

## FRANCHISE RIGHTS AGREEMENT

Carlsberg Breweries A/S  
J.C. Jacobsens Gade 1  
1799 Copenhagen V  
Denmark

31<sup>st</sup> May 2024

Mesdames and Gentlemen:

This letter agreement (this “**Agreement**”) sets out the understanding which has been reached between:

- (1) **PepsiCo, Inc.**, a company incorporated under the laws of the State of North Carolina, with its registered office at 700 Anderson Hill Road, Purchase, New York, the United States of America, company no. 0198463 (“**PepsiCo**”);
- (2) **Portfolio Concentrate Solutions UC**, an unlimited company incorporated under the laws of Ireland, with its registered office at 70 Sir John Rogerson’s Quay, Dublin 2, Ireland company no. 609414 (“**PCS**”); and
- (3) **Carlsberg Breweries A/S**, a company incorporated under the laws of Denmark, with its registered office at J.C. Jacobsens Gade 1, 1799 Copenhagen V, Denmark (“**Carlsberg**”),

each a “**Party**” and collectively, the “**Parties**”.

### WHEREAS

- (A) PepsiCo has granted to Britvic Soft Drinks Limited, a limited liability company registered in England and Wales, with offices at Breakspear Park, Breakspear Way, Hemel Hempstead, Hemel Hempstead HP2 4TZ (“**Britvic**”), an exclusive bottling appointment commencing on 1 January 2021 to manufacture, sell and distribute in England, Scotland, Wales, the Isle of Man and the Island of Gibraltar (“**GB**”) certain non-alcoholic ready-to-drink beverages sold under the trademarks mentioned therein (the “**GB Pepsi EBA**”);
- (B) PCS has granted to Britvic an exclusive bottling appointment commencing on 1 January 2021 to manufacture, sell and distribute in GB certain non-alcoholic ready-to-drink beverages sold under the trademarks mentioned therein (together with the GB Pepsi EBA, the “**GB EBAs**”);
- (C) PepsiCo has granted to Britvic (Ireland) Limited, a limited company registered in Ireland and a wholly-owned subsidiary of Britvic (“**Britvic Ireland**”), an exclusive bottling appointment commencing on 1 January 2016 to manufacture, sell and distribute in Northern Ireland and the Republic of Ireland (“**Ireland**”) certain non-alcoholic ready-to-drink beverages sold under the trademarks mentioned therein (the “**Ireland Pepsi EBA**”);
- (D) PCS has granted to Britvic Ireland an exclusive bottling appointment commencing on 1 January 2016 to manufacture, sell and distribute in Ireland certain non-alcoholic

ready-to-drink beverages sold under the trademarks mentioned therein (together with the Ireland Pepsi EBA and the GB EBAs, the “**Current Bottling Appointments**”);

- (E) Carlsberg (either directly or indirectly through an affiliate) proposes to acquire all of the issued and to be issued share capital of Britvic plc, the parent company of Britvic, whether by way of a contractual offer or pursuant to a scheme of arrangement of Britvic plc in either case, effected in accordance with the UK’s City Code on Takeovers and Mergers (as the same may be revised or increased ,the “**Acquisition**”); and
- (F) Completion of the Acquisition without the prior consent of PepsiCo and PCS would give rise to a right by PepsiCo and PCS to terminate the Current Bottling Appointments.

**NOW, THEREFORE** the Parties agree as follows:

1. Subject to Completion (as defined below) occurring prior to the Acquisition Deadline, PepsiCo and PCS hereby agree that the change in control of Britvic that would result from Completion (the “**Change of Control**”) and which would, but for this paragraph, trigger certain rights for PepsiCo (or a PepsiCo entity) under the Current Bottling Appointments shall be, and is hereby irrevocably, approved and/or waived (as the case may be) but with effect from immediately prior to Completion, such that PepsiCo and PCS shall not exercise their termination rights in respect thereof. For purposes of this Agreement, Pepsi Lipton International Limited shall not be deemed an affiliate of PepsiCo.

PepsiCo, PCS and Carlsberg each agree that it will negotiate with each other, each acting reasonably and in good faith, and will make suitably experienced representatives available to each other, who are empowered to take decisions and reach agreement, with a view to settling on terms of the New Bottling Appointments and entering into the New Bottling Appointments at or promptly following Completion and in any event by 1 August 2025.

For the purposes of this Agreement “**Completion**” shall mean completion of the Acquisition (meaning that if effected by way of a contractual offer, such offer becoming or being declared unconditional or if effected by way of a scheme of arrangement, such scheme of arrangement becoming effective provided, in either case, that upon such Acquisition Carlsberg shall hold at least 75% (or with the prior written consent of PepsiCo which PepsiCo may withhold in its absolute and unqualified discretion, such lower percentage (being more than 50%) as Carlsberg shall determine) of the share capital of Britvic plc occurring on or prior to 6.00 p.m. in the United Kingdom on 31 December 2024 (“**Acquisition Deadline**”), it being understood and agreed that the Acquisition Deadline shall be automatically extended to 31 July 2025 if and only if Completion is pending the approval of any governmental or regulatory authority (including any competition authority) and consent of the court to the scheme of arrangement.

2. Subject to and upon satisfaction of the condition set forth in paragraph 1:
  - (a) PepsiCo will, and shall procure that its affiliates will, and Carlsberg shall procure that Britvic and Britvic Ireland will, promptly enter into the New Bottling Appointments with effect as of 1<sup>st</sup> January 2025;

- (b) PCS will, and Carlsberg shall procure that Britvic will, promptly enter into a new Concentrate & Marketing Agreement and a new Business Development Agreement, each in the form attached hereto as Schedules 1 and 2, respectively, with effect as of 1<sup>st</sup> January 2025 and in replacement of the current business development agreement between PCS and Britvic; and
- (c) PCS will, and Carlsberg shall procure that Britvic Ireland will, promptly enter into a new Concentrate & Marketing Agreement and a new Business Development Agreement for Ireland, each in the form attached hereto as Schedules 3 and 4, respectively, with effect as of 1<sup>st</sup> January 2025 and in replacement of the current business development agreement between PCS and Britvic,

provided that, if Completion occurs after 31 December 2024 and prior to 31 March 2025, the above-described agreements shall be deemed to have retroactive effect to 1st January 2025 and the parties thereto shall take all steps in good faith to ensure that the economics of such agreements are complied with including the issuance of updated invoices, reconciliation payments and the like; and if Completion occurs on or after 31 March 2025 and prior to 1 August 2025, the effective date of such agreements shall be the first day of the month in which Completion occurs and the parties thereto shall take all steps in good faith to amend such agreements to reflect, to the extent reasonably practicable, the original intent and spirit of such agreements) and provided, further, that if as of 1 August 2025 the relevant parties, despite having negotiated in good faith to reach agreement, have failed to enter into the New Bottling Appointments referred to in sub-clause (a), then Carlsberg shall promptly pay PCS \$100 million.

The Parties agree that with respect to any current agreements between PepsiCo and/or a PepsiCo entity and Britvic and/or a Britvic entity that are intended to be replaced by the new agreements referred to above, the Parties shall procure that an appropriate termination agreement with respect to such agreements will be executed as soon as reasonably practicable after Completion. As of the signing of this Agreement, neither PepsiCo nor PCS is aware of any outstanding claims related to the Current Bottling Appointments.

3. PCS hereby represents, warrants and undertakes that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

4. The Parties acknowledge that, in the event that after the date of this Agreement but prior to the agreements referred to in paragraph 2 being executed by the parties thereto, one or more of such parties may wish to seek to make further revisions to one or more of such agreements in order to address any minor commercial or legal terms which such parties may have overlooked prior to the date of this Agreement or to eliminate any typographical errors, inaccurate cross references and other inaccuracies that such parties may find in those agreements, in which case the relevant parties shall negotiate in good faith to agree such revisions (but without any obligation to agree any such revisions and without prejudice to the Parties' obligations under paragraphs 1 and 2).

5. From the date of this Agreement and through Completion, PepsiCo and PCS shall use its reasonable endeavours to enforce all of its rights vis-à-vis Britvic and Britvic Ireland under the Current Bottling Appointments and the corresponding Business Development Agreements. PepsiCo further confirms to Carlsberg that no confidential information concerning the Current Bottling Appointments has been shared with Carlsberg in breach of the relevant agreements with Britvic entities.
6. Carlsberg will ensure that any announcements, documents, communications or statements (including any press release) published, issued or made by it or on its behalf in the course of or in connection with the Acquisition which refer directly or indirectly to PepsiCo, PCS or their businesses shall only be issued, published or made after review by and with the prior written approval of PepsiCo (such approval not to be unreasonably withheld or delayed or revoked once given in respect of the relevant announcement, document, communication or statement), provided that these restrictions shall not apply to (a) communications with the Takeover Panel on Takeovers and Mergers (the “**Takeover Panel**”) or (b) any announcement, document, communication or statement if and to the extent required by applicable law or regulation or by a supervisory, regulatory or governmental body (including a stock exchange or the Takeover Panel).
7. Each of PepsiCo and PCS will ensure that any announcement, documents, communications or announcements (including any press release) published, issued or made by it or on its behalf in the course of or in connection with the Acquisition which refer directly or indirectly to Carlsberg or any of its affiliates or its or their businesses shall only be issued, published or made after review by and with the prior written approval of Carlsberg (such approval not to be unreasonably withheld or delayed or revoked once given in respect of the relevant announcement, document, communication or statement), provided that these restrictions shall not apply to (a) communications with the Takeover Panel or (b) any announcement, document, communication or statement if and to the extent required by applicable law or regulation or by a supervisory, regulatory or governmental body (including a stock exchange or the Takeover Panel).
8. PepsiCo and PCS undertake that they will not for the period of 12 months from the date of this Agreement, either alone or acting in concert with others, acquire, agree or offer to acquire, or otherwise become interested in any transferable securities of Britvic plc without the prior consent of Carlsberg.
9. If Completion has not occurred prior to the Acquisition Deadline, then this Agreement shall terminate automatically and none of PepsiCo, PCS nor Carlsberg shall have any further obligations or liabilities to each other with respect to paragraphs 1 to 8 (inclusive). For the avoidance of doubt, if Completion occurs before the Acquisition Deadline, the Current Bottling Appointments shall continue in effect until the effective date of the New Bottling Appointments.

### **Notices**

10. All notices delivered in connection with this Agreement shall be hand delivered or sent by overnight courier to the address of the applicable Party set forth below:

If to PepsiCo or PCS:           PepsiCo, Inc.  
700 Anderson Hill Road  
Purchase, NY 10577

USA  
Attention: Legal Department

with a copy to: Portfolio Concentrate Solutions UC  
5 Eastgate Road  
Eastgate Business Park, Little Island  
T45, FD96, County Cork  
Ireland  
Attention: Legal Department

If to Carlsberg: Carlsberg Breweries A/S  
J.C. Jacobsens Gade 1  
1799 Copenhagen V  
Denmark  
Attention: Legal Department

11. A notice takes effect from the time it is received unless a later time is specified in it. A notice is deemed to be received (i) if delivered by hand, upon signature of a delivery receipt, or (ii) if sent by overnight courier, at the time recorded by the courier. A Party may notify the other Parties of a change to any of the details for it or its copy recipient referred to in paragraph 10. The notice must comply with the terms of paragraph 10 and must state the date on which the change is to occur. That date must be on or after five calendar days after the date on which the notice is delivered.

### **Miscellaneous**

12. Each Party shall treat as strictly confidential this Agreement and any information which it receives from the other in connection with this Agreement (“**Confidential Information**”), save where:
  - a. such information is already in or falls into the public domain (other than as a result of a breach by the relevant Party)
  - b. the receiving Party receives such information from an independent third party having the right to disclose the same; or
  - c. the receiving Party can show such information was in its possession prior to the date of receipt from the disclosing Party.

The receiving Party shall not disclose any Confidential Information without the prior written consent of the disclosing Party, save where such disclosure is:

- d. required by (i) a rule of a stock exchange or listing authority on which the shares or other securities in a member of the disclosing Party’s group are listed or traded, (ii) by applicable law, (iii) a court of competent jurisdiction or (iv) the requirements of a competent judicial, governmental, supervisory or regulatory body or the consent of the disclosing Party can be reasonably inferred from all the circumstances and disclosure is essential for the performance of the receiving Party’s obligations in accordance with this Agreement; or

- e. necessary for the proper fulfilment of its obligations under, or receipt of the benefit of, this Agreement.

Notwithstanding the above, either Party shall be entitled to disclose Confidential Information to its external advisers and financial institutions on a need-to-know basis provided they are bound by substantially the same obligations in relation to the Confidential Information as those set forth above, and for the purposes of any merger clearance with the relevant competition authority.

13. Each Party shall pay its own costs incurred in connection with the negotiation, preparation, execution and implementation of this Agreement and the agreements referred to in paragraph 2.
14. This Agreement shall come into force upon signature by the Parties and shall remain in force until all rights and obligations contemplated herein have been fully exercised or discharged (as the case may be) in accordance with the terms hereof.
15. If any provision hereof is or turns out to be invalid, ineffective or unenforceable, the invalidity, ineffectiveness or unenforceability of any provision of this Agreement shall not affect the validity, effectiveness or enforceability of the other provisions hereof if the provision held to be unenforceable or invalid cannot be separated without rendering this Agreement ineffective. In such circumstances, the Parties hereto shall take all steps in good faith to replace the defective provision with one which is valid and enforceable and the purpose of which most closely corresponds with the original purpose of such provision and the aims hereunder.
16. Any changes to the rights and obligations arising hereunder must be in writing and must be signed by all Parties.
17. Failure to exercise, or a delay in exercising, a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents the further exercise of the right or remedy or the exercise of another right or remedy. A waiver of a breach of this Agreement does not constitute a waiver of a subsequent or prior breach of this Agreement. A waiver of any right or remedy is only effective if given in writing.
18. This Agreement and all non-contractual obligations arising in any way whatsoever out of or in connection with this Agreement shall be governed by and construed and take effect in accordance with the laws of England and Wales, notwithstanding the conflict of laws rules thereof, and any disputes arising out of or relating to this Agreement which cannot be settled promptly by amicable agreement shall be exclusively and finally resolved by arbitration under the Arbitration Rules of the International Chamber of Commerce (the “**Rules**”). The arbitral tribunal shall be appointed in accordance with the Rules and shall consist of three arbitrators, one appointed by PepsiCo, one by Carlsberg, and one by the appointees of the Parties. The seat of the arbitration shall be London and the language of the arbitration, and any award shall be English.
19. This Agreement may be entered into in any number of counterparts and any Party may enter into this Agreement by executing any counterpart. A counterpart constitutes an

original of this Agreement and all executed counterparts together have the same effect as if each Party had executed the same document.

20. This Agreement expresses fully the understanding between the Parties, and supersedes and extinguishes all prior understandings, representations, appointments, assurances, licenses or agreements, oral or written, relating to its subject matter. Each Party acknowledges that in entering into this Agreement it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each Party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.
21. This Agreement may not be transferred, assigned, novated, pledged, mortgaged or otherwise disposed of by either Party, in whole or in part, without the other Party's prior written consent. Irrespective of the aforementioned, Carlsberg shall be entitled to assign this Agreement to Carlsberg Breweries, Carlsberg Marston's Brewing Company ("CMBC") or a Special Purpose Vehicle ("SPV"); provided in each case that (i) Carlsberg shall remain liable for its duties and obligations hereunder and (ii) in the case of an assignment to CMBC or an SPV, Carlsberg shall at the time of such assignment hold 100% of the share capital in such entity and if at any time during the validity of this Agreement Carlsberg ceases to hold (directly or indirectly) 100% of the share capital in such entity, such assignment shall automatically revert back to Carlsberg.
22. This Agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

*[Signature page to follow]*

Without prejudice to paragraph 19 above, this Agreement may be electronically signed and any electronic signatures appearing hereon shall be deemed to have the same legal effect as handwritten signatures to the fullest extent permitted by applicable law. Upon the exchange of electronic counterparts, this Agreement shall come into force upon signature by the Parties. Each counterpart shall be deemed an original, and all of them together shall constitute the same document.

Very truly yours,

**PepsiCo, Inc.**

By: [REDACTED]

Name: [REDACTED]

Title: [REDACTED]

**Portfolio Concentrate Solutions U.C.**

By: [REDACTED]

Name: [REDACTED]

Title: [REDACTED]

**ACCEPTED AND AGREED TO:**

**Carlsberg A/S**

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

**Schedule 1**  
**Form of Concentrate & Marketing Agreement**  
**for GB**

[attached]

**Schedule 2**  
**Form of Business Development Agreement**  
**for GB**

[attached]

**Schedule 3**  
**Form of Concentrate & Marketing Agreement**  
**for Ireland**

[attached]

**Schedule 4**  
**Form of Business Development Agreement**  
**for Ireland**

[attached]