

FRANCHISE RIGHTS AGREEMENT

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

31st May 2024

Mesdames and Gentlemen:

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

- (1) **Pepsi Lipton International Limited**, a private company limited by shares incorporated under the laws of Ireland and registered with the Irish Companies Registration Office under company number 377495 and with headquarters at Poststrasse 18, 6300 Zug, Switzerland (“**PLI**”); and
- (2) **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) PLI 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 2009 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 teas sold under the LIPTON trademark (the “**GB EBA**”);
- (B) PLI has granted to Britvic (Ireland) Limited, a limited company registered in Ireland and a wholly-owned subsidiary of Britvic (“**Britvic Ireland**”), similar exclusive rights to manufacture, sell and distribute in Northern Ireland and the Republic of Ireland (“**Ireland**”) certain non-alcoholic ready-to-drink teas sold under the LIPTON trademark (together with the GB EBA, the “**Current Bottling Appointments**”);
- (C) 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 (the “**Acquisition**”);
- (D) Carlsberg wishes to agree with PLI the terms and conditions upon which Britvic (and Britvic Ireland) would continue to be the exclusive bottler of LIPTON branded ready-to-drink teas upon the successful consummation of the Britvic Acquisition;

NOW, THEREFORE the Parties agree as follows:

1. In consideration for the payment by Carlsberg of the sum of £1 to PLI and the payment by PLI to Carlsberg of the sum of £1 (receipt of which is hereby acknowledged by each of such Parties) and subject to Completion (which, for the purposes of this Agreement shall mean, if the Acquisition is effected by way of a contractual offer, such offer becoming or being declared unconditional or, if the Acquisition is effected by way of a scheme of arrangement, such scheme of arrangement becoming effective provided, in each case, that upon such Acquisition Carlsberg shall hold at least 75% 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) and provided further that if Completion occurs after 31 December 2024 and prior to 31 March 2025, the New Franchise Agreements (as defined below) 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):
 - (a) PLI will, and Carlsberg shall procure that Britvic will, promptly enter into a new exclusive bottling appointment for GB with effect as of 1st January 2025 and in replacement of the current GB EBA (“**New GB EBA**”);
 - (b) PLI will, and Carlsberg shall procure that Britvic will, promptly enter into a new Concentrate & Marketing Agreement and a new Business Development Agreement (which the parties may agree to combine into a single agreement) with effect as of 1st January 2025 and in replacement of the current business development agreement between PLI and Britvic (“**New GB CMA/BDA**”);
 - (c) PLI will, and Carlsberg shall procure that Britvic Ireland will, promptly enter into a new exclusive bottling appointment for Ireland with effect as of 1st January 2025 and in replacement of the current Ireland Lipton EBA (“**New Ireland EBA**”); and
 - (d) PLI will, and Carlsberg shall procure that Britvic Ireland will, promptly enter into a new Concentrate & Marketing Agreement and a new Business Development Agreement (which the parties may agree to combine into a single agreement) with effect as of 1st January 2025 and in replacement of the current business development agreement between PLI and Britvic Ireland (“**New Ireland CMA/BDA**”).

The New GB EBA, the New GB CMA/BDA, the New Ireland EBA and the New Ireland CMA/BDA shall be referred to as the “**New Franchise Agreements**”.

The Parties agree that with respect to any current agreements between PLI and Britvic and/or a Britvic entity that are intended to be replaced by the New Franchise Agreements, 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, PLI is not aware of any outstanding claims related to the Current Bottling Appointments.

2. The Parties shall use reasonable endeavours to agree in good faith the form of the New Franchise Agreements by no later than 1st October 2024, subject to the following:
 - a. The structure and non-commercial terms and conditions of the New Franchise Agreements shall be in substantially the same form, *mutatis mutandis*, as the analogous franchise agreements agreed (or to be agreed) between Carlsberg, on the one hand, and PepsiCo, Inc. or Portfolio Concentrate Solutions U.C., on the other hand, under a separate Franchise Rights Agreement entered into by such parties on or about the same date as this Agreement (the “**PepsiCo Agreements**”) unless otherwise specified in the Head of Terms.
 - b. All terms and conditions set forth in Schedule 1 (“**Head of Terms**”) shall be incorporated into the relevant New Franchise Agreements. In the event of any conflict between the terms and conditions in the PepsiCo Agreements and those in the Head of Terms, the Head of Terms shall prevail.
 - c. The Parties shall use reasonable endeavours to agree upon any missing commercial terms or conditions and shall consider in good faith any additional terms or conditions proposed by the other party.
3. PLI hereby represents, warrants and undertakes that [REDACTED]
[REDACTED]
[REDACTED]
4. If for whatever reason the relevant parties fail to agree and sign the New Franchise Agreements as of the intended effective date thereof (as described in paragraph 1), then the relationship of the parties with respect to the subject matter of any such inconclusive agreement(s) shall be governed by reference to the non-commercial terms of the PepsiCo Agreements and the commercial terms and conditions of the Head of Terms (until such time as the parties have concluded such agreements), and Carlsberg shall procure that Britvic and Britvic Ireland shall comply accordingly.
5. Subject only to Completion occurring prior to the Acquisition Deadline, but with effect from immediately prior to Completion, PLI hereby agrees that the change in control of Britvic and/or its affiliates that would result from Completion and which may, but for this paragraph, trigger certain rights for PLI under the bottling appointments that PLI has with Britvic and/or its affiliates shall be, and is hereby irrevocably, approved and/or waived (as the case may be). PLI confirms to Carlsberg that no confidential information concerning such bottling appointments with Britvic or Britvic Ireland have been shared with Carlsberg in breach of the relevant agreements with Britvic entities.
6. From the date of this Agreement and through Completion, PLI 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.

7. 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 PLI or its businesses shall only be issued, published or made after review by and with the prior written approval of PLI (such approval not to be unreasonably withheld or delayed).
8. If Completion has not occurred prior to the Acquisition Deadline, then this Agreement shall terminate automatically and neither PLI nor Carlsberg shall have any further obligations or liabilities to each other with respect to paragraphs 1 to 6 (inclusive). For the avoidance of doubt, if Completion occurs before the Acquisition Deadline, the current appointments shall continue in effect until the effective date of the new appointments.

Notices

9. 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 PLI: Pepsi Lipton International Limited Zug Branch
Poststrasse 18
6300 Zug
Switzerland
Attention: Legal Department

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

10. 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 referred to in paragraph 9. The notice must comply with the terms of paragraph 9 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

11. 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.

- 12. Each Party shall pay its own costs incurred in connection with the negotiation, preparation, execution and implementation of this Agreement and the agreements described in paragraph 2.
- 13. 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.
- 14. 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.
- 15. Any changes to the rights and obligations arising hereunder must be in writing and must be signed by all Parties.
- 16. 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.

17. 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 PLL, 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.
18. 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.
19. 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.
20. 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 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 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.
21. 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 18 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,

Pepsi Lipton International Limited

[Redacted signature block]

ACCEPTED AND AGREED TO:

Carlsberg A/S

[Redacted signature block]

[Redacted signature block]

**Schedule 1
Head of Terms**

CMA

A&M Budget	[REDACTED]
Capital Investment	Omitted
Manufacturing & Warehousing Capacity	[REDACTED]
Tools of the Trade	Same, as per Table 1 below (Note: figures cover the total PepsiCo portfolio of beverages including Lipton) [REDACTED]
Fleet	Same
Personnel	Same, including tables and figures (Note: figures cover the total PepsiCo portfolio of beverages including Lipton) as per Table 2
Support to Bottler	Omitted (none)
Business Targets – Volume	[REDACTED]
Business Targets – Share of Market	[REDACTED]
Joint Planning	Same
Reports & Data Sharing	Same
Term & Termination	Same term (and co-terminous with EBA)

“Break clauses” (10.4)	[REDACTED]
Governing Law & Dispute Resolution	Same
Miscellaneous	Same
Concentrate Payment & Shipment Terms (Exhibit A)	Same
Concentrate Pricing (Exhibit B)	[REDACTED]
Sales & Manufacturing Information (Exhibit C)	Same
Principles of The Co-Operative Marketing Fund (Exhibit D)	Same
Form of Annual Co-Operative Marketing Agreement (Exhibit E)	Same
Joint Planning Process Calendar (Exhibit F)	Same
Unilateral Value Support (Exhibit G)	Omitted
In-House Capabilities (Exhibit H)	Omitted
Incremental In-house Capabilities (Exhibit I)	Same

BDA

Business Objectives & Operating Strategies	Additional strategies and objectives to be agreed.
Business Development (new)	1. The Bottler undertakes [REDACTED]

	<p>2. The Bottler shall [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED]</p> <p>subject to the parties agreeing in good faith a concentrate pricing methodology which approximates a fair & equitable system profit split for the <u>total</u> Beverages portfolio.</p> <p>3. The Bottler undertakes to [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>4. The Bottler shall use its Reasonable Endeavours to develop and deploy [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>
Innovation	<p>The Bottler shall use its Reasonable Endeavours [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED]</p>
Net Revenue	Omitted

Table 1

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	■	■	■	■	■	■
[REDACTED]	■	■	■	■	■	■

Table 2

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	■	■	■	■	■
[REDACTED]	■	■	■	■	■