partner brands in this region.

The EMEA region (Europe-Middle East-Africa), which accounted for 34% of net sales, recorded growth of 7.9%, thanks to the Group's expansion strategy in Africa.

The Asia Pacific region (28% of net sales) reported a fall of 9%, with, however, a better dynamic in Greater China during the last quarter.

BY DIVISION

	Rémy Martin	Liqueurs & Spirits	Total Group brands	Partner Brands	Expenses Holding	Total
Net sales						
March 2016	647.8	273.7	921.5	129.2	-	1,050.7
March 2015	564.8	262.9	827.8	137.3	-	965.1
Reported change	+14.7%	+4.1%	+11.3%	(5.9%)	-	+8.9%
Organic change	+3.2%	(1.5%)	+1.7%	(8.1%)	-	+0.3%
Current operating profit						
March 2016	139.7	48.1	187.8	6.0	(15.4)	178.4
March 2015	117.4	51.8	169.2	7.3	(20.5)	156.0
Reported change	+19.0%	(7.1%)	+11.0%	(17.1%)	(25.0%)	+14.4%
Organic change	+6.4%	(2.8%)	+3.6%	(22.9%)	(25.0%)	+6.1%
Operating margin						
March 2016	21.6%	17.6%	20.4%	4.7%	-	17.0%
March 2016 (organic)	21.4%	19.4%	20.8%	4.4%	-	17.1%
March 2015	20.8%	19.7%	20.4%	5.3%	-	16.2%

RÉMY MARTIN

Net sales rose 3.2% to €647.8 million. This reflects the excellent performance in the Americas and EMEA regions and a significant improvement to Asian dynamism during the 2nd half-year. The Rémy Martin brand benefited from its new “One Life/Live Them” global communications platform and the very strong progression in its 1738 Accord Royal brand in the USA and Club brand in Asia. Louis XIII benefited from the success of the “100 Years, the movie you will never see” campaign.

Operating profit totalled €139.7 million, a 6.4% improvement compared to the previous year. Current operating margin was 21.4% compared to 20.8% the previous year, thanks to a favourable mix and control of costs. Advertising expenditure, which increased in absolute terms (stable as a percentage of net sales), was targeted on the development of new communications platforms.

LIQUEURS & SPIRITS

Net sales fell 1.5% to €273.7 million. Cointreau was penalised by a strong comparison base during the first half-year. However, demand remains very dynamic in the USA resulting in market share gains. Communication actions around the Cointreau Fizz cocktail and the Cointreau Creative Crew showed results, particularly in France, Germany and the UK. Despite an improvement during the 4th quarter and the successful launch of Metaxa Honey Shot, Metaxa suffered from the slowdown in consumption in Greece and the significant decrease in the Russian tourist clientele. Mount Gay had a good year, driven by the continued international deployment of its superior quality products (Black Barrel and XO). Islay Spirits (Bruichladdich/Port Charlotte/Octomore/The Botanist) recorded two-digit growth.

The Liqueurs & Spirits business generated a current operating profit of €48.1 million, a reduction of 2.8%, with continuing sustained levels of marketing investments. The current operating margin was 19.4%, stable compared to the previous financial year.

PARTNER BRANDS

The Group generated net sales of €129.2 million, a decrease of 8.1% due to the end of the distribution of Piper and Charles Heidsieck Champagnes in certain countries (including the USA) during the financial year. It should be noted that this contract which still covers a certain number of markets for Piper-Heidsieck, including France and Belgium, will end on 30 June 2016.

The other partner brands distributed in Belgium, the Czech Republic and Travel Retail progressed. The business generated an operating profit of €6.0 million.

HOLDING COMPANY COSTS

These expenses showed a significant reduction to €15.4 million. They amount to 1.5% of consolidated net sales. The fall of €5.1 million is mainly due to lower payroll expenses.

4.1.4 Operating profit

Operating profit came to €178.7 million due to other operating income and expenses at €0.3 million, mainly due to the disposal of the Izarra company.

4.1.5 Net financial income/(expense)

(In € millions)	**2016**	2015	Change
Cost of gross financial debt	(24.1)	(26.8)	2.7
Investment income	0.1	2.9	(2.8)
Sub-total	**(24.0)**	**(23.9)**	**(0.1)**
Change in the value of the interest-rate hedging instrument portfolio	-	(0.1)	0.1
Currency gains/(losses)	0.8	(2.0)	2.8
Other financial expenses (net)	(4.1)	(3.7)	(0.4)
NET FINANCIAL INCOME/(EXPENSE)	**(27.3)**	**(29.7)**	**2.4**

Net financial expense improved by €2.4 million to €27.3 million:

- the cost of gross financial debt fell by €2.7 million due to the reduction in average gross debt, whilst the maturity of structured investments at the end of the previous financial year produced a negative variation of €2.8 million;
- currency gains/(losses) mainly include the impact of the valuation of the currency risk hedging portfolio in accordance with IFRS standards. This impact is positive for €0.8 million at 31 March 2016 compared to a negative impact of €2 million during the previous financial 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, the negative net change in these items is €0.4 million, corresponding to the increase in inventories to be financed.

4.1.6 Net profit/(loss)

Income tax expense totalled €44.1 million, representing an effective tax rate of 29.1%. This is a slight increase compared to the previous year (26.4%), due to the geographical distribution of the results.

The share of profit of associates was (€4.8 million) including:

- share of profit of joint ventures in Germany, France and Australia: €1.3 million;
- adjustment of the value of the equity investments in Dynasty Fine Wines Ltd: (€3.7) million;
- provisions for termination of the contract in the Lixir joint venture: (€2.4) million.

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. Following allegations of fraud with regard to 2010 and 2011, the listing was suspended on 22 March 2013. It has not been re-listed to date as a result of the Company's inability to publish audited financial statements for the 2012, 2013 and 2014 financial years. This incapacity appears to be linked to the lack of conclusion of the different enquiries carried out with regard to the fraud. During these years, the Dynasty Group also had to face a market in turmoil. After strong development up to the end of 2012 that attracted new actors, and therefore more competition, the market experienced two difficult years in 2013 and 2014 due to the massive arrival of low cost imported products and measures taken by the Chinese government to limit reception costs. Whilst it did not publish financial statements, Dynasty regularly informed the market of the fall in its net sales and its losses, which can be explained by its internal difficulties and the context. As a shareholder in the Hong Kong-listed Group, Rémy Cointreau is also subject to restrictions in terms of access to financial information on the Dynasty Group due to the current rules governing the Hong Kong exchange. In this context, the assessment of this holding since the financial statements for the year ended 31 March 2013 is a source of incertitude and technical difficulties. The carrying value at 31 March 2012 corresponds to a valuation of 1.88 HK$. The last price before the suspension, that already reflected the anticipation of lower performance for the Company was 1.44 HK$ per share. During the 12/13 and 13/14 financial years, Rémy Cointreau carried out two successive impairments to bring the valuation to 1.27 HK$ then 0.94 HK$. On 31 March 2016, Rémy Cointreau obtained new appraisals and decided a valuation of 0.84 HK$ *i.e.* an impact on the results of €3.7 million. Dynasty remains the 4th or 5th largest actor in the wine market, with a promising macro-economic outlook. The Group has announced that it could publish its 2012, 2013, 2014 and 2015 financial statements on around the 30 June 2016. Rémy Cointreau remains confident in Dynasty's ability to restore its financial situation and its position in the market in the medium term.

During the last quarter, Rémy Cointreau began discussions with its co-shareholder in the French distribution company, Lixir, with the aim of exiting the joint venture on 1st September 2016. Based on the provisions in the joint venture agreement, under the circumstances, the exit cost has been estimated at €2.4 million.

Net profit attributable to owners of the parent stood at €102.4 million, an increase in reported terms of 10.6% (2015: €92.6 million). Basic earnings per share were €2.11, compared with €1.91 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, the 3% contribution on dividends and the non-recurring items with regard to associate companies), net profit/(loss) attributable to owners of the parent was €110.4 million, equivalent to basic earnings per share of €2.27, an increase of 16.4% from €1.95 for the year ended 31 March 2015.

4.1.7 Exceptional events and disputes

At 31 March 2016, the Group's companies were defendants in several actions taken by their usual contractual business partners (former distributors or representatives). The claims of these former contractual partners, in particular the representative of Group brands for the Canadian Monopoly, are fully disputed by the defendant companies. The fixed and definitive compensation due to a former supplier in the Netherlands by a Group company was settled out of court for €0.8 million, thus ending the litigation. In France, CLS Rémy Cointreau is a defendant in a dispute between itself and the Association nationale de prévention de l'alcoolisme (ANPAA – French National Alcohol Prevention Association), which considers that the former's position as exclusive supplier to the Cannes Festival does not comply with the Evin law. The ANPAA is claiming €0.1 million. The position of this association is fully disputed by CLS Rémy Cointreau. The companies Rémy Cointreau, E. Rémy Martin & C°, CLS Rémy Cointreau and Rémy Cointreau USA definitively settled the dispute between themselves and the Cognac trade association, which considered that these companies had adversely affected the Cognac geographical indication by marketing an eau-de-vie wine named "Rémy Martin V".

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. 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 2016	March 2015	Change
Brands and other intangible assets	487.6	490.6	(3.0)
Property, plant and equipment	223.2	215.6	7.6
Investments in associates	40.6	45.6	(5.0)
Other financial assets	94.7	95.5	(0.8)
Non-current assets (other than deferred tax)	**846.1**	**847.3**	**(1.2)**
Inventories	1,107.9	1,109.1	(1.2)
Trade and other receivables	232.8	248.7	(15.9)
Trade and other payables	(499.1)	(532.5)	33.4
Working capital requirements	**841.6**	**825.3**	**16.3**
Net financial derivatives	9.4	(29.0)	38.4
Net current and deferred tax	(74.1)	(39.9)	(34.2)
Provisions for liabilities and charges	(49.6)	(61.4)	11.8
Assets and liabilities held for sale	(1.9)		(1.9)
Other net current and non-current assets and liabilities	**(116.2)**	**(130.3)**	**14.1**
TOTAL	**1,571.5**	**1,542.3**	**29.2**
Financed by:			
Equity	**1,113.3**	**1,075.7**	**37.6**
Long-term financial debt	172.0	344.1	(172.1)
Short-term financial debt and accrued interest charge	333.1	196.6	136.5
Cash and cash equivalents	(46.9)	(74.1)	27.2
Net financial debt	**458.2**	**466.6**	**(8.4)**
TOTAL	**1,571.5**	**1,542.3**	**29.2**
For information:			
TOTAL ASSETS	**2,281.5**	**2,338.6**	**(57.1)**

Non-current assets have slightly decreased by €1.2 million to €846.1 million, including:

Translation reserve	(10.4)
Investments (mainly capital investments)	32.4
Depreciation, amortisation and provisions	(18.8)
Impact creation JV Australia	1.1
Adjustment of the value of Dynasty	(3.7)
Transfer to “Assets held for sale”	(0.5)
Liquidity account	(0.9)
Other movements	(0.4)
TOTAL CHANGE	**(1.2)**

As in previous years, investments concerned the constant modernisation of production tools, the upgrading of storage facilities for spirits undergoing ageing and the extension to the storage facilities on the Cognac, Saint-Barthélemy d’Anjou (Angers) and Islay sites.

Working capital requirements have increased by €16.3 million, -€13.7 million of which is due to currency effects. The remaining €30 million includes an increase in inventories undergoing ageing for €45.7 million, offset by a strong decrease in the inventories of finished products (€33.6 million), a decrease in operating receivables for €4.6 million and a decrease in operating liabilities for €22.5 million (-4%).

	Currency effect	Change	Total
Inventories undergoing ageing	(4.7)	45.7	41.0
Other inventories (mainly finished products)	(8.6)	(33.6)	(42.2)
Trade and other receivables	(11.3)	(4.6)	(15.9)
Trade and other payables	10.9	22.5	33.4
TOTAL WORKING CAPITAL REQUIREMENT	**(13.7)**	**30.0**	**16.3**

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 2016 represented net assets of €9.4 million compared to net liabilities of €29 million at 31 March 2015, reflecting a portfolio of instruments whose exercise prices are close to market expectations.

The Group's liabilities net of tax (current and deferred) increased by €34.2 million, of which €24.7 million are for deferred tax (variation in temporary differences bases).

The "Provisions for liabilities and charges" item fell by €11.8 million, reflecting the absence of significant provisions for the financial year.

Liabilities "held for sale" for €1.9 million comes from the reclassification of the value of the Lixir holding net of a provision for the exit compensation given the envisaged exit (see **4.1.6** above).

The Shareholders' Meeting of 29 July 2015 approved the payment of an ordinary dividend of €1.53 per share for the year ended 31 March 2015, with an option for payment of the entire dividend in shares. Payment in shares was made on 24 September for the total amount of €1.5 million. The balance of €72.8 million was paid in October 2015.

The change in shareholders' equity breaks down as follows:

Net profit for the year	**102.5**
Profit recorded in equity	20.2
Impact of stock-option and similar plans	1.4
Change in translation reserves	(12.8)
Transactions on treasury shares	(0.9)
Dividends paid in shares and cash	(72.8)
TOTAL CHANGE	**37.6**

Net debt totalled €458.2 million, a decrease of €8.4 million compared to March 2015, reflecting a good financial year in terms of change in cash flows.

At 31 March 2016, the Rémy Cointreau Group had €665 million in confirmed funding, including:

- a €205 million bond maturing on 15 December 2016, with a coupon of 5.18% and an issue premium of 2.26%;
- a €255 million revolving syndicated loan due on 11 April 2019 and 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 1 April 2015.

The A ratio[1] (Net debt/EBITDA) on which the availability of the private placement and the syndicated loan is based, was 2.29 at 31 March 2016. 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 and the refinancing of instruments reaching maturity during the coming financial year.

4.2.2 Return on capital employed (ROCE)

At 31 March 2016, capital employed amounted to €1,031.5 million, compared with €998.6 million at 31 March 2015. The increase of €32.9 million is due to the increase in working capital requirements and net non-current assets.

Taking into account the current operating profit of €178.4 million, ROCE was therefore 17.3% (2015: 15.6%), *i.e.* an increase of over one point.

(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 2015 and end-March 2016 – and (b) EBITDA for the previous 12 months – in this case end-March 2016.

4.2.3 Comments on cash flows

	2016	2015	Change
EBITDA	199.6	178.2	21.4
Change in working capital requirement	(42.4)	(79.4)	37.0
Net cash flow from operations	157.2	98.8	58.4
Other operating expenses	(0.2)	(1.3)	1.1
Financial result	(22.9)	(28.7)	5.8
Income tax	(29.9)	(24.3)	(5.6)
Other operating cash flows	(53.0)	(54.3)	1.3
Net cash flow from operating activities	**104.2**	**44.5**	**59.7**
Net cash flows from non-current assets	(30.0)	(35.9)	5.9
Net cash flow from other investments	0.7	-	0.7
Net cash flow before investment activities	**74.9**	**8.6**	**66.3**
Treasury shares	(0.9)	0.2	(1.1)
Dividends paid	(72.8)	(48.0)	(24.8)
Net cash flow relating to capital	**(73.7)**	**(47.8)**	**(25.9)**
Repayment of financial debt	(33.3)	(64.2)	30.9
Net cash flow after investment activities	**(32.1)**	**(103.4)**	**71.3**
Translation differences on cash and cash equivalents	4.9	(8.8)	13.7
Change in cash and cash equivalents	**(27.2)**	**(112.2)**	**85.0**

Earnings before interest, tax, depreciation and amortisation (EBITDA)[1] rose by €21.4 million, mainly due to the change in current operating profit.

The change in working capital requirement consisted of an increase of €42.4 million.

	2016	2015	Change
Change in inventories	(6.2)	(44.3)	38.1
Change in trade receivables	20.9	(0.2)	21.1
Change in trade payables	(26.0)	(5.2)	(20.8)
Net change in other receivables and payables	(31.1)	(29.7)	(1.4)
CHANGE IN WORKING CAPITAL REQUIREMENT	**(42.4)**	**(79.4)**	**37.0**

The increase in inventories undergoing ageing totalled €45.7 million in the change in working capital requirement, offset by the change in other items (inventories of finished products, operating receivables and liabilities).

During the year, the Group implemented factoring programmes which had the effect of accelerating customer payments. These totalled €34.1 million at 31 March 2016, against €31.6 million at 31 March 2015.

Net financial cash flows of €22.9 million are down €5.8 million on the previous year, due to the cashing of interest from the vendor loan for €4.6 million in July 2015.

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 year ended 31 March 2016, the net cash outflow of €29.9 million is comparable to that of the previous year.

Net cash outflows relating to non-financial investments amounted to €30 million, compared with €35.9 million in the previous year.

After net cash flow relating to capital, repayment of financial debt and currency effects, cash and cash equivalents were down €27.2 million. The Group thus had a gross cash position of €46.9 million at 31 March 2016 (March 2015: €74.1 million). Gross financial debt was €505.1 million (March 2015: €540.7 million).

(1) *EBITDA is calculated as current operating profit adjusted by adding back depreciation and amortisation 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 €48.5 million for the financial year ended 31 March 2016.

Services invoiced to subsidiaries totalled €18.7 million, compared with €21.9 million in the previous year. Services provided by Rémy Cointreau to its subsidiaries are invoiced on the basis of the cost of services provided, plus a 5% profit margin.

Net operating expenses totalled €28.5 million, down €6 million. This sum covers all of the services provided by the Company, which are re-invoiced in part to subsidiaries.

Dividends from subsidiaries totalled €73.7 million, compared with €42.9 million in the previous year.

Interest expenses amounted to €19.2 million, down €6.3 million from €25.5 million in the previous year, due to the lower effective interest rates applied to the Company.

Tax income of €18.9 million relates mainly to the net savings from the consolidated tax scope during the period, after deduction of the additional €2.2 million contribution on dividends paid.

Taking into account these factors, the net profit for the year was €67.1 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.

Shareholders' equity stood at €946.3 million, down €5.7 million. Dividends paid in respect of the year ended 31 March 2015 amounted to €74.3 million, of which €1.5 million has been converted into shares, corresponding to a capital increase of €0.1 million and a share premium of €1.4 million. The net profit for the year is included in the amount of €67.1 million.

Gross financial debt totalled €665.8 million, an increase of €23.7 million.

Rémy Cointreau has €600 million in confirmed financial resources of which €335 million are contingent on compliance with the so-called A ratio[1] (Net debt/EBITDA) and €205 million have a maturity of 15 December 2016. The A ratio was 2.29 at 31 March 2016. 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 and the refinancing of instruments reaching maturity during the coming financial year.

4.3.3 Information in respect of payment terms pursuant to Article D. 4414 of the French Commercial Code

As of 31 March 2016, 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 2015 and end-March 2016 – and (b) EBITDA for the previous 12 months – in this case end-March 2016.

4.4 Recent events and outlook

4.4.1 Recent events

On 23 May 2016, Rémy Cointreau and Bollinger Diffusion announced that they had signed a partnership for the Rémy Martin, Louis XIII and Mount Gay brands in which Bollinger Diffusion will ensure the exclusive distribution in France from 1 September 2016.

During May, Rémy Cointreau also officially announced its decision to exit the Lixir distribution joint venture, which will, however, continue to distribute the Cointreau and Passoa brands.

On 30 June 2016, the five-year global distribution contract signed with the Piper and Charles Heidsieck Champagnes as part of the disposal of the division in July 2011 will expire.

4.4.2 Outlook

Confident in its acceleration strategy of moving upmarket, the Rémy Cointreau Group anticipates growth in its current operating profit at constant scope and exchange rates during the 2016-17 financial year.

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CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

5.1 CONSOLIDATED INCOME STATEMENT

(In € millions)	Notes	2016	2015
Net sales	*15*	**1,050.7**	**965.1**
Cost of sales		(384.9)	(347.0)
Gross margin		**665.8**	**618.1**
Distribution costs	*16*	(406.7)	(374.2)
Administrative expenses	*16*	(81.6)	(89.4)
Other income from operations	*16*	0.9	1.5
Current operating profit	*15*	**178.4**	**156.0**
Other operating expenses	*18*	0.3	0.5
Operating profit		**178.7**	**156.5**
Cost of net financial debt		(24.0)	(24.0)
Other Financial income/(expense)		(3.3)	(5.7)
Net financial income/(expense)	*19*	**(27.3)**	**(29.7)**
Profit before tax		**151.4**	**126.8**
Income tax	*20*	(44.1)	(33.5)
Share in profit of associates	*5*	(4.8)	(0.7)
Profit from continuing operations		**102.5**	**92.6**
Net profit/(loss) from discontinued operations	*21*	-	-
Net profit for the year		**102.5**	**92.6**
Attributable to:			
non-controlling interests		0.1	-
attributable to owners of the parent		102.4	92.6
Net earnings per share – from continuing operations (in €)			
basic		2.11	1.91
diluted		2.11	1.91
Net earnings per share - attributable to owners of the parent (in €)			
basic		2.11	1.91
diluted		2.10	1.91
Number of shares used for the calculation			
basic	*10.2*	48,579,832	48,432,694
diluted	*10.2*	48,682,638	48,479,943

5.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In € millions)	**2016**	**2015**
Net profit for the year	**102.5**	**92.6**
Movement in the value of hedging instruments	31.5	(36.7)
Actuarial difference on pension commitments	1.2	(2.6)
Movement in the value of AFS shares	(0.2)	0.1
Related tax effect	(12.3)	14.9
Movement in translation differences	(12.8)	41.8
Total income/(expenses) recorded in equity	**7.4**	**17.5**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**109.9**	**110.1**
Attributable to:		
attributable to owners of the parent	109.9	109.8
non-controlling interests	-	0.3

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5.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In € millions)	*Notes*	**2016**	**2015**[(1)]
Brands and other intangible assets	*3*	487.6	490.6
Property, plant and equipment	*4*	223.2	215.6
Investments in associates	*5*	40.6	45.6
Other financial assets	*6*	94.7	95.5
Deferred tax assets	*20*	28.9	41.7
Non-current assets		**875.0**	**889.0**
Inventories	*7*	1,107.9	1,109.1
Trade and other receivables	*8*	232.8	248.7
Income tax receivables		7.8	16.9
Derivative financial instruments	*14*	10.6	0.8
Cash and cash equivalents	*9*	46.9	74.1
Assets held for sale	*5*	0.5	-
Current assets		**1,406.5**	**1,449.6**
TOTAL ASSETS		**2,281.5**	**2,338.6**
Share capital		78.0	77.9
Share premium		695.3	693.9
Treasury shares		(8.7)	(9.6)
Consolidated reserves and profit of the year		319.8	271.9
Translation reserve		27.5	40.2
Equity - attributable to owners of the parent		**1,111.9**	**1,074.3**
Non-controlling interests		1.4	1.4
Equity	*10*	**1,113.3**	**1,075.7**
Long-term financial debt	*11*	172.0	344.1
Provision for employee benefits	*23*	30.7	31.7
Long-term provisions for liabilities and charges	*12*	5.6	10.2
Deferred tax assets	*20*	101.0	89.1
Non-current liabilities		**309.3**	**475.1**
Short-term financial debt and accrued interest charge	*11*	333.1	196.6
Trade and other payables	*13*	499.1	532.5
Income tax payables		9.8	9.4
Short-term provisions for liabilities and charges	*12*	13.3	19.5
Derivative financial instruments	*14*	1.2	29.8
Liabilities held for sale	*5*	2.4	-
Current liabilities		**858.9**	**787.8**
TOTAL EQUITY AND LIABILITIES		**2,281.5**	**2,338.6**

(1) The statement of financial position as at 31 March 2015 was restated to reflect the implementation of IFRIC 21 (note 1).

5.4 CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(In € millions)	Share capital and premium	Treasury shares	Reserves and net profit	Translation reserve	Profit recorded in equity	Attributable to owners of the parent company	Attributable to non-controlling interests	Total equity
At 31 March 2014[1]	**758.5**	**(13.7)**	**276.5**	**(1.2)**	**(9.9)**	**1,010.2**	**1.1**	**1,011.3**
Net profit for the period	-	-	92.6	-	-	92.6	-	92.6
Gains (losses) recorded in equity	-	-	-	41.4	(24.2)	17.2	0.3	17.5
Share-based payments	-	-	2.1	-	-	2.1	-	2.1
Transactions on treasury shares	-	0.2	-	-	-	0.2	-	0.2
Dividends	13.3	-	(61.3)	-	-	(48.0)	-	(48.0)
Reclassification	-	3.9	(3.9)	-	-	-	-	-
At 31 March 2015[1]	**771.8**	**(9.6)**	**306.0**	**40.2**	**(34.1)**	**1,074.3**	**1.4**	**1,075.7**
Net profit for the period	-	-	102.4	-	-	102.4	0.1	102.5
Gains (losses) recorded in equity	-	-	-	(12.7)	20.2	7.5	(0.1)	7.4
Share-based payments	-	-	1.4	-	-	1.4	-	1.4
Transactions on treasury shares	-	(0.9)	-	-	-	(0.9)	-	(0.9)
Dividends	1.5	-	(74.3)	-	-	(72.8)	-	(72.8)
Reclassification	-	1.8	(1.8)	-	-	-	-	-
AT 31 MARCH 2016	**773.3**	**(8.7)**	**333.7**	**27.5**	**(13.9)**	**1,111.9**	**1.4**	**1,113.3**

(1) The statements of financial position as at 31 March 2014 and 2015 were restated to reflect the implementation of IFRIC 21 (note 1).

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5.5 Consolidated statement of cash flows

(In € millions)	*Notes*	**2016**	**2015**
Current operating profit		178.4	156.0
Depreciation, amortisation and impairment		18.8	18.6
Share-based payments		1.7	2.8
Dividends received from associates	*5*	0.7	0.8
EBITDA		**199.6**	**178.2**
Change in inventories		(6.2)	(44.3)
Change in trade receivables		20.9	(0.2)
Change in trade payables		(26.0)	(5.2)
Change in other receivables and payables		(31.1)	(29.7)
Change in working capital requirement		(42.4)	(79.4)
Net cash flow from operations		**157.2**	**98.8**
Other operating expenses		(0.2)	(1.3)
Financial result		(22.9)	(28.7)
Income tax		(29.9)	(24.3)
Other operating cash flows		**(53.0)**	**(54.3)**
Net cash flow from operating activities – continuing operations		**104.2**	**44.5**
Impact of discontinued operations		-	-
Net cash flow from operating activities		**104.2**	**44.5**
Purchase of intangible assets and property, plant and equipment	*3/4*	(30.8)	(36.8)
Purchase of shares in associates and non-consolidated investments	*5/6*	(0.7)	-
Disposal of intangible assets and property, plant and equipment		0.8	0.9
Disposal of shares in associates and non-consolidated investments	*6*	0.7	0.8
Net cash flow from other investments	*6*	0.7	(0.8)
Net cash flow from investment activities – continuing operations		**(29.3)**	**(35.9)**
Impact of discontinued operations		-	-
Net cash flow from investment activities		**(29.3)**	**(35.9)**
Treasury shares	*10*	(0.9)	0.2
Increase in financial debt		110.5	95.8
Repayment of financial debt		(143.8)	(160.0)
Dividends paid		(72.8)	(48.0)
Net cash flow from financing activities – continuing operations		**(107.0)**	**(112.0)**
Impact of discontinued operations		-	-
Net cash flow from financing activities		**(107.0)**	**(112.0)**
Translation differences on cash and cash equivalents		4.9	(8.8)
Change in cash and cash equivalents		**(27.2)**	**(112.2)**
Cash and cash equivalents at start of year	*9*	**74.1**	**186.3**
Cash and cash equivalents at end of year	*9*	**46.9**	**74.1**

5.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

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 7 June 2016. They will be submitted for shareholder approval at the Shareholders' Meeting on 26 July 2016.

NOTE 1 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 2016.

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 2015 are as follows:

- IFRS annual improvement cycles 2010-2012 and 2011-2013;
- amendment to IAS 19 "Defined Benefit Plans: Employee Contributions";
- IFRIC 21 "Levies".

The adoption of IFRIC 21 in our financial statements at 31 March 2016 chiefly consisted of a change in how French land tax is recognised. Other taxes affected by this interpretation are still accounted for as before. Prior period earnings have not been restated since the potential adjustment is not material. This change resulted in a decrease in equity at 1 April 2014 and 1 April 2015 of €0.6 million, matched by a corresponding €0.6 million increase in current liabilities.

The first time adoption of other 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 2016 and for which the Group did not choose early application for the consolidated financial statements for the year ended 31 March 2016 are as follows:

- IFRS annual improvement cycle 2012-2014;
- amendments to IAS 1 "Presentation of Financial Statements" – Disclosure Initiative;
- amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation";
- amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants";
- amendments to IAS 27: "Equity Method in Separate Financial Statements";
- amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations".

The first-time application of these standards and amendments is not expected to have a material impact on the consolidated financial statements.

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 BASIS OF CONSOLIDATION

The consolidated financial statements include, on a fully consolidated basis, all significant subsidiaries of which Rémy Cointreau directly or indirectly controls more than 50% of the voting rights or over which it exercises effective control, even when it has no actual shareholding (special purpose entities, see also note **1.7**).

Entities over which Rémy Cointreau exercises significant influence are accounted for by the equity method. This is presumed to be the case when Rémy Cointreau holds between 20% and 50% of voting rights.

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 at the closing exchange rate for the year. The resulting differences are recognised in either the operating profit or net financial income 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 reserve”.

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 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 buyer, 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, operating profit, net profit/(loss) from discontinued operations

Current operating profit comprises all elements relating to the Group's activities with the exception of:

- the operating profit from operations that were discontinued during the period or for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit is reclassified in the item "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 adjusted by adding back depreciation and amortisation for the period on property, plant and equipment and intangible assets, accruals relating to long-term incentive plans, and dividends received from associates during the period.

D) Net debt

This measure is used to calculate certain ratios. It corresponds to long-term financial debt plus short-term financial debt and accrued interest, less 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 balance sheet 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

On 31 July 2015, the Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd for €0.7 million. This company, consolidated using the equity method, will distribute Rémy Cointreau's brand portfolio in the Australian market (note **5.4**).

On 27 October, the Rémy Cointreau Group announced the sale to Spirited Brands of all shares in the company Izarra – Distillerie de la Côte Basque, owner of the Izarra brand (with net sales of €0.4 million for the year to 31 March 2015). Rémy Cointreau and Spirited Brands have also reached an agreement that allows Rémy Cointreau to continue producing and bottling the Izarra liqueur. The sale has no material impact on the financial statements for the year ended 31 March 2016.

In early May 2016, Rémy Cointreau officially announced its decision to exit the Lixir joint venture during the year ending 31 March 2017 (note **5.2**).

NOTE 3 BRANDS AND OTHER INTANGIBLE ASSETS

With the exception of software licences, “Brands and other intangible assets” mainly comprise the value of the 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 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.

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 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;
- 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 12 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 2015	**28.2**	**505.8**	**7.7**	**31.8**	**573.5**
Acquisitions	-	-	-	3.8	3.8
Disposals, items scrapped	-	-	-	(0.5)	(0.5)
Changes in consolidation scope	-	(0.3)	-	-	(0.3)
Other movements	-	0.4	-	-	0.4
Translation reserve	(2.2)	(2.0)	(0.2)	(0.4)	(4.8)
Gross value at 31 March 2016	**26.0**	**503.9**	**7.5**	**34.7**	**572.1**
Accumulated amortisation and depreciation at 31 March 2015	**-**	**52.8**	**5.4**	**24.7**	**82.9**
Increase	-	-	-	2.4	2.4
Disposals, items scrapped	-	-	-	(0.5)	(0.5)
Other movements	-	0.2	-	-	0.2
Translation reserve	-	(0.1)	(0.1)	(0.3)	(0.5)
Accumulated amortisation and depreciation at 31 March 2016	**-**	**52.9**	**5.3**	**26.3**	**84.5**
Net carrying amount at 31 March 2015	**28.2**	**453.0**	**2.3**	**7.1**	**490.6**
Net carrying amount at 31 March 2016	**26.0**	**451.0**	**2.2**	**8.4**	**487.6**

"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 goodwill arising from the acquisition of Bruichladdich Distillery Ltd in September 2012 and goodwill arising from the acquisition of the Rum Refinery of Mount Gay in May 2014.

The carrying amounts reported in the Group's statement of financial position under "Brands" (as well as "Goodwill" and "Distribution rights") mainly concern the following brands: Rémy Martin, Cointreau, Mount Gay, Metaxa, Ponche Kuba and Bruichladdich.

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 and Bruichladdich are acquired brands. The other brands held by the Group were created and do not have any carrying value on the balance sheet.

No impairment was recognised by the Group in light of the tests carried out during the financial year. 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 2016, the main hypotheses were as follows:

	Discount rate	Perpetual growth rate	Change impact 50 bps: +50 bps on the discount rate	Change impact 50 bps: -50 bps on the perpetual growth rate	Impairment
Mount Gay	7.07%	1.00%	(6.2)	(2.1)	no
Bruichladdich	6.09%	1.00%	(13.7)	(6.1)	no
Metaxa(1)	8.09%	2.00%	(14.4)	(10.9)	no
S/total			**(34.3)**	**(19.1)**	
For memory, total tested net carrying amount			**194.3**	**194.3**	

(1) For Metaxa, a variation of 10% on treasury flows would generate an impact of approximately €20 million in Brand valuation. A discount rate of 9.19% would make the Brand valuation equal to its current net book value.

At 31 March 2016, the total provision for impairment of intangible assets was €52.9 million (2015: €52.8 million), including €45.0 million for the Greek brandy Metaxa, acquired in 2000, and €7.9 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

(In € millions)	Land	Buildings	Other	In progress	Total
Gross value at 31 March 2015	**14.0**	**115.8**	**247.1**	**4.7**	**381.6**
Acquisitions	-	9.2	13.5	5.9	28.6
Disposals, items scrapped	(0.1)	(0.4)	(3.7)	-	(4.2)
Other movements	0.1	0.8	4.7	(4.2)	1.4
Translation reserve	(0.2)	(2.1)	(3.8)	-	(6.1)
Gross value at 31 March 2016	**13.8**	**123.3**	**257.8**	**6.4**	**401.3**
Accumulated amortisation and depreciation at 31 March 2015	**2.7**	**44.3**	**119.0**	**-**	**166.0**
Increase	0.4	3.2	12.8	-	16.4
Disposals, items scrapped	(0.1)	(0.2)	(3.6)	-	(3.9)
Other movements	-	-	1.7	-	1.7
Translation reserve	-	(0.3)	(1.8)	-	(2.1)
Accumulated amortisation and depreciation at 31 March 2016	**3.0**	**47.0**	**128.1**	**-**	**178.1**
Net carrying amount at 31 March 2015	**11.3**	**71.5**	**128.1**	**4.7**	**215.6**
Net carrying amount at 31 March 2016	**10.8**	**76.3**	**129.7**	**6.4**	**223.2**

As of 31 March 2016, no property, plant or equipment owned by the Group was subject to impairment provisions. These non-current assets are unencumbered.

For the year ended 31 March 2016, acquisitions of €28.6 million mainly relate to capital expenditure on measures to ensure compliance with standards and upgrade equipment at the Group’s various production facilities (Cognac, Saint Barthélemy d’Anjou, Barbados, Islay).

NOTE 5 INVESTMENTS IN ASSOCIATES

Investments in associates represent equity interests in companies meeting the principle described in note **1.2**.

(In € millions)	Dynasty	Lixir	Diversa	Spirits Platform	Total
At 31 March 2015	**37.7**	**1.1**	**6.8**	**-**	**45.6**
Dividend paid	-	(0.7)	-		(0.7)
Profit of the year	-	0.1	0.8	0.4	1.3
Provision for impairment	(3.7)	-	-	-	(3.7)
Transfer to assets held for sale	-	(0.5)	-	-	(0.5)
Translation reserve	(2.0)	-	-	(0.1)	(2.1)
Changes in consolidation scope	-	-	-	0.7	0.7
At 31 March 2016	**32.0**	**-**	**7.6**	**1.0**	**40.6**

NOTE 5.1 DYNASTY

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.

Following allegations of fraud with regard to 2010 and 2011, the listing was suspended on 22 March 2013. It has not been re-listed to date as a result of the Company's inability to publish audited financial statements for the 2012, 2013 and 2014 financial years. This incapacity appears to be linked to the lack of conclusion of the different enquiries carried out with regard to the fraud.

During these years, the Dynasty Group also had to face a market in turmoil. After strong development up to the end of 2012 that attracted new actors, and therefore more competition, the market experienced two difficult years in 2013 and 2014 due to the massive arrival of low cost imported products and measures taken by the Chinese government to limit reception costs. Whilst it did not publish financial statements, Dynasty regularly informed the market of the fall in its net sales and its losses, which can be explained by its internal difficulties and the context.

As a shareholder in the Hong Kong-listed Group, Rémy Cointreau is also subject to restrictions in terms of access to financial information on the Dynasty Group due to the current rules governing the Hong Kong exchange. In this context, the assessment of this holding since the financial statements for the year ended 31 March 2013 is a source of incertitude and technical difficulties. The carrying value at 31 March 2012 corresponds to a valuation of 1.88 HK$. The last price before the suspension, which already reflected the anticipation of lower performance for the Company, was 1.44 HK$ per share. During the financial years ended 31 March 2013 and 31 March 2014, Rémy Cointreau carried out two successive impairments to bring the valuation to 1.27 HK$ then 0.94 HK$.

As at 31 March 2016, Rémy Cointreau carried out two new external appraisals based mainly on information in the public domain and which are summarised below:

Type	High	Low	Comments
DCF model – 7 year projection – discount rate 18.5% – long term growth rate 3%	0.81	0.67	Dynasty does not issue any medium term plans. The model is populated with our own forecasts aligned with market studies on the prospects of the Chinese wine market.
Approach based on the Enterprise Value to Sales ratio, resulting in an estimation of potential share value after the resumption of trading using a basket of comparable companies operating in the wine sector in China.	1.01	0.73	Dynasty does not publish its financial statements. The sample of comparable companies is limited. At resumption date, the valuation of Dynasty by the market may differ as the group will resume normal communication. The 'high' value of this valuation range does not include any discount to reflect the potential impact of prolonged suspension.

Such appraisals should be put into perspective with the fact that data available is limited.

Based on the above appraisals and on its own knowledge and appreciation of the context, Rémy Cointreau has revised the valuation downward to 0.84 HK$ per share (the average being between 1.01 and 0.67) *i.e.* a depreciation charge of €3.7 million. Taking into account the €/HK$ parity at closing, the net book value is €32 million as at 31 March 2016.

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.

Dynasty remains the 4th or 5th largest actor in the wine market, with a promising macro-economic outlook. The Group has announced that it could publish its 2012, 2013, 2014 and 2015 financial statements on around the 30 June 2016. Rémy Cointreau remains confident in Dynasty's ability to restore its financial situation and its position in the market in the medium term.

The Dynasty Group regularly publishes information on its website: www.dynasty-wines.com

NOTE 5.2 LIXIR

On 7 October 2008, the Rémy Cointreau Group acquired a 50% interest in the French distribution company Lixir from William Grant & Sons Investments Ltd for €0.5 million.

Lixir's financial year-end is 31 December. Its net sales amounted to €178.7 million over the Rémy Cointreau financial year, compared with €176.3 million the previous financial year. Its total assets amounted to €42.1 million at 31 March 2016 (2015: €44.2 million).

For the year ended 31 March 2016, the Rémy Cointreau Group generated net sales of €30.8 million with Lixir (2015: €32.3 million).

In early May 2016, Rémy Cointreau officially announced its decision to exit this joint venture during the year ending 31 March 2017. The securities have been reclassified in "assets held for sale" at their estimated disposal value (€0.5 million) and a liability of €2.4 million has been recognised in "share of profit of associates", with a matching entry under "liabilities held for sale" representing the estimated exit costs under the agreements signed in 2008.

NOTE 5.3 DIVERSA

On 31 March 2009, the Group acquired a 50% interest in Diversa GmbH to form a distribution joint venture in Germany with the Underberg Group.

At 31 March 2016, Diversa GmbH's net sales were €99.9 million (2015: €103.7 million). Its total assets amounted to €32.4 million at 31 March 2016 (2015: €29.2 million).

For the year ended 31 March 2016, the Rémy Cointreau Group generated net sales of €21.5 million with Diversa (2015: €19.1 million).

NOTE 5.4 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 2016 stood at €12.7 million, while total assets amounted to €12.0 million at 31 March 2016.

In the year to 31 March 2016, the Rémy Cointreau Group generated net sales of €5.5 million with Spirits Platform.

NOTE 6 OTHER FINANCIAL ASSETS

(In € millions)	2016	2015
Non-consolidated equity investments	2.4	2.6
Vendor loan	88.2	87.9
Partner loan (note **5.4**)	0.4	-
Liquidity account excluding Rémy Cointreau shares	2.2	3.1
Other	1.5	1.9
TOTAL	**94.7**	**95.5**

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 an impairment provision 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.

(In € millions)	% held	2016	% held	2015
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0
Ducs de Gascogne SA (France)	30.1%	0.5	30.1%	0.5
Tianjin Dvpt Holding Ltd (RPC)	0.2%	0.4	0.2%	0.6
Balachoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5
TOTAL		**2.4**		**2.6**

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 2016, 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 2015 and payable in July 2016 is recognised as other receivables.

NOTE 6.3 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 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 distilled spirits (cognac, brandy, rum, malt Scotch whisky) that are undergoing ageing. These inventories may be held for periods ranging from three 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

(In € millions)	**2016**	2015
Raw materials	43.9	44.0
Ageing wines and eaux-de-vie[1]	963.3	922.3
Goods for resale and finished goods	105.9	154.0
Gross cost	**1,113.1**	**1,120.3**
Provision for impairment	(5.2)	(11.2)
Carrying amount	**1,107.9**	**1,109.1**

*(1) Of which AFC inventories (note **1.7**) €262.7 million (2015: €251.4 million).*

As of 31 March 2016, some inventories were subject to agricultural warrants for €46.0 million (2015: €46.0 million).

NOTE 7.2 ANALYSIS OF THE CHANGE

(In € millions)	Gross cost	Impairment	Carrying amount
Balance at 31 March 2015	**1,120.3**	**(11.2)**	**1,109.1**
Movement	6.2	5.9	12.1
Translation reserve	(13.4)	0.1	(13.3)
Balance at 31 March 2016	**1,113.1**	**(5.2)**	**1,107.9**

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.

(In € millions)	**2016**	**2015**
Trade receivables	155.2	176.0
Receivables related to taxes and social charges (excl. income tax)	23.4	17.1
Sundry prepaid expenses	12.3	7.2
Advances paid	26.7	25.3
Other receivables	15.2	23.1
TOTAL	**232.8**	**248.7**
Of which provision for doubtful debts	(2.3)	(2.8)

At 31 March 2016, the breakdown of trade receivables by maturity was as follows:

			Due	
(In € millions)	Total	Current	Less than 3 months	More than 3 months
Trade receivables gross	**157.5**	**139.4**	**15.2**	**2.9**

The Group implemented factoring programmes during the year which had the effect of accelerating customer payments. These totalled €34.1 million at 31 March 2016 (2015: €31.6 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.

(In € millions)	**2016**	2015
Short-term deposits	0.1	21.8
Cash at bank	46.8	52.3
TOTAL	**46.9**	**74.1**

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 2015	**48,710,253**	**(129,794)**	**48,580,459**	**77.9**	**693.9**	**(9.6)**
Partial payment of dividend in shares	24,761	-	24,761	0.1	1.4	-
2014 bonus share plan	-	23,630	23,630	-	-	1.8
Liquidity account	-	(13,800)	(13,800)	-	-	(0.9)
At 31 March 2016	**48,735,014**	**(119,964)**	**48,615,050**	**78.0**	**695.3**	**(8.7)**

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Share capital and premium

At 31 March 2016, the share capital consisted of 48,735,014 shares with a par value of €1.60.

On 25 September 2015, 24,761 shares were issued following the option offered to shareholders to receive partial payment of the dividend in shares.

Treasury shares

Treasury shares: Group investments in Rémy Cointreau shares are deducted from 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 2016, Rémy Cointreau held 106,164 treasury shares intended to cover current or future bonus share plans and 13,800 treasury shares under the liquidity contract.

NOTE 10.2 NUMBER OF SHARES USED FOR THE CALCULATION OF 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.

	2016	2015
Average number of shares (basic):		
Average number of shares	48,723,039	48,596,433
Average number of treasury shares	(143,207)	(163,739)
TOTAL USED FOR CALCULATING BASIC EARNINGS PER SHARE	**48,579,832**	**48,432,694**
Average number of shares (diluted):		
Average number of shares (basic)	48,579,832	48,432,694
Dilution effect of bonus share plans	102,806	47,249
TOTAL USED FOR CALCULATING DILUTED EARNINGS PER SHARE	**48,682,638**	**48,479,943**

NOTE 10.3 BONUS SHARE PLANS

Bonus share plans

Grant date(1)	Plan No.	Vesting period	Minimum retention period	Initial number of shares granted	Share value on date granted	Lapsed options	Shares granted at the end of the vesting period	Number of shares outstanding at 31 March 2016
25 March 2014	2014	2 years	2 years	41,900	58.72	18,270	23,630	-
27 January 2015	2015A	3 years	2 years	82,500	64.26	10,750	-	71,750
24 November 2015	2015B	3 years	2 years	88,800	66.64	-	-	88,800
TOTAL				**213,200**		**29,020**	**23,630**	**160,550**

(1) The grant date is the date of the Board meeting which decided allocations under each plan. The 2015A and 2015B plans were authorised by the Combined Shareholders' Meeting of 24 July 2014.

For the 2014 plan, the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that the Group's performance criteria have been satisfied, as measured at the end of the financial year preceding the end of the vesting period. Performance indicators are the current operating profit margin and return on capital employed measured at constant exchange rates and scope. At the end of the vesting period, the performance criterion had only partially been met. Accordingly, 85% of shares outstanding at that date were allocated by remittance of shares held by Rémy Cointreau.

Plans 2015A and 2015B are indexed plans. Shares will be issued to beneficiaries at the end of the vesting period subject to their continued employment with the Group. The number of shares will depend on the performance of the Rémy Cointreau share price.

Plan 2015A: the maximum number of shares will be awarded if the share price increases by 30% or more between 27 January 2015 and 27 January 2018, with a target price of €75.39. 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. At the reporting date, the plan was expected to be serviced by delivery of shares held by Rémy Cointreau.

Plan 2015B: the maximum number of shares will be awarded 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. At the reporting date, the plan was expected to be serviced by the creation of new shares.

Calculation of the charge for the year

In accordance with IFRS 2, a charge representing the estimated value of the benefit granted to the beneficiaries of these plans is recognised as operating profit.

For the 2014 plan, the unit value is based on the share price at the grant date for executive management or Management Committee beneficiaries or the notice date for other beneficiaries, less the estimated value of the dividends per share which would be due during the vesting period.

The charge is calculated by multiplying these unit values by the estimated number of options or bonus shares that will be granted. The amount is amortised on a straight-line basis over the rights vesting period from the date of the Board meeting approving each plan.

For the 2015 plans, the value of the benefit was calculated by independent actuaries based on a Black & Scholes model.

The assumptions used for the estimation of the benefit value and the resulting values for the plans included in the calculation of the expense for the year ended 31 March 2016 were as follows:

Grant date(1)	2014 Plan	2015A Plan	2015B Plan
Expectation performance criteria will be met	100%	N/A	N/A
Staff turnover ratio	4%	4%	4%
Fair value per option(1)	€55.92	€28.11	€27.81
Fair value per option(2)	€59.46	€28.11	€27.81

(1) Executive management and Management Committee members.
(2) Other beneficiaries.

For the year ended 31 March 2016, the related expense was €1.4 million (2015: €2.1 million).

NOTE 10.4 DIVIDENDS

The Shareholders' Meeting of 29 July 2015 approved the payment of an ordinary dividend of €1.53 per share for the year ended 31 March 2015, with an option for payment of the entire dividend in shares.

Payment in shares was made on 24 September for the total amount of €1.4 million. The balance of €72.8 million was paid in October 2015.

NOTE 10.5 NON-CONTROLLING INTERESTS

(In € millions)	**2016**	2015
Minority interests in Mount Gay Distilleries	1.4	1.4
TOTAL	**1.4**	**1.4**

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

	2016			2015		
(In € millions)	Long term	Short term	Total	Long term	Short term	Total
Gross financial debt	172.0	333.1	505.1	344.1	196.6	540.7
Cash and cash equivalents (note **9**)	-	(46.9)	(46.9)	-	(74.1)	(74.1)
NET FINANCIAL DEBT	**172.0**	**286.2**	**458.2**	**344.1**	**122.5**	**466.6**

NOTE 11.2 GROSS FINANCIAL DEBT BY TYPE

	2016			2015		
(In € millions)	Long term	Short term	Total	Long term	Short term	Total
Bonds	-	204.0	204.0	202.7	-	202.7
Private bond placement	79.7	-	79.7	79.7	-	79.7
Private placement	-	-	-	-	140.0	140.0
Drawdown on syndicated loan	30.0	-	30.0	-	-	-
Upfront fees on syndicated loan	(1.4)	-	(1.4)	(1.9)	-	(1.9)
Current-account agreement (note **25**)	-	60.0	60.0	-	-	-
Other financial debt and overdrafts	-	0.1	0.1	-	-	-
Accrued interest	-	4.1	4.1	-	7.5	7.5
Total Rémy Cointreau SA	**108.3**	**268.2**	**376.5**	**280.5**	**147.5**	**428.0**
Bonds	63.7	-	63.7	63.5	-	63.5
Other financial debt and overdrafts	-	55.3	55.3	0.1	35.7	35.8
Accrued interest	-	1.7	1.7	-	1.7	1.7
Borrowings by special purpose entities	-	7.9	7.9	-	11.7	11.7
Total subsidiaries	**63.7**	**64.9**	**128.6**	**63.6**	**49.1**	**112.7**
GROSS FINANCIAL DEBT	**172.0**	**333.1**	**505.1**	**344.1**	**196.6**	**540.7**

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

(In € millions)	Long term	Short term
Before 31 March 2017	-	333.1
11 April 2019	28.6	-
13 August 2023	63.7	-
27 February 2025	79.7	-
TOTAL	**172.0**	**333.1**

NOTE 11.4 GROSS FINANCIAL DEBT BY TYPE OF RATES

	2016			2015		
(In € millions)	Long term	Short term	Total	Long term	Short term	Total
Fixed interest rate	143.4	264.0	407.4	345.9	140.0	485.9
Variable interest rate	28.6	63.3	91.9	(1.8)	47.4	45.6
Accrued interest	-	5.8	5.8	-	9.2	9.2
GROSS FINANCIAL DEBT	**172.0**	**333.1**	**505.1**	**344.1**	**196.6**	**540.7**

	2016			2015		
(In € millions)	Long term	Short term	Total	Long term	Short term	Total
Drawdown on syndicated loan	30.0	-	30.0	-	-	-
Upfront fees on syndicated loan	(1.4)	-	(1.4)	(1.9)	-	(1.9)
Other	-	63.3	63.3	0.1	47.4	47.5
TOTAL VARIABLE-RATE DEBT	**28.6**	**63.3**	**91.9**	**(1.8)**	**47.4**	**45.6**

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

	2016			2015		
(In € millions)	Long term	Short term	Total	Long term	Short term	Total
Euro	172.0	325.0	497.0	344.1	196.0	540.1
US dollar	-	0.9	0.9	-	0.6	0.6
Hong Kong dollar	-	7.2	7.2	-	-	-
GROSS FINANCIAL DEBT	**172.0**	**333.1**	**505.1**	**344.1**	**196.6**	**540.7**

NOTE 11.6 BONDS

Bonds with a par value of €205 million

In June 2010, Rémy Cointreau carried out a 6.5-year bond issue with a par value of €205 million. The bonds have a par value of €50,000 each and were issued at 97.745% of par (issue premium of 2.255%), bearing interest of 5.18% payable on 15 June and 15 December of each year. They will be redeemed at par at maturity (15 December 2016).

This bond is not secured.

The bond carries a number of clauses for early redemption at the issuer's option, primarily in the event of a capital increase, whether for the general public or privately placed, or in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date. Furthermore, in the event of a change of control all bearers are entitled to request redemption of their bonds held at 101%.

In the event of the sale of assets, and if the sale proceeds are not used for authorised transactions, Rémy Cointreau must, within 365 days of the date of receipt of the sale proceeds, offer early redemption of the bond up to the amount of the proceeds of the sale. The agreement additionally contains certain conventions that may limit the maximum dividend payout in the event of a loss.

After taking the issue premium and expenses into account, the net proceeds from the issue were about €197 million, making an effective interest rate of approximately 5.89%.

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.

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%.

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 10-year maturity.

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.

NOTE 11.7 PRIVATE PLACEMENT

On 10 June 2010, Rémy Cointreau secured a "private placement" syndicated finance package with financial institutions. This €140 million contract was concluded for five years (maturing on 10 June 2015). The structured financing included a loan comprising two tranches, of €65 million (tranche A) and €75 million (tranche B) respectively, as well as various swap contracts that exactly match the two tranches, thereby guaranteeing a fixed rate of 3.6675% for the duration of the contract.

After deducting the commitment fee, the net proceeds from the issue amounted to some €138.6 million, which resulted in an effective interest rate of approximately 3.94%.

This private placement was repaid fully at maturity on 10 June 2015.

NOTE 11.8 SYNDICATED LOAN

On 5 June 2012, Rémy Cointreau arranged a syndicated loan to replace the revolving credit facility, of which €346 million expired on 7 June 2012. This new revolving credit facility, corresponding to a loan of €255 million, was agreed for an initial five-year term.

On 11 April 2014, Rémy Cointreau signed an amendment to extend this syndicated loan with a pool of ten banks. This loan was extended by about 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 facility 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 2016, the A ratio was 2.29 (September 2015: 2.53; March 2015: 2.64).

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 income/ (expense).

NOTE 12.1 ANALYSIS OF CHANGE

(In € millions)	Restructuring	Litigation	Total
At 31 March 2015	**0.8**	**28.9**	**29.7**
Increase	-	1.4	1.4
Reversals – Used	(0.7)	(6.5)	(7.2)
Reversals – Unused	-	(4.4)	(4.4)
Translation reserve	-	(0.6)	(0.6)
At 31 March 2016	**0.1**	**18.8**	**18.9**

"Restructuring" covers costs for the restructuring, closure and transfer of sites in the Netherlands and India. "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:

(In € millions)	2016	2015
Long-term provisions (or unknown maturity)	5.6	10.2
Short-term provisions	13.3	19.5
TOTAL	**18.9**	**29.7**

NOTE 13 TRADE AND OTHER PAYABLES

Trade payables, which are generally settled within three months, are stated at nominal value.

(In € millions)	2016	2015
Trade payables – eaux-de-vie	255.8	244.7
Other trade payables	55.4	83.7
Advances from customers	2.4	3.5
Payables related to tax and social charges (excl. income tax)	71.8	70.1
Excise duties	4.1	3.6
Advertising expenses payable	64.5	68.0
Miscellaneous deferred income	1.8	4.5
Other liabilities	43.3	54.4
TOTAL	**499.1**	**532.5**

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", as approved by the European Union on 19 November 2004 and its subsequent amendments.

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 balance sheet analysed by the measurement categories defined in IAS 39.

AT 31 MARCH 2016

(In € millions)	*Notes*	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss(1)	Available for sale	Hedging instruments
Other financial assets	*6*	94.7	94.7	90.1	2.2	2.4	-
Trade and other receivables	*8*	232.8	232.8	232.8	-	-	-
Derivative financial instruments	*14*	10.6	10.6	-	4.7	-	5.9
Cash and cash equivalents	*9*	46.9	46.9	-	46.9	-	-
ASSETS		**385.0**	**385.0**	**322.9**	**53.8**	**2.4**	**5.9**
Long-term financial debt	*11*	172.0	172.0	172.0	-	-	-
Short-term financial debt and accrued interest charge	*11*	333.1	333.1	333.1	-	-	-
Trade and other payables	*13*	499.1	499.1	499.1	-	-	-
Derivative financial instruments	*14*	1.2	1.2	-	0.5	-	0.7
LIABILITIES		**1,005.4**	**1,005.4**	**1,004.2**	**0.5**	**-**	**0.7**

(1) These financial instruments are classified as "held for trading".

AT 31 MARCH 2015

(In € millions)	*Notes*	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss(1)	Available for sale	Hedging instruments
Other financial assets	*6*	95.5	95.5	89.8	3.1	2.6	-
Trade and other receivables	*8*	248.7	248.7	248.7	-	-	-
Derivative financial instruments	*14*	0.8	0.8	-	-	-	0.8
Cash and cash equivalents	*9*	74.1	74.1	-	74.1	-	-
ASSETS		**419.1**	**419.1**	**338.5**	**77.2**	**2.6**	**0.8**
Long-term financial debt	*11*	344.1	344.1	344.1	-	-	-
Short-term financial debt and accrued interest charge	*11*	196.6	196.6	196.6	-	-	-
Trade and other payables	*13*	532.5	532.5	532.5	-	-	-
Derivative financial instruments	*14*	29.8	29.8	-	0.6	-	29.2
LIABILITIES		**1,103.0**	**1,103.0**	**1,073.2**	**0.6**	**-**	**29.2**

(1) These financial instruments are classified as "held for trading".

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)

(In € millions)	**2016**	2015
Assets		
Interest rate derivatives	-	-
Exchange rate derivatives	10.6	0.8
TOTAL	**10.6**	**0.8**
Liabilities		
Interest rate derivatives	-	0.5
Exchange rate derivatives	1.2	29.3
TOTAL	**1.2**	**29.8**

NOTE 14.4 INTEREST RATE DERIVATIVES

At 31 March 2016 the Group no longer has any interest rate derivatives in its portfolio, the private placement having matured (note **11.4**).

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 2016:

(In € millions)	Nominal[1]	Initial value	Market value	Of which: CFH[2]	Of which: Trading[2]
Put options and tunnel options					
Seller USD (vs. EUR)	131.8	3.6	2.3	2.3	-
Other currencies (vs. EUR)	24.8	0.5	0.5	0.5	-
	156.5	**4.1**	**2.8**	**2.8**	**-**
Forward sales					
Seller USD (vs. EUR)	87.8	-	2.0	2.0	-
Other currencies (vs. EUR)	33.0	-	0.4	0.4	-
	120.8	**-**	**2.4**	**2.4**	**-**
***Purchase/(sale)* of currency swaps (operating activities)[3]**					
Seller USD (vs. EUR)	(43.6)	-	0.7	-	0.7
Other currencies (vs. EUR)	(0.7)	-	0.1	-	0.1
	(44.3)	**-**	**0.8**	**-**	**0.8**
***Purchase/(sale)* of currency swaps (financing activities)[3]**					
Seller USD (vs. EUR)	(60.8)	-	2.9	-	2.9
Other currencies (vs. EUR)	(44.7)	-	0.5	-	0.5
	(105.5)	**-**	**3.4**	**-**	**3.4**
TOTAL	**127.4**	**4.1**	**9.4**	**5.2**	**4.2**

(1) Nominal amount in foreign currency translated at the closing rate.
(2) Fair Value Hedge; Cash flow hedge; Trading: i.e. held for trading.
(3) Difference between closing rate and forward rate.

BREAKDOWN OF EXCHANGE RATE RISK HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2015:

(In € millions)	Nominal[1]	Initial value	Market value	Of which CFH[2]	Of which Trading[2]
Put options and tunnel options					
Seller USD (vs. EUR)	167.3	3.4	(6.0)	(6.0)	-
Other currencies (vs. EUR)	17.3	0.3	0.1	0.1	-
	184.6	**3.7**	**(5.9)**	**(5.9)**	**-**
Forward sales					
Seller USD (vs. EUR)	106.9	-	(20.2)	(20.2)	
Other currencies (vs. EUR)	42.0	-	(1.8)	(1.8)	
	148.9	**-**	**(22.0)**	**(22.0)**	**-**
***Purchase/(sale)* of currency swaps (operating activities)[3]**					
Seller USD (vs. EUR)	(81.7)	-	(0.6)	-	(0.6)
Other currencies (vs. EUR)	(1.6)	-	-	-	-
	(83.3)	**-**	**(0.6)**	**-**	**(0.6)**
***Purchase/(sale)* of currency swaps (financing activities)[3]**					
Seller USD (vs. EUR)	(68.2)	-	0.3	-	0.3
Other currencies (vs. EUR)	(65.8)	-	(0.3)	-	(0.3)
	(134.0)	**-**	**-**	**-**	**-**
TOTAL	**116.2**	**3.7**	**(28.5)**	**(27.9)**	**(0.6)**

(1) Nominal amount in foreign currency translated at the closing rate.
(2) Fair Value Hedge: fair value hedge; Cash Flow Hedge: cash flow hedge; trading: held for trading.
(3) Difference between closing rate and forward rate.

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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:

	2016		2015	
	US dollar sensitivity		US dollar sensitivity	
Benchmark value	1.1385		1.0759	
	+10%	-10%	+10%	-10%
EUR/USD rate	1.25	1.02	1.18	0.97
Net profit for the period	(2.9)	3.2	(1.2)	0.5
Equity excluding net profit/(loss)	10.7	(6.4)	8.1	(9.9)
Change in value of financial instruments	20.4	(15.3)	20.3	(26.4)
Nominal amount at balance sheet date:				
▪ USD instruments in the portfolio	160.0	195.5	175.0	213.8
▪ USD receivables potentially exposed	85.0	103.9	91.2	111.5

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 2016 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 2016.

(In € millions)	Before 31 March 2017	Before 31 March 2018	Before 31 March 2019	Before 31 March 2020	Beyond	Total
Financial debt and accrued interest	334.1	-	-	30.0	145.0	509.1
Trade and other payables	499.1	-	-	-	-	499.1
Liabilities recognised at 31 March 2016	**833.2**	**-**	**-**	**30.0**	**145.0**	**1,008.2**
Future interest on financial debt	17.1	8.6	6.3	5.9	22.2	60.1
TOTAL DISBURSEMENTS	**850.3**	**8.6**	**6.3**	**35.9**	**167.2**	**1,068.3**

The confirmed resources and their availability are as follows (see also note **11** for the description of financial debt):

(In € millions)	**2016**	**2015**
Fixed-rate resources	410.0	490.0
Variable-rate resources	255.0	255.0
TOTAL	**665.0**	**745.0**
Long-term	400.0	605.0
Short-term	265.0	140.0
TOTAL	**665.0**	**745.0**
Availability subject to compliance with the A ratio	335.0	475.0
Available with no ratio restrictions	330.0	270.0
TOTAL	**665.0**	**745.0**
Unused at 31 March	225.0	255.0
Unused at 31 March as % of available resources	34%	34%

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 2.29 at 31 March 2016. 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 2016: Standard & Poor's: BB+, outlook stable – Moody's: Baa3, outlook negative.

NOTE 15 SEGMENT REPORTING

BREAKDOWN BY SECTOR

As required by IFRS 8, the Rémy Cointreau Group provides an analysis by business and geographical area of certain items of its consolidated financial statements.

a) Business segments

The operating segments to be presented are those 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 performances and allocates resources based on the financial data analysed for Rémy Martin, Liqueurs & Spirits and Partner Brands business. 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 in the "Liqueurs & Spirits" segment are Cointreau, Passoa, Metaxa, St-Rémy, Mount Gay and Bruichladdich.

The Partner Brands division includes brands which are not owned 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 used are: Europe-Middle East-Africa, Americas and Asia-Pacific. The Asia-Pacific area includes Asia, Australia and New Zealand.

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NOTE 15.1 BUSINESSES

Note 15.1.1 Breakdown of net sales and current operating profit

	Net sales		Operating profit current	
(In € millions)	**2016**	2015	**2016**	2015
Rémy Martin	647.8	564.8	139.7	117.4
Liqueurs & Spirits	273.7	262.9	48.1	51.8
Group brands	**921.5**	**827.8**	**187.8**	**169.2**
Partner Brands	129.2	137.3	6.0	7.3
Holding	-	-	(15.4)	(20.5)
TOTAL	**1,050.7**	**965.1**	**178.4**	**156.0**

There are no intra-segment sales.

Note 15.1.2 Breakdown of the statement of financial position

AT 31 MARCH 2016

(In € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	383.4	326.5	0.9	164.2	875.0
Current assets	1,106.0	136.3	67.6	38.6	1,348.5
Derivative financial instruments	-	-	-	10.6	10.6
Assets held for sale	-	-	-	0.5	0.5
Cash and cash equivalents	-	-	-	46.9	46.9
TOTAL ASSETS	**1,489.4**	**462.8**	**68.5**	**260.8**	**2,281.5**
Equity	-	-	-	1,113.3	1,113.3
Financial debt and accrued interest	-	-	-	505.1	505.1
Provisions for liabilities and charges	31.3	7.3	3.6	7.4	49.6
Deferred and current tax assets	-	-	-	110.8	110.8
Trade and other payables	391.7	53.3	22.8	31.3	499.1
Derivative financial instruments	-	-	-	1.2	1.2
Liabilities held for sale	-	-	-	2.4	2.4
TOTAL EQUITY AND LIABILITIES	**423.0**	**60.6**	**26.4**	**1,771.5**	**2,281.5**
Brands and other intangible assets not included in the basis of calculation of return on capital employed (ROCE)	236.3	242.9	-		479.2
ROCE basis of calculation	**830.1**	**159.3**	**42.1**		**1,031.5**

AT 31 MARCH 2015

(In € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	380.2	324.9	1.1	182.8	889.0
Current assets	1,108.5	133.6	87.8	44.8	1,374.7
Derivative financial instruments	-	-	-	0.8	0.8
Cash and cash equivalents	-	-	-	74.1	74.1
TOTAL ASSETS	**1,488.7**	**458.5**	**88.9**	**302.5**	**2,338.6**
Equity	-	-	-	1,075.7	1,075.7
Financial debt and accrued interest	-	-	-	540.7	540.7
Provisions for liabilities and charges	33.4	8.7	3.6	15.7	61.4
Deferred and current tax assets	-	-	-	98.5	98.5
Trade and other payables	413.5	65.3	29.4	24.3	532.5
Derivative financial instruments	-	-	-	29.8	29.8
TOTAL EQUITY AND LIABILITIES	**446.9**	**74.0**	**33.0**	**1,784.7**	**2,338.6**
Brands and other intangible assets not included in the basis of calculation of return on capital employed (ROCE)	236.3	247.3	-		483.6
ROCE basis of calculation	**805.5**	**137.2**	**55.9**		**998.6**

Note 15.1.3 Return on capital employed (ROCE)

Return on capital employed is measured using the following indicators:

- current operating profit 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 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 2016

(In € millions)	Capital employed	Operating profit current	%
Rémy Martin	830.1	139.7	16.8%
Liqueurs & Spirits	159.3	48.1	30.2%
Sub-total Group brands	**989.4**	**187.8**	**19.0%**
Partner Brands	42.1	6.0	14.3%
Holding	-	(15.4)	-
TOTAL	**1,031.5**	**178.4**	**17.3%**

AT 31 MARCH 2015

(In € millions)	Capital employed	Operating profit current	%
Rémy Martin	805.5	117.4	14.6%
Liqueurs & Spirits	137.2	51.8	37.7%
Sub-total Group brands	**942.7**	**169.2**	**17.9%**
Partner Brands	55.9	7.3	13.0%
Holding	-	(20.5)	-
TOTAL	**998.6**	**156.0**	**15.6%**

Note 15.1.4 Capital expenditure and amortisation expense

	Capital expenditure and acquisition of intangible assets		Depreciation and amortisation charges	
(In € millions)	**2016**	2015	**2016**	2015
Rémy Martin	15.3	14.6	11.8	12.1
Liqueurs & Spirits	17.1	21.1	6.7	6.2
Partner Brands	0.1	0.6	0.3	0.3
TOTAL	**32.5**	**36.3**	**18.8**	**18.6**

NOTE 15.2 GEOGRAPHIC AREAS

Net sales

(In € millions)	Net sales 2016	2015
Europe-Middle East-Africa[1]	359.6	329.2
Americas	394.6	342.7
Asia Pacific	296.5	293.2
TOTAL	**1,050.7**	**965.1**

(1) Net sales for France totalled €31.9 million at 31 March 2016 (March 2015: €33.4 million).

Balance sheet

AT 31 MARCH 2016

(In € millions)	Europe-Middle East-Africa	Americas	Asia Pacific	Unallocated	Total
Non-current assets	775.4	60.7	38.9	-	875.0
Current assets	1,147.2	87.3	114.0	-	1,348.5
Derivative financial instruments	-	-	-	10.6	10.6
Assets held for sale	0.5	-	-	-	0.5
Cash and cash equivalents	-	-	-	46.9	46.9
TOTAL ASSETS	**1,923.1**	**148.0**	**152.9**	**57.5**	**2,281.5**
Equity	-	-	-	1,113.3	1,113.3
Financial debt and accrued interest	-	-	-	505.1	505.1
Provisions for liabilities and charges	39.3	-	10.3	-	49.6
Deferred and current tax assets	105.9	0.3	4.6	-	110.8
Trade and other payables	392.8	48.9	57.4	-	499.1
Derivative financial instruments	-	-	-	1.2	1.2
Liabilities held for sale	2.4	-	-	-	2.4
TOTAL EQUITY AND LIABILITIES	**540.4**	**49.2**	**72.3**	**1,619.6**	**2,281.5**

AT 31 MARCH 2015

(In € millions)	Europe-Middle East-Africa	Americas	Asia Pacific	Unallocated	Total
Non-current assets	783.1	61.2	44.7	-	889.0
Current assets	1,107.0	109.2	158.5	-	1,374.7
Derivative financial instruments	-	-	-	0.8	0.8
Cash and cash equivalents	-	-	-	74.1	74.1
TOTAL ASSETS	**1,890.1**	**170.4**	**203.2**	**74.9**	**2,338.6**
Equity	-	-	-	1,075.7	1,075.7
Financial debt and accrued interest	-	-	-	540.7	540.7
Provisions for liabilities and charges	50.0	-	11.4	-	61.4
Deferred and current tax assets	91.4	2.1	5.0	-	98.5
Trade and other payables	401.8	45.2	85.5	-	532.5
Derivative financial instruments	-	-	-	29.8	29.8
TOTAL EQUITY AND LIABILITIES	**543.2**	**47.3**	**101.9**	**1,646.2**	**2,338.6**

Investments

(In € millions)	Capital expenditure and acquisition of intangible assets 2016	2015
Europe-Middle East-Africa	26.6	17.9
Americas	5.2	17.8
Asia Pacific	0.7	0.6
TOTAL	**32.5**	**36.3**

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.

(In € millions)	2016	2015
Personnel costs	(175.9)	(167.6)
Advertising and promotion expenses	(244.1)	(219.4)
Depreciation, amortisation and impairment of non-current assets	(18.8)	(18.6)
Other expenses	(104.2)	(110.8)
Expenses allocated to inventories and production costs	54.7	52.8
TOTAL	**(488.3)**	**(463.6)**
Of which:		
Distribution costs	(406.7)	(374.2)
Administrative expenses	(81.6)	(89.4)
TOTAL	**(488.3)**	**(463.6)**

Personnel costs consist of the following:

(In € millions)	2016	2015
Salaries and social charges	(166.7)	(154.6)
Pension and other similar benefits	(5.6)	(8.1)
Employee profit-sharing	(2.2)	(2.8)
Share-based payments	(1.4)	(2.1)
TOTAL	**(175.9)**	**(167.6)**

NOTE 17 NUMBER OF EMPLOYEES

The number of employees is stated at the reporting date and covers all fully consolidated companies.

	2016	2015
France	690	705
Europe (outside France) – Africa	353	332
Americas	342	342
Asia Pacific	377	429
TOTAL	**1,762**	**1,808**

NOTE 18 OTHER OPERATING INCOME/(EXPENSES)

“Other operating income/(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**).

(In € millions)	2016	2015
Net proceeds from the disposal of the Izarra brand	0.2	-
Tax adjustment excluding income taxes	0.1	1.2
Expenses related to the acquisition of Larsen	-	(0.7)
TOTAL	**0.3**	**0.5**

NOTE 19 FINANCIAL RESULT

NOTE 19.1 NET BORROWING COST BY TYPE

(In € millions)	2016	2015
Bonds	(14.7)	(14.7)
Private bond placement	(2.4)	(0.2)
Private placement	(1.0)	(5.3)
Syndicated loan and unconfirmed lines	(2.6)	(3.3)
Partner current account	(0.7)	-
Finance costs of special *purpose entities*	(2.5)	(2.5)
Interest flows on hedging interest rate derivatives	-	(2.1)
Ineffective portion of hedging interest rate derivatives	-	1.8
Other financial expenses	(0.2)	(0.5)
Sub-total	**(24.1)**	**(26.8)**
Effect of non-hedging interest rate derivatives	-	(0.1)
Cost of gross financial debt	**(24.1)**	**(26.9)**
Interest income	0.1	2.9
Cost of net financial debt	**(24.0)**	**(24.0)**

Financial debt is described in note **11**.

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NOTE 19.2 OTHER FINANCIAL INCOME/(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)	2016	2015
Currency gains	0.8	-
Vendor loan – interest accrued and revaluation	4.6	4.6
Other financial income	**5.4**	**4.6**
Currency losses	-	(2.0)
Other financial expenses of special *purpose entities*	(7.7)	(7.3)
Other	(1.0)	(1.0)
Other financial expenses	**(8.7)**	**(10.3)**
Other Financial income/(expense)	**(3.3)**	**(5.7)**

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)	2016	2015
Ineffective portion of currency hedges	1.7	(1.0)
Other	(0.9)	(1.0)
Currency gains/(losses)	**0.8**	**(2.0)**

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

(In € millions)	**2016**	2015
Current tax/(expense) income	(31.5)	(32.2)
Deferred tax/(expense) income	(12.6)	(1.3)
Total	**(44.1)**	**(33.5)**
Effective tax rate	-29.1%	-26.4%

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 ORIGIN AND ALLOCATION OF DEFERRED TAXES

(In € millions)	2016	2015
Breakdown by type		
Pension provisions	9.0	10.5
Regulated provisions	(20.7)	(18.9)
Other provisions	6.1	9.4
Brands	(99.4)	(99.0)
Non-current assets	(6.4)	(8.6)
Margins on inter-company inventories	21.7	27.0
Losses carried forward	1.3	6.9
Other timing differences	16.3	25.3
Net liability	**(72.1)**	**(47.4)**
Breakdown by tax group		
France	(87.2)	(70.6)
US	7.3	7.2
Netherlands	-	(6.8)
Other	7.8	22.8
Net liability	**(72.1)**	**(47.4)**
Deferred tax asset	28.9	41.7
Deferred tax liability	(101.0)	(89.1)
Net liability	**(72.1)**	**(47.4)**

NOTE 20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

As of 31 March 2016, tax losses carried forward totalled €20.1 million (2015: €43.2 million). The potential tax saving arising from the use of these losses is €3.5 million (2015: €10.4 million). Of these losses, the Group recognised a net asset of €1.3 million, of which it plans to recover €0.4 million by March 2019.

NOTE 20.5 TAX RECONCILIATION

In 2016, income tax expense amounted to €44.1 million. The difference with the theoretical tax expense based on the French statutory rate (38.0% in 2016 and 2015) is as follows:

(In € millions)	2016	2015
Theoretical tax charge	(57.5)	(48.2)
Actual tax charge	(44.1)	(33.5)
Difference	**13.4**	**14.7**
Permanent differences between consolidated profit and taxable profit	(4.4)	9.0
Use of tax losses or timing differences not previously recognised	0.4	-
Unused losses from subsidiaries that are loss-making from a tax point of view	(4.0)	(0.4)
Difference in tax rates applicable to foreign subsidiaries	18.1	18.7
Adjustment to the tax charge for prior years	3.3	(12.6)
TOTAL	**13.4**	**14.7**

NOTE 21 NET PROFIT/(LOSS) FROM 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 directly related to assets 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 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 discontinued operations". A similar reclassification is made in the statement of cash flows by using: "Impact of 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 discontinued operations";
- the profit generated by the disposal, net of transaction costs and tax, is also recognised under "Net profit/(loss) from 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 de-consolidation 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 discontinued operations". A similar reclassification is made in the statement of cash flows by using: "Impact of discontinued operations" for investment cash flows.

There is no net profit/(loss) from discontinued operations for the reporting periods concerned.

NOTE 22 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS

Net profit/(loss) excluding non-recurring items corresponds to net profit/(loss) restated for other operating expenses (as 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 is reconciled with net profit/(loss) attributable to the owners of the parent as follows:

(In € millions)	**2016**	**2015**
Net profit/(loss) – attributable to the owners of the parent	**102.4**	**92.6**
Provision for impairment on Dynasty Fine Wines Group shares (note **5.1**)	3.7	-
Provision for the estimated exit costs of the Lixir joint venture (note **5.2**)	2.4	-
Net proceeds from the disposal of the Izarra brand	(0.2)	-
Tax adjustment excluding income taxes	(0.1)	(1.2)
Expenses related to the acquisition of Larsen	-	0.7
Other	-	1.2
Tax effect	-	(0.1)
3% contribution on distribution of cash dividend	2.2	1.4
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent	**110.4**	**94.6**

NOTE 22.2 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS PER SHARE – ATTRIBUTABLE TO OWNERS OF THE PARENT

(In € millions)	*Notes*	**2016**	2015
Net profit excluding non-recurring items			
▪ attributable to owners of the parent		110.4	94.6
Number of shares			
▪ basic	*10.2*	48,579,832	48,432,694
▪ diluted	*10.2*	48,682,638	48,479,943
Per share (in €)			
▪ basic		2.27	1.95
▪ diluted		2.27	1.95

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 2016, 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 628 people;
- three defined-benefit supplementary pension plans sponsored by the Group in France, one in Germany and one in Belgium, affecting 145 people of which 46 current and 99 retired or deferred;
- a post-employment healthcare scheme in France affecting a closed population of 27 retirees.

The breakdown by plan type of the liabilities recorded in the consolidated financial statements is as follows:

(In € millions)	**2016**	**2015**
Retirement indemnities	11.3	11.9
Supplementary pension plans	18.2	18.5
Long-service awards	0.7	0.7
Post-employment healthcare benefits	0.5	0.6
TOTAL	**30.7**	**31.7**

(In € millions)	**2016**	**2015**
Present value of obligation at start of year	**35.5**	**29.6**
Service cost	1.7	1.7
Interest cost	0.4	0.8
Impact of changes to schemes	-	1.4
Benefits paid	(1.5)	(1.1)
Actuarial gain (losses)	(0.8)	3.1
Past service costs	-	-
Translation reserve	-	-
Present value of obligation at end of year	**35.3**	**35.5**
Not funded	22.6	23.6
Partly funded	12.7	11.9
Carrying amount of plan asset at start of year	**3.8**	**3.2**
Expected return	-	0.1
Contributions received	0.5	0.6
Curtailment or settlement	-	-
Benefits paid	(0.1)	(0.2)
Actuarial gain (losses)	0.4	0.1
Translation reserve	-	-
Carrying amount of plan asset at end of year	**4.6**	**3.8**
Funded status	**30.7**	**31.7**
Unrecognised past service costs	-	-
Net commitment	**30.7**	**31.7**
LIABILITIES	**30.7**	**31.7**
ASSETS	**-**	**-**

The assets underlying the liabilities are held by insurance companies who invest these assets together with their general assets.

NOTE 23.2 CHARGES FOR THE YEAR

(In € millions)	**2016**	2015
Service cost	(1.7)	(1.7)
Interest cost	(0.4)	(0.8)
Expected return	-	0.1
Amortisation of other items not recognised	-	-
Impact of changes to scheme	-	(1.4)
Total income (expense)	**(2.1)**	**(3.8)**
Benefits paid	1.6	1.0
Employer's contribution	0.5	0.6
Total net income (expense)	**-**	**(2.2)**
Assumptions		
Average discount rate	1.39%	1.19%
Average salary increase	2.34%	2.10%
Expected working life	21 years	18 years
Expected rate of return of plan assets	0.53%	0.53%
Increase in medical costs	5.00%	5.00%
Estimated payments for the next five years:	11.8	9.6
Sensitivity to an increase of 0.50% in the discount rate on the gross actuarial debt	(1.0)	(1.3)
Sensitivity to an increase of 0.50% in the discount rate on the service cost	(0.1)	(0.1)

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NOTE 23.3 ACTUARIAL GAINS AND LOSSES

(In € millions)	**2016**	2015
Opening balance	**(27.9)**	**(24.7)**
Movement for the year	1.1	(3.2)
of which experience adjustments	1.0	0.4
Closing balance	**(26.8)**	**(27.9)**

NOTE 24 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

NOTE 24.1 OPERATING ACTIVITY COMMITMENTS

(In € millions)	2016	2015
Purchase commitments – non-current assets	13.9	4.2
Leasing commitments – offices	31.1	31.1
Leasing commitments – equipment	2.0	2.1
Purchase commitments – eaux-de-vie (individual agreements)	42.5	46.1
Purchase commitments – eaux-de-vie (collective agreements)	54.5	95.0
Purchase commitments – wine	1.7	3.0
Other purchase commitments	27.0	-

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 that of the head offices of the subsidiaries Rémy Cointreau USA in New York and E. Rémy Rentouma Trading Ltd in Shanghai.

The *eaux-de-vie* purchase commitments essentially relate to long-term contracts entered into with the distillers. These commitments are valued based on the prices known at the balance sheet date.

The wine purchase commitments comprise purchase commitments for wine in the US.

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 2016:

(In € millions)	Total	2017	Beyond
Purchase commitments – non-current assets	13.9	5.9	8.0
Leasing commitments – offices	31.1	6.3	24.8
Leasing commitments – equipment	2.0	0.9	1.1
Purchase commitments – eaux-de-vie (individual agreements)	42.5	14.0	28.5
Purchase commitments – eaux-de-vie (collective agreements)	54.5	-	54.5
Purchase commitments – wine	1.7	0.6	1.1
Other purchase commitments	27.0	6.7	20.3

NOTE 24.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

(In € millions)	**2016**	**2015**
Tax deposits	0.3	0.5
Customs deposits	19.7	16.4
Export deposits	-	0.5
Environmental deposits	2.9	2.6
Guarantees granted to suppliers	6.3	6.3
Factoring guarantees	10.0	10.0
Agricultural warrants on AFC inventories	46.0	46.0
Guarantee on €65 million bond issue	65.0	65.0
Miscellaneous guarantees on credit lines	35.9	20.6
Other guarantees	0.3	0.2

Breakdown of commitments by maturity as of 31 March 2016:

(In € millions)	**Total**	**2017**	**Beyond**
Tax deposits	0.3	-	0.3
Customs deposits	19.7	8.3	11.4
Export deposits	-	-	-
Environmental deposits	2.9	-	2.9
Guarantees granted to suppliers	6.3	6.3	-
Factoring guarantees	10.0	-	10.0
Agricultural warrants on AFC inventories	46.0	46.0	-
Guarantee on €65 million bond issue	65.0	-	65.0
Miscellaneous guarantees on credit lines	35.9	35.9	-
Other guarantees	0.3	-	0.3

NOTE 24.3 CONTINGENT ASSETS AND LIABILITIES RELATED 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 2016 were as follows:

Disposal transaction	**Transaction date**	**Nature of outstanding guarantees**	**Maturity**	**Maximum amount**
Izarra – Distillerie de la Côte Basque	27 October 2015	Tax items	Legal period +30 days	€200,000
		Other items	30 October 2016	

NOTE 24.4 OTHER CONTINGENT LIABILITIES

At 31 March 2016, 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 2016, the Rémy Cointreau Group's main associates were Dynasty Fine Wines Group Ltd, Lixir, Diversa and Spirits Platform Pty Ltd.

The transactions with these companies are described in note **5**.

NOTE 25.2 TRANSACTIONS 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)	**2016**	**2015**
Service fees paid	2.7	3.1
Current-account agreement(1)	60.0	-
Trade payables and other liabilities	-	-

(1) A shareholder current account advance agreement between Rémy Cointreau SA and Orpar SA was approved at the Shareholders' Meeting on 29 July. The agreement, signed on 31 March 2015, is for €60 million with 1.25% interest.

NOTE 25.3 TRANSACTIONS 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)	**2016**	**2015**
Purchases of non-current assets	3.9	3.7
Other purchases	0.9	0.7
Trade payables	0.7	0.5

NOTE 25.4 MANAGEMENT BODIES

The Group's management bodies comprise the members of the Board of Directors and the Executive Committee.

At the beginning of the financial year, the executive management team was led by the Chairman-CEO, assisted by an Executive Committee of five members. A Deputy Chief Executive Officer joined the Group on 16 September 2014. On 27 January 2015, the Board of Directors appointed her Chief Executive Officer and the Chairman-CEO became Chairman of the Board of Directors.

Since this date, the Chief Executive Offer has been assisted by a new Executive Committee of 10 individuals comprising three members of the former Executive Committee, five members who already held management positions in the main divisions of the Group and two other members who joined the Group after 31 March 2015.

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)	**2016**	**2015**
Short-term benefits	9.0	5.1
End of contract indemnities	1.1	1.2
Post-employment benefits(1)	0.4	0.3
Share-based payments	0.6	1.1
Directors' fees paid to members of the Board of Directors	0.4	0.4
TOTAL	**11.5**	**8.1**

(1) Primarily a defined-benefit pension plan (see note 23). The corresponding liabilities for the management bodies were €2.0 million at 31 March 2016.

NOTE 26 EVENTS AFTER THE REPORTING PERIOD

See chapter 4, paragraph 4.4.1 for recent events concerning the Group.

NOTE 27 LIST OF CONSOLIDATED COMPANIES

At 31 March 2016, the scope of consolidation included 49 companies (49 at 31 March 2015). Forty-five companies were fully consolidated, and four 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.

		% interest	
Company	**Activity**	**March 2016**	**March 2015**
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
Lixir[(6)]	Distribution	50.0	50.0
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
Netherlands			
Rémy Cointreau Nederland Holding NV	Holding/Finance	100.0	100.0
DELB BV	Holding/Finance	100.0	100.0
Rémy Cointreau Nederland BV	Holding/Finance	100.0	100.0
De Bron 1575 BV	Holding/Finance	100.0	100.0
Other countries			
Hermann Joerss GmbH & Co (Germany)	Distribution	100.0	100.0
Cointreau Holding GmbH (Germany)	Holding/Finance	100.0	100.0
Diversa Spezialitaten 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

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Company	Activity	% interest	
		March 2016	March 2015
Rémy Cointreau UK Ltd (UK)	Holding/Finance	100.0	100.0
Rémy Cointreau UK Distribution Ltd (UK)	Distribution	100.0	100.0
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
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
Rémy Cointreau India Private Ltd (India)(6)	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
Rangit Ltd (Mauritius)	Holding/Finance	100.0	100.0
CHANGES IN CONSOLIDATION SCOPE			
Spirits Platform Pty Ltd(3)(4)	Distribution	37.0	-
Izarra - Distillerie de la Côte Basque(5)	Production	-	100.0

(1) Company included in the French tax group.
(2) Special-purpose entity.
(3) Equity-accounted company.
(4) Acquired during the year.
(5) Sold during the year.
(6) Being discontinued or liquidated.

5.7 Statutory auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. The report also includes information relating to the specific verification of information in the group management report.

This report should be read and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 31 March 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your annual shareholders' meetings, we hereby report to you, for the year ended 31 March 2016, on:

- the audit of the accompanying consolidated financial statements of Rémy Cointreau;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by your board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2016 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.

Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

BRAND IMPAIRMENT TEST

Brands are subject to an impairment test, where applicable, according to the method described in note 1.8 of the notes to the consolidated financial statements. We have assessed the validity of the valuation method applied which is based on estimates and examined the data and assumptions used in making these valuations by your company. On that basis, we carried out the assessment of the reasonableness of these estimates.

USE OF ESTIMATES

Note **1.1** of the notes to the consolidated financial statements specifies the necessity for your company to make estimates and assumptions, in the context of the establishment of the consolidated financial statements, particularly on Dynasty shares. We examined the data and assumptions used by your company on which these estimates are based, reviewed the calculations made by your company, compared the estimates made during previous periods with actual realizations and assessed the approval process of these estimates by the management of your company. On that basis, we carried out the assessment of the reasonableness of these estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verification

In accordance with professional standards applicable in France, we have also verified, as required by law, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Paris-La Défense, 8 June 2016

The Statutory auditors,

Auditeurs et Conseils Associés
Represented by
François Mahé

ERNST & YOUNG et Autres
Represented by
Pierre Bidart

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COMPANY FINANCIAL STATEMENTS AT 31 MARCH 2016

6.1 Balance sheet

For the years ended 31 March, in € millions	*Notes*	**2016**	**2015**
ASSETS			
Intangible fixed assets		32.4	32.4
Property, plant and equipment		-	-
Equity investments		1,519.1	1,519.1
Receivables relating to equity investments		-	-
Other long-term investments		-	-
Loans		90.0	90.0
Other financial assets		3.2	3.1
Total fixed assets	*2.1/2.2*	**1,644.7**	**1,644.6**
Other receivables	*2.3*	33.4	41.5
Marketable securities	*2.4*	7.2	9.2
Cash and cash equivalents		-	-
Prepaid expenses		0.1	-
Total current assets		**40.7**	**50.7**
Deferred expenses	*2.5*	1.7	2.3
Bond redemption premiums	*2.6*	0.5	1.2
Unrealised foreign exchange losses		-	-
TOTAL ASSETS		**1,687.6**	**1,698.8**
LIABILITIES			
Share capital		78.0	77.9
Additional paid-in capital		695.3	693.9
Legal reserve		7.8	7.8
Regulated reserves		-	-
Other reserves		-	-
Retained earnings		98.1	160.9
Net profit/(loss) for the year		67.1	11.5
Regulated provisions		-	-
Equity	*2.7*	**946.3**	**952.0**
Provisions for liabilities and charges	*2.8*	**2.6**	**5.3**
Other bonds	*2.9*	288.3	288.3
Borrowings and amounts due to financial institutions	*2.10*	30.0	140.2
Other borrowings	*2.11*	347.5	213.6
Borrowings		**665.8**	**642.1**
Trade payables		0.3	2.8
Tax and social security liabilities		0.2	0.1
Amounts payable on fixed assets and related accounts		-	-
Other liabilities	*2.12*	72.4	96.5
Payables		**72.9**	**99.4**
Deferred income		-	-
Unrealised translation gains		-	-
TOTAL LIABILITIES		**1,687.6**	**1,698.8**

6.2 INCOME STATEMENT

As of 31 March, in € millions	*Notes*	**2016**	**2015**
Services provided	*3.1*	18.7	21.9
Reversals of depreciation, amortisation and provisions, transferred charges		-	1.2
Other income		-	-
Total operating revenue		**18.7**	**23.1**
Purchases and external charges		27.4	34.7
Taxes, duties and other levies		0.1	0.1
Wages and salaries		-	-
Social security charges		0.1	-
Depreciation and amortisation of fixed assets		0.5	0.5
Provisions for liabilities and charges		-	-
Other expenses		0.4	0.4
Total operating expenses		**28.5**	**35.7**
Operating results		**(9.8)**	**(12.6)**
Financial income from equity investments	*3.2*	73.7	42.9
Income from investment securities and equity investments		4.3	4.3
Other interest and related income		0.3	0.1
Reversals of provisions and transferred charges		-	0.1
Foreign exchange gains		-	-
Net gains on disposals of marketable securities		0.7	-
Total financial income		**79.0**	**47.4**
Charges for amortisation and provisions		1.0	1.1
Interest and similar expenses		19.2	25.5
Foreign exchange losses		-	-
Net losses on disposals of marketable securities		0.5	-
Total financial expenses		**20.7**	**26.6**
Net financial income/(expense)		**58.3**	**20.8**
Profit/(loss) on ordinary activities before tax		**48.5**	**8.2**
Exceptional gains on management transactions			
Exceptional gains on capital transactions		-	9.1
Reversals of provisions and transferred charges		2.7	-
Total exceptional income		**2.7**	**9.1**
Exceptional gains on management transactions		0.3	-
Exceptional gains on capital transactions		2.7	11.7
Exceptional depreciation, amortisation and provisions		-	-
Total exceptional expenses		**3.0**	**11.7**
Net exceptional income/(expense)	*3.3*	**(0.3)**	**(2.6)**
Income tax	*3.4*	18.9	5.9
NET PROFIT FOR THE PERIOD		**67.1**	**11.5**

6.3 CASH FLOW STATEMENT

As of 31 March, in € millions	**2016**	**2015**
Net profit for the period	67.1	11.5
Depreciation, amortisation and provisions	**1.5**	**6.9**
Operating	-	-
Financial	1.0	1.1
Exceptional	-	5.3
Deferred charges	0.5	0.5
Reversals of depreciation, amortisation and provisions	**(2.7)**	**(0.3)**
Operating	-	(0.1)
Financial	-	(0.2)
Exceptional	(2.7)	-
(Gains)/losses on disposals	**0.0**	**0.0**
Proceeds from disposals	(1.7)	(3.8)
Carrying amount of assets sold	1.7	3.8
= OPERATING CASH FLOW	**65.9**	**18.1**
A - Resources		
Operating cash flow	65.9	18.1
Disposals of intangible fixed assets	-	-
Disposals of property, plant and equipment	-	-
Disposals or reductions of financial assets	-	-
Decrease in loans and other financial assets	-	0.2
Capital increase and share premium	-	-
Long- and medium-term borrowings	90.0	80.0
Total	**155.9**	**98.3**
B - Uses		
Dividends	72.9	48.0
Acquisitions of fixed assets:	-	-
▪ Intangible fixed assets	-	-
▪ Property, plant and equipment	-	-
▪ Financial assets	-	-
Increase in loans and other financial assets	0.2	5.1
Repayment of borrowings	140.1	150.0
Deferred charges	-	1.0
Bond redemption premiums	-	-
Reduction of shareholders' equity	-	-
Total	**213.2**	**204.1**
A - B = Change in working capital	**(57.3)**	**(105.8)**
Analysis of change in working capital		
Increase/(decrease) in trade payables	2.5	(2.6)
Increase/(decrease) in advance payments on orders	-	-
Increase/(decrease) in other current assets/liabilities, including bank overdrafts	(59.8)	(103.2)
TOTAL	**(57.3)**	**(105.8)**

6.4 NET INCOME/(EXPENSE) FOR THE LAST FIVE YEARS

As of 31 March, in € millions	2016	2015	2014	2013	2012
1. Share capital at year-end					
Share capital	78.0	77.9	77.6	81.5	79.4
Number of shares in circulation	48,735,014	48,710,253	48,476,859	50,909,912	49,629,562
Maximum number of shares to be created through the conversion of bonds	-	-	-	-	-
2. Operations and results for the year					
Sales excluding taxes	18.7	21.9	23.4	24.9	17.7
Profit before tax, depreciation, amortisation and provisions	47.0	12.2	107.7	27.8	(175.7)
Income tax	18.9	5.9	11.2	8.5	171.8
Profit/(loss) after tax, depreciation, amortisation and provisions	67.1	11.5	117.5	34.8	240.5
Dividends	78.0	74.5	61.6	71.3	114.1
3. Earnings per share (€)					
Profit/(loss) after tax, but before depreciation, amortisation and provisions	1.35	0.37	2.45	0.7	(0.1)
Profit/(loss) after tax, depreciation, amortisation and provisions	1.38	0.24	2.42	0.7	4.8
Net dividend distributed per share	1.60	1.53	1.27	1.4	2.3
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

CONTENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements are prepared in accordance with the accounting standards defined by the French national 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. 123-208 of the French Commercial Code.

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 other valuation and presentation methods adopted for this year's financial statements are 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 receivables and liabilities denominated in foreign currencies, using the closing exchange rate, is recorded in the statement of financial position as an unrealised foreign currency translation gain or loss;
d. interest-rate hedging instruments are recorded in off-balance sheet commitments.

NOTE 2 NOTES TO THE BALANCE SHEET

NOTE 2.1 FIXED ASSETS

(In € millions)	Gross value at the start of the year	Increase	Decrease	Gross cost Closing balance
Intangible fixed assets	32.4	-	-	32.4
Equity investments	1,519.6	-	-	1,519.6
Other financial assets	3.1	0.2	-	3.3
Loans	90.0	3.2	3.2	90.0
TOTAL	**1,645.1**	**3.4**	**3.2**	**1,645.3**

The amount recorded in "Intangible assets" relates to business goodwill from the merger with RC PAVIS. It has no legal protection.

"Equity investments" include investments in companies that are fully consolidated in the Rémy Cointreau Group's consolidated financial statements in the amount of €1,517,5 million.

"Other financial assets" of €3.3 million correspond to a liquidity contract 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. At year-end, 13,800 company shares were held under this contract, equivalent to a value of €0.9 million. The balance is invested in a money-market vehicle (open-ended collective investment scheme or SICAV).

Under the terms of the contract for the sale of Piper-Heidsieck Compagnie Champenoise, a nine-year loan in the amount of €75 million was granted to the purchaser to finance part of the acquisition. As of the date at which these funds were made available, and until the end of the third year of the loan, the annual interest payment was capitalised. The loan amount currently stands at €86.8 million. At year-end, provisions for accrued interest totalled €3.2 million.

NOTE 2.2 AMORTISATION, DEPRECIATION AND PROVISIONS

(In € millions)	Opening balance	Increase	Decrease	Closing balance
Equity investments	0.6	-	-	0.6
Marketable securities	0.4	0.3	-	0.7
TOTAL	**1.0**	**0.3**	**-**	**1.3**

The provision for €0.6 million concerns non-consolidated equity investments *(Ducs de Gascogne)*.

The provision for €0.7 million concerns treasury shares classified as marketable securities that have not yet been allocated to bonus share plans.

NOTE 2.3 OTHER RECEIVABLES

(In € millions)	**2016**	2015
Income tax instalments	2.5	12.2
Tax group receivable	21.8	23.2
VAT receivable	0.2	0.5
Income receivable under the 2015A bonus share plan (note **2.6**)	2.6	5.3
Other debtors	6.3	0.3
TOTAL	**33.4**	**41.5**

At year-end, there remained €2.6 million in deferred income corresponding to re-invoicing entities paying the beneficiaries of the 2015A bonus share plan for the costs of issuing shares allocated to the plan (notes **2.7**). Re-invoicing effectively takes place at the end of the plan vesting period.

NOTE 2.4 MATURITY ANALYSIS OF RECEIVABLES

(In € millions)	Gross amount	Less than one year	More than one year
Fixed assets			
Receivables relating to equity investments	-	-	-
Loans	90.0	3.2	86.8
Other financial assets	3.3	3.3	-
Current assets			
Other receivables	33.4	33.4	-
Marketable securities	7.8	7.8	-
Prepaid expenses	0.1	0.1	-
TOTAL	**134.6**	**47.8**	**86.8**

Marketable securities are treasury shares held to service bonus share plans. At year-end, 106,164 treasury shares were held for this purpose.

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	1.5	0.5	1.0
Private placement expenses of €80 million	0.2	0.0	0.2
TOTAL	**1.7**	**0.5**	**1.2**

The costs of issuing and extending the loan are amortised over the term of the loan. A total of €0.5 million was amortised over the period.

The syndicated loan amount will be fully amortised in April 2019, when the instrument matures. The private bond placement will mature at the end of February 2025.

NOTE 2.6 MATURITY ANALYSIS OF BOND ISSUE PREMIUMS

(In € millions)	Gross amount	Less than one year	More than one year
Bond issue premiums	0.5	0.5	0.0
TOTAL	**0.5**	**0.5**	**0.0**

In June 2010, Rémy Cointreau issued a new bond with a par value of €205 million, including an issue premium of €4.6 million, to be amortised on a straight-line basis over the term of the bond, *i.e.* 6.5 years.

NOTE 2.7 SHAREHOLDERS' EQUITY

Breakdown of share capital

Share capital comprises 48,735,014 fully paid-up shares with a nominal value of €1.60.

During the year, 24,761 shares were issued following the option to receive payment of the dividend in shares.

Change in shareholders' equity

	Number of shares	Share capital	Share premium Additional paid-in capital	Legal reserve	Retained earnings	Net profit/ (loss)	Total
At 31 March 2014	**48,476,859**	**77.6**	**680.9**	**8.1**	**104.3**	**117.5**	**988.4**
Appropriation of earnings	-	-	-	(0.3)	117.8	(117.5)	-
Net profit/(loss) for the year	-	-	-	-	-	11.5	11.5
Dividend	233,394	0.3	13.0	-	(61.2)	-	(47.9)
At 31 March 2015	**48,710,253**	**77.9**	**693.9**	**7.8**	**160.9**	**11.5**	**952.0**
Appropriation of earnings	-	-	-	-	11.5	(11.5)	-
Net profit/(loss) for the year	-	-	-	-	-	67.1	67.1
Dividend	24,761	0.1	1.4	-	(74.3)	-	(72.8)
AT 31 MARCH 2016	**48,735,014**	**78.0**	**695.3**	**7.8**	**98.1**	**67.1**	**946.3**

Bonus share plans

Grant date[1]	Plan No.	Vesting period	Minimum retention period	Initial number of shares granted	Share value on date granted	Lapsed options	Shares granted at the end of the vesting period	Number of shares outstanding at 31 March 2016
25 March 2014	2014	2 years	2 years	41,900	58.72	18,270	23,630	-
27 January 2015	2015A	3 years	2 years	82,500	64.26	10,750	-	71,750
24 November 2015	2015B	3 years	2 years	88,800	66.64	-	-	88,800
TOTAL				**213,200**		**29,020**	**23,630**	**160,550**

(1) *The grant date is the date of the Board meeting which decided allocations under each plan. The 2015A and 2015B plans were approved by the Combined Shareholders' Meeting of 24 July 2014.*

For the 2014 plan, the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that the Group's performance criteria have been satisfied, as measured at the end of the financial year preceding the end of the vesting period. Performance indicators are the current operating profit margin and return on capital employed measured at constant exchange rates and scope. At the end of the vesting period, the performance criterion had only partially been met. Accordingly, 85% of shares outstanding at that date were allocated by issuing shares held by Rémy Cointreau.

Plans 2015A and 2015B are indexed plans. Shares will be issued to beneficiaries at the end of the vesting period subject to their continued employment with the Group. The number of shares will depend on the performance of the Rémy Cointreau share price.

Plan 2015A: the maximum number will be awarded if the share price increases by 30% or more between 27 January 2015 and 27 January 2018, with a target price of €75.39. 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. At the reporting date, the plan was expected to be serviced by delivery of shares held by Rémy Cointreau (notes **2.3** and **2.8**).

Plan 2015B: the maximum number will be awarded 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. At the reporting date, the plan was expected to be serviced by the creation of new shares.

NOTE 2.8 PROVISIONS

(In € millions)	Regulated provisions	Provisions for liabilities and charges	Provisions for impairment	Total
Opening balance	**-**	**5.3**	**1.0**	**6.3**
Increase	-	-	0.3	0.3
Reversals	-	(2.7)	-	(2.7)
CLOSING BALANCE	**-**	**2.6**	**1.3**	**3.9**

Provisions for liabilities of €2.6 million cover the estimated cost of issuing treasury shares allocated to the 2015A bonus share plan (note **2.7**).

(In € millions)	Increase	Reversals
▪ Operating	-	-
▪ Financial	0.3	-
▪ Exceptional	-	2.7
▪ Taxes	-	-
TOTAL	**0.3**	**2.7**

NOTE 2.9 OTHER BONDS

(In € millions)	**2016**	2015
€205 million bond issue	205.0	205.0
€80 million private placement	80.0	80.0
Total nominal value	**285.0**	**285.0**
Accrued interest	3.3	3.3
TOTAL	**288.3**	**288.3**

Bonds

In June 2010, Rémy Cointreau carried out a 6.5-year bond issue with a par value of €205.0 million. The bonds have a par value of €50 each and were issued at 97.745% of par (issue premium of 2.255%), bearing interest of 5.18% payable on 15 June and 15 December of each year. They will be redeemed at par at maturity (15 December 2016).

This bond is not secured.

The bond carries a number of clauses for early redemption at the issuer's option, primarily in the event of a capital increase, whether for the general public or privately placed, or in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date. Furthermore, in the event of a change of control all bearers are entitled to request redemption of their bonds held at 101%.

In the event of the sale of assets, and if the sale proceeds are not used for authorised transactions, Rémy Cointreau must, within 365 days of the date of receipt of the sale proceeds, offer early redemption of the bond up to the amount of the proceeds of the sale. The agreement additionally contains certain conventions that may limit the maximum dividend payout in the event of a loss.

After taking the issue premium and expenses into account, the net proceeds from the issue were about €197 million, making an effective interest rate of approximately 5.89%.

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80 million bond in the form of a private placement. These 10-year bonds bear interest at 2.945%.

NOTE 2.10 BORROWINGS AND AMOUNTS DUE TO FINANCIAL INSTITUTIONS

(In € millions)	**2016**	2015
Private placement	-	140.0
Syndicated loan	30.0	-
Total nominal value	**30.0**	**140.0**
Accrued interest	-	0.2
TOTAL	**30.0**	**140.2**

Private placement

On 10 June 2010, Rémy Cointreau secured a "private placement" syndicated finance package with financial institutions. The €140 million five-year contract matured on 10 June 2015.

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 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 2016, the a ratio was 2,29 (September 2015: 2,53; March 2015: 2,64).

NOTE 2.11 OTHER BORROWINGS

Borrowings and liabilities break down as follows:

(In € millions)	2016	2015
Current-account agreement	60.0	-
Borrowings and amounts due to Group subsidiaries	286.7	213.6
Total nominal value	**346.7**	**213.6**
Accrued interest	0.8	-
TOTAL	**347.5**	**213.6**

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 for a maximum period of three years. This advance was paid on 7 April 2015.

NOTE 2.12 OTHER LIABILITIES

(In € millions)	2016	2015
Tax instalments paid by companies within the tax group	23.7	36.2
Tax group balance	47.7	54.1
Accrued expenses	0.5	4.1
Other creditors	0.5	2.1
TOTAL	**72.4**	**96.5**

NOTE 2.13 DEBT MATURITY ANALYSIS

(In € millions)	Gross amount	Less than one year	One to five years	More than five years
Other bonds	288.3	208.3	-	80.0
Borrowings and amounts due to financial institutions	30.0	-	30.0	-
Other borrowings	347.5	347.5	-	-
Trade payables	0.3	0.3	-	-
Tax and social security liabilities	0.3	0.3	-	-
Other liabilities	72.4	72.4	-	-
TOTAL	**738.8**	**628.8**	**30.0**	**80.0**

NOTE 3 NOTES TO THE INCOME STATEMENT

NOTE 3.1 ANALYSIS OF NET SALES

Net sales totalled €18.7 million and essentially comprised services billed to all Rémy Cointreau Group subsidiaries and sub-subsidiaries, of which €10.4 million to French companies and €8.3 million to foreign companies.

NOTE 3.2 FINANCIAL INCOME FROM EQUITY INVESTMENTS

Financial income from equity investments amounted to €73.7 million and related to dividends received from subsidiaries.

NOTE 3.3 EXCEPTIONAL INCOME AND EXPENSE

Exceptional income of €2.7 million corresponds to the reversal of the provisions on the 2014 and 2015 bonus share allocation plans.

Exceptional expenses of €3 million comprise €2.7 million from the 2014 and 2015 bonus share allocation plans and €0.3 million from management operations.

NOTE 3.4 INCOME TAX

A) Income tax analysis

(In € millions)	Profit/(loss) before tax	Income tax	Net profit
Profit/(loss) on ordinary activities	48.5	-	48.5
Net exceptional income/(expense)	(0.3)	-	(0.3)
Net profit for the period	48.2	18.9	67.1

The net income tax gain recognised corresponds to:

- the Group's income tax saving for the year of €25.3 million;
- the additional income tax paid of €4.1 million;
- the exceptional contribution on dividends paid of €2.2 million.

B) Increase and reduction in future tax liabilities

(In € millions)	Base	Tax rate	Amount of tax expense
Increases: Regulated provisions	-	-	-
Reductions: Non-deductible provisions as of 31 March 2016	0.7	34.4	0.2
Total losses carried forward	-	-	-

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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.
- Izarra was sold in October 2015 and is no longer part of the tax group.

NOTE 4 OTHER INFORMATION

NOTE 4.1 INFORMATION ON RELATED COMPANIES

	Amounts concerning:	
(In € millions)	Related companies	Companies with participating interests
Receivables:		
Other receivables	8.9	-
Liabilities:		
Borrowings	286.7	60.0
Trade payables	-	-
Other liabilities	72.0	-
Financial income:		
Income from equity investments	73.7	-
Interest and other financial income	0.1	-
Financial expense:		
Interest	2.9	0.7
Operating revenue	18.7	-
Operating expenses	23.9	-
Exceptional income	-	-
Exceptional expenses	-	-

NOTE 4.2 STATUTORY AUDITORS’ FEES

The fees paid to Statutory Auditors recorded in the income statement for the period amounted to €0.3 million excluding tax.

NOTE 4.3 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 €50.2 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.

The guarantees granted and still outstanding at 31 March 2016 were as follows:

Disposal transaction	Transaction date	Nature of ongoing guarantees	Maturity	Maximum amount
Piper-Heidsieck Compagnie Champenoise	8 July 2011	Tax and similar items	Legal period +90 days	No ceiling

NOTE 4.4 DISPOSALS OF TREASURY SHARES

At 31 March 2016, 13,800 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 disposed of 23,630 treasury shares under the 2014 bonus share plan. (note 3.3)

NOTE 5 EVENTS AFTER THE REPORTING PERIOD

See chapter 4, paragraph 4.4.1 for recent events concerning the Group.

NOTE 6 LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AS OF 31 MARCH 2016

(In thousands of foreign currency or € thousands)	Currency	Capital (thousands of currency)	Shareholders' equity excluding capital (thousands of currency)	Share of capital held %	Carrying value of capital held (in € thousands)	Provisions on securities (in € thousands)	Dividends received (€ thousands)	Sales ex-tax prior year (thousands of currency)	Profit/(loss) after tax (thousands of currency)	End of year date
A) French companies										
E. Rémy Martin & Cie	EUR	6,725	359,847	100	381,708	-	5,055	215,693	9,104	31/03/2016
Cointreau	EUR	4,037	89,291	100	89,103	-	-	57,666	509	31/03/2016
Ducs de Gascogne	EUR	1,002	1,251	30	1,143	588	-	10,689	38	31/12/2015
Rémy Cointreau Services	EUR	1,114,805	128,176	93	1,046,700	-	68,666	-	105,792	31/03/2016
Total gross value					**1,518,654**	**588**	**73,721**			
B) Foreign companies										
Other foreign subsidiaries	EUR	-	-	-	990	2	-	-	-	-
Total gross value	**EUR**	**-**	**-**	**-**	**990**	**2**	**-**	**-**	**-**	**-**
Total gross value (A + B)					**1,519,644**	**590**				
TOTAL CARRYING AMOUNT					**1,519,054**					

6.6 Statutory auditors' report on the financial statements

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. The report also includes information relating to the specific verification of information in the group management report.

This report should be read and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 31 March 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' annual general meetings, we hereby report to you, for the year ended 31 March 2016 on:

- the audit of the accompanying financial statements of Rémy Cointreau;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the procedures to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and financial position of the company as at 31 March 2016, and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de Commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

The paragraph 1.a of the notes to the financial statements details the accounting principles and methods relating to the approach used by the Company for assessing the value of equity investments. As part of our assessment of the accounting rules and principles followed by the Company, we have verified the validity of the approach used and we have satisfied ourselves that it has been correctly applied.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information provided in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information provided in accordance with the requirements of article L.225-102-1 of French Commercial Code *(Code de commerce)* relating to compensations 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 companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with the French law, we have verified that the identity of the shareholders or voting rights holders have been properly disclosed in the management report.

Paris and Paris-La Défense, 8 June 2016

The Statutory auditors,

Auditeurs et Conseils Associés	ERNST & YOUNG et Autres
Represented by	Represented by
François Mahé	Pierre Bidart

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INFORMATION ON THE COMPANY AND THE CAPITAL

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

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.

APPLICABLE LEGISLATION

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 objects pursuant to Article 2 of its Articles of Association are 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;
- 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).

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 Memorandums and Articles of Association

FINANCIAL YEAR

The Company's financial period 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' MEETINGS

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.

Admission cards for the meeting will be sent to every shareholder who requests one from Société Générale, Service Assemblées Générales, CS 30812, 44308 Nantes Cedex 3, France, or at one of the authorised banking establishments, by producing, if they are bearer securities, a certificate of shareholding under the conditions referred to above.

Following a decision of the Board of Directors, shareholders may participate in meetings by videoconference or vote by any telecommunication and electronic transmission system, including the internet, under the conditions envisaged by the applicable regulations at the time of their use. This decision is included in the Notice of Meeting published in the *Bulletin des Annonces Légales Obligatoires* (French Journal of Legal Notices) (BALO).

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 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.

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. This complete publication will appear in the next registration document for the 2016/2017 financial year. For the time being and concerning the 2015/2016 financial year, seven shareholders have been identified as inactive according to the criteria of the legislation.

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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 2016, the share capital amounted to €77,976,022.40, divided into 48,735,014 shares, with a par value of €1.60 each, all in the same class, fully paid up and comprising 72,518,059 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

AUTHORISATION FOR THE GRANT OF BONUS SHARES TO EMPLOYEES AND SOME CORPORATE OFFICERS

The 26th resolution of the Combined Shareholders' Meeting of 24 July 2014 authorised the Board of Directors, for a period of 38 months from 24 July 2014, 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 directors may not represent more than 0.2% of this limit of 2% of 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 two years and the minimum period of retention of shares by the beneficiaries is set at two years.

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 Directors, 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.

A free allocation of 23,630 shares (by delivery of existing shares) took place in the 2015/2016 financial year as part of a plan issued on 25 March 2014 and which matured, by decision of the Board of Directors meeting on 22 March 2016.

A proposal to renew this authorisation will be put before the Annual Shareholders' Meeting, in light of the new provisions brought in by law no. 2015-990 of 6 August 2015, known as the "Macron law".

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS

The 21st resolution of the Combined Shareholders' Meeting of 29 July 2015 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 29 July 2015, 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 €30,000,000, it being specified that this amount shall be deducted from the ceiling provided for in the 21st resolution of the Combined Shareholders' Meeting of 24 July 2014 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 KEEPING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS) AND/OR MARKETABLE SECURITIES GIVING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES

The Combined Shareholders' Meeting of 24 July 2014, in its 21st, 22nd and 23rd resolutions, authorises 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 €30,000,000, common to the 21st, 22nd, 23rd, 24th, 25th, 26th and 27th resolutions of said Shareholders' Meeting and the 14th and °15th resolutions of the Combined Shareholders' Meeting of 24 September 2013. 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 €750,000,000. 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 24 July 2014.

The 21st resolution concerns share issues with the maintenance of shareholders' preferential subscription rights, the 22nd resolution concerns the issue without preferential subscription rights, by way of a public offering, and the 23rd resolution permits the same type of issue within the framework of private placements, as referred to in Article L. 411-2 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.

The renewal of these authorisations will be proposed at the next Annual Shareholders' Meeting, with, however, a reduction in the above-mentioned ceilings.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES REPRESENTING THE COMPANY'S CAPITAL AS A RESULT OF CONTROLLED COMPANIES ISSUING MARKETABLE SECURITIES WHICH OVER THE LONG TERM CARRY ENTITLEMENT TO THE COMPANY'S CAPITAL

The same Combined Shareholders' Meeting of 24 July 2014, in its 22nd and 23rd 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 holds directly or indirectly 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 €30,000,000, as set by the 22nd 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 24 July 2014.

The renewal of these authorisations will be proposed at the next Annual Shareholders' Meeting, with, however, a reduction in the above-mentioned ceilings.

AUTHORISATION FOR ANY CONTROLLING COMPANY TO ISSUE MARKETABLE SECURITIES CARRYING ENTITLEMENT TO THE COMPANY'S SHARES

The same Combined Shareholders' Meeting of 24 July 2014, in its 22nd and 23rd resolutions, authorised any company holding directly or indirectly over 50% of the Company's capital, to issue marketable securities carrying the right to the allocation by any means, immediately or in the future, to existing Company shares, on the understanding that the number of existing shares thus remitted may not represent more than 10% of the Company's capital.

A proposal will be put before the next Annual Shareholders' Meeting to renew these authorisations, as they will concern marketable securities carrying entitlement to shares to be issued, in light of the amendment to Article L. 228-93 of the French Commercial Code as a result of the Decree of 31 July 2014. The issuing of marketable securities carrying entitlement to existing shares is now subject to the same authorisation plan as the issuing of simple shares, *i.e.* to decision by the Board of Directors.

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 22nd resolution of the Combined Shareholders' Meeting of 24 July 2014 granted the Board of Directors, for a maximum of 26 months from 24 July 2014, 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 €30,000,000, as set by the 22nd resolution.

The renewal of this authorisation will be proposed at the next Annual Shareholders' Meeting, with, however, a reduction in the above-mentioned ceilings.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED TO THE ISSUE OF SHARES, SECURITIES OR MARKETABLE SECURITIES, FREELY SETTING THE ISSUE PRICE

The 24th resolution of the Combined Shareholders' Meeting of 24 July 2014 authorised the Board of Directors, for a maximum of 26 months from 24 July 2014, within the framework of the 22nd and 23rd 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 24th resolution of the Combined Shareholders' Meeting of 24 July 2014 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 22nd and 23rd resolutions, by setting a different issue price to that selected for the issues authorised pursuant to the 22nd and 23rd 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.

A proposal will be put before the next Annual Shareholders' Meeting to renew this authorisation.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED TO THE ISSUE OF SHARES OR MARKETABLE SECURITIES CARRYING ENTITLEMENT TO THE SHARE CAPITAL UP TO 10% OF THE SHARE CAPITAL IN CONSIDERATION OF CONTRIBUTIONS IN KIND

The 22nd resolution of the Combined Shareholders' Meeting of 29 July 2015 authorised the Board of Directors, for up to 24 months as of 29 September 2015, with the authority to sub-delegate to any person permitted by law and where the provisions of Article L. 225-148 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 share capital at the time of issue, in consideration for contributions in kind, the 10% limit being deducted from the ceiling set in the 22nd resolution of the Combined Shareholders' Meeting of 24 July 2014, 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 24 July 2014, in its 25th resolution, authorised the Board of Directors, under the 21st, 22nd, 23rd and 24th 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 the one 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 24 July 2014.

The renewal of this authorisation will be proposed at the next Annual Shareholders' Meeting.

TABLE SUMMARISING CURRENT AUTHORISATIONS FOR THE BOARD OF DIRECTORS TO INCREASE THE SHARE 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	24 July 2014	limited to 2% of the share capital and €1.6 million for shares to be issued(1)	38 months	Grant of 23,630 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	24 July 2014	▪ €30,000,000 capital increase(2) ▪ €750,000,000 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: ▪ by public offering; ▪ by private placement.	24 July 2014	▪ €30,000,000 capital increase(4) ▪ €750,000,000 in debt securities(5)	26 months	None
Issue of shares, securities or marketable securities, freely setting the issue price	24 July 2014	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	24 July 2014	limited to 15% of each issue up to a maximum of €30,000,000(7)	26 months	None
Capital increase by incorporation of reserves, profits or premiums	29 July 2015	€30,000,000(8)	26 months	None
Capital increase in consideration for contributions in kind	29 July 2015	limited to 10% of the share capital(9)	26 months	None

(1) Deducted from the ceiling provided for in the 22nd resolution of the Shareholders' Meeting of 24 July 2014.
(2) Deducted from the ceiling provided for in the 22nd, 23rd, 24th, 25th, 26th and 27th resolutions of the Shareholders' Meeting of 24 July 2014 and the 14th and 15th resolutions of the Combined Shareholders' Meeting of 24 September 2013.
(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 24 July 2014.
(4) Deducted from the ceiling provided for in the 23rd, 24th, 25th, 26th and 27th resolutions of the Shareholders' Meeting of 24 July 2014 and the 15th resolution of the Combined Shareholders' Meeting of 24 September 2013.
(5) Deducted from the ceiling provided for in the 21st and 22nd resolutions of the Shareholders' Meeting of 24 July 2014.
(6) Deducted from the ceiling provided for in the 22nd and 23rd resolutions of the Shareholders' Meeting of 24 July 2014.
(7) Under the legal and regulatory conditions decided upon by virtue of the 21st, 22nd, 23rd and 24th resolutions of the Shareholders' Meeting of 24 July 2014.
(8) Deducted from the ceiling provided for in the 21st resolution of the Shareholders' Meeting of 24 July 2014.
(9) Deducted from the ceiling provided for in the 22nd resolution of the Shareholders' Meeting of 24 July 2014.

NON-EQUITY SECURITIES

On 30 June 2010, Rémy Cointreau issued two 6.5 year bonds in the amount of €205 million. On 27 February 2015, it issued a 10 year bond in the amount of €80 million.

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 2015/2016.

AUTHORISATION TO ISSUE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

The latest Company stock option plan of 24 December 2008 matured on 24 December 2014. The table relating to options plans is included in the special report on options to subscribe for or purchase shares.

CHANGES IN THE SHARE CAPITAL OVER THE PAST FIVE YEARS

Dates	Type of transaction	Number of shares created (cancelled)	Share capital in €	Premiums in €	Capital cumulative in €	Number of shares in the share capital
31/03/2011	Exercise of share subscription options	171,686	274,697.60	4,173,919.50	79,085,443.20	49,428,402
20/09/2011	Exercise of share subscription options	49,287	78,859.20	1,153,315.80	79,164,302.40	49,477,689
22/11/2011	Exercise of share subscription options	1,713	2,740.80	40,084.20	79,167,043.20	49,479,402
22/11/2011	Capital increase by deduction from reserves following the allocation of bonus shares	97,300	155,680.00	-	79,322,723.20	49,576,702
31/03/2012	Exercise of share subscription options	52,860	84,576.00	1,236,924.00	79,407,299.20	49,629,562
25/09/2012	Payment of dividend in shares	1,190,350	1,904,560.00	90,383,275.50	81,311,859.20	50,819,912
23/11/2012	Capital increase by deduction from reserves following the allocation of bonus shares	90,000	144,000.00	-	81,455,859.20	50,909,912
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

7.3.4 Authorisation to trade in Company shares

At 31 March 2016, 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 held at the end of the 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 termination[(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
Balance at 31/03/2016	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 open 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 2016, the Company held 13,800 such shares.

SHARE BUYBACK PROGRAMME

Pursuant to the 13th and 15th 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 11th and 13th 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 29 July 2015, in its 18th resolution, authorised the Board of Directors to buy or sell Company shares, up to 10% of the share capital, *i.e.* 4,741,231 shares, less treasury shares until the end of the Shareholders' Meeting to approve the financial statements for the financial year ending on 31 March 2016 and at the very latest, within 18 months starting from 29 July 2015. The maximum amount that the Company is liable to pay based on this number of shares is €711,184,650.

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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 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 share capital reduction;
- to cover obligations in respect of marketable securities giving access to share 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 market practices permitted by the AMF and within the limits prescribed by law;
- to implement any market practices permitted by the AMF 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 subject to the legal and regulatory provisions at any time, including during a public takeover offer period involving the Company's shares, or during a public takeover offer initiated by the Company, subject to the lock-up periods specified in Article 631-6 of the AMF's General Regulation, or to other legal or regulatory provisions, and by any means, including on the market or off-market, on regulated or unregulated markets, *via* multi lateral 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 internalises, 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. 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.

As part of these objectives, the repurchased shares may be cancelled in accordance with the 20th 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 did not implement this authorisation in the 2015-2016 financial year.

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 2015 TO 31 MARCH 2016

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 2015 and 31 March 2016 as part of the share buyback programme authorised by the Shareholders' Meetings of 24 July 2014 and 29 July 2015.

Between 1 April 2015 and 31 March 2016, the Company purchased 438,574 shares and sold 424,774 shares. During this same period, it did not transfer 8 any shares to service stock options, but 23,630 shares were allocated under the bonus share plan to employees of the Company (or related companies) and corporate officers (decision of the Board meeting of 22 March 2016, shares transferred on 1 April 2016).

The table below summarises the purpose of the transactions carried out during the period 1 April 2015 to 31 March 2016:

		Average price
Percentage of the share capital held as treasury shares directly and indirectly at the start of the financial year	0.27%	
Number of securities held at the start of the year	129,794	
Number of securities purchased since the start of the year:		
▪ under the liquidity contract	438,574	€64.34
Number of securities sold since the start of the year as part of the liquidity contract	424,774	€64.76
Number of securities transferred since the start of the year:		
▪ to service stock options	0	
▪ grant of bonus shares	23,630	
Number of securities cancelled since the start of the year	0	
Number of shares held on 31 March 2016:		
▪ under the liquidity contract	13,800	
▪ as a result of the exercising of the repurchase clause	0	
▪ for bonus share grant (reassignment of shares for the share buyback programme dated 22 November 2011)	129,794	

BALANCE FOLLOWING COMPLETION OF THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE COMBINED SHAREHOLDERS' MEETING OF 29 JULY 2015

		Average price
Percentage of treasury shares held directly or indirectly	0.00%	
Number of securities held at the start of the programme	162,217 0.30%	
Number of securities purchased since the start of the programme:		
▪ under the liquidity contract	314,698	€63.96
Number of securities sold since the start of the programme as part of a liquidity contract	332,135	€64.55
Number of securities transferred since the start of the programme:		
▪ to service stock options	0	
▪ grant of bonus shares	23,630	
Number of securities cancelled since the start of the programme	2,433,053	
Number of shares held at 31 May 2016:		
▪ under the liquidity contract	12,486	
▪ as a result of the exercising of the repurchase clause	0	
▪ for bonus share grant (reassignment of shares for the share buyback programme dated 22 November 2011)	106,164	

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 13th and 15th 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 26 JULY 2016 IN THE FIFTEENTH 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: 4,729,907 shares.
- Maximum unit price: €150 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 17th resolution submitted to this Shareholders' Meeting;
  - to cover obligations in respect of marketable securities giving access to share 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 market practices permitted by the AMF and within the limits prescribed by law;
  - 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 2017 and within a period of 18 months from 26 July 2016.

7.3.5 Transactions carried out during the year

None.

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 2016

At 31 March 2016, after the Board of Directors had noted 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 €77,976,022.40, divided into 48,735,014 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 2016;
- 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 Investissement held more than 2% of the share capital and more than 1% 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 31/03/2016 presented in point 1.3.

The employee savings plans represent 1.7% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

VOTING RIGHTS, NUMBER OF SHAREHOLDERS, INFORMATION ON SHAREHOLDERS HOLDING 1% OR MORE AND ON THE NATURE OF THEIR INVESTMENT, AGREEMENT, CAPITAL HELD BY EMPLOYEES, TREASURY SHARES

	Position at 31/03/2016			Position at 31/03/2015			Position at 31/03/2014		
Shareholders	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	18,258,071	37.46	47.99	17,455,661	35.84	46.93	17,170,629	35.42	46.77
Récopart	7,189,903	14.75	19.48	7,189,903	14.76	19.50	7,143,709	14.74	19.53
Andromède	562,888	1.15	1.01	562,888	1.16	1.01	562,888	1.16	1.01
Sub-total family shareholders	**26,010,862**	**53.37**	**68.48**	**25,208,452**	**51.76**	**67.44**	**24,877,226**	**51.32**	**67.31**
Fine Champagne Investissements	1,071,944	2.20	1.48	1,071,944	2.20	1.48	1,065,057	2.19	1.48
Sub-total shareholders acting in concert	**27,082,806**	**55.57**	**69.95**	**26,280,396**	**53.96**	**68.92**	**25,942,283**	**53.51**	**68.79**
APG Asset Management NV(1)	3,508,025	7.20	4.84	3,508,025	7.20	4.84	644,334	1.33	0.89
UBS Asset Management(2)	973,737	2	1.34	1,666,671	3.42	2.30	1,124,774	2.32	1.56
ESTA INVESTMENTS PTE(3)	417,637	0.86	0.58	1,034,934	2.12	1.43	1,034,934	2,135	1,44
Schroders(4)	714,845	1.47	0.99	745,772	1.53	1.03	534,358	1.10	0.74
Edmond De Rothschild(5)	740,000	1.52	1.02	740,000	1.52	1.02	740,000	1.53	1.03
AMUNDI(6)	736,944	1.51	1.01	718,719	1.47	0.99	723,486	1.43	1
AXA Investment Managers(7)	709,174	1.46	0.98	709,174	1.46	0.98	805,755	1,662	1.12
Fidelity Management & Research Company(8)	499,893	1,026	0.69	606,850	1.25	0.84	2,577,684	5.32	3.58
Citigroup Global Markets Limited(9)	534,228	1.09	0.74	534,228	1.09	0.74	534,228	1.10	0.74
Columbia Threadneedle Investments(10)	490,666	1.01	0.68	490,666	1.01	0.68	490,666	1.01	0.68
Rémy Cointreau (treasury shares)	143,594	0.30	0.00	129,794	0.27	0.00	190,294	0.39	-
Free Float	12,183,465	25	17.18	11,545,024	23.70	16.23	13,134,063	27.163	18.43
TOTAL	**48,735,014**	**100.00**	**100.00**	**48,710,253**	**100.00**	**100.00**	**48,476,859**	**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).

(1) Declaration of 30 March 2015.
(2) Declaration of 29 February 2016.
(3) Declaration of 9 September 2015.
(4) Declaration of 14 March 2016.
(5) Declaration of 31 January 2013.
(6) Declaration of 5 February 2016.
(7) Declaration of 27 June 2014.
(8) Declaration of 6 May 2015.
(9) Declaration of 18 November 2013.
(10) Declaration of 4 December 2013.

A number of shares possess double voting rights. A total of 23,926,639 shares had double voting rights at 31 March 2016. The main shareholders, Orpar and Récopart, hold such rights (*i.e.* 23,478,032).

At 31 March 2016, the Company held 143,594 treasury shares, 129,794 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. 13,800 shares were held under the liquidity contract at 31 March 2016.

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, held directly and indirectly, 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%, 1/3 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-absoption (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[(3)] in the Company. 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 sociétés anonymes (joint stock companies) Andromède, Orpar and Récopart and the simplified limited company Fine Champagne Investissements[(4)] (FCI) declared that it had exceeded, on 19 November 2013, the threshold of 2/3 of the Rémy Cointreau voting rights and that it 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 Company's voting rights. 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.

(1) On the basis of share capital consisting of 50,909,912 shares representing 75,460,124 voting rights, pursuant to the second subparagraph of Article 223-II of the General Regulation.

(2) Note that the shareholders' agreement referred to above is included under D&I 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 second subparagraph of Article 223-II 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.

Through the cumulative effect of (i) the cancellation of 1,283,053 Rémy Cointreau shares which took place on 25 March 2014, (ii) the 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 over 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 Regulations.

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 over 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 Regulations.

In this context, Orpar requested from the Autorité des marchés financiers exemptions 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 Regulations.

Considering that, prior to the aforementioned transactions, the members held a majority of the Rémy Cointreau voting rights, the Autorité des marchés financiers 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.

Orpar has not acquired any Rémy Cointreau shares since 31 October 2015.

CONCERT PARTIES AND SHAREHOLDERS' AGREEMENTS

The Company is aware of the existence of the following concert parties and shareholders' 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 2,378,005 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 2,378,005 Récopart shares;

(1) *On the basis of share capital consisting of 48,710,253 shares representing 72,563,831 voting rights, pursuant to the second subparagraph of Article 223-II 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.*

- 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.

The commitments under the “Dutreil agreement”, entered into in July 2010 and December 2010 were waived in July 2012.

- between Andromède, Orpar and Fine Champagne Investissement (FCI):
  - Andromède, FCI and Orpar entered into a shareholder agreement on 3 April 2013 relating to Orpar and Rémy Cointreau; the main clauses of this agreement 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,
  - **preemption 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 party 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.

7.4.2 Changes to the breakdown of the share capital over the last three years

In financial year 2013/2014, the Company proceeded with two capital reductions by cancellation of treasury shares, reducing the capital to €77,562,974.40. At closing, Orpar held more than one third of the share capital and voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

During the 2014/2015 financial year, the exercising of the 2013/2014 dividend option in cash or shares resulted in the issue of 233,394 shares corresponding to a capital increase of €373 430.40, bringing the capital to €77,936,404,80. At closing, Orpar held more than one third of the share capital and voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

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 a 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 2016, Orpar was 100% controlled by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2016, Andromède held 562,888 shares corresponding to 732,812 voting rights, Orpar held 18,258,071 shares in Rémy Cointreau, or 37.46% of the capital, corresponding to 34,798,214 voting rights, or 47.99% of the voting rights. Orpar holds, directly and indirectly, the shares held by Récopart, or a total of 52.21% of the share capital and 67.47% of the voting rights in Rémy Cointreau. Together Andromède, Orpar and Récopart hold

(1) *FCI exercised the promise to purchase 201,553 Orpar shares held by FCI, and Orpar made the payment to FCI in July 2013 by the transfer of 994,053 Rémy Cointreau shares.*

53.37% of the share capital and 68.48% 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 2015 by the AFEP/MEDEF and the guidelines for applying this Code by the Corporate Governance High Commission in November 2015. In particular, the Board of Directors comprises a significant proportion of independent directors and has its own internal regulations. The Company complies with the AFEP/MEDEF Code.

7.4.4 Stock market information

Shares in Rémy Cointreau are listed on the NYSE Euronext Paris regulated market (ISIN code FR0000130395). Rémy Cointreau is included in the French CACMID 100 index and the European EuroStoxx 100 index.

At 31 March 2016, Rémy Cointreau had a market capitalisation of €3.25 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
2014					
December	2,446,651	57.45	61.54	54.47	142.38
2015					
January	3,564,562	59.70	65.97	52.55	216.47
February	2,311,968	65.68	68.29	64.44	152.24
March	3,357,005	67.99	70.96	64.97	228.69
April	3,053,973	71.23	75.00	66.80	218.04
May	2,656,641	66.58	69.42	64.40	176.62
June	3,878,650	65.41	70.00	62.37	255.13
July	3,122,234	65.98	69.13	63.62	206.00
August	3,032,341	59.25	65.93	50.29	175.55
September	5,092,130	53.41	59.03	50.52	273.19
October	4,229,498	60.86	64.00	56.80	256.78
November	2,813,181	65.01	67.97	60.96	183.02
December	3,042,496	65.70	69.25	62.38	200.65
2016					
January	2,594,033	62.83	66.20	59.14	162.30
February	2,202,055	62.84	67.25	58.10	137.77
March	1,892,623	64.62	67.56	61.95	122.21
April	2,635,076	69.95	75.75	64.68	188.73
May	1,836,852	72.28	74.91	69.80	132.60

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 annual report and refers to concert parties and to shareholders' 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 annual 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 threshold of 1% of the share capital or voting rights or any multiple of this percentage, 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 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 bond of €205 million dated June 2010, and the €80 million bond in February 2015 described in note **11.6** to the consolidated financial statements;
- retirement and non-compete indemnities and the defined-benefit pension commitment granted to Valérie Chapoulaud-Floquet, Chief Executive Officer, can be found in section 3.4.2 of this annual 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 annual report.

8

COMBINED SHAREHOLDERS' MEETING

8.1 Comments on the draft resolutions

Approval of the Company and consolidated financial statements

Once you have reviewed its report and the reports of the Company's Statutory Auditors, the Board of Directors asks that you first approve the Company financial statements for the financial year ending 31 March 2016, which show a profit of €67,114,270.28 and then the consolidated financial statements for the same period, which show net income attributable to the owners of the parent of €102,449,000

Appropriation of 2015/2016 income

In the third resolution, the Board of Directors asks that you approve the appropriation of distributable income for the financial year ending 31 March 2016 as follows:

▪ Company profit at 31 March 2016:	€67,114,270.28
▪ retained earnings:	€98,063,587.20
▪ appropriation to the legal reserve:	€(3,961.76)
Total distributable amount:	**€165,173,895.72**
▪ dividend of €1.60 per share:	€77,976,022.40
▪ retained earnings:	€87,197,873.32
Total:	**€165,173,895.72**

The dividend of €1.60 per share will be paid as of 3 October 2016.

For individuals domiciled for tax purposes in France, the dividend is eligible for the proportional allowance of 40% of the gross amount received, as provided for in Article 158-3-2 of the French General Tax Code.

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.

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:

Financial years	2012/2013	2013/2014	2014/2015
Net dividend per share	€1.40	€1.27	€1.53
Eligible dividend paid	€1.40	€1.27	€1.53

Option for the payment of the dividend in shares

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, we ask 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 26 July 2016, 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 2 August 2016 and 17:00 on 14 September 2016 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 2016, the start of the current financial year.

Finally, we ask that you 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

Please note that none of the agreements covered by Article L. 225-38 *et seq.* of the French Commercial Code (known as "regulated" agreements) were entered into in the year just ended. Agreements authorised and entered into in previous financial years and which continued to be performed in the past financial year, were reviewed by the Board of Directors at its meeting on 22 March 2016 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 8.3.1 of this 2015/2016 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.

Reappointment of four directors

Since the terms of Ms Florence Rollet, Messrs. Marc Hériard Dubreuil, Yves Guillemot and Olivier Jolivet are due to expire at the end of your Shareholders' Meeting, we ask that you reappoint them for a further three-year term (seventh to tenth resolutions). Information about these four Directors is provided in section 3.1 of this registration document.

Appointment of a new director

We also ask, on the recommendation of the Nomination and Remuneration Committee, that you appoint a twelfth director, Orpar SA, with its registered office at rue Joseph Pataa, formerly rue de la Champagne, 16100 Cognac, for a three-year term.

Orpar's permanent representative will be Ms Gisèle Durand. Between 1974 and 1980, Ms 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 ANDROMEDE. Ms Gisèle Durand has also been a director of Oeneo SA since June 2012.

Directors' fees

We ask that you set the amount of directors' fees awarded to Board members for the 2016/2017 financial year at €480,000. This amount is similar to that of the previous financial year and is consistent with the practice followed by several French multinationals of a similar size to our own. The increase is justified due to the number of directors, which in the case of a favourable vote by your Shareholders' Meeting will increase to 12 members and because of the creation of a third committee, the Corporate Social Responsibility Committee, within the Board of Directors.

Opinion on the elements of remuneration due or awarded for the year ending 31 March 2016 to each Executive Director of the Company

In accordance with recommendation § 24.3 of the AFEP/MEDEF Code revised in November 2015, the shareholders are asked to issue an advisory opinion on the thirteenth and fourteenth resolutions, on the elements of remuneration due or awarded for the year ended on 31 March 2016 to each person who has held the post of Executive Director of the Company during said financial year, namely Mr François Hériard Dubreuil as Chairman of the Board of Directors and Ms Valérie Chapoulaud-Floquet as Chief Executive Officer, as presented in the tables contained in section 3.4.2 of this registration document.

Shareholders are reminded that on 27 January 2015, the Board of Directors increased the gross annual base salary of Mr François Hériard Dubreuil, Chairman of the Board of Directors, to €200,000, and that Mr François Hériard Dubreuil receives no annual variable compensation or benefits due or likely to be due for termination or change of office, pursuant to Article L. 225-42-1 of the French Commercial Code.

In 2015/2016, Ms Chapoulaud-Floquet received a gross annual base salary of €993,003 and a one-off signing bonus of €91,000 gross on 31 March 2016. In addition, Ms Chapoulaud-Floquet is the beneficiary of commitments made in respect of benefits due or likely to be due as a result of termination or change of duties, within the meaning of Article L. 225-42-1 of the French Commercial Code, approved by the Combined Shareholders' Meeting of 29 July 2015 and consisting of severance pay, a non-compete indemnity and a defined-benefit pension scheme. These commitments were not subject to change during the 2015/2016 financial year.

Purchase and sale of its own shares by the Company

We ask that you authorise the Board of Directors to purchase the Company's shares, within the limit of 10% of the share capital on the date such purchases are made, for a maximum period of 18 months from the date of this Shareholders' Meeting. For indicative purposes, based on the current share capital, this amount corresponds to a maximum number of 4,729,907 shares, including treasury shares held by the Company as of 31 March 2016.

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:

- to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares *via* an investment service provider (ISP), under the terms of a liquidity agreement that complies with the Ethics Charter recognised by the AMF. We remind you that your Company had originally entrusted an ISP with a liquidity agreement on 15 November 2005, for a period of one year, renewable by tacit agreement, and that Rémy Cointreau then entrusted a new ISP with management of its liquidity contract on 1 April 2015;
- to cancel shares as part of a capital reduction, subject to the adoption of the seventeenth resolution submitted to this Shareholders' Meeting;
- to cover obligations in respect of marketable securities giving access to share 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 market practices permitted by the AMF and within the limits prescribed by law;
- to implement any market practices permitted by the AMF 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, 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 Article 631-6 of the General Regulation of the AMF, or to other legal or regulatory provisions, or by any means, including through the use of 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 €150, excluding transaction expenses. The maximum amount that the Company would therefore be liable to pay is €709,486,050, 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.

We should remind you that the Company sold and repurchased 602,430 shares during the 2004/2005 financial year. In order to maintain full coverage of its share purchase plans, and to manage part of the dilution resulting from the exercise of one of the stock option plans, this sale was subject to a cancellation clause. This transaction was supplemented by the Company's purchase, on 24 March 2005, of 224,497 call options from Barclays Capital Securities Ltd. The overall transaction enabled Rémy Cointreau to cover the exercise of a maximum of 826,927 share subscription or purchase options.

As such, Rémy Cointreau acquired, on 1 March 2006, 280,927 shares from Barclays Capital Securities Ltd in order to limit the dilutive impact of a stock-option plan. Pursuant to the authorisation granted by the Extraordinary Shareholders' Meeting of 28 July 2005 in its 15th resolution, the Board of Directors, at its meeting of 28 April 2006, decided to reduce the share capital by cancelling these 280,927 shares, in accordance with the terms of the aforementioned sale and repurchase agreement.

During the 2007/2008 financial year, Rémy Cointreau repurchased 75,000 shares from Barclays Capital Securities Ltd, at a price of €27.67 each, *i.e.* a total amount of €2,075,250. This repurchase enabled the Company to cover the exercise of 70,295 stock options arising from the 16 September 2003 plan, *i.e.* a total amount of €1,945,062.65.

During the 2008/2009 financial year, Rémy Cointreau repurchased 33,000 shares from Barclays Capital Securities Ltd, consisting of 15,000 shares at a price of €27.67 each and 18,000 shares at a price of €28.07 each, *i.e.* a total amount of €920,310. This repurchase enabled the Company to cover in full the exercise of 20,500 stock options arising from the 16 September 2003 and 24 December 2004 plans.

No shares were bought back from Barclays Capital Securities Ltd during the 2009/2010 financial year. A total of 4,605 shares purchased during the previous financial year were used to service stock options arising from the plans of 16 September 2003 and 24 December 2004. Information regarding the use of the buyback programme during the last financial year is provided in the Board of Directors' management report presented to the Shareholders' Meeting.

During the 2010/2011 financial year, Rémy Cointreau repurchased 118,500 shares from Barclays Capital Securities Ltd, consisting of 56,500 shares at a price of €27.67 each and 72,000 shares at a price of €28.07 each, *i.e.* a total amount of €3,584,395. This repurchase enabled the Company to cover in full the exercise of 119,790 stock options arising from the 16 September 2003 and 24 December 2004 plans.

During the 2011/2012 financial year, Rémy Cointreau repurchased 208,440 shares from Barclays Capital Securities Ltd, consisting of 96,940 shares in connection with the 16 September 2003 plan and 111,500 shares in connection with the 24 December 2004 plan, for a total amount of €5,756,062. Given the residual number of shares held as of 31 March 2011, this repurchase enabled the Company to cover the exercise of 222,100 stock options arising from these plans.

Furthermore, the Company purchased 1,421,003 shares as part of the implementation of the mandate entrusted to an investment service provider, in accordance with the decision of the Board of Directors at its meeting of 22 November 2011, which was taken pursuant to the 13th and 15th resolutions approved by the Shareholders' Meeting of 26 July 2011.

During the 2012/2013 financial year, Rémy Cointreau repurchased 9,850 shares from Barclays Capital Securities Ltd under the 16 September 2003 plan and exercised 19,500 options under the 24 December 2004 plan, for a total amount of €804,427. Given the residual number of shares held as of 31 March 2012, this repurchase enabled the Company to cover the exercise of 26,500 stock options arising from these plans.

Furthermore, the Company purchased 7,791 shares as part of the implementation of the mandate entrusted to an investment service provider, in accordance with the decision of the Board of Directors at its meeting of 22 November 2011, which was taken pursuant to the 13th and 15th resolutions approved by the Shareholders' Meeting of 26 July 2011.

During the 2013/2014 financial year, Rémy Cointreau repurchased 6,710 shares from Barclays Capital Securities Ltd under the 16 September 2003 plan and exercised 6,000 options under the 24 December 2004 plan, for a total amount of €343,966. Given the residual number of shares held as of 31 March 2013, this repurchase enabled the Company to cover the exercise of 15,210 stock options arising from these plans.

Furthermore, the Company purchased 1,283,053 shares as part of the implementation of the mandate entrusted to an investment service provider, in accordance with the decision of the Board of Directors at its meeting of 19 November 2013, which was taken pursuant to the eleventh resolution approved by the Shareholders' Meeting of 24 September 2013.

During the 2014/2015 financial year, Rémy Cointreau exercised 8,000 options under the 24 December 2004 plan, for a total of €224,560 (1 August 2014 and 5 December 2014).

In 2015/2016, no shares were transferred by Rémy Cointreau to service stock options.

As of 31 March 2016, the number of shares held by the Company stood at 143,594, of which 129,794 were destined for the bonus share award for employees and/or corporate officers of the Company and/or related companies (reassignment, for this purpose, of shares held under the repurchase programme implemented by the Board of Directors on 22 November 2011 in accordance with the decision taken by the Board of Directors on 24 November 2015 in application of the eighteenth resolution passed by the Shareholders' Meeting of 29 July 2015). As of 31 March 2016, the Company holds 13,800 shares under the liquidity contract.

This authorisation cancels the authorisation granted by the ordinary session of the Combined Shareholders' Meeting of 29 July 2015 in its eighteenth resolution, in respect of the amounts unused to date.

Authorisation to reduce the share capital *via* the cancellation of treasury shares held by the Company

The seventeenth resolution submitted to you allows the Board of Directors the option of cancelling, in accordance with Article L. 225-209 of the French Commercial Code, the shares purchased by the Company pursuant to the authorisation granted by the Shareholders' Meeting under the fifteenth resolution, or purchased under prior authorisation 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. Such transactions may not cover more than 10% of the share capital in each 24 month period, in accordance with the law.

The authorisation is for a maximum period of 18 months and will expire at the end of the Shareholders' Meeting called to approve the financial statements for the next financial year. This authorisation therefore renews the twentieth resolution adopted at the Shareholders' Meeting of 29 July 2015.

Delegation of authority given to the Board of Directors to resolve to increase the share capital by issuing, with, or without, shareholders' preferential subscription rights, shares in the Company and/or marketable securities giving access to share capital and/or marketable securities granting entitlement to the allocation of debt securities

The Rémy Cointreau Shareholders' Meeting of 24 July 2014, deliberating in accordance with the requirements of Extraordinary Shareholders' Meetings, granted the Board of Directors a number of authorisations, with, or without, preferential subscription rights, to allow your Company to use the financial markets by issuing marketable securities giving access to share capital or granting entitlement to debt securities, for a period of twenty-six months.

To date, the Company has not made use of this delegation of powers.

You are being asked to renew said powers so as to enable the Group to always be in a position to gain access, as rapidly as possible, to the financial resources required for its development, by making use of the most appropriate instruments for market conditions.

Decree No. 2014-863 of 31 July 2014, modified the system for the authorisation of marketable securities giving access to share capital or granting entitlement to the allocation of debt securities governed by Article L. 228-91 of the French Commercial Code, by only making marketable securities giving immediate, or future, access to share capital to be issued, subject to authorisation by the Extraordinary Shareholders' Meeting.

Marketable securities, that may not be equity securities, and granting entitlement to debt securities or giving access to existing equity securities, including where these are issued by a company holding, directly or indirectly, over 50% of Rémy Cointreau share capital or in which Rémy Cointreau holds, directly or indirectly, over 50% of the share capital, are no longer subject to authorisation from Rémy Cointreau's Extraordinary Shareholders' Meeting and are normally decided by the Board of Directors of the issuing company.

In accordance with Articles L. 225-129 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, your Shareholders' Meeting is being asked to grant the Board of Directors, for another 26 months from the date of said meeting, an authorisation, referred to in the eighteenth, nineteenth and twentieth resolutions, enabling it to increase the Company's share capital and to issue with, or without preferential subscription rights, shares in the Company, as well as any marketable securities, of any kind, governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the French Commercial Code, giving immediate and/or future access to the Company's share capital or giving entitlement to the allocation of debt securities, within the limit of a nominal ceiling for capital increases of €20,000,000.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are excluded from this authorisation.

It is specified that the nominal ceiling for capital increases has been lowered compared to previous delegations of authority from €30,000,000 to €20,000,000 and that the overall amount of marketable securities representative of debt securities has been reduced from €750,000,000 to €500,000,000.

A) ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS (EIGHTEENTH RESOLUTION)

The eighteenth resolution concerns issues with preferential subscription rights for shares in the Company or marketable securities giving access to Rémy Cointreau share capital or the issue of marketable securities granting entitlement to debt securities and shall supersede the authorisation of the same type, with shareholders' preferential subscription rights, arising from the twenty first resolution of the Combined Shareholders' Meeting of 24 July 2014.

In the event of the issue of marketable securities giving future access to share capital, whether by conversion, exchange, redemption, presentation of a warrant, a combination of these methods, or by any other means, your decision would entail the waiver by shareholders, for the benefit of the holders of these securities, of their preferential subscription right to the shares or marketable securities giving access to share capital to which these marketable securities confer entitlement.

Authorisation by the Meeting would give the Board of Directors the option, for a period of 26 months, to resolve to issue, within the limit of a maximum nominal capital increase amount of €20,000,000, shares in the Company, as well as all categories of marketable securities giving access to share capital, given that (i) the nominal amount of any capital increase resulting, or likely to result in the future, from issues decided under the nineteenth, twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions of this Shareholders' Meeting and the twenty-first and twenty-second resolutions of the Combined Shareholders' Meeting of 29 July 2015, shall be deducted from this ceiling, and that (ii) this ceiling is fixed and does not take account of any Company shares to be issued as a result of 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.

The total nominal amount of marketable securities representative of debt securities, whether these are marketable securities representative of debt securities giving access to share capital or marketable securities granting entitlement to the allocation of debt securities, that can be issued on the basis of the eighteenth resolution, may not exceed €500,000,000. The debt securities that will be issued in application of the authorisations given to the Board of Directors by this Meeting shall be deducted from this amount.

On these bases, it is being proposed that the Board of Directors, with the option to sub-delegate in accordance with legal requirements, shall have all powers to apply this authorisation and, where necessary, to suspend it, and to set, in line with market opportunities, subscription prices (with or without share premium), the terms and conditions of issues and the amounts to be issued, to determine issue procedures and the form of the marketable securities to be created, to determine how the shares or marketable securities giving access to share capital are to be paid for, to set the date from which the shares to be issued rank for dividend, even if this is retroactive, and the terms of their repurchase, to decide and make any adjustments required by legislation or regulations and, if necessary, by contractual stipulations, to take all measures to reserve the rights of owners of marketable securities giving access to share capital, to have the option to suspend the exercise of the rights attaching to such marketable securities for a fixed period of time in accordance with legal and regulatory requirements and, generally speaking, to take any useful measures, to perform the formalities required and to enter into any agreements to bring about the successful completion of the issues envisaged, to ask, where appropriate, for the shares to be listed, to record the completion thereof and to make any amendments to the articles of Association required by the use of this authorisation, in accordance with current legislation and regulations.

You are also being asked to allow your Board of Directors to grant shareholders a preferential subscription right to excess Company shares and, in any event, if subscriptions have not absorbed the entire issue, to resolve, in the order that it sees fit, and in accordance with legal requirements, to restrict the issue to the number of subscriptions received or to freely distribute, in whole or in part, the unsubscribed shares or to offer them, in whole or in part, to the public for subscription. You are being asked to resolve that subscription warrants for Company shares may be issued not only by means of a subscription offer, but also by the allocation of bonus shares to existing shareholders, given that, in this event, fractional rights and corresponding securities shall be sold under the terms set by Article L. 228-6-1 of the French Commercial Code. You are also being asked to take note that your Board of Directors may, further to decree No. 2014-863 of 31 July 2014, decide to use treasury shares to replace the shares to be issued under this delegation of authority.

B) ISSUES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS (NINETEENTH AND TWENTIETH RESOLUTIONS)

The purpose of these delegations of power is to renew, in advance, the authorisations given to the Board of Directors to enable it to seize the opportunities offered by the financial markets by gaining quick access to the financial resources required in order to develop your Company.

The authorisations granted under the twenty-second and twenty-third resolutions of the Combined Shareholders' Meeting of 24 July 2014 provided, in particular, for marketable securities to be issued in France, abroad and/or on international markets, by replacing shareholders' preferential subscription rights with a public offering or a private placement, in particular, with investors. To date, the Company has not made use of this authorisation.

In accordance with the related recommendation of the French Financial Markets Authority (Autorité des marchés financiers, AMF), and with a view to giving shareholders a separate vote, the nineteenth resolution asks you to authorise the Board of Directors to resolve to increase the share capital and to issue, without shareholders' preferential subscription rights, shares in the Company, as well as any marketable securities, of any kind, governed by 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 Company share capital or granting entitlement to the allocation of debt securities, other than preference shares and marketable securities giving immediate, or future, access to preference shares by public offering; whilst the twentieth resolution asks you to authorise the Board of Directors to resolve to make the same type of issues as part of a private placement, as referred to in section II of article L. 411-2 of the French Monetary and Financial Code, with the categories of person listed in section II of Article L. 411-2 of the French Monetary and Financial Code, *i.e.* with (i) persons providing asset management services on behalf of third parties and/or (ii) qualified investors and/or a restricted circle of investors, provided that said investors are acting on their own behalf.

During the meeting, the Statutory Auditors' special reports will be read out, expressing their opinion on these issue-related authorisations.

i) Public offerings (nineteenth resolution)

In the interests of the Company and its shareholders, in order to seize the opportunities offered by the financial markets, your Board of Directors may be led, under certain circumstances, to carry out issues without shareholders being able to exercise their preferential rights.

Said cancellation of preferential subscription rights is justified by the need, in certain circumstances, to shorten the deadlines so as to make it easier to place the marketable securities, in particular, on the international market.

Your Board of Directors is also asking for authorisation to resolve to increase the share capital and to issue, without shareholders' preferential rights, shares in the Company, as well as any marketable securities, of any kind, governed by 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 the debt securities, as provided for by the eighteenth resolution and up to the overall ceiling provided for therein, *i.e.* €20,000,000, which is the ceiling shared by two resolutions, for the same period of 26 months from this meeting, given that (i) the nominal amount of any capital increase resulting, or likely to result in the future, from issues decided under the twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions of this Shareholders' Meeting and the twenty-second resolution of the Combined Shareholders' Meeting of 29 July 2015, shall be deducted from this ceiling, and that (ii) this amount shall be deducted from the total nominal ceiling provided for in the eighteenth resolution of this Meeting and that (iii) this ceiling is fixed and does not take account of any Company shares to be issued as a result of 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.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are excluded from this authorisation.

In this resolution, you are being asked to cancel shareholders' preferential subscription rights to the shares and marketable securities to be issued under this resolution.

In addition, this vote, as with the vote on the eighteenth resolution, would entail the waiver by the shareholders, for the benefit of the holders of the marketable securities giving access to the share capital, of their preferential subscription right to the shares or marketable securities giving access to share capital to which these securities confer entitlement.

The total nominal amount of marketable securities representative of debt securities that can be issued on the basis of the nineteenth resolution shall not exceed €500,000,000 and shall be deducted from the nominal ceiling for marketable securities representative of debt securities that can be issued in accordance with the eighteenth resolution of this Shareholders' Meeting.

Under this authorisation, the issue price would be no less than the minimum amount provided for by current legislation and regulations when this authorisation is used, if necessary, after correction of this amount for the difference in the date from which the shares rank for dividend.

The issue price for marketable securities giving access to shares would be set in reference to this same amount, if necessary, after correction for the difference in the date from which the shares rank for dividend.

Under current regulations, the issue price for new shares forming 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 less than the weighted average price over the last three trading sessions prior to the setting of the issue price, less a potential maximum discount of 5%.

On these bases, your meeting is invited to authorise your Board of Directors, with the option to sub-delegate in accordance with legal requirements, to resolve to issue, in one or more instalments, shares and/or marketable securities giving access to share capital or to the allocation of debt securities by public offering and to decide the terms and conditions for each issue. In addition, you are being asked to take note that your Board of Directors may, further to Decree No. 2014-863 of 31 July 2014, decide to use treasury shares to replace the shares to be issued under this delegation of authority.

The Board of Directors is, nevertheless, asking you to authorise it to organise a non-negotiable priority subscription right for shareholders, circumstances permitting and in line with current regulations, for a minimum term of three trading days, where applicable, over and above their existing shareholding, the conditions of exercise of this right being set by the Board of Directors.

You are also being asked to authorise the Board of Directors to resolve to issue, without preferential subscription rights to shares or marketable securities giving access to share capital, in consideration for securities contributed to any public takeover offer launched by the Company on the shares of any company whose shares are admitted for trading on one of the regulated markets referred to in Article L. 225-148 of the French Commercial Code, including any marketable securities issued by Rémy Cointreau, as well as to resolve to issue shares and marketable securities representing a portion of the Rémy Cointreau share capital to be issued to which the marketable securities issued by companies in which Rémy Cointreau holds, directly or indirectly, over 50% of the share capital or by any company holding, directly or indirectly, over 50% of Rémy Cointreau share capital, would confer entitlement.

The same €20,000,000 ceiling on the nominal capital increase amount would apply to these issues.

ii) Issues without preferential subscription rights, by means of the offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code (twentieth resolution)

In addition to the nineteenth resolution and for the purposes of granting shareholders a separate vote, the twentieth resolution asks you to authorise the Board of Directors to resolve to increase the share capital and issue, without shareholders' preferential subscription rights, shares in the Company, as well as any marketable securities, of any kind, governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the of the French Commercial Code, giving access to Company share capital or granting entitlement to the allocation of debt securities as provided for by the nineteenth resolution, up to the nominal ceiling provided for capital increases therein, *i.e.* €20,000,000, the ceiling shared by both resolutions, for the same period of 26 months from this meeting.

The total nominal amount of marketable securities representative of debt securities that can be issued on the basis of the twentieth resolution shall not exceed €500,000,000 and shall be deducted from the nominal ceiling for marketable securities representative of debt securities that can be issued in accordance with the nineteenth resolution of this Shareholders' Meeting.

These issues will be part of a private placement, as referred to in section II of Article L. 411-2 of the French Monetary and Financial Code. These transactions would be aimed solely at the categories of person listed in Article L. 411-2 II of the French Monetary and Financial Code, *i.e.* (i) persons providing asset management services on behalf of third parties and/or (ii) qualified investors and/or a restricted circle of investors, provided that said investors are acting on their own behalf.

Please note that a qualified investor is a person or an entity with the expertise and resources required to understand the inherent risks of trading in financial instruments. The list of these qualified investors is regulated. A restricted circle of investors comprises no more than 150 people who are not qualified investors.

The proposed authorisation would not increase the total number of capital increases likely to be carried out without preferential subscription rights, since issues carried out under this authorisation would be deducted from the ceiling referred to in the nineteenth resolution.

The nominal amount of any capital increases conducted as part of the offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code may not, under any circumstances, exceed 20% of the share capital per annum.

Under this authorisation, the issue price would be no less than the minimum amount provided for by current legislation and regulations when this authorisation is used, if necessary, after correction of this amount for the difference in the date from which the shares rank for dividend.

The issue price for marketable securities giving access to shares would be set in reference to this same amount, if necessary, after correction for the difference in the date from which the shares rank for dividend.

Under current regulations, the issue price for new shares forming part of an offering referred to in section 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 less than the weighted average price over the last three trading sessions prior to the setting of the issue price, less a potential maximum discount of 5%.

The cancellation of preferential subscription rights is justified by the need, in certain circumstances, to shorten the deadlines so as to make it easier to place the marketable securities, in particular, on the international market. Your Board of Directors wishes to have access to the means to enable it, where necessary by private placement, to gain quick and flexible access to the financial resources required in order to develop your Company.

You are also being asked to authorise the Board of Directors to resolve to issue shares and marketable securities representing a portion of the Rémy Cointreau share capital to be issued to which the marketable securities issued by companies in which Rémy Cointreau holds, directly or indirectly, over 50% of the share capital or by any company holding, directly or indirectly, over 50% of Rémy Cointreau capital, would confer entitlement, up to a limit of €20,000,000 of the nominal amount of capital increases, given that this amount would be deducted from the ceiling set by the nineteenth resolution of this meeting.

In the event of use by the Board of Directors of the eighteenth and/or nineteenth and/or twentieth delegations of power mentioned above, in accordance with current regulations, additional reports on the definitive terms and conditions for the transactions shall be placed at your disposal and then presented at the Annual Shareholders' Meeting.

Lastly, you are being asked to grant the Board of Directors all powers to make the amendments to the articles of Association 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 power to the Board of Directors to set the issue price of securities to be issued under the nineteenth and twentieth resolutions, without shareholders' preferential subscription rights, within the limit of 10% of share capital per annum

Article L. 225-136 1 of the French Commercial Code provides that, in the event of issues without preferential subscription rights by means of a public offering or an offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code, the Extraordinary Shareholders' Meeting may authorise the Board of Directors, within the limit of 10% of the share capital per annum, to set the issue price in the manner of its choosing.

The resolution on which you are being asked to vote proposes that the authorisation granted under the twenty-fourth resolution of the Combined Shareholders' Meeting of 24 July 2014 should be renewed.

The proposed resolution upholds the use of two minimum price rules, to be selected by the Board of Directors, resulting in a potential maximum discount of 10%.

In addition, the authorisation given to the Board of Directors to set the issue price using the procedures set by the twenty-first resolution for any issue that may be made by public offering under the nineteenth resolution or by an offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code under the twentieth resolution, shall be applied up to an overall limit of 10% of the share capital per annum.

In this event, your Board of Directors shall compile an additional report, certified by the Statutory Auditors, describing the terms and conditions of the transaction and providing the criteria used to assess the actual impact on existing shareholders.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are excluded from 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 purpose of the proposed resolution is to authorise the Board of Directors, in the event of issue with, or without, shareholders' preferential subscription rights, to increase the number of securities to be issued, particularly in the event of excess demand.

This resolution may be used for each of the issues decided on in application of the aforementioned authorisations in order to increase the number of securities to be issued, subject to legal requirements and compliance with the ceiling provided for in the resolution in application of which the issue was decided.

Under current regulations, this authorisation must be applied, at the latest, within thirty days of the closing date for the original issue and may not exceed 15% of the original issue, at the same price as said original issue.

Authorisation given to the Board of Directors to grant bonus shares to employees and to certain corporate officers

Article 83 of the 2005 Finance Act introduced a new system for awarding bonus shares to employees and certain corporate officers, which came into force on 1 January 2005. In a traditional *société anonyme* (French limited liability company), the directors referred to by the Act are the Chairman of the Board of Directors, the Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer or Officers ("Executive Directors").

Law No. 2015-990 of 6 August 2015 ("Macron law") amended certain provisions of the French Commercial Code in relation to bonus allocations and reduced the vesting period from two years to a minimum of one year, made the retention period optional (compared with the previous two-year minimum) and specified that the vesting and retention periods combined may not be less than two years (compared with four years previously). The Macron law also brought about amendments to the social security and tax regime for bonus shares.

You are reminded that the new provisions of the Macron law apply to bonus share allocations authorised by Extraordinary Shareholders' Meetings held after 7 August 2015, the date on which the law was published.

It is in order to benefit from the new provisions of the Macron law that we are asking you to renew, in advance, for a period of thirty-eight months, the authorisation given to the Board of Directors, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code, to grant employees of the Company or certain categories thereof, or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code, as well as corporate officers defined by law, bonus shares, whether existing or to be issued, on one or more occasions.

The shares awarded may be either existing shares acquired by the Company or newly created shares resulting from a capital increase. In the latter case, the capital increase may involve the incorporation of reserves or premiums reserved for the beneficiaries of bonus shares. With regard to shares to be issued, any share capital increases that may be decided on under the proposed resolution may not exceed a maximum amount of €1,600,000, given that the number of shares awarded due to adjustments intended to preserve the rights of beneficiaries of share allocations in the event of a transaction involving the Company's share capital or equity shall be deducted from this ceiling and that this ceiling shall be deducted from the capital increase ceiling provided for by the 19th resolution of this Shareholders' 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 authorisation).

The allocation of shares to their beneficiaries shall become final at the end of a minimum vesting period of one year. The minimum retention period will also be one year.

The resolution on bonus share allocations also specifies that the Board of Directors may make all, or part, of the bonus share grant subject to the fulfilment of one, or more, performance conditions to be determined by said Board of Directors, given that, in accordance with the AFEP/MEDEF Corporate Governance Code, any bonus share allocations to Executive Directors of the Company will be subject to the fulfilment of performance conditions to be determined by the Board of Directors.

In accordance with the provisions of Article L. 225-197-6 of the French Commercial Code arising from law No. 2008-1258 of 3 December 2008, bonus shares can only be granted to Executive Directors of the Company if the Company applies one of the measures referred to in this article.

In accordance with legal requirements, as regards shares awarded to Executive Directors, the Board of Directors will either decide that these shares may not be sold by the interested parties prior to the termination of their position, or will set the number of such shares to be held in the form of registered shares until the termination of their position.

The number of shares awarded in this way may not exceed 2% of the number of shares in the share capital on the date the

Board of Directors awards the shares. The total number of bonus shares awarded to Executive Directors of the Company under this authorisation may not account for more than 0.2% of this limit of 2% of the number of shares in the share capital. Said authorisation may be used by the Board of Directors for a period of thirty-eight months from this Shareholders' Meeting.

The Shareholders' Meeting shall be informed of the share awards, on a yearly basis, in a special report compiled by the Board of Directors.

This request for authorisation supersedes the one granted by the Extraordinary Shareholders' Meeting of 24 July 2014 under its twenty-sixth resolution.

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; neither 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 seriousness of the 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 put this resolution to you in case the need arises.

Furthermore, Article L. 225-129-6, subparagraph 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 subparagraph 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 authority delegated and the authorisation 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 therefore put this resolution to you resulting from a non-specific legal obligation, while at the same time asking you to reject it, as at the Combined Shareholders' Meeting of 29 July 2015, inasmuch as it does not apply to our Company.

We ask you to vote in favour of the resolutions put to you.

The Board of Directors

8.2 Draft resolutions

8.2.1 Within the competence of the Ordinary Shareholders' Meeting

FIRST RESOLUTION

(Approval of the Company financial statements for the 2015/2016 financial year)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

having reviewed the Board of Directors' report on the financial year ending 31 March 2016 and the report of the Statutory Auditors,

approves the financial statements for the year ending 31 March 2016, which include the balance sheet, the income statement, and the notes thereto, as presented, which show a profit of €67,114,270.28 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 ending 31 March 2016.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the 2015/2016 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 report of the Statutory Auditors on the consolidated financial statements,

approves the consolidated financial statements for the year ending 31 March 2016, which include the balance sheet, the income statement, and the notes thereto, as presented, which show a net profit attributable to the owners of the parent company of €102,449,000, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

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 ending 31 March 2016 as follows:

▪ company profit at 31 March 2016:	€67,114,270.28
▪ retained earnings:	€98,063,587.20
▪ appropriation to the legal reserve:	€(3,961.76)
Total distributable amount:	**€165,173,895.72**
▪ dividend of €1.60 per share:	€77,976,022.40
▪ retained earnings:	€87,197,873.32
Total:	**€165,173,895.72**

The cash dividend will be paid as of 3 October 2016.

For individuals domiciled for tax purposes in France, the dividend is eligible for the proportional allowance of 40% mentioned in Article 158-3-2 of the French General Tax Code.

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.

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:

Financial years	2012/2013	2013/2014	2014/2015
Net dividend per share	€1.40	€1.27	€1.53
Eligible dividend paid	€1.40	€1.27	€1.53

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 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 2 August 2016 and 17:00 on 14 September 2016 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 3 October 2016.

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 2016, 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 2015/2016 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 agreements covered by Articles L. 225-38 *et seq*. and Article L. 225-40-1 of the French Commercial Code,

deliberating on the special report of the Statutory Auditors, takes note of the information relating to agreements entered into and authorised in previous financial years and which continued to be performed in the past financial year mentioned therein and reviewed by the Board of Directors at its meeting on 22 March 2016 in accordance with Article L. 225-40-1 of the French Commercial Code.

SIXTH RESOLUTION

(Discharge)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

as a consequence of the preceding resolutions,

grants members of the Board of Directors full, final and unqualified discharge for their management for the year ending 31 March 2016. Furthermore, it takes note of the fact that the Statutory Auditors have completed their assignment.

SEVENTH RESOLUTION

(Reappointment of Mr Marc Hériard Dubreuil as director)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

on a proposal put forth by the Board of Directors,

resolves to reappoint Mr Marc Hériard Dubreuil as director 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 2019.

Mr Marc Hériard Dubreuil has let it be known that he accepts this mandate, and that he does not exercise any responsibilities and is not affected by any measures likely to prevent him from fulfilling it.

EIGHTH RESOLUTION

(Reappointment of Ms Florence Rollet as director)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

on a proposal put forth by the Board of Directors,

resolves to reappoint Ms Florence Rollet as director 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 2019.

Ms Florence Rollet has let it be known that she accepts this mandate, and that she does not exercise any responsibilities and is not affected by any measures likely to prevent her from fulfilling it.

NINTH RESOLUTION

(Reappointment of Mr Yves Guillemot as director)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

on a proposal put forth by the Board of Directors,

resolves to reappoint Mr Yves Guillemot as director 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 2019.

Mr Yves Guillemot has let it be known that he accepts this mandate, and that he does not exercise any responsibilities and is not affected by any measures likely to prevent him from fulfilling it.

TENTH RESOLUTION

(Reappointment of Mr Olivier Jolivet as director)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

on a proposal put forth by the Board of Directors,

resolves to reappoint Mr Olivier Jolivet as director 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 2019.

Mr Olivier Jolivet has let it be known that he accepts this mandate, and that he does not exercise any responsibilities and is not affected by any measures likely to prevent him from fulfilling it.

ELEVENTH RESOLUTION

(Appointment of Orpar SA as director)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

on a proposal put forth by the Board of Directors,

resolves to appoint Orpar, *société anonyme* (French limited liability company) with its registered office at rue Joseph Pataa formerly rue de la Champagne, 16100 Cognac, registered under number 322 867 789 in the Angoulême Trade and Companies Register, 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 2019.

Orpar has let it be known that it accepts this mandate, and that it does not exercise any responsibilities and is not affected by any measures likely to prevent it from fulfilling it.

TWELFTH RESOLUTION

(Determination of Directors' fees)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, in accordance with Article 18 of the Articles of Association,

sets the total annual amount of directors' fees awarded to members of the Board of Directors for 2016/2017 at €480,000.

THIRTEENTH RESOLUTION

(Opinion on the elements of remuneration due or awarded for the year ending 31 March 2016 to Mr François Hériard Dubreuil)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

consulted in application of the recommendation of section 24.3 of the AFEP/MEDEF Corporate Governance Code for Listed Companies of November 2015,

issues a favourable opinion on the elements of remuneration due or awarded for the year ending 31 March 2016 to Mr François Hériard Dubreuil, Chairman of the Board of Directors, as presented in section 3.4.2 of the 2015/2016 registration document.

FOURTEENTH RESOLUTION

(Opinion on the elements of remuneration due or awarded for the year ending 31 March 2016 to Ms Valérie Chapoulaud-Floquet)

The Shareholders' Meeting,

deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings,

consulted in application of the recommendation of section 24.3 of the AFEP/MEDEF Corporate Governance Code for Listed Companies of November 2015,

issues a favourable opinion on the elements of remuneration due or awarded for the year ending 31 March 2016 to Ms Valérie Chapoulaud-Floquet, Chief Executive Officer, as presented in section 3.4.2 of the 2015/2016 registration document.

FIFTEENTH 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 prospectus,

authorises the Board of Directors, which may delegate such authorisation under legal and regulatory conditions, in accordance with the provisions of Articles L. 225-209 *et seq*. of the French Commercial Code, to purchase the Company's shares on one or more occasions, subject to the following limits.

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. 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 €150 (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 4,729,907 shares based on the current share capital, including the treasury shares held by the Company as of 31 March 2016.

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 €709,486,050, excluding trading fees.

The purpose of this programme is to enable the following transactions to be performed, in decreasing order of 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 capital reduction, subject to the adoption of the seventeenth resolution submitted to this Shareholders' Meeting;
- to cover obligations in respect of marketable securities giving access to share 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.

This authorisation will expire at the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2017, and at the latest within 18 months from today.

This authorisation cancels the authorisation granted by the ordinary session of the Combined Shareholders' Meeting of 29 July 2015 in its eighteenth resolution, in respect of the amounts unused to date.

The Shareholders' Meeting grants all powers to the Board of Directors, which may delegate same under legal and regulatory conditions, to place all stock market orders, to sign all sale or transfer agreements, to enter into all agreements and option agreements, to make all declarations and complete all formalities with all bodies, and generally to 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 Shareholders' Meeting takes note that the Board of Directors shall inform shareholders of the transactions performed under this resolution each year, in accordance with the provisions of Article L. 225-211 of the French Commercial Code.

SIXTEENTH RESOLUTION

(Powers to accomplish formalities)

The Ordinary 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.

8.2.2 Within the competence of the Extraordinary Shareholders' Meeting

SEVENTEENTH 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 Statutory Auditors' special report,

authorises the Board of Directors, which may delegate such authorisation under legal and regulatory conditions, in accordance with Article L. 225-209 of the French Commercial Code, to reduce the share capital by cancelling, in one or more instalments, 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 fifteenth resolution of this Shareholders' Meeting, or acquired pursuant to previous authorisation 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 2017, and at the latest within 18 months from today.

This authorisation terminates, for the unused portion, and replaces the twentieth resolution adopted by the Combined Shareholders' Meeting of 29 July 2015.

EIGHTEENTH RESOLUTION

(Delegation of authority given to the Board of Directors to resolve to increase the share capital by issuing, with shareholders' preferential subscription rights, shares in the Company and/or marketable securities giving access to share capital and/or marketable securities granting entitlement to the allocation of debt securities)

The Shareholders' Meeting, ruling 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 the French Commercial Code:

terminates, with immediate effect, the unused portion of the delegation of authority given by the Combined Shareholders' Meeting held on 24 July 2014 in its twenty-first resolution;

authorises the Board of Directors, for a period of 26 months from this Shareholders' Meeting, with the option to sub-delegate such authorisation under legal and regulatory conditions, to resolve to increase the share capital, in one or more instalments, in the amount and at the time or times of its choice, in France and/or abroad and/or on the international market, in euro, in foreign currency or in any monetary unit pegged to several currencies, by issuing, with shareholders' preferential subscription rights, shares in the Company as well as any of the marketable securities governed by Article L. 228-92 paragraph 1 of the French Commercial Code giving access to share capital or granting entitlement to the allocation of debt securities, including detachable subscription and/or purchase warrants.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

Subscriptions may be in cash or by offsetting against certain, liquid and payable debts, or free of charge.

The nominal amount of immediate, or future, capital increases resulting from any issues under this authorisation is set at €20,000,000 given that (i) the nominal amount of any capital increase resulting, or likely to result in the future, from issues decided under the nineteenth, twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions of the Shareholders' Meeting and the twenty-first and twenty-second resolutions of the Combined Shareholders' Meeting of 29 July 2015, shall be deducted from this ceiling, and that (ii) this ceiling is fixed and does not take account of any Company shares to be issued as a result of 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.

The total nominal amount of marketable securities representative of debt securities that may be issued under this authorisation may not exceed €500,000,000 or its foreign currency equivalent on the date on which the decision to issue was taken, not including any adjustments that may be required by law and less the amount of marketable securities representative of debt securities that will be issued in accordance with authorisations granted to the Board of Directors by this Shareholders' Meeting. The Board of Directors may, in particular, set the issue price, the fixed or variable interest rate and the payment date of debt securities, as well as the price and terms of repayment of such debt securities, which may be with or without premium, subordinated or non-subordinated, fixed-term or undated, issued in euro or in foreign currencies, or in any monetary unit pegged to several currencies, as well as their terms of amortization according to market conditions.

Shareholders may, in accordance with legal requirements, exercise their preferential subscription right to Company shares and marketable securities issued under this authorisation, as of right and in proportion to the number of shares they hold. The Board of Directors may grant shareholders a subscription right to excess Company shares and marketable securities issued under this authorisation, which shall be exercised in proportion to their rights and within the limits of their demands.

This decision entails the waiver by the shareholders, for the benefit of the holders of the marketable securities issued on the basis of this authorisation, of their preferential subscription right to Company shares or marketable securities giving access to the share capital to which these securities confer entitlement.

The Board of Directors may decide that the remaining balance of the capital increase which may not have been subscribed for as of right, or where applicable, in respect of excess securities, shall be freely distributed at its own discretion, 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 subscriptions received, provided that legal requirements have been met, given that the Board of Directors may use, to the extent that it deems appropriate, the options listed above, or just some of these options.

The Shareholders' Meeting resolves that Company share subscription warrants may be issued either (i) by subscription offer or (ii) by bonus allocation to holders of existing shares, given that fractional rights and corresponding securities shall be sold under the terms set by Article L. 228-6-1 of the French Commercial Code.

The Shareholders' Meeting takes note that, where necessary, the Board of Directors may decide to use treasury shares to replace the shares to be issued under this resolution.

The Board of Directors, with the option to sub-delegate in accordance with legal requirements, shall have all powers to apply this authorisation – and, where necessary, to suspend it, and to set, in line with market opportunities, subscription prices (with or without share premium), the terms and conditions of issues and the amounts to be issued, to determine issue procedures and the form of the marketable securities to be created, to determine how the shares or marketable securities giving access to share capital are to be paid for, to set the date from which the shares to be issued rank for dividend, even if this is retroactive, and the terms of their repurchase, to decide and make any adjustments required by legislation or regulations and, if necessary, by contractual stipulations, to take all measures to reserve the rights of owners of marketable securities giving access to share capital, to have the option to suspend the exercise of the rights attaching to such marketable securities for a fixed period of time in accordance with legal and regulatory requirements and, generally speaking, to take any useful measures, to perform the formalities required and to enter into any agreements to bring about the successful completion of the issues envisaged, to ask, where appropriate, for the shares to be listed, to record the completion thereof and to make any amendments to the articles of Association required by the use of this authorisation, in accordance with current legislation and regulations.

NINETEENTH RESOLUTION

(Delegation of authority given to the Board of Directors to resolve to increase the share capital by issuing, without shareholders' preferential subscription rights, shares in the Company and/or marketable securities giving access to share capital and/or marketable securities granting entitlement to the allocation of debt securities, by public offering)

The Shareholders' Meeting, ruling 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 the French Commercial Code;

terminates, with immediate effect, the unused portion of the delegation of authority with the same purpose, given by the Combined Shareholders' Meeting held on 24 July 2014 in its twenty-second resolution;

authorises the Board of Directors, for a period of 26 months from this Shareholders' Meeting, with the option to sub-delegate such authorisation in accordance with legal and regulatory requirements, to resolve to increase the share capital, in one or more instalments, in the amount and at the time or times of its choice, in France and/or abroad and/or on the international market, in euro, in foreign currency or in any monetary unit pegged to several currencies, by issuing, by way of a public share offering, shares in the Company as well as any of the marketable securities governed by 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 share capital or granting entitlement to the allocation of debt securities.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

Subscriptions may be in cash or by offsetting against certain, liquid and payable debts.

The nominal amount of immediate, or future, capital increases that may be carried out under this resolution may not exceed €20,000,000 given that (i) the nominal amount of any capital increase resulting, or likely to result in the future, from issues decided under the twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions of this Shareholders' Meeting and the twenty-second resolution of the Combined Shareholders' Meeting of 29 July 2015 shall be deducted from this ceiling, that (ii) this amount shall be deducted from the total nominal ceiling provided for in the eighteenth resolution of this Meeting and that (iii) this ceiling is fixed and does not take account of any Company shares to be issued as a result of 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.

The nominal amount of marketable securities representative of debt securities that may be issued under this authorisation may not exceed €500,000,000 or its foreign currency equivalent on the date on which the decision to issue was taken, and shall be deducted from the ceiling for marketable securities representative of debt securities provided for in the eighteenth resolution of this Shareholders' Meeting, not including any adjustments that may be required by law.

The Board of Directors may, in particular, set the issue price, the fixed or variable interest rate and the payment date of debt securities, as well as the price and terms of repayment of the principal of such debt securities, which may be with or without premium, subordinated or non-subordinated, fixed-term or undated, issued in euro or in foreign currencies, or in any monetary unit pegged to several currencies, as well as their terms of amortization according to market conditions.

Consequently the Shareholders' Meeting resolves to cancel the shareholders' preferential subscription right to the shares and marketable securities to be issued under the above authorisation, up to the amount defined above.

In addition, this decision entails the express waiver by the shareholders, for the benefit of the holders of the marketable securities issued on the basis of this authorisation, of their preferential subscription right to Company shares or marketable securities giving access to the share capital to which these securities confer entitlement.

The Board of Directors may decide to grant shareholders a priority subscription period for all, or part, of the issue, the duration and terms of which shall be set in accordance with legal and regulatory requirements. This priority subscription period may not give rise to the creation of tradable rights.

The Board of Directors, with the option to sub-delegate in accordance with legal requirements, shall have all powers to apply this authorisation – and, where necessary, to suspend it, and to set, in line with market opportunities, subscription prices, the terms and conditions of issues and the amounts to be issued, to determine issue procedures and the form of the marketable securities to be created, to determine how the shares or marketable securities giving access to share capital are to be paid for, to set the date from which the shares to be issued rank for dividend, even if this is retroactive, and the terms of their repurchase, to decide and make any adjustments required by legislation or regulations and, if necessary, by contractual provisions, to take all measures to reserve the rights of owners of marketable securities giving access to share capital, to have the option to suspend the exercise of the rights attaching to such marketable securities for a fixed period of time in accordance with legal and regulatory requirements and, generally speaking, to take any useful measures, to perform the formalities required and to enter into any agreements to bring about the successful completion of the issues envisaged, to ask, where appropriate, for the shares to be listed, to record the completion thereof and to make any amendments to the articles of Association required by the use of this authorisation, in accordance with current legislation and regulations, given that the amount received, or due to be received by the Company for each of the shares issued under this authorisation shall be no less than the minimum value set by current legislation and regulations when the authorisation is used, if necessary, after correction of this amount for the difference in the date from which the shares rank for dividend.

The Shareholders' Meeting takes note that, where necessary, the Board of Directors may decide to use treasury shares to replace the shares to be issued under this resolution.

If subscriptions have not absorbed the entire issue of marketable securities, the Board of Directors may restrict the issue to the number of subscriptions received, provided that this amounts to at least three quarters of the authorised issue.

The Shareholders' Meeting authorises the Board of Directors, pursuant to Article L. 225-148 of the French Commercial Code, to use this delegation of power to issue shares or marketable securities giving access to share capital, in consideration for securities contributed to any public takeover offer launched by the Company on the shares of any company whose shares are admitted for trading on one of the regulated markets referred to in said Article L. 225-148 of the French Commercial Code, including any securities issued by Rémy Cointreau, and resolves, if necessary, to cancel shareholders' preferential right to these shares and marketable securities for the benefit of the holders of these shares and marketable securities. This authorisation may also be used to issue shares and marketable securities giving access to the share capital, in consideration for the securities contributed to any transaction having the same effect as a public takeover offer launched by the Company on the shares of any company whose shares are admitted for trading on a foreign regulated market.

The ceiling for the nominal amount of the capital increase resulting from issues carried out or for the securities representing the portion of the share capital allocated in consideration for a public takeover offer, in accordance with Article L. 225-148 of the French Commercial Code, is set at €20,000,000, it being specified that this ceiling shall be deducted from the overall maximum ceiling set by this resolution and that said ceiling has been set without taking into consideration any Company shares to be issued due to adjustments that may be made as a result of legal requirements or, where appropriate, contractual provisions.

The Shareholders' Meeting grants the Board of Directors, with the option to delegate in accordance with legal requirements as well as with the terms set by the Board of Directors' report, all the powers needed to carry out the public takeover offers referred to above and to issue shares and/or marketable securities, in consideration for the securities contributed, under the terms of this resolution, it being understood that the Board of Directors shall be obliged to set the exchange ratios, as well as, where appropriate, the cash balance to be paid, without the price calculation methods set by this resolution being applied.

The Shareholders' Meeting also authorises the issue, by companies in which Rémy Cointreau holds directly or indirectly more than 50% of the share capital, subject to the approval of the Board of Directors of Rémy Cointreau, of marketable securities giving entitlement to the allocation, by any means, immediately or in the future, of Rémy Cointreau shares to be issued and authorises the Board of Directors to use this authorisation to issue shares and marketable securities giving access to Rémy Cointreau share capital to which these marketable securities that may be issued by companies in which Rémy Cointreau holds directly or indirectly more than 50% of the share capital, would confer entitlement, subject to the approval of the Board of Directors of Rémy Cointreau.

The Shareholders' Meeting also authorises the issue, by any company holding directly or indirectly more than 50% of the Rémy Cointreau share capital, of marketable securities giving entitlement to the allocation, by any means, immediately or in the future, of Rémy Cointreau shares to be issued and authorises the Board of Directors to use this authorisation to issue shares and marketable securities giving access to the Rémy Cointreau share capital to which these marketable securities that may be issued by any company holding directly or indirectly more than 50% of the Rémy Cointreau share capital, would confer entitlement.

Consequently, the Shareholders' Meeting resolves to cancel Rémy Cointreau shareholders' preferential right to the shares and marketable securities to be issued under this authorisation and notes that this decision entails the express waiver by Rémy Cointreau shareholders, for the benefit of the holders of the marketable securities issued on the basis of this authorisation and giving access to Rémy Cointreau share capital, of their preferential subscription right to Rémy Cointreau shares or marketable securities giving access to the Rémy Cointreau share capital to which these securities confer entitlement.

The ceiling for the nominal amount of the capital increase resulting from issues carried out or for the securities representing the portion of the share capital allocated as a consequence of the issue of marketable securities by companies in which Rémy Cointreau holds directly or indirectly more than 50% of the share capital or by any company holding directly or indirectly more than 50% of Rémy Cointreau share capital, is set at €20,000,000, it being specified that this ceiling shall be deducted from the overall maximum ceiling set by this resolution and that said ceiling has been set without taking into consideration any Company shares to be issued due to adjustments that may be made as a result of legal requirements or, where appropriate, contractual provisions.

The Board of Directors shall set, with the option to sub-delegate in accordance with legal requirements as well as with the terms set by the Board of Directors' report, in agreement with the Board of Directors or the Chairman of the company, or companies, wishing to make the issue, the amounts to be issued, the form of the marketable securities to be issued and all the issue procedures and, generally speaking, sign all agreements, take all measures and effect all formalities required for the completion of the issues envisaged, given that the Board of Directors shall be obliged to set the exchange ratios, as well as, where appropriate, the cash payment to be made.

Where appropriate, the Meeting takes note that this delegation of authority does not have the same purpose as the twentieth resolution of this Shareholders' Meeting, which is limited to increasing the share capital by issuing, without preferential subscription rights, shares in the Company and/or marketable securities giving access to Company share capital and/or marketable securities giving entitlement to the allocation of debt securities as part of the offering referred to in Article L. 411-2, II of the French Monetary and Financial Code. Consequently, it takes note that the adoption of the twentieth resolution would not affect the validity and duration of this delegation of authority.

TWENTIETH RESOLUTION

(Delegation of authority to the Board of Directors to resolve to increase the share capital by issuing, without preferential subscription rights, shares in the Company and/or marketable securities giving access to Company share capital and/or marketable securities giving entitlement to the allocation of debt securities by means of the offering referred to in Article L. 411-2, II 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 Statutory Auditors' special report, 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 the French Commercial Code;

terminates, with immediate effect, the unused portion of the delegation of authority with the same purpose, given by the Combined Shareholders' Meeting held on 24 July 2014 in its twenty-third resolution;

authorises the Board of Directors, for a period of 26 months from this Shareholders' Meeting, with the option to sub-delegate such authorisation in accordance with legal and regulatory requirements, to resolve to increase the share capital, in one or more instalments, in the amount and at the time or times of its choice, in France and/or abroad and/or on the international market, in euro, in foreign currency or in any monetary unit pegged to several currencies, by issuing, as part of the offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code, shares in the Company as well as any of the marketable securities governed by 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 share capital or granting entitlement to the allocation of debt securities.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

Subscriptions may be in cash or by offsetting against certain, liquid and payable debts.

The nominal amount of immediate, or future, capital increases that may be carried out under this resolution may not exceed the ceiling provided for by law, given that (i) this amount shall be deducted from the overall nominal ceiling provided for in the nineteenth resolution of this Shareholders' Meeting, and that (ii) this ceiling is fixed and does not take account of any Company shares to be issued as a result of 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, and that (iii) the nominal amount of any capital increase conducted as part of the offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code may not, under any circumstances, exceed 20% of the share capital per annum.

The nominal amount of marketable securities representative of debt securities that may be issued under this authorisation may not exceed €500,000,000 or its foreign currency equivalent on the date on which the decision to issue was taken, and shall be deducted from the ceiling for marketable securities representative of debt securities provided for in the nineteenth resolution of this Shareholders' Meeting, not including any adjustments that may be required by law.

The Board of Directors may, in particular, set the issue price, the fixed or variable interest rate and the payment date of debt securities, as well as the price and terms of repayment of the principal of such debt securities, which may be with or without premium, subordinated or non-subordinated, fixed-term or undated, issued in euro or in foreign currencies, or in any monetary unit pegged to several currencies, as well as their terms of amortization according to market conditions.

Consequently the Shareholders' Meeting resolves to cancel the shareholders' preferential subscription right to the shares and marketable securities to be issued under the above authorisation, up to the amount defined above.

In addition, this decision entails the express waiver by the shareholders, for the benefit of the holders of the marketable securities issued on the basis of this authorisation, of their preferential subscription right to Company shares or marketable securities giving access to the share capital to which these securities confer entitlement.

The Board of Directors, with the option to sub-delegate in accordance with legal requirements, shall have all powers to apply this authorisation – and, where necessary, to suspend it, and to set, in line with market opportunities, subscription prices, the terms and conditions of issues and the amounts to be issued, to determine issue procedures and the form of the marketable securities to be created, to determine how the shares or marketable securities giving access to share capital are to be paid for, to set the date from which the shares to be issued rank for dividend, even if this is retroactive, and the terms of their repurchase, to decide and make any adjustments required by legislation or regulations and, if necessary, by contractual provisions, to take all measures to reserve the rights of owners of marketable securities giving access to share capital, to have the option to suspend the exercise of the rights attaching to such marketable securities for a fixed period of time in accordance with legal and regulatory requirements and, generally speaking, to take any useful measures, to perform the formalities required and to enter into any agreements to bring about the successful completion of the issues envisaged, to ask, where appropriate, for the shares to be listed, to record the completion thereof and to make any amendments to the articles of Association required by the use of this authorisation, in accordance with current legislation and regulations, given that the amount received, or due to be received by the Company for each of the shares issued under this authorisation shall be no less than the minimum value set by current legislation and regulations when the authorisation is used, if necessary, after correction of this amount for the difference in the date from which the shares rank for dividend.

The Shareholders' Meeting takes note that, where necessary, the Board of Directors may decide to use treasury shares to replace the shares to be issued under this resolution.

If subscriptions have not absorbed the entire issue of marketable securities, the Board of Directors may restrict the issue to the number of subscriptions received, provided that this amounts to at least three quarters of the authorised issue.

The Shareholders' Meeting also authorises the issue, by companies in which Rémy Cointreau holds directly or indirectly more than 50% of the share capital, subject to the approval of the Board of Directors of Rémy Cointreau, of marketable securities giving entitlement to the allocation, by any means, immediately or in the future, of Rémy Cointreau shares to be issued and authorises the Board of Directors to use this authorisation to issue shares and marketable securities giving access to Rémy Cointreau share capital to which these marketable securities that may be issued by companies in which Rémy Cointreau holds directly or indirectly more than 50% of the share capital, would confer entitlement, subject to the approval of the Board of Directors of Rémy Cointreau.

The Shareholders' Meeting also authorises the issue, by any company holding directly or indirectly more than 50% of the Rémy Cointreau share capital, of marketable securities giving entitlement to the allocation, by any means, immediately or in the future, of Rémy Cointreau shares to be issued and authorises the Board of Directors to use this authorisation to issue shares and marketable securities giving access to the Rémy Cointreau share capital to which these marketable securities that may be issued by any company holding directly or indirectly more than 50% of the Rémy Cointreau share capital, would confer entitlement.

Consequently, the Shareholders' Meeting resolves to cancel Rémy Cointreau shareholders' preferential right to the shares and marketable securities to be issued under this authorisation and notes that this decision entails the express waiver by Rémy Cointreau shareholders, for the benefit of the holders of the marketable securities issued on the basis of this authorisation and giving access to Rémy Cointreau share capital, of their preferential subscription right to Rémy Cointreau shares or marketable securities giving access to the Rémy Cointreau share capital to which these securities confer entitlement.

The ceiling for the nominal amount of the capital increase resulting from issues carried out or for the securities representing the portion of the share capital allocated as a consequence of the issue of marketable securities by companies in which Rémy Cointreau holds directly or indirectly more than 50% of the share capital or by any company holding directly or indirectly more than 50% of Rémy Cointreau share capital, is set at €20,000,000, it being specified that this ceiling shall be deducted from the overall maximum ceiling set by the nineteenth resolution of this Meeting and that said ceiling has been set without taking into consideration any Company shares to be issued due to adjustments that may be made as a result of legal requirements or, where appropriate, contractual provisions.

The Board of Directors shall set, with the option to sub-delegate in accordance with legal requirements as well as with the terms set by the Board of Directors' report, in agreement with the Board of Directors or the Chairman of the company, or companies, wishing to make the issue, the amounts to be issued, the form of the marketable securities to be issued and all the issue procedures and, generally speaking, sign all agreements, take all measures and effect all formalities required for the completion of the issues envisaged, given that the Board of Directors shall be obliged to set the exchange ratios, as well as, where appropriate, the cash payment to be made.

The Shareholders' Meeting takes note that this authorisation, being limited to increasing the share capital by issuing, without preferential subscription rights and by means of an offering referred to in section II of Article 411-2 of the French Monetary and Financial Code, shares and/or marketable securities giving access to Company share capital and/or marketable securities giving entitlement to the allocation of debt securities, does not have the same purpose as the previous resolution.

TWENTY-FIRST RESOLUTION

(Authorisation given to the Board of Directors to set the issue price of securities to be issued under the nineteenth and twentieth resolutions, without shareholders' preferential subscription rights, of up to 10% of share capital per annum)

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 the Board of Directors, for a period of 26 months from today, under the nineteenth and twentieth resolutions of this Meeting and within a limit of 10% of the share capital per annum and within the limit set, as the case may be, by the nineteenth and twentieth resolutions of this Shareholders' Meeting, in application of which the issue was decided and which made the Board of Directors responsible, with the option to sub-delegate in accordance with legal and regulatory requirements, for setting a different issue price for any shares and marketable securities giving access to the share capital from that selected for the issues authorised pursuant to the nineteenth and twentieth resolutions of this Shareholders' Meeting, 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. In this event, the Board of Directors shall compile an additional report, certified by the Statutory Auditors, describing the final terms and conditions of the transaction and providing the criteria used to assess the actual impact on existing shareholders.

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 granted by the Combined Shareholders' Meeting of 24 July 2014 under its twenty-fourth resolution.

TWENTY-SECOND RESOLUTION

(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 Shareholders' Meeting, ruling 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 option to sub-delegate in accordance with legal and regulatory requirements, to increase the number of securities to be issued for each of the issues, with or without preferential subscription rights, decided on by virtue of the eighteenth, nineteenth, twentieth and twenty-first resolutions of this Shareholders' Meeting, within 30 days of the subscription closing date and by no more than 15% of each issue and at the same price as that used for the original issue, subject to compliance with the ceiling provided for in the resolution in application of which the issue was decided.

The authorisation granted to the Board of Directors under this resolution is valid for a period of 26 months from today.

This resolution renders ineffective the unused portion of the authorisation granted by the Combined Shareholders' Meeting of 24 July 2014 under its twenty-fifth resolution.

TWENTY-THIRD RESOLUTION

(Authorisation given to the Board of Directors to grant bonus shares, whether existing or to be issued, to employees and to certain corporate 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, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

authorises the Board of Directors, 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;

resolves that 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;

resolves that 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;

resolves that the total number of bonus shares awarded to Executive Directors under this authorisation may not represent more than 0.2% of the limit of 2% of the number of shares in the share capital set in the previous paragraph;

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 shares by the beneficiaries is set at one year. In the event of the death or disability of the beneficiary, and in accordance with legal requirements, the allocation of shares may become final before the end of the vesting period;

the Board of Directors may, in accordance with legal requirements, place restrictions on the sale of bonus share allocations by Executive Directors 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;

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 in the case of Executive Directors of the Company, the bonus share grants will be subject to compliance with performance conditions determined by the Board of Directors;

authorises the Board of Directors to 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;

takes note that the bonus shares allocated may consist of existing or new shares;

takes note that, with regard to shares to be issued, (i) this authorisation shall entail, at the end of the vesting period, a capital increase and corresponding waiver by shareholders, for the benefit of beneficiaries of the allocation, of the portion of the reserves, profits and share premiums which, where appropriate, will be incorporated into the share capital, (ii) this authorisation shall automatically entail, for the benefit of the beneficiaries of said shares, the waiver by shareholders of their preferential subscription rights;

resolves that, with regard to shares to be issued, any share capital increases that may be decided on under this resolution may not exceed a maximum amount of €1,600,000, given that the number of shares awarded due to adjustments intended to preserve the rights of beneficiaries of share allocations in the event of a transaction involving the Company's share capital or equity shall be deducted from this ceiling and that this ceiling shall be deducted from the capital increase ceiling provided for by the nineteenth resolution of this Shareholders' 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 authorisation);

grants all powers to the Board of Directors, which may delegate same under legal and regulatory conditions, to apply this authorisation and, specifically, to determine the identity of the beneficiaries, set the share allocation dates and procedures, in particular, the period at the end of which such allocations will become final as well as, where appropriate, the retention period required for each beneficiary, to determine performance-related conditions, to determine share allocation criteria as well as the performance conditions applicable to allocations to the Company's Executive Directors; to determine whether bonus shares allocated are existing shares or shares still to be issued and, where necessary, to make adjustments to the number of shares allocated as a result of any capital increases (it being specified that the shares allocated in application of these adjustments shall be deemed to have been allocated on the same day as the initial share allocation) in order to preserve the rights of beneficiaries, in the event of the allocation of shares still to be issued, to set the amount and type of reserves, profits and premiums to be incorporated into the share capital, to set the dates from which new shares rank for dividends, to record the dates on which allocations become final and the dates from which the shares may be sold without restriction, to effect all acts, formalities and declarations, to record, where appropriate, capital increases and, consequently, to amend the articles of Association and, generally speaking, to do all that will be necessary.

This authorisation, which supersedes the authorisation granted under the terms of the twenty-sixth resolution of the Combined Shareholders' Meeting of 24 July 2014, depriving it of effect for the portion unused to date, shall be valid for a period of 38 months from this meeting.

TWENTY-FOURTH RESOLUTION

(Authorisation for the Board of Directors to increase the share capital *via* the issue of shares reserved for members of an employee savings scheme)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings,

having reviewed the Board of Directors' report and the Statutory Auditors' special report,

authorises the Board of Directors, which may delegate such authorisation under legal and regulatory conditions, 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 as well as, in addition, Articles L. 3332-1 and L. 3332-18 *et seq.* of the French Labour Code, to increase the share capital, in one or more instalments, 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, 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 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;

sets the validity period of this authorisation at 26 months from today;

resolves that the maximum nominal amount of the overall capital increase that can be made by issuing shares shall be €1,500,000. It has stipulated that this maximum amount is included in the maximum capital increase allowed under the nineteenth resolution of this Shareholders' Meeting (or where applicable, the maximum amount envisaged 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.

TWENTY-FIFTH RESOLUTION

(Authorisation for the Board of Directors to charge the expenses generated by the capital increases performed to the premiums relating to these transactions)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Extraordinary Shareholders' Meetings,

authorises the Board of Directors to charge the expenses, duties and fees resulting from the capital increases performed pursuant to the authorisations granted by the above resolutions, as well as by the resolutions of previous Shareholders' Meetings that are still valid, to the amount of the premiums relating to such transactions, and to deduct the amounts required to bring the legal reserve up to one-tenth of the new capital from those premiums, after each capital increase.

TWENTY-SIXTH RESOLUTION

(Powers to accomplish formalities)

The Extraordinary 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

8.3.1 Statutory auditors' report on regulated agreements and commitments

This is a free translation into English of a report issued in French. It is provided solely for the convenience of English speaking readers. This report was construed in accordance with French law and professional standards applicable in France and should be read in conjunction with them.

Year ended 31 March 2016

To the Shareholders,

In our capacity as 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 of Shareholders.

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

We inform you that we were not advised of any agreements or commitments, authorized during the most recent financial year, to be submitted to the approval of the general meeting of shareholders in accordance with the provisions of Article L. 225-38 of the French Commercial Code *(Code de commerce)*.

2. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

2.1. Agreements and commitments approved in prior years 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

Person concerned: Mr. François Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau and Chairman of the Management Board of Andromède; Mr. Marc Hériard Dubreuil, Member of the Board of Directors of Rémy Cointreau and member of the Management Board of Andromède; Mrs. Dominique Hériard Dubreuil, Member of the Board of Directors of Rémy Cointreau and Chairman of the Supervisory Board of Andromède.

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 subject to an amendment authorized by the Board of Directors of 24 March 2015.

The agreement provides for compensation calculated on the basis of the service cost plus a 5% mark-up. During the year ended 31 March 2016, the amount charged by Andromède to your company under this agreement is €2,681,239 euros excluding taxes.

2.1.2. Cash management agreement with Orpar

Person concerned: Mr. François Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau SA and Chairman and Chief Executive Officer of Orpar; Mr. Marc Hériard Dubreuil, Member of the Board of Directors of Rémy Cointreau SA and Vice-president and Board member of Orpar; Mrs. Dominique Hériard Dubreuil, Member of the Board of Directors of Rémy Cointreau SA and Orpar.

Your Company and Orpar signed a cash management agreement on 14 December 2004, modified by an amendment dated 4 July 2007 which was authorized by the Board of Directors of 5 June 2007.

This agreement provides the payment of interests on the advances granted by Orpar to your company determined on the basis of the Euribor plus a fixed margin depending on the syndicated loan conditions applicable to your company.

As at 31 March 2016, the advances granted by Orpar to your company in accordance with this agreement amounted to €30,504. The interest expense charged to your company during the financial year 2015/2016, calculated on the daily outstanding advances amounts to €1,762.

2.1.3. Current-account agreement with Orpar

Person concerned: Mr. François Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau SA and Chairman and Chief Executive Officer of Orpar; Mr. Marc Hériard Dubreuil, Member of the Board of Directors of Rémy Cointreau SA and Vice-president and Board member of Orpar; Mrs. Dominique Hériard Dubreuil, Member of the Board of Directors of Rémy Cointreau SA and Orpar.

On 31 March 2015, your company signed a current-account agreement with Orpar authorized by the Board of Directors of 24 March 2015.

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 2016, the interest expense charged to your company under this agreement amounts to €737,671.

2.2. 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.

2.2.1. Defined benefit pension obligations of Mr. Marc Hériard Dubreuil

Mr. Marc Hériard Dubreuil, member of the Board of Directors, has a pension plan with defined benefits 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.

2.2.2. Defined benefit pension obligations of Mrs. Valérie Chapoulaud-Floquet

Mrs. Valérie Chapoulaud-Floquet, Executive Director, has a pension plan with defined benefits authorized by the Board of Directors of 27 January 2015.

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.

2.2.3. Severance and non-compete clause indemnities of Mrs. Valérie Chapoulaud-Floquet

The Board of Directors of 25 September 2014 authorized the establishment of indemnities that may be due to Mrs. Chapoulaud-Floquet, Executive Director, 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.
- a 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.

Paris and Paris-La Défense, 8 June 2016

The Statutory auditors,

Auditeurs et Conseils Associés	ERNST & YOUNG et Autres
Represented by	Represented by
François Mahé	Pierre

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8.3.2 Combined shareholders' meeting of 26 July 2016 17th, 18th, 19th, 20th, 21st, 22nd, 23rd and 24th resolutions

This is a free translation into English of a report issued in French. It is provided solely for the convenience of English speaking readers. This report was construed in accordance with French law and professional auditing standards applicable in France and should be read in conjunction with them.

To the Shareholders,

In our capacity as statutory auditors of the company Rémy Cointreau, we hereby present our report on the following operations, on which you are called to vote.

1. Share capital reduction (17th resolution)

As required under the provisions of Articles L. 225-209 of the French Commercial Code *(Code de Commerce)* in the event of a reduction of capital by cancellation of purchased shares, we hereby submit this report on our assessment of the reasons and conditions of the proposed capital reduction.

Your Board of Directors requests you to delegate to it, until the general shareholders' meeting called upon to approve the accounts for the financial year ended 31 March 2017, and no later than within a eighteen months period starting from the general shareholders' meeting of 26 July 2016, full authority so as to cancel the shares purchased under the proposal share repurchase program, as indicated within the 15th resolution, up to a maximum of 10 % of the share capital per twenty-four months period.

We performed procedures that we considered necessary in accordance with professional guidance issued by the French institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this operation. These procedures require that we verify whether the reasons and the conditions of the capital reduction, which is not liable to compromise the equal treatment of shareholders, are appropriate.

We have no matter to report concerning the reasons and the conditions of the proposed capital reduction.

2. Issuing of shares and of various securities with maintaining or waving the preferential subscription rights (18th, 19th, 20th, 21st and 22nd resolutions)

In accordance with Articles L.228-92, L.228-93, L.225-135 and the following of the Commercial Code *(Code de Commerce)*, we hereby submit our report on the proposed authorization to the Board of Directors in order to issue shares and/or securities, operations upon which you are called to vote.

Your Board of Directors proposes that, on the basis of its report:

- To delegate to it the authorization, for a period of 26 months from the general shareholders' meeting of 26 July 2016, to decide on the following operations and fix the final terms for these issues. It also suggests to you, if appropriate, to waive your preferential subscription rights:
  - Issue with preferential subscription rights (18th resolution) of shares and any securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the Commercial Code *(Code de Commerce)* convertible into shares of the company or giving right to the allocation of debt securities,
  - Issuance, without preferential subscription rights by way of public offer (19th resolution), of shares and any securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the Commercial Code *(Code de Commerce)* convertible into shares of the company or giving right to the allocation of debt securities, provided that these securities may be issued to remunerate securities contributed to the company under a public exchange offer for securities meeting the conditions set by Article L. 225-148 of the Commercial Code *(Code de Commerce)*,
  - Issuance, without preferential subscription rights by way of offers referred to in II of Article L. 411-2 of the French Monetary and Financial Code *(Code Monétaire et Financier)* and within the limit of 20% of share capital per year (20th resolution) of shares and any securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or L. 228-93 paragraph 3 of the Commercial Code *(Code de Commerce)*, giving access to the company's capital or giving entitlement to the award debt securities,
  - Issuance by any company of which Rémy Cointreau holds, directly or indirectly, more than half of the share capital, securities giving right to the allocation by any means, immediately or on term, of shares to be issued by Rémy Cointreau (19th and 20th resolutions),
  - Issuing by any company which directly or indirectly possess more than half of the share capital of Rémy Cointreau, securities giving the right to the award by any means, immediately or, to shares to be issued by Rémy Cointreau (19th and 20th resolutions).
- to authorize it, by the 21st resolution and as part of the implementation of the delegation under the 19th and 20th resolutions, to set the issue price in the annual legal limit of 10 % of share capital.

The total nominal amount of capital increases that may be realized immediately or on term may not exceed €20,000,000 under the 18th, 19th, 20th, 23rd, and 24th resolutions and in 21st and 22nd resolutions of the general meeting of 29 July 2015. The overall nominal amount of debt securities that may be issued shall not exceed €500,000,000, it being specified that this limit is common to all debt securities whose issuance is delegated to the Board of Directors as part of this meeting.

These limits reflect the additional number of securities to be issued as part of the implementation of the delegations referred to the 18th, 19th and 20th resolutions, in accordance with Article L. 225-135-1 of the Commercial Code *(Code de Commerce)*, if you adopt the 22nd resolution.

It is your Board of Directors' role to prepare a report in accordance with the provision of Articles R. 225-113 and the following of the French Commercial Code *(Code de Commerce)*. Our role is to report to on the fairness of the financial information extracted from the financial statements, on the proposal to waive your preferential subscription rights and on certain other information related to the issue, provided in this report.

We performed the procedures that we considered necessary in accordance with professional guidance issued by the French institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this operation. These procedures require that we verify the content of the Board of Directors' report on this transaction and the methods used to determine the issue price of the equity securities to be issued.

Subject to the subsequent review of the terms and conditions of any share capital increase as may be decided upon, we have no matters to report regarding the method used to determine the issue price of the equity securities, set out in the Board of Directors' report under the 19th, 20th and 21st resolutions.

As the Board of Directors' report does not specify the methods used to determine the issue price of the securities to be issued under the 18th resolution, we do not express an opinion regarding the calculation of the issue price.

As the issue price of the equity securities has not yet been set, we do not express an opinion on the final conditions of the capital increase and, as a result, on the proposal made to you in the 19th and 20th resolutions to waive your preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code *(Code de Commerce)*, we shall prepare an additional report, if need be, when the authorization is used by your board of Directors in case of issuance of securities that are equity securities giving access to other shares or entitling the allocation of debt securities, in case of issue of securities giving access to capital securities to be issued and in the event of issuance of shares without preferential subscription rights.

3. Report on the allocation of bonus shares, already issued or to be issued (23rd resolution)

In compliance with articles L 225-197-1 of the French Commercial Code *(Code de Commerce)* we hereby report on the allocation of bonus shares to employees of the Company or of related companies as defined in article L 225-197-2 of the French Commercial Code *(Code de Commerce)* or certain categories of them as well as to as directors as defined by law, operation upon which you are called to vote. The total number of securities which may be issued in application of this authorization should not exceed 2% of the company's share capital.

Your Board of Directors proposes, on the basis of its report, that you authorize it to allocate, for a term of 38 months from this general shareholders' meeting, bonus shares, existing or to be created.

It is the responsibility of the Board of Directors to prepare a report on the reasons for the proposed resolution. Our responsibility is to report to you our opinion on the information given about this operation.

We performed the procedures that we considered necessary in accordance with professional guidance issued by the French institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this operation. Those procedures consisted in verifying that the methods exposed in the Board of Directors' report are in accordance with legal requirements.

We have no comment to make on the information given in the Board of Directors' report about the allocation of bonus shares.

4. Increase in capital of the company reserved for members of a company savings plan (24th resolution)

In accordance with the engagement set forth in Articles L. 225-135 and following of the French Commercial Code *(Code de commerce)*, we hereby present our report on the proposal to delegate to the Board of Directors the authority to perform a share capital increase, by issuing shares with waiver of the preferential subscription rights, reserved for members of a company savings plan or company that are affiliated with it within the meaning of Article L.225-180 of the French Commercial Code, operation upon which you are called to vote.

The maximum nominal amount of capital increase is set at €1,500,000. It is being specified that this maximum amount set off the maximum amount of capital increase decided in the 19th resolution of this general shareholder's meeting (or, on the maximum amount set in a same kind of resolution that shall replace this resolution during the term of this authorization).

This share capital increase is submitted to your approval pursuant to Articles L. 225-129-6 of the French Commercial Code *(Code de commerce)* and Article L. 3332-18 and following of the French Labor Code *(code du travail)*.

On the basis of its report, the Board of Directors asks you to delegate, for a period of 26 months, the authority to decide a share capital increase and to waive your preferential subscription rights to the shares to be issued. Where appropriate, the Board of Directors shall set the terms and conditions of the share capital increases.

It is the Board of Directors' role to prepare a report in accordance with the provisions of Articles R. 225-113 and R. 225-114 of the French Commercial Code *(Code de commerce)*. Our role is to report to you on the fairness of the financial information extracted from the accounts, on the proposal to waive your preferential subscription rights and on certain other information concerning the issue provided in this report.

We performed the procedures that we considered necessary in accordance with the professional guidance issued by the French institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this assignment. These procedures involved verifying the content of the Board of Directors' report in respect of this transaction and the condition for determining the share issue price.

Subject to a subsequent review of the terms and conditions of any share capital increase as may be decided upon, we have no matters to report regarding the terms and conditions for determining the issue price of the shares to be issued as set forth in the Board of Directors' report.

As the final terms of the share capital increase has not yet been set, we do not express an opinion on them and, as a result, on the proposal made to you to waive your preferential subscription rights.

Pursuant to the Article R.225-116 of the French Commercial Code *(Code de commerce)*, we shall prepare an additional report at such time as your Board of Directors makes use of this authorization.

Paris and Paris-La Défense, 8 June 2016

The Statutory auditors,

Auditeurs et Conseils Associés	**ERNST & YOUNG et Autres**
Represented by	Represented by
François Mahé	Pierre Bidart

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ADDITIONAL INFORMATION

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 2014/2015 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 95 to 146 of the registration document filed with the AMF on 29 June 2015 under number D. 15-0678;
- the consolidated financial statements for the 2013/2014 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 85 to 132 of the registration document filed with the AMF on 27 June 2014 under number D. 14-0708;
- Rémy Cointreau SA's financial statements for the 2014/2015 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' general and special reports, can be found on pages 147 to 162 respectively of the registration document filed with the AMF on 29 June 2015 under number D. 15-0678;
- Rémy Cointreau SA's financial statements for the 2013/2014 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' general and special reports, can be found on pages 133 to 148 respectively of the registration document filed with the AMF on 27 June 2014 under number D. 14-0708.

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, in accordance with the concordance 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 147 and 164 for the 2015/2016 financial year and incorporated by reference in this document for the 2014/2015 and 2013/2014 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 2016 amounted to 1,396 thousands. They break down as follows:

	Ernst & Young et Autres				**Auditeurs & Conseils Associés SA**			
	Amount		**%**		**Amount**		**%**	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
Audit								
Auditing of the parent company (separate) and consolidated financial statements	1,082	1,024	96%	96%	266	249	100%	100%
▪ *Rémy Cointreau SA*	*186*	*180*			*130*	*122*		
▪ *Fully consolidated subsidiaries*	*896*	*844*			*136*	*127*		
Ancillary assignments	20	19	2%	2%	-	-	0%	0%
▪ *Rémy Cointreau SA*	-	-			-	-		
▪ *Fully consolidated subsidiaries*	*20*	*19*			-	-		
Sub-total	**1,102**	**1,043**	**98%**	**98%**	**266**	**249**	**100%**	**100%**
Other services								
Other services	28	25	2%	2%	-	-	0%	0%
Sub-total	**28**	**25**	**2%**	**2%**	**-**	**-**	**0%**	**0%**
TOTAL	**1,130**	**1,068**	**100%**	**100%**	**266**	**249**	**100%**	**100%**

9.5 Concordance tables

9.5.1 Concordance table with the headings of Annex 1 of EU regulation 809/2004

		Page number	Chapter number
1.	**Persons responsible**	**212**	**9.3**
2.	**Statutory Auditors**	**213**	**9.4**
3.	**Selected financial information**		
3.1	Historical financial information	4	1.1
3.2	Interim financial information	na	na
4.	**Risk factors**	**12-17**	**1.6**
5.	**Information about the issuer**		
5.1	History and development of the issuer	5	1.2
5.2	Investments	9	1.4.3
6.	**Business overview**		
6.1	Principal activities	7-10	1.4
6.2	Principal markets	7-10	1.4
6.3	Exceptional events	na	na
6.4	Any dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	12-16	1.6
6.5	Competitive positioning	7-9	1.4.1
7.	**Organisational structure**		
7.1	Summary description	6	1.3
7.2	List of significant subsidiaries	145-146	5.6 note 27
8.	**Property, plant and equipment**		
8.1	Material items of property, plant and equipment	9	1.4.2
8.2	Environmental issues	16	1.6.4
9.	**Operating and financial review**		
9.1	Financial position	93, 96	4.2, 4.3.2
9.2	Operating results	88, 96	4.1, 4.3.1
10.	**Capital resources**		
10.1	Capital resources of the issuer	103, 117	5.4, 5.6 note 10
10.2	Source and amounts of the issuer’s cash flows	95	4.2.3
10.3	Borrowing requirements and funding structure	120, 128	5.6 note 11 and note 14.6
10.4	Restrictions on the use of capital resources	na	na
10.5	Anticipated sources of funds	na	na
11.	**Research and development, patents and licences**	**10**	**1.4.3**
12.	**Trend information**	**97**	**4.4**
13.	**Profit forecasts or estimates**	**na**	**na**

		Page number	Chapter number
14.	**Administrative bodies and senior management**		
14.1	Administrative and management bodies	56-64	3.1
14.2	Conflicts of interests	63	3.1.3
15.	**Remuneration and benefits**		
15.1	Remuneration and benefits in kind	79-85	3.4
15.2	Pension provisions	79, 139-141	3.4.1, 5.6 note 23
16.	**Board practices**		
16.1	Date of expiration of current terms of office	56-62	3.1.1
16.2	Service contracts binding members of management bodies	64	3.1.3
16.3	Information on the Audit Committee and the Remuneration Committee	70-71	3.2.2
16.4	Corporate governance	65	3.2.1
17.	**Employees**		
17.1	Number of employees	23	2.2.2
17.2	Shareholdings and stock options	80, 118	3.4.2, 5.6 note 10.3
17.3	Arrangements involving the employees in the capital of the issuer	168	7.3.3
18.	**Major shareholders**		
18.1	Shareholders owning more than 5% of the share capital and voting rights	176-177	7.4.1
18.2	Existence of different voting rights	167, 177	7.2, 7.4.1
18.3	Control of the issuer	176, 180	7.4.1, 7.4.3
18.4	Arrangements known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	178-180	7.4.1
19.	**Related-party transactions**	**10, 206-207**	**1.5, 8.3.1**
20.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
20.1	Historical financial information	99-144	5
20.2	Pro-forma financial information	na	na
20.3	Rémy Cointreau SA annual financial statements	149-163	6
20.4	Auditing of historical annual financial information	212	9.2
20.5	Age of latest financial information	212	9.1
20.6	Interim and other financial information	na	na
20.7	Dividend policy	153	6.4
20.8	Legal and arbitration proceedings	92	4.1.7
20.9	Significant change in the issuer's financial or trading position	na	na
21.	**Additional information**		

		Page number	Chapter number
21.1	**Share capital**		
21.1.1	Issued capital and information for each class of share capital	168	7.3.2
21.1.2	Shares not representing capital	171	7.3.3
21.1.3	Shares held by the issuer or its subsidiaries	173-176	7.3.4
21.1.4	Convertible securities, exchangeable securities, or securities with warrants	na	na
21.1.5	Acquisition rights, capital subscribed but not paid in, undertakings to increase capital	168-172	7.3.3
21.1.6	Options on the capital, and agreements providing for placing the capital under option	na	na
21.1.7	History of the share capital	172	7.3.3
21.2	**Memorandum and Articles of Association**		
21.2.1	Corporate purpose	166	7.1
21.2.2	Provision with respect to the members of the administrative, management and supervisory bodies	65-71	3.2.2
21.2.3	Rights, preferences and restrictions attaching to each class of the existing shares	167	7.2
21.2.4	Actions required to alter shareholders' rights	168	7.3.1
21.2.5	Conditions governing Shareholders' Meetings	166	7.2
21.2.6	Provisions liable to delay, defer, or prevent a change of control of the issuer	na	na
21.2.7	Provisions governing the ownership threshold above which shareholder ownership must be disclosed	167	7.2
21.2.8	Conditions governing changes in the capital	168	7.3.1
22.	**Material contracts**	**10, 12**	**1.5, 1.6.1**
23.	**Third-party information and statement by experts and declarations of any interest**	**na**	**na**
24.	**Documents on display**	**212**	**9.1**
25.	**Information on holdings**	**145-146**	**5.6 note 27**

9.5.2 Concordance table for use with the annual financial report

		Page number	Chapter number
1.	**Parent company financial statements**	**149-163**	**6**
2.	**Consolidated financial statements**	**99-146**	**5**
3.	**Statutory Auditors' report on the parent company financial statements**	**164**	**6.6**
4.	**Statutory Auditors' report on the consolidated financial statements**	**147-148**	**5.7**
5.	**Management report**		
5.1	Analysis of change in the business, results and financial position	88-97	4
5.2	Principal risks and uncertainties, financial risk management policy	12-17	1.6
5.3	Items liable to have an impact in the event of a public takeover offer	182	7.5
5.4	Treasury share buybacks	173-176	7.3.4
6.	**Statutory Auditors' fees**	**213**	**9.4.2**
7.	**Report of the Chairman of the Board of Directors on governance and internal control**	**65-77**	**3.2**
8.	**Statutory Auditors' report on the report prepared by the Chairman of the Board of Directors on governance and internal control**	**78**	**3.3**
9.	**Statement by the persons assuming responsibility for the annual financial report**	**212**	**9.3**

9.5.3 Concordance table for use with the management report

Reference texts		Comments on the financial year	Page number	Chapter number
French Commercial Code	L. 225-100, L. 225-100-2, L. 232-1, L. 233-6 and L. 233-26	Objective and comprehensive analysis of change in the business, earnings and financial position of the Company and Group	88-97	4
French Commercial Code	L. 225-100 and L. 225-100-2	Key performance indicators of a non-financial nature relating to the specific activity of the Company	na	na
French Commercial Code	L. 233-6	Significant stakes acquired during the year in companies with their registered office in France	na	na
French Commercial Code	L. 232-1 and L. 233-26	Important events occurring between the balance sheet date and the date of the report	97	4.4.1
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the situation of the Company and the Group	97	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%	153	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	12-17	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	14-16, 123-128	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	14-16, 123-128	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)	16 30	1.6.4 2.3.2
French Commercial Code	L. 232-1	Research and development activities	10	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 directors during the year	56-62	3.1.1
French Commercial Code	L. 225-102-1	Total remuneration and benefits of all kinds paid to each corporate officer during the year	79-85	3.4
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	79-85	3.4
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	82	3.4
French Commercial Code	L. 225-185	Conditions for the exercise and conservation of options by executive directors	na	na
French Commercial Code	L. 225-197-1	Conditions for the retention of bonus shares awarded to executive directors	na	na
French Monetary and Financial Code	L. 621-18-2	Transactions by directors and related parties on the Company’s shares	84	3.4.3

Reference texts		Comments on the financial year	Page number	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	64, 65	3.1.4, 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	168-172	7.3.3
French Commercial Code	L. 225-211	Detail of purchases and sales of treasury shares during the year	173-176	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	na	na
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	171	7.3.3
French Commercial Code	L. 225-100-3 and L. 233-13	Structure of and change in the Company's capital	172	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	167, 176-180	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	176-177	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	176	7.4.1
French Commercial Code	L. 225-100-3	List of holders of any securities with special control rights, and description thereof	177	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	na	na
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	178-180	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	182	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	83	3.4.2
French Commercial Code	L. 464-2	Injunctions or penalties for anti-competitive practices	na	na
		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	106	5.6 note 1
French Commercial Code	R. 225-102	Results of the Company over the last five financial years	153	6.4

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