

DIAGEO LIFESTYLE PLAN RECOVERY PLAN

Introduction

This recovery plan has been prepared by the Trustee to satisfy the requirements of Section 226 of the Pensions Act 2004, after obtaining the advice of James Miller, the Scheme Actuary and after obtaining the agreement of Diageo plc (the Company).

It follows the actuarial valuation of the scheme as at 1 January 2019, which revealed a funding shortfall (technical provisions minus value of assets) of £1M.

Steps to be taken to ensure that the statutory funding objective is met

To eliminate the funding shortfall, the Trustee and the employers have agreed that additional contributions (i.e. contributions over and above those needed to cover benefits being earned in the future) will be paid as follows:

2.7% of Pensionable Pay

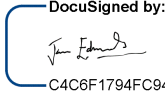
payable in monthly instalments from 1 January 2019.

Period in which the statutory funding objective should be met

Under this recovery plan, if the assumptions made are borne out in practice the funding shortfall will be eliminated in 6 months, which is by 30 June 2019. The assumptions are:

- technical provisions will continue to be calculated according to the method and assumptions set out in the statement of funding principles dated 1 August 2019, with financial conditions unchanged from those at the valuation effective date;
- scheme experience will be in line with the assumptions underlying the technical provisions.

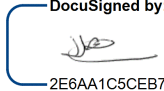
Signed on behalf of Diageo plc

Name:  James

Position: Deputy Company Secretary

Date: 1 August 2019

Signed on behalf of the Trustee of the Diageo Lifestyle Plan

Name:  Ian Shaw

Position: Trustee Director

Date: 1 August 2019
