

i PLATFORM 20/20: CHIVAS' CONTRACTING PLATFORM

This document contains [Chivas' Core Terms](#) and [Supporting Terms](#) ("Platform 20/20"). [Platform 20/20](#) is the standard contracting platform used by Chivas to govern its legal relationship with any individual, company, partnership or other form of business (a "Supplier") which offers to supply goods ("Goods") and/or services ("Services") to or for Chivas. The *Core Terms* apply in all cases (except that, if a Supplier isn't offering to supply any Goods then obligations regarding supply of Goods won't apply – and, likewise, if the Supplier isn't offering to supply any Services). The *Supporting Terms* apply only to the extent stated.

In the case of marketing and distribution related goods/services (including POS goods and freight services), "Chivas" means *Chivas Brothers International Limited* (a company registered in Scotland, company number [SC646563](#)). In all other cases (including packaging and operations goods/services), "Chivas" means *Chivas Brothers Limited* (a company registered in Scotland, company number [SC268758](#)). Both companies are members of the [Pernod Ricard group](#).

Platform 20/20

Core Terms



General Contract Matters

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1. SCOPE

1.1 Creating a contract: If the Supplier is appointed to supply any Goods and/or Services to Chivas, then:

- 1.1.1 Contract formation:** a binding legal contract governed by Platform 20/20 shall be formed in relation to those Goods/Services on the date agreed - or in absence of agreement, from the date on which the price (or price calculation arrangement) for those Goods/Services is agreed – or, if earlier, the date on which the Supplier commences work in accordance with Chivas' instructions (a "Contract");
- 1.1.2 Entire agreement:** Platform 20/20 shall form the only express terms of the Contract (and shall apply in substitution for any other express terms, including any terms discussed or forming part of prior correspondence, proposals or other standard terms of either party);
- 1.1.3 Inconsistent implied terms:** Platform 20/20 shall prevail over any inconsistent implied terms (whether implied by law or by trade, custom, practice or course of dealing); and
- 1.1.4 Orders:** the Contract shall govern each order placed by Chivas (if any) for those Goods/Services regardless of whether the Contract or Platform 20/20 are referred to in those orders or not.

1.2 Legacy/future terms: Platform 20/20 does not apply to orders:

- 1.2.1 Existing signed contracts:** for which alternative terms have been agreed in a contract which expressly applies to those orders and which has not expired or otherwise terminated (the alternative terms shall apply to those orders); or
- 1.2.2 Updated terms:** whose price (or price calculation arrangement) is agreed after Chivas has published (or provided the Supplier with) a new edition of or replacement for Platform 20/20 (the new edition / replacement shall govern those orders - unless otherwise agreed).

1.3 Special terms: The terms of the Contract may be amended or supplemented – but only if the alternative terms are agreed. Accordingly:

- **Conduct of the parties:** no other conduct by either party shall be deemed to constitute acceptance of any alternative terms; and
- **POs and other documents:** any alternative contract terms incorporated or referred to in any purchase order form, delivery note, invoice or other such documentation used by the parties shall not form part of the Contract or otherwise govern the associated orders (unless otherwise agreed).

2. UNDERSTANDING THE CONTRACT

2.1 No foreign law: The Contract between Chivas and the Supplier shall be governed and interpreted in accordance with Scots Law. (The parties acknowledge that Chivas is a company incorporated in Scotland and the majority of Chivas' people, sites, equipment and operations are in Scotland.)

2.2 Interpretation: In Platform 20/20:

- 2.2.1 Plurality:** words in the singular shall include the plural (and in the plural shall include the singular);
- 2.2.2 Negative obligations:** any obligation on a party not to do something includes an obligation not to allow that thing to be done;

2.2.3 Examples: any words following the terms "including", "include" or any similar expression shall be construed as illustrative - and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

2.2.4 Legislation: references to legislation mean the latest version of that law in Scotland (accounting for statutory amendments, re-enactments, consolidation, transposition and replacement occurring at any time);

2.2.5 Service output: unless otherwise agreed, any advice and reports which the Supplier is required to provide in the course of performing Services constitute 'output of Services' (and shall not be treated as 'Goods') for the purposes of Platform 20/20; and

2.2.6 Definitions: terms defined have the same meaning throughout:

DEFINED TERM	DEFINITION	DEFINED TERM	DEFINITION
Bank	Clause 10	Laws	Clause 11
Chivas	Top of this page	Platform 20/20	Top of this page
Confidential Information	Clause 16	Policies	Clause 11
Contract	Clause 1.1.1	Programme	Clause 10
Deliverables	Clause 4.2	Purpose	Clause 16
Discloser	Clause 16	Recipient	Clause 16
Goods	Top of this page	Services	Top of this page
Industry Standards	Clause 11	Sums Due	Clause 7
IPR	Above clause 14	Supplier	Top of this page

(Please also see clause 24.4 for the meaning that 'agreed' has throughout).

2.3 Notices: Notices given in connection with the Contract are only valid if given in English (either by hand, email, courier or post) as follows:

METHOD	ADDRESSEE	DEEMED DELIVERY DATE (in absence of evidence to the contrary)
Hand delivery or email	any person with authority to agree pursuant to clause 24.4 (or any other agreed person/email address)	handover/transmission date
Courier or pre-paid post (UK domestic or airmail)	for Chivas: Chivas' registered office (marked 'FAO Chivas' Legal Team'); and for Supplier: the Supplier's registered office, principal UK administrative office or other agreed postal address	date of delivery recorded by the delivery service - or, if none: two Scottish banking days (five Scottish banking days for airmail) after posting.

2.4 Unenforceable provisions: If any Contract term is held by any competent authority to be unenforceable, the remainder of that term (and the other terms) shall continue in full force and effect to the fullest extent possible.



3. ORDERS

3.1 Forecasting & ordering: Unless otherwise agreed:

- 3.1.1 **Forecasts are not binding:** any forecasts provided by Chivas shall be provided in good faith as a non-binding indication of Chivas' estimated requirements; and
- 3.1.2 **Orders via PO only:** orders for Goods/Services may be placed only by Chivas by issuing its standard *Purchase Order* form to the Supplier.

3.2 Non-exclusive appointment: Chivas remains free to source equivalent Goods/Services from other suppliers – save to the extent otherwise agreed.

3.3 No minimum purchase: Chivas is not obliged to order any Goods/Services from the Supplier (nor to maintain any minimum volume of orders).

3.4 Site withdrawal: Chivas may at any time remove any of its sites from the scope of the Contract by giving notice to the Supplier (and, if an order has already been issued in connection with that site, the Sums Due shall be reduced in accordance with clause 24.2).

4. STORAGE & GOODS DELIVERY

4.1 Storage: For all Deliverables branded with any of Chivas' trade marks or constructed to a bespoke design for Chivas (and for all Chivas materials, components and other assets belonging to Chivas) which are held by the Supplier (or on the Supplier's behalf), the Supplier shall:

- 4.1.1 **Protected:** ensure that they are stored safely and securely to ensure that they are maintained in good condition and shall keep them insured against all relevant risks for their full price;
- 4.1.2 **Identifiable & confidential:** ensure that they are stored separately from all other goods at the storage location and are stored and labelled in such manner that they are readily identifiable as Chivas' property (and in a manner which protects Chivas' confidential information, where applicable);
- 4.1.3 **Insolvency notice:** notify Chivas if the Supplier (or any relevant subcontractor) becomes or is reasonably likely to become insolvent;
- 4.1.4 **Access:** at Chivas' request, deliver them to Chivas (and if the Supplier fails to do so promptly, enable Chivas' representative to promptly enter any premises where they are stored to recover them); and
- 4.1.5 **Information:** give Chivas all information relating to them and their storage that Chivas reasonably requests.

4.2 Delivery: The Supplier shall deliver the "Deliverables" (being the Goods ordered by Chivas or, where applicable, the goods processed by the Supplier as part of the Services) to the delivery location specified in Chivas' *Purchase Order* (or to the site otherwise agreed) in accordance with the agreed timetable / lead-times.

4.3 Packaging: The Supplier shall ensure that the Deliverables that it supplies are properly packed and secured so as to ensure that they reach their destination in good condition.

4.4 Failure to accept Goods: If Chivas fails to accept delivery of Goods it has ordered then the Supplier shall store the Goods, notify Chivas and redeliver them at Chivas' request. The Supplier may charge Chivas for the additional storage and redelivery costs it has reasonably incurred for those Goods (provided that Chivas' failure to accept delivery was on the agreed delivery date and was not connected with any breach of the Contract by the Supplier).

5. PERFORMANCE OF SERVICES

5.1 Performance: The Supplier shall perform the Services ordered by Chivas at the agreed location (if applicable) in accordance with the agreed timetable / lead-times (if any).

5.2 No agency: The Supplier is not authorised to act as 'agent' for Chivas: it shall not act in Chivas' name or otherwise be entitled to bind Chivas in any way.

5.3 Required equipment & materials: Except to the extent otherwise agreed, the Supplier shall be responsible for providing any tools, materials or other assets required to perform its Services or produce its Goods and the Supplier shall ensure that those assets are fit for purpose and otherwise comply with health, safety and other applicable Laws.

5.4 Independent contractor status: The Supplier:

- 5.4.1 **Chivas is not the employer:** warrants that neither the Supplier nor any people which the Supplier arranges to perform Services (including labour supplied via an intermediary and workers provided to Chivas under a Contract for labour supply), will, in connection with that performance, be classified by any relevant public authority (including HMRC and any court/employment tribunal) as an employee, worker or agent of Chivas – nor will Chivas be liable to pay [National Insurance](#) contributions, income tax or other employer taxes/levies in relation to those people to any government agency or public authority; and
- 5.4.2 **Liability for labour taxes & NIC:** shall indemnify Chivas against all liabilities (including any income tax and [National Insurance](#)), costs, expenses, damages, fines and losses that Chivas suffers or incurs in connection with any breach of the warranty given in clause 5.4.1.

6. OWNERSHIP & RISK

6.1 Chivas asset ownership: Title to any assets (including any documents, raw materials, goods to be processed and tools) provided to the Supplier by (or on behalf of) Chivas in connection with any Contract shall remain with Chivas.

- 6.2 **Goods ownership:** Title to Goods shall pass to Chivas upon the earlier of:
 - **Delivery:** the date of delivery to the agreed delivery location (including any interim storage location); and
 - **Payment:** the date on which payment (or part-payment) relating to the Goods is made to the Supplier.

6.3 No encumbering Chivas property: The Supplier shall ensure that all assets referred to in clause 6.1 and all Goods belonging to Chivas pursuant to clause 6.2 remain free from any encumbrance (including any lien or other security interest).

6.4 Transfer of risk: Except to the extent otherwise agreed:

- 6.4.1 **Goods:** the Supplier shall supply Goods on an [Incoterms 2020](#) 'Delivered At Place' basis to Chivas' nominated final delivery destination;
- 6.4.2 **Input materials:** to the extent that the Services require the Supplier to process goods (including any raw materials) provided by Chivas (or by another Chivas supplier), risk shall pass to the Supplier when those goods are made available to the Supplier (for collection or unloading, as applicable) and, on completion of the processing by the Supplier, supply of Goods shall be made on an [Incoterms 2020](#) 'Delivered At Place' basis to Chivas' nominated final delivery destination;
- 6.4.3 **Rejected Deliverables:** notwithstanding the foregoing, if Chivas rejects any Deliverables in accordance with its rights under the Contract, risk (in relation to the rejected Deliverables) shall remain with the Supplier;
- 6.4.4 **Other Chivas assets:** to the extent that any tools, materials or other tangible assets are provided to the Supplier in connection with the Contract, risk shall pass to the Supplier when those assets are made available to the Supplier and shall remain with the Supplier until those assets are returned to Chivas' nominated site (or otherwise consumed in accordance with the Contract); and
- 6.4.5 **Supplier assets:** the Supplier shall remain responsible for keeping its own tools, materials and other assets used by the Supplier to perform the Services safe, secure and insured (whether those assets are at Chivas' premises or otherwise).





7. AMOUNT PAYABLE

i NO HIDDEN CHARGES

The only sums payable by Chivas in connection with Goods/Services are the agreed price, any *Value Added Tax* due to be paid on that price for the supply (subject to receipt of a valid VAT invoice) and agreed expenses (if any) – each as determined by this clause 7 (the “**Sums Due**”).

Any other costs associated with performance of the Supplier's obligations shall be borne by the Supplier (*whether in relation to: proposals or tenders; design work, raw materials or labour; models, prototypes, tooling or moulds; buildings, equipment or machinery; manufacturing or assembly; storage, carriage, insurance, packaging or pallets; travel or accommodation; obtaining certification or licences; currency exchange rate fluctuation; taxes, customs duties or other government levies or fines; developing, increasing or decreasing the Supplier's supply capability; cancelling any project or terminating any supply; training or other ancillary goods or services; or otherwise*) – except to the extent otherwise agreed.

7.1 Price: The price payable by Chivas for the Goods/Services that it orders (if any) shall be the price that it has agreed with the Supplier. (Where a price adjustment formula has been agreed, the price payable shall be the price calculated in accordance with that formula.) Chivas is not obliged to pay for any Goods/Services before their prices are agreed.

7.2 Price changes: Agreed prices (and any associated formulae) may only be changed to the extent agreed. In absence of an agreed formula/mechanism, pricing agreed for a fixed period shall otherwise continue to apply after expiry of that period until new pricing is agreed (subject to clause 22.1.3).

7.3 Expenses: In addition to the agreed price of Goods/Services, expenses that are incurred by the Supplier shall also be payable by Chivas - but only where each of the following conditions are met:

- **Authorised:** Chivas agreed in advance to pay the specific expenses (and all associated approvals have been obtained);
- **Necessary:** the expenses needed to be incurred by the Supplier to enable proper performance of its obligations under the Contract and are proportionate to Chivas' requirements;
- **Not inflated:** the expenses are reasonable and calculated on a 'pass-through' basis (with the advantage of the discounts/rebates available to the Supplier and without any mark-up); and
- **Transparent:** the expenses are supported by appropriate receipts or other reasonable proof (which the Supplier shall make available to Chivas for inspection on request).

7.4 Set-off: Chivas shall be entitled to set off any sums due by the Supplier to Chivas against any Sums Due.

8. INVOICING

8.1 Invoicing arrangements: The Supplier shall render invoices:

- 8.1.1 Amount:** only for the Sums Due for the Goods/Services ordered by Chivas; and
- 8.1.2 Timing:** promptly after supply of the Goods/Services ordered or incurring the agreed expense (and not before – unless agreed): except to the extent otherwise agreed, the Supplier shall not be entitled to invoice Chivas in relation to any Goods/Services more than six months after they have been delivered to Chivas.

8.2 Invoice requirements: Unless otherwise agreed, the Supplier shall ensure that each invoice:

- 8.2.1 Address:** is issued by email to accounts payable@pernod-ricard.com;
- 8.2.2 VAT:** states any applicable *Value Added Tax* separately; and
- 8.2.3 Verifiable:** contains sufficient information to enable Chivas to readily verify the accuracy of the invoice (including the applicable *Purchase Order Number*, the quantities and type of Goods/Services to which the invoice relates; and any *service credits* and other deductions).

9. PAYMENT

9.1 Due date for payment (EOM+60): Except to the extent otherwise agreed, Chivas shall pay the Sums Due (less any credit notes) by the last day of the second month following the later of:

- **Invoicing:** the month in which Chivas receives a compliant invoice for the correct amount; and
- **Delivery:** the month of delivery of the Goods to the specified storage location or final delivery location (or, in the case of Services, the month by which the Services have been performed)

(except where any Goods/Services/expenses to which the invoice relates are the subject of a bona fide dispute between Chivas and the Supplier - in which case, unless alternative payment terms are imposed by a court of competent jurisdiction, payment of the amount agreed or determined to be payable is due by the last day of the second month following the month in which that dispute is resolved between the parties).

9.2 Currency: Except to the extent otherwise agreed, the Sums Due shall be invoiced and payable in *Pounds Sterling*.

9.3 Factors & local payment agents: The Supplier may, if agreed by Chivas (acting reasonably), appoint its own factor or a UK-based member of its company group to (acting as the Supplier's agent) invoice Chivas for and/or accept payment of the Sums Due. Receipt of the Sums Due by the factor (or relevant member of the Supplier's company group, where applicable) constitutes receipt of those sums by the Supplier for all purposes.

10. SUPPLY CHAIN FINANCE

i REVERSE FACTORING

This clause 10 is intended to facilitate the operation of 'reverse factoring programmes' chosen by Chivas (a “**Programme**”) that are operated by financial institutions chosen by Chivas (a “**Bank**”) to help finance Chivas' eligible suppliers' receivables.

10.1 Supply Chain Finance arrangements: During any period in which Chivas and the Supplier each contract with a Bank to participate in a Programme:

10.1.1 Transferring the right to be paid: to the extent required to enable the Supplier to participate in the Programme, Chivas consents to the assignment by the Supplier to the Bank of the Supplier's right to be paid the Sums Due by Chivas (and the Supplier shall not otherwise transfer its right to be paid the Sums Due and shall not grant or permit to be retained any security interest over that right unless agreed in advance by Chivas); and

10.1.2 Effect of payment: As between Chivas and the Supplier, upon the earlier of:

- payment by Chivas to the Supplier of the Sums Due;
- assignment to the Bank of the Supplier's right to receive the Sums Due (which shall take effect immediately upon payment by the Bank to the Supplier or to the Supplier's local payment agent); and
- payment by Chivas to the Bank of the Sums Due in accordance with the Programme,

Chivas' obligation to pay the Supplier the Sums Due shall immediately be discharged in full and Chivas shall at that point, for all purposes (including, without limitation, transfer of title, where relevant), be deemed to have paid to the Supplier the Sums Due.

10.2 Preservation of remedies: Payment to the Supplier by the Bank pursuant to the Programme shall in no way discharge the Supplier's obligations to Chivas, nor prevent Chivas from exercising any right of set-off or other remedies available to it).

10.3 Relationship with the Bank: Chivas is not a party to any contract between the Supplier and the Bank (and in no event will the Bank have any rights in relation to payment or to property which is to be provided by the Supplier to Chivas). The Supplier shall, as soon as is reasonably practicable, notify Chivas of the commencement and termination of the Supplier's participation in the Programme.



11. COMPLIANCE

i LAWFUL & RESPONSIBLE BUSINESS

Chivas strives to conduct its business in a lawful, socially responsible & ethical manner. Clause 11 is intended to address compliance with:

- legal and regulatory requirements which apply in the [territories](#) in which the Goods (or the output of Services) are to be used or in which Services (including the manufacturing of Goods) are to be performed – including the intellectual property rights, data protection rights and other legal rights of others (“**Laws**”);
- generally accepted professional and industry recommendations and requirements, including the [United Nations Global Compact on human rights, labour, the environment and anti-corruption](#) and the [technical specifications](#) for products with a *Geographical Indication* (“**Industry Standards**”); and
- the latest version of Chivas’ policies – including those at <http://www.chivasbrothers.com/supplier-information/> (“**Policies**”)

in each case, including those concerning *traceability, food/drink, health & safety, human rights, labour, the environment, and anti-corruption/anti-bribery & financial crime.*

11.1 Laws & Industry Standards: The Supplier shall ensure that:

- **Performance:** its contractual obligations are performed in accordance with all applicable Laws and Industry Standards (and shall employ policies and procedures appropriate to ensure that compliance); and
- **Deliverables:** all Goods (and the output of Services) supplied by or on behalf of the Supplier comply with all applicable Laws and Industry Standards and their use for their intended purposes (in accordance with the Supplier’s reasonable instructions, if any) will not breach/infringe any current (or known future) Laws or Industry Standards

(except to the extent that non-compliance arises from the use of designs or other materials which were provided to the Supplier by Chivas and which the Supplier both (i) was unaware would result in the breach/infringement and (ii) was not responsible for checking, whether pursuant to clause 13 or otherwise).

11.2 Policies: The Supplier shall perform its obligations in accordance with all applicable Policies (except to the extent that the Policies are manifestly unreasonable). The Supplier acknowledges that:

- **Accessing policies:** copies of applicable Chivas policies are available from Chivas on request and the Supplier must ensure that, at all relevant times, it is aware of the latest version of the applicable policies by checking regularly with Chivas; and
- **Financial crime:** Chivas’ anti-bribery & financial crime policy forms part of the applicable Policies (unless the Supplier complies with a suitable alternative policy which has been agreed with Chivas and which the Supplier warrants is adequate to ensure compliance with all applicable Laws).

12. CAPABILITY

12.1 Required rights: The Supplier shall ensure that, at all relevant times, it has the licences, permissions, authorisations, consents and permits that it needs to carry out its contractual obligations.

12.2 Insurance: In addition to any insurance required under clause 11.1, both during the Contract and for a period of one year afterwards, the Supplier shall maintain in force the following insurance policies with reputable insurers (minimum [Standard & Poor’s rating](#) of A+), shall ensure that those policies contain an ‘*indemnity to principals clause*’ in Chivas’ favour and shall do nothing to prejudice such entitlement or to invalidate those policies:

- **Product Liability/Public Liability Insurance:** not less than **£5,000,000** (in aggregate for all claims under the Contract); and
- **Professional indemnity insurance:** not less than **£5,000,000** per claim (but only if design work or other professional services are being provided).

The Supplier shall ensure that each of its sub-contractors also maintain adequate insurance cover during those periods (having regard to the obligations under the Contract which they are contracted to fulfil).

13. QUALITY

13.1 Performance quality: The Supplier shall ensure that all of its obligations (including any Services ordered) are performed:

- 13.1.1 **Timing:** promptly (time shall be of the essence in meeting dates and timeframes agreed, if any);
- 13.1.2 **Good industry practice:** using the skill and care which can reasonably be expected of a diligent, suitably qualified, well managed, trustworthy and experienced professional supplier to customers in the luxury alcoholic drinks sector;
- 13.1.3 **Resources:** using only appropriately skilled, experienced and qualified personnel and appropriate premises, equipment and facilities;
- 13.1.4 **Efficiency:** in an expeditious and economical manner (consistent with Chivas’ best interests and the level of quality and performance required under the Contract);
- 13.1.5 **Instructions & agreed standards:** in accordance with Chivas’ instructions and any agreed standards (provided that they are reasonable and consistent with the other Contract terms);
- 13.1.6 **Co-operation:** in a co-operative manner with Chivas’ staff (and with any agencies, consultants, suppliers and other contractors appointed by Chivas); and
- 13.1.7 **Business & reputation:** with minimum disruption to Chivas’ business and in a manner which does not cause any material damage to the good reputation or goodwill of Chivas and the rest of the Pernod Ricard group (or their products, services or brands).

13.2 Deliverables quality: The Supplier shall ensure that all Goods (and the output of all Services - including any Goods assembly, decoration and re-work Services) that it supplies shall, on delivery (whether to Chivas’ premises or to any alternative final delivery location specified by Chivas) be:

- **No defects:** free from defects in materials and in workmanship; and
- **Fit for purpose:** of a standard reasonably fit for use by a global leader in luxury spirit and spirit-based drinks for their intended purpose(s) (including in terms of functionality, integrity, robustness and overall ‘*look and feel*’)

(but excluding any non-conformance caused by defects in any materials supplied by or on behalf of Chivas to the extent that those defects could not have been detected through reasonable inspection by the Supplier).

13.3 Compliance with specification: The Supplier shall ensure that, on delivery, the Goods/Services that it supplies for Chivas conform to their agreed specification(s), if any.

13.4 No false claims: The Supplier shall ensure that all Goods and Services that it provides comply in all material respects with all quality, capability and compliance claims made by the Supplier in any associated proposal or tender submission made to Chivas, if any (save to the extent that those claims conflict with any higher standard required by the Contract).

13.5 Quality control: The Supplier:

- 13.5.1 **Quality system:** shall perform its obligations under the Contract in conformance with either [ISO 9001](#) or agreed alternative quality assurance systems suitable to ensure that the Goods/Services it supplies comply with the Contract; and
- 13.5.2 **Checking for defects:** acknowledges that responsibility for ensuring that the Goods/Services comply with the Contract rests with the Supplier, not with Chivas (and, unless otherwise agreed, Chivas shall not be obliged to inspect or otherwise check any Goods/Services that it receives, nor test any sample of Goods for quality or compliance).

13.6 Responsible subcontracting: The Supplier may only appoint subcontractors which have been agreed in advance by Chivas (Chivas will not unreasonably refuse to grant that approval). Any act/omission of any of the Supplier’s subcontractors (or their staff) shall be deemed to be an act/omission of the Supplier for the purposes of the Contract.

13.7 Approved samples: The Supplier shall ensure that, subject to the other requirements in the Contract, if the Supplier provided a sample of the Goods for approval, the relevant characteristics of those Goods (including any relevant look, feel, taste/smell and capabilities) are materially the same (and the Goods are of at least the same quality) as the sample approved by Chivas.



i INTELLECTUAL PROPERTY RIGHTS

The following provisions govern ownership and use of existing and future intellectual and industrial property rights across the world (including any copyright & related rights; design, trade mark and database rights; and patents) - in each case, whether registered or not (“IPR”).

Chivas' IPR is owned by the Pernod Ricard group companies listed in the table below (each being a “Brand Owner”). The brand to which each IPR relates determines which Brand Owner owns it, as noted in the table (subject to any alternative arrangements specified by Chivas). Chivas is an authorised agent of each Brand Owner and is licensed to use and sublicense their IPR.

BRAND	OWNER
Beefeater; Ballantine’s; Long John; Scapa.	Allied Domecq Spirits & Wine Limited (incorporated in England & Wales, company number 00703977)
The Glenlivet; Longmorn.	The Glenlivet Distillers Limited (incorporated in England & Wales, company number 04238946)
Queen Anne; Something Special.	Hill, Thomson & Co., Limited (incorporated in Scotland, company number SC019016)
Imperial.	Pernod Ricard Korea Imperial Co. Limited (incorporated in The Republic of Korea)
All IPR that is not brand-specific and all other brands, including: Aberlour; Allt a’ Bhainne; Braeval; Chivas Regal; Clan Campbell; Dalmunach; Glenburgie; Glen Keith; Glentauchers; Lochan Ora, Milntonduff; Passport; Plymouth; Royal Salute; Strathclyde; Strathisla; Tormore; and 100 Pipers.	Chivas Holdings (IP) Limited (incorporated in Scotland, company number SC331555)

- **Commissioned work:** IPR in materials developed by or on behalf of the Supplier in performance of any Services for which Chivas is charged any form of fee, whether payable to the Supplier as an independent charge or as part of the cost of Goods associated with that Service; and
- **Goodwill:** goodwill arising through use of any of the foregoing IPR (*derivative materials and commissioned work*) or through use of any IPR licensed to the Supplier pursuant to clause 14.1

belongs to the applicable Brand Owner and the Supplier assigns (and shall ensure that each of its subcontractors and group companies shall assign) to the relevant Brand Owner all such IPR and goodwill that they hold now or in the future.

15.3 IPR transfer & enforcement:

At Chivas’ request, the Supplier shall (and shall ensure that each of its subcontractors and group companies shall):

- execute and deliver such documents (including standalone ‘confirmatory assignments’ for IPR registration purposes); and
- take such other actions

as may reasonably be required for the purposes of giving full effect to the transfer of IPR and goodwill required under the Contract and to enable Chivas (and the Brand Owners) to enforce and defend that IPR.

15.4 No IPR misuse:

The Supplier shall:

15.4.1 **No registration:** not attempt to register any IPR in connection with materials provided to the Supplier by (or on behalf of) Chivas; and

15.4.2 **Safe post-termination disposal:** ensure that, following termination of the Contract, any associated tooling, unfinished and finished goods and other tangible assets in its possession or control which embody IPR belonging to Chivas (and which the Supplier is not otherwise required to deliver to Chivas or retain pursuant to the Contract) are consumed or otherwise disposed of in a manner which:

- does not facilitate the creation of counterfeit goods;
- does not in any other way place Chivas’ or any Brand Owner’s IPR (nor the goodwill in their brands) at any risk; and
- complies with the terms of the Contract.

14. IPR LICENCES

14.1 **Licence from Chivas:** Chivas grants to the Supplier a non-exclusive, non-transferable, worldwide IPR licence (with the right to grant sub-licences to its permitted subcontractors, if any) to use, copy, amend, translate, redevelop and create other derivative works from materials provided to the Supplier by Chivas in connection with the Contract:

- **Extent:** solely for the duration and to the extent required for the proper performance of the Supplier’s obligations to Chivas; and
- **Third party conditions:** subject to all applicable third party licence terms that the Supplier has been given notice of (if any).

14.2 **Licence from the Supplier:** The Supplier grants (and shall ensure that each relevant third party grants) to the relevant Brand Owner a permanent, worldwide, royalty-free, non-exclusive, transferable, irrevocable IPR licence (with an unrestricted right to grant sub-licences) to use and commercially exploit all Goods and all output of Services supplied to Chivas by the Supplier (and in each case the Supplier shall ensure that any moral rights have been waived).

15. OWNERSHIP OF IPR

15.1 **Off-the-shelf products:** Nothing in the Contract is intended to prevent the Supplier from continuing to sell its pre-existing ‘off-the-shelf’ products to others.

15.2 **IPR transfer to Chivas:** The Supplier acknowledges that all:

- **Derivative materials:** IPR in artwork, designs, specifications, graphics, documentation, models, Goods and other materials developed by or on behalf of the Supplier, to the extent that they are derived from materials supplied by or on behalf of Chivas (or are otherwise developed through exercise of the licence granted under clause 14.1);





16. KEEPING SECRETS

i CONFIDENTIAL INFORMATION

"**Confidential Information**" means all information (in whatever form, including in written, oral, visual or electronic form or via a sample or prototype) which is first disclosed by the Discloser (or by another person on behalf of the Discloser) to the Recipient (or to another person on behalf of the Recipient) during the Contract and which relates to:

- in the case of information disclosed by or on behalf of Chivas:
 - *Business*: Chivas or other members of the Pernod Ricard group (including strategic, financial, commercial, technical, operational, staff, supplier and customer information); or
 - *Products*: Chivas' products or services or those of other Pernod Ricard group members (including plans, strategies, pricing, concepts, designs, specifications, ingredients, processes, packaging and marketing information); and
- in the case of information disclosed by or on behalf of the Supplier:
 - *Tech*: details of manufacturing equipment/techniques unique to the Supplier (save to the extent that their development was partly or wholly funded by Chivas);
 - *Pricing*: the Supplier's prices for its Goods/Services (including details of fixed and variable costs and margins); or
 - *Capability*: the Supplier's operational capacity relating to the Goods/Services (including intended relevant capital investment); and
 - *Supply chain*: the identity of the raw materials suppliers used by the Supplier relating to the Goods/Services (but excluding the Supplier's subcontractors)

provided that, in each case, it is of such nature that the Recipient knows or should know that it is confidential.

"**Discloser**" means a party to the Contract disclosing Confidential Information and "**Recipient**" means a party to the Contract receiving Confidential Information.

The Recipient may require access to Confidential Information to facilitate the supply and receipt of the Goods/Services that Chivas or other Pernod Ricard group members require and otherwise perform its contractual obligations to the Discloser under the Contract (the "**Purpose**").

16.1 Permitted use: The Recipient shall, both during the Contract and thereafter:

- 16.1.1 **Proper use:** use Confidential Information solely for the Purpose (and shall promptly notify the Discloser upon discovery of any unauthorised use or disclosure of Confidential Information); and
- 16.1.2 **Safe use:** keep all Confidential Information secret, safe and secure.

16.2 Permitted disclosures: The Recipient shall not disclose Confidential Information to any other person, except to the extent that:

- 16.2.1 **Supplying Chivas:** such disclosure is necessary for the Purpose (disclosure to any other member of the Pernod Ricard group or either party's insurers or solicitors shall be deemed to meet that condition) and subject to the condition that the Recipient ensures that each person to whom it discloses Confidential Information uses and keeps that information confidential on terms at least as onerous as those which apply to the Recipient under the Contract;
- 16.2.2 **Law:** it must be disclosed pursuant to a legal or regulatory obligation placed upon the Recipient, provided that, to the extent permitted by law, the Recipient uses all reasonable endeavours to promptly notify the Discloser and give the Discloser the opportunity to protect the Confidential Information by protective order or other such means; or
- 16.2.3 **Sourcing & rework recharging:** the disclosure relates to the Supplier's pricing, capability and/or supply chain but the disclosure is in an anonymised or aggregated form (such that the Supplier's specific pricing, capability or supply chain can't be readily discerned).

16.3 Copies and ownership: The Recipient shall make only such copies of the Confidential Information as are necessary for the Purpose. Ownership of all complete and partial copies of the Confidential Information (including adaptations, translations and other reproductions) shall always remain with the Discloser. Upon the Discloser's written request, the Recipient shall promptly return or permanently erase or destroy (and ensure that any people to which it has disclosed the information also return or permanently erase or destroy) all copies of Confidential Information (save that copies may be retained to the extent required by law) and certify in writing its compliance with this requirement. This clause 16.3 does not apply to copies of Confidential Information held by third parties pursuant to clauses 16.2.2 or 16.2.3, nor does it apply to copies of the Contract (including any schedules).

16.4 Exceptions: The Recipient's obligations under clauses 16.1 - 16.3 do not apply to information to the extent that:

- 16.4.1 **Public:** it is generally available to members of the public prior to commencement of the Contract or it subsequently becomes generally available to members of the public other than by breach of the Contract;
- 16.4.2 **Known:** it was demonstrably already known to the Recipient and at its free disposal prior to commencement of the Contract; or
- 16.4.3 **Other source:** it is lawfully received by the Recipient from a third party without breaching any obligation of confidence or non-use.

16.5 Publicity: The Supplier shall not make any announcement regarding its appointment by Chivas save to the extent agreed in advance.

16.6 Warranty: The Discloser warrants to the Recipient that it has the right to disclose its Confidential Information in accordance with the foregoing.

17. TRANSPARENCY

17.1 Keeping Chivas informed: The Supplier shall:

- 17.1.1 **Progress:** keep Chivas informed of its progress in performance of its contractual obligations; and
- 17.1.2 **Warnings:** notify Chivas upon becoming aware of any actual or anticipated breach of contract (including failure to adhere to required timescales) and any defects in components, materials or designs supplied by or on behalf of Chivas which have come to the Supplier's attention.

17.2 Information access: For the purposes of helping Chivas to ensure supply chain quality/resilience, product integrity/safety and brand security - and to otherwise help Chivas to comply with its legal and ethical commitments, during the Contract (and for a period of five years afterwards), the Supplier shall (and ensure that each of its subcontractors shall):

- 17.2.1 **Record disclosure:** maintain reasonable, adequate, accurate and systematic records regarding the Goods/Services that it supplies to Chivas and the work it performs in connection with those Goods/Services and shall provide Chivas with copies of those records on request (including copies of any computer files connected with bespoke designs and reasonable evidence of insurance policies in place and the rights required under clause 12.1);
- 17.2.2 **Consultation:** make its personnel (with the appropriate level of knowledge and authority) available to Chivas to answer all reasonable enquiries and otherwise provide Chivas with such information as it may reasonably require in connection with the Goods/Services, the associated supply chain (including any applicable process control plans) and the Contract; and
- 17.2.3 **Audit:** ensure that any representatives nominated by Chivas are provided, during normal working hours, with access to (and are permitted to inspect) such parts of its (and its subcontractors') sites, documents, data and equipment as are used in connection with the manufacture, processing, storage or transportation of goods (or processing of personal data) for Chivas (subject to Chivas giving at least 24 hours prior notice and compliance by those representatives with any reasonable health, safety and security policies of which the Supplier has provided reasonable prior notice).





18. FIXING PROBLEMS

18.1 Delay: If Goods/Services (including repaired or replacement Goods/Services) ordered by Chivas are not delivered on the due date (or by any deadline extension granted by Chivas) and in accordance with the standards required by the Contract, Chivas may, at its sole discretion do any of the following:

- **Cancel:** cancel the relevant order (in whole or in part) and refuse to take any subsequent attempted delivery of those Goods/Services;
- **Expedite delivery:** specify a revised due date for delivery of the order (in whole or in part) and, in the case of Goods, require the Supplier to arrange for compliant Goods to be delivered at no additional cost to Chivas, to the original or an alternative delivery location specified by Chivas by air freight (or by any other accelerated method reasonably requested by Chivas); or
- **Substitute:** if the Supplier fails to meet any revised due date (or indicates that it cannot or will not comply with it), Chivas may order substitute Goods/Services from an alternative supplier and require the Supplier to repay to Chivas the reasonable additional costs Chivas consequently incurs.

18.2 Defective Goods: Irrespective of any payment made, opportunity to inspect Goods (or samples) or any documentation concerning 'acceptance', if the Supplier supplies any Goods (including repaired or replacement Goods) that do not meet the standards required pursuant to the Contract (or any batch containing such defective Goods) then the Supplier shall, at Chivas' request, do any or all of the following (as specified by Chivas), either in relation to the whole batch or any part of the batch (as specified by Chivas):

- **Help resolve:** provide such help and support (without additional cost to Chivas) as Chivas may reasonably request to identify the defect, its cause and the Goods affected by it (including by refunding to Chivas all costs reasonably incurred by Chivas in connection with the identification, inspection, testing and processing of Goods/batches which Chivas reasonably determines may be affected by the defect);
- **Repair, replace or substitute:** repair or replace the Goods at no additional cost to Chivas within a timescale reasonably requested by Chivas (and, if the Supplier fails to do so, Chivas may appoint another supplier to rework or replace the Goods and require the Supplier to reimburse Chivas for the reasonable additional costs that it incurs in doing so);
- **Finance rework:** reimburse Chivas for any additional costs reasonably incurred by Chivas in reworking the Chivas products affected by the defective Goods (including the cost of removing the defective Goods from those products and replacing them with the compliant Goods);
- **Dispose of defective Goods:** collect or take acceptance of the Goods/batch and refund to Chivas any costs reasonably incurred by Chivas in connection with that return (including transport costs); and/or
- **Refund:** provide a 'credit' to Chivas in the next invoice in an amount equal to the sums paid by Chivas for the Goods – or, at Chivas' option, refund the sums paid by Chivas in respect of all the Goods (provided, in each case, that those Goods are not properly repaired/replaced at the Supplier's expense).

18.3 Cost of making up for lost time: The Supplier shall, at Chivas' request, reimburse Chivas for any costs reasonably incurred by Chivas in Chivas endeavouring to compensate for (and/or mitigate the consequences of) the Supplier's failure to deliver compliant Goods/Services on the original due date (whether via: expedited delivery of Chivas products via air freight, use of overtime, weekend-working, extra staff, alternative manufacturing/assembly arrangements, rework - or otherwise).

18.4 Breach of confidence: The parties agree that damages may not be an adequate remedy for any breach of clause 16 and accordingly the Discloser shall, in addition to any other rights or remedies which it may have, be entitled, without proof of damage, to the remedy of *interdict* (or other such relief) for any threatened or actual breach of clause 16.

18.5 Supplier workforce claims: In the event that, upon expiry of the Contract or any arrangement under it any of the Supplier's people are deemed by law to transfer to Chivas (or to its 'replacement supplier') and Chivas/the replacement supplier, within 30 days of becoming aware of the transfer, arranges for termination of the employment of that employee then the Supplier shall indemnify Chivas / the replacement supplier to which the employee (or any liability in connection with the employee's contract of employment or its termination) transferred (and their officers, directors and employees) against all liabilities arising in connection with the employee's contract of employment (including pension liabilities) and/or its termination.

19. DEALING WITH DISASTER

19.1 Catastrophic Supplier failure: To the extent arising from defective performance (or non-performance) by the Supplier of its obligations, the Supplier shall indemnify Chivas and all other members of the Pernod Ricard group against the liabilities, costs, expenses, damages, fines and losses that they suffer or incur in connection with:

- **Product recall:** recalling Chivas products which Chivas reasonably determines to be unsafe for use by consumers for their intended purpose, to be legally infringing/non-compliant or to contain defects damaging to their associated brand(s);
- **IPR breach claims:** any claim(s) regarding infringement of IPR;
- **Harm claims:** any claim(s) that Chivas products are unsafe for use by consumers for their intended purpose or any other claim(s) for death, personal injury or damage to property; and
- **Legal non-compliance claims:** any claim(s) regarding breach of Laws in the territory in which the Goods/Services are supplied (or Laws in the market(s) in which relevant Chivas products (if any) are supplied to consumers).

19.2 Management of third party claims: Chivas shall:

19.2.1 Co-operate: notify the Supplier of defects in relevant Goods/Services which are reasonably likely to give rise to a claim under clause 19.1 promptly after becoming aware of them and consult and otherwise work with the Supplier to mitigate the loss which Chivas (and other members of the Pernod Ricard group) may suffer as a result of the associated product recall / third party claims; and

19.2.2 Make no admission: not make any admission of liability in relation to any third-party claim to which clause 19.1 applies without obtaining prior consent from the Supplier (provided that consent is not unreasonably conditioned, withheld or delayed) – except to settle a claim if Chivas reasonably determines that failure to settle the claim would be prejudicial to Chivas (or to any other member of the Pernod Ricard group) in any material respect.

20. LIMITS OF RESPONSIBILITY

20.1 Decentralised group structure: If the Supplier breaches the Contract, the direct loss suffered by Chivas shall be deemed to include direct loss suffered by the other members of the Pernod Ricard group (for the purposes of calculating damages) – subject to the liability caps and exclusions under the Contract.

20.2 Consequential loss exclusion: Neither party shall be liable (whether under the Contract or in delict/tort) for any form of indirect loss.

20.3 Caps on Chivas' liability: Chivas' liability arising in relation to the Contract shall be limited:

- **Non-payment:** for non-payment of invoices, to the unpaid Sums Due, and any interest due on that amount at the rate prescribed under [Section 6 of the Late Payment of Commercial Debts \(Interest\) Act 1998](#); and
- **Other failure:** to €1,000,000 Euros (for all other claims in aggregate).

20.4 Caps on Supplier's liability: The Supplier's liability arising in relation to the Contract shall be limited as follows:

- **Recall & property damage:** for the indemnity under clause 19.1 concerning 'recall' and for damage to tangible property, to £10,000,000 GBP for the claim(s) (in aggregate arising from the same cause/source); and
- **Other indemnities:** for all other indemnities under the Contract (including clauses 5.4, 18.5 and 19.1), no limits shall apply; and
- **Other failure:** to £5,000,000 GBP for any other claims(s) (in aggregate arising from the same cause/source).

20.5 Exceptions: Notwithstanding any other clause, nothing in the Contract excludes or limits either party's liability for death or personal injury arising from its negligence or from its breach of duty; for fraud/theft; or for any other liability that cannot be limited under Scots law.

20.6 Dispute resolution: The rights in clauses 18 and 19 are cumulative and are without prejudice to the other remedies that Chivas has under the Contract or under Scots law. The Scottish Courts have jurisdiction to deal with any disputes related to the Contract.



21. CONTRACT DURATION

- 21.1 Order acceptance:** The Supplier shall accept orders for Goods/Services at any time between commencement and termination of the Contract.
- 21.2 Contract expiry:** If a fixed duration has been agreed for the Contract, the Contract shall automatically terminate on expiry of the agreed duration.
- 21.3 Termination at will:** Chivas may terminate the Contract by giving the Supplier notice at least 30 days in advance of the termination date (provided that such termination occurs on or after expiry of the 'initial fixed contract period' if that period has been agreed).

22. EARLY TERMINATION (WITH CAUSE)

- 22.1 Termination by the Supplier:** The Supplier may terminate the Contract on giving notice to Chivas if:
 - 22.1.1 Non-payment:** Chivas fails to pay any undisputed amount due under the Contract on the due date for payment and remains in default for not less than 45 days after Chivas is given notice (addressed to Chivas' Chief Financial Officer) to the effect that Chivas is in arrears to the relevant extent and that the Supplier intends to terminate the Contract if payment has not been made within 45 days;
 - 22.1.2 Insolvency:** Chivas is unable to pay its debts as they fall due or admits inability (or is deemed by law to be unable) to pay its debts or is, in the Supplier's reasonable opinion, likely to become insolvent; or
 - 22.1.3 No agreed price:** the prices payable under the Contract were agreed to apply for a specific period only (without an agreed price adjustment formula/mechanism), that period has expired, no new pricing has been agreed and Chivas has been given notice 30 days prior to termination expressing the Supplier's intention to terminate.
- 22.2 Termination by Chivas:** Chivas may terminate the Contract (and cancel any outstanding orders without charge) on giving notice to the Supplier if:
 - 22.2.1 Material breach:** the Supplier commits a material or persistent breach of any of its obligations or duties (which, if capable of remedy, has not been permanently remedied within 30 days of Chivas issuing notice identifying the breach and requiring its remedy). Material breach includes a breach or breaches which:
 - has, in Chivas' reasonable opinion, a material adverse impact on Chivas' use of (or intended benefit from) the Goods/Services;
 - has, in Chivas' reasonable opinion, a material adverse impact on Chivas' business, operations, supply chain, property, financial standing, legal compliance, brands or reputation (or that of any other member of the Pernod Ricard group); or
 - causes any financial loss to Chivas (or to any other Pernod Ricard group member) which cannot be recovered under the Contract;
 - 22.2.2 Change of control:** at any time following appointment, the Supplier is subject to a 'change of control' (being where a person or entity directly or indirectly gains control either through the majority of the voting rights in the Supplier or attains the ability, whether through voting rights, contractual means or otherwise, to direct the affairs of the Supplier) – unless Chivas agreed to the change of control;
 - 22.2.3 IPR dispute:** the Supplier breaches/infringes the IPR of any Pernod Ricard group member or challenges the validity or ownership or opposes the grant of any IPR of any Pernod Ricard group member;
 - 22.2.4 Financial crime & slavery:** the Supplier or any person performing the Supplier's obligations to Chivas on the Supplier's behalf (or any officer or agent of that person or of the Supplier) is charged with or investigated in relation to or engages in any conduct that may constitute an offence under the [Bribery Act 2010](#), [Criminal Finances Act 2017](#) or [Modern Slavery Act 2015](#) or breaches the terms of the applicable anti-bribery & financial crime policy or Chivas' anti-slavery policy (the [Slavery and Human Trafficking Policy](#)); or
 - 22.2.5 Insolvency / ceasing to trade:** the Supplier is unable to pay its debts as they fall due or admits inability (or is deemed by law to be unable) to pay its debts or is, in Chivas' reasonable opinion, likely to become insolvent; or suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business.

23. POST-TERMINATION ARRANGEMENTS

- 23.1 Pre-termination orders:** The Supplier shall cease accepting orders on the termination date – but shall complete all outstanding orders received prior to termination in accordance with the terms of the Contract (unless the Contract was terminated early on any of the grounds listed in clause 22) - subject to order cancellation in accordance with clause 24.2.
- 23.2 Chivas assets:** On termination of the Contract, the Supplier shall, subject to clause 23.1, return to Chivas' nominated site all tools, materials and other tangible assets that were provided by or on behalf of Chivas in connection with the Contract (and repay to Chivas any advance payment paid for Goods/Services which were not supplied prior to termination).
- 23.3 Surviving rights & obligations:** On termination of the Contract, any provision of that Contract that expressly or by implication is intended to come into or continue in force on or after termination shall remain in full force and effect, including: all indemnities; clauses 14.2 (*licence from the Supplier*), 15 (*ownership of IPR*), 16 (*keeping secrets*) and 17.2 (*information access – for five years*); the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination; and application of Platform 20/20 to future appointments (please see clause 1).

24. CHANGE MANAGEMENT

- 24.1 Transfer within Pernod Ricard permitted:** Chivas can assign its rights and obligations under the Contract to any other member of the Pernod Ricard group by giving the Supplier prior notice. (The Supplier may only transfer its rights and obligations under the Contract if agreed).
- 24.2 Order flexibility:** Chivas may at any time amend or cancel any order(s) by notifying the Supplier and:
 - **Supplier breach/cause:** where the amendment or cancellation results from the Supplier's failure to comply with its obligations to Chivas (or otherwise results from termination pursuant to clause 22.2), Chivas shall have no liability to the Supplier in respect of the cancellation or reduction; and
 - **Commercial requirement:** otherwise Chivas' liability to the Supplier shall be limited to payment to the Supplier of the direct costs reasonably incurred by the Supplier prior to receipt of the notice in fulfilling the order (which shall not exceed the agreed price otherwise payable for fulfilling the order).
- 24.3 Waiving rights/remedies:** Failure or delay by any person to exercise any right or remedy provided under the Contract or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy:
 - **Express written waiver only:** a waiver of any right or remedy in connection with the Contract is only effective if agreed (and it shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default); and
 - **Partial exercise:** partial exercise of any right or remedy provided under the Contract or by law shall not prevent or restrict the further exercise of that or any other right or remedy.
- 24.4 Authority to agree:** Throughout Platform 20/20, the word "agreed" means expressly agreed in writing (whether via physical documentation using a 'wet ink signature', email exchange or electronic documentation using a 'digital signature' – but accepting that each party has a right to be provided, on request, with a confirmatory 'wet ink signature' version of any agreement reached via electronic means) between Chivas and the Supplier via:

PARTY	AUTHORISED PEOPLE
For the Supplier	any one of the following people: <ul style="list-style-type: none"> • any company director of the Supplier (or by any partner, sole-trader owner or other representative with equivalent authority); or • any representative of the Supplier acting as 'account manager'; or • any other representative nominated by the Supplier; and
For Chivas	any one of the following people: <ul style="list-style-type: none"> • any board director of Chivas or Chivas' company secretary; or • any representative expressly authorised by a board director of Chivas (but only in relation to the corresponding subject matter/clauses specified by one of Chivas' board directors); or • any other Chivas director or manager – but only to implement Platform 20/20 as the basis for contracting (without any changes or additions to the default Platform 20/20 terms).



Applicable to: Customised Packaging Supply

C

i SUPPLYING CUSTOMISED PACKAGING FOR CHIVAS' PRODUCTS

The provisions on this page apply only in relation to Goods which are to be made to a *Bespoke Design* (as defined in clause D2.1) or to a design supplied by (or on behalf of) Chivas and which are intended to be used as part of packaging for Chivas' products (including bottles, closures, corks, labels/stickers, boxes, shipping cases, etc.).

C1. PLACING PACKAGING ORDERS

C1.1 Business allocation: If Chivas agrees to purchase a certain percentage of its annual requirement for Goods from the Supplier:

C1.1.1 Actual requirements only: Chivas' commitment shall be measured against Chivas' actual annual requirements for the relevant products (excluding any restage of those products) – which might differ from Chivas' forecast and might cease altogether;

C1.1.2 Conditions: Chivas' commitment is subject to the Supplier meeting Chivas' reasonable quality, capacity, timescale, pricing, value-engineering improvement, technical capability/support and legal/contractual compliance requirements – and subject to the Supplier otherwise complying with the Contract; and

C1.1.3 Sole remedy: if Chivas fails to purchase the agreed allocation then the Supplier's sole remedy shall be to terminate the Contract in relation to the relevant Goods by providing notice six months prior to termination. That termination right is subject to clause 23.1 (*pre-termination orders*) and may only be exercised in the event that the Supplier has met each of Chivas' requirements referred to in clause C1.1.2 and Chivas' purchasing failure is material (being a shortfall equal to more than five percent of Chivas' actual annual requirements for the relevant products).

C1.2 Binding forecasts: The Supplier shall comply with the latest edition of Chivas' forecasting and ordering process. Forecasts (if any) shall only be binding to the extent specified by that process. The Supplier shall review Chivas' forecast promptly after it is made available and act accordingly where appropriate to achieve Chivas' order requirements. If a forecast '*crystallisation period*' is agreed, Chivas may place orders for Goods via any of the following three methods:

C1.2.1 Ad hoc PO: by submitting a purchase order to the Supplier;

C1.2.2 Forecast call-off: by submission via Chivas' *Manufacturing Team* of a call-off against Chivas' forecast demand for the relevant quantity of Goods manufactured within the relevant forecast '*crystallisation period*' (calculated in accordance with Chivas' forecasting and ordering process); or

C1.2.3 Paid stock: by confirmation via Chivas' *Manufacturing Team* that the Supplier has manufactured the relevant quantity of Goods within the relevant forecast crystallisation period (converting the forecast into a binding commitment to purchase) but instructing the Supplier to treat the Goods as '*paid stock*':

- The Supplier may invoice for paid stock after holding it for a period of six months - or such alternative period as may be agreed (the "**Initial Holding Period**") (or after delivering it in accordance with Chivas' instructions).
- On expiry of the Initial Holding Period, paid stock which Chivas has not instructed to be delivered is, solely for invoicing purposes, deemed to have been delivered.
- The Supplier may also charge an agreed storage charge to Chivas for holding paid stock for Chivas after the Initial Holding Period (and shall thereafter deliver or dispose of that stock if instructed by Chivas).

C2. QUALITY REQUIRED FOR CUSTOM PACKAGING

C2.1 Specifications: The Supplier shall ensure that all Goods that it supplies for Chivas, on delivery (whether to Chivas or to any alternative final delivery location specified by Chivas) shall:

C2.1.1 Detailed specification: conform to (and have been manufactured, stored, tested, packaged and delivered in compliance with) the latest:

- agreed '*Component Specification*' (the Supplier is deemed to have automatically agreed to that specification when it is appointed to provide 'contingency supply' or otherwise manufacture to a design provided by Chivas) recorded on Chivas' [IntellaPac](#) system (the Supplier must ensure that it is, at all relevant times, aware of the latest specification by regularly checking [IntellaPac](#) – or, if access to [IntellaPac](#) is not available, by regularly checking with Chivas); and

- Chivas' '*General Specification*' for goods of the category ordered by Chivas (except to the extent that it requires a lower level of quality than the agreed *Component Specification* – and subject to any derogations proposed by the Supplier and agreed by Chivas); and

C2.1.2 Production specification: subject to clause C1.1.1, conform in all material respects to the '*production specification*' approved by Chivas (including approved plans, drawings, diagrams, samples and prototypes), if any; and

C2.1.3 Packing specification: subject to clause C1.1.1 be packed in accordance with the agreed packing specification (if any).

C3. CUSTOM TOOLING & IPR USE

C3.1 Custom Tooling: Where required to produce Goods to a Bespoke Design (or to a design supplied by or on behalf of Chivas) or to perform associated Services, the Supplier shall arrange for the production of bespoke tooling, including any required bespoke moulds and bespoke replacement parts (the "**Custom Tooling**") and the following terms shall apply:

C3.1.1 Copying: the Supplier shall not make (or allow to be made) more sets of Custom Tooling than is reasonably required to meet Chivas' projected requirements for the relevant Goods/Services;

C3.1.2 Use: the Supplier shall use the Custom Tooling only for the purpose of producing Goods for (or supplying Services to) Chivas and shall ensure that it is not misused, is stored securely, is protected from loss and damage (including by providing appropriate environmental conditions for the Custom Tooling's use and storage) and is otherwise treated with the same standard of care as a reasonable manufacturer would employ for its own equipment (the Supplier shall repair or replace all Custom Tooling lost or damaged through its breach);

C3.1.3 Ownership: regardless of how the cost of Custom Tooling is funded, the Custom Tooling (and IPR in the Custom Tooling, to the extent that the tooling has been customised for Chivas) shall always be the property of Chivas (and the Supplier shall ensure that the Custom Tooling is at all times labelled as the property of Chivas); and

C3.1.4 Post-termination: unless otherwise agreed, the Supplier shall deliver the applicable Custom Tooling to Chivas on termination of the Contract (or, if instructed by Chivas, arrange for its safe destruction and disposal).

C3.2 Licence from the Supplier: Save to the extent that the relevant IPR has already been transferred to Chivas, the Supplier grants (and shall ensure that each relevant third party grants) to the relevant Brand Owner a permanent worldwide, royalty-free, non-exclusive, transferable, irrevocable IPR licence (with an unrestricted right to grant sub-licences):

C3.2.1 Commercial use: to use and commercially exploit all Goods (and Custom Tooling, if any) supplied to Chivas by the Supplier or manufactured in accordance with the licence in clause C3.2.2 (and in each case the Supplier shall ensure that any moral rights have been waived); and

C3.2.2 Supply chain risk / contingency supply: to manufacture Goods (for use with any Chivas or other Pernod Ricard products) with the same (or similar) "**Aesthetic Elements**" (being the external shape, the colourways and the overall trade dress) as those applicable to any Goods supplied by the Supplier to Chivas (including use of the production processes and techniques necessary to achieve that) and to use, copy, develop and share all associated design materials for that purpose.



Applicable to: Design of Customised Packaging & Promotional Goods

D

i DESIGNING PACKAGING & PROMOTIONAL GOODS FOR CHIVAS

The provisions on this page apply only in relation to design work performed for customised packaging or customised promotional Goods for Chivas. The external shape, the colourways and the overall trade dress (“**Aesthetic Elements**”) of those Goods form a critical extension of Pernod Ricard’s brands.

D1. ORIGATION & DEVELOPMENT

D1.1 Design requirements: The Supplier shall ensure that its completed design is fit for the purpose of manufacturing Goods which:

- D1.1.1 **Quality & legal compliance:** conform to the agreed standards in terms of quality and compliance;
- D1.1.2 **Compatibility:** work (and can be combined by a competent manufacturer) efficiently and effectively with the other goods that Chivas intends to use for its end product (to the extent that the Supplier is provided with information about those other goods);
- D1.1.3 **Commercial production:** can be readily produced on the scale required by Chivas (to the extent that the Supplier is provided with information about Chivas’ intentions);
- D1.1.4 **Instructions:** conform to the design changes and other instructions from Chivas specified during the design development process, including any changes for feasibility or commercial production optimisation; and
- D1.1.5 **Design brief:** are as aesthetically and functionally proximate to the ‘design brief’ (which may take the form of artwork, models or other materials - if any) supplied by Chivas or its authorised agents as is reasonably practicable, accounting for the requirements above regarding quality & legal compliance, compatibility and commercial production.

D1.2 Design tasks: If performing any design work for Chivas, the Supplier shall:

- D1.2.1 **Feasibility study:** advise Chivas promptly of all essential changes to its design brief (if any) which are necessary to achieve the design requirements specified in clause D1.1;
- D1.2.2 **Disclose:** frequently throughout the design development process, provide Chivas with complete and accurate copies of the latest version of the design (including all associated drawings and other relevant information relating to the design or to production of Goods to the design);
- D1.2.3 **Test:** carry out such testing as Chivas may reasonably require and report the result (and any proposed design changes) to Chivas;
- D1.2.4 **Help test:** provide Chivas and its agents with all reasonable assistance requested by Chivas to test whether Goods manufactured to the design meet Chivas’ requirements (including by supplying Goods prototypes and samples for testing with Chivas’ product assembly processes or for proofing purposes); and
- D1.2.5 **Third party materials:** not use any third-party materials (other than those supplied by Chivas or otherwise agreed) in the design if their use could restrict Chivas’ right to use or redevelop the design (or Goods made to the design) – and otherwise inform Chivas of third party materials use.

D1.3 Design advice: If requested by Chivas, the Supplier shall provide advice to Chivas on the material commercial and practical issues associated with commercial production of Goods to designs being developed by the Supplier for Chivas (or which have been developed for Chivas), including:

- D1.3.1 **Price:** the projected cost of those Goods;
- D1.3.2 **Risks:** significant commercial and production risks associated with those Goods (including any significant dependencies);
- D1.3.3 **Changes:** deviations from the design brief (if any) recommended to optimise the design for efficient and economic commercial production of Goods which meet Chivas’ requirements;

D1.3.4 **Capacity:** the Supplier’s capacity for production of those Goods (and any new machinery or other changes required to meet Chivas’ estimated volume requirements; the cost of those changes; and the time required to implement them); and

D1.3.5 **Other information:** any other information concerning the design that is reasonably required by Chivas.

D2. BRAND-RELATED IPR

D2.1 IPR transfer to Chivas: The Supplier acknowledges that all:

- **Customised appearance:** IPR in the Aesthetic Elements of each “**Bespoke Design**” (being a new design for Goods or customisation/development of an existing design for Goods intended to be used in connection with a Chivas product or other Pernod Ricard product), including IPR in the Aesthetic Elements of Goods manufactured to those designs;
- **Derivative materials:** IPR in artwork, designs, specifications, graphics, documentation, models, Goods and other materials developed by or on behalf of the Supplier in connection with any Bespoke Design to the extent that they are derived from materials supplied by or on behalf of Chivas (or are otherwise developed through exercise of the licence granted by Chivas in connection with its materials); and
- **Commissioned work:** IPR in materials developed by or on behalf of the Supplier in performance of any design services for which Chivas is charged any form of fee, whether payable to the Supplier as an independent charge or as part of the cost of Goods associated with that Service (including IPR in the resultant Bespoke Design, IPR in any associated materials created during its development and IPR in Goods manufactured using the Bespoke Design)

belongs to the applicable Brand Owner and the Supplier assigns (and shall ensure that each of its subcontractors and group companies shall assign) to the relevant Brand Owner all such IPR that they hold now or in the future.

D2.2 Further assurances re transfer & enforcement: The Supplier irrevocably appoints Chivas as its lawful attorney to:

- **Sign IPR documents:** execute such documents in the Supplier’s name as are necessary or desirable to give full effect to the transfer of IPR under clause D2.1 and to enable Chivas to enforce and defend that IPR; and
- **Take IPR actions:** take any other action in the Supplier’s name which the Supplier is obliged to take pursuant to clause D2.1

(all acts done and documents executed by Chivas in good faith in the exercise of the power conferred under this clause shall for all purposes be valid and binding as if done or executed by the Supplier and the Supplier shall formally ratify them on request).

D2.3 Bespoke Design licence back: To the extent that the Supplier has been appointed to supply Chivas with Goods to be manufactured using a Bespoke Design, Chivas grants back to the Supplier a non-exclusive, non-transferable, worldwide licence of the IPR transferred to Chivas pursuant to clause D2.1 (with the right to grant sub-licences to its permitted subcontractors, if any) solely for the duration and to the extent required for the proper performance of the Supplier’s obligations to Chivas.

D2.4 No unfair competition: The Supplier shall not directly or indirectly supply any Goods which are confusingly similar to Goods produced to any Bespoke Design (except to members of the Pernod Ricard group) and shall not register any IPR in relation to such Goods.

D2.5 Production licence: If the Supplier is appointed to supply (or further develop) a design for Goods which are intended to be produced by another Chivas supplier, then, save to the extent that the relevant IPR has already been transferred to the applicable Brand Owner, the Supplier grants (and shall ensure that each relevant third party grants) to that Brand Owner a permanent, worldwide, royalty-free, non-exclusive, transferable, irrevocable IPR licence (with an unrestricted right to grant sub-licences) to use, copy and further develop the design to manufacture Goods for use with any Chivas or other Pernod Ricard products (and the Supplier shall ensure that any moral rights have been waived).



Applicable to: Facilitation of Supply via Capital Expenditure

F

i BUYING EQUIPMENT TO ENABLE SUPPLY TO CHIVAS

The provisions on this page apply only to the extent that, in order to supply Chivas with the Goods, the Supplier needs to acquire new equipment (the “**Dedicated Equipment**”) and Chivas has agreed to pay towards the cost of acquiring that equipment (the “**Investment**”). These provisions do not apply to Custom Tooling (unless so agreed).

F1. MAKING THE INVESTMENT

F1.1 Invoicing: The Supplier shall invoice Chivas for the Investment in the amount(s) and at the time(s) agreed (whether by lump sum, instalments or amortised as part of the cost of the associated Goods) – or, in absence of agreement, in a lump sum promptly after the Dedicated Equipment is purchased and made ready for supply of the Goods to Chivas.

F1.2 Due date for payment: Unless it is agreed that the Investment be invoiced as part of the cost of the associated Goods, the due date for payment shall be:

- **Trigger event:** promptly following the agreed trigger event after; or
- **EOM+60:** in absence of any agreed trigger events, by the last day of the second month following the month in which

Chivas receives a compliant invoice for the correct amount (in accordance with clause 8 - with the Investment invoiced being treated as payment for Services).

F1.3 Use of the investment: The Supplier shall hold and use the Investment paid by Chivas solely for the purchase of the Dedicated Equipment. The Supplier shall purchase the Dedicated Equipment and shall take such other steps as are necessary to provide Chivas with a continuous supply of the Goods promptly (and in accordance with all agreed timescales).

F2. PROTECTING THE INVESTMENT

F2.1 Permitted use: The Supplier shall ensure that the Dedicated Equipment shall remain the property of the Supplier and shall, unless otherwise agreed, ensure that it is used only for the purpose of manufacturing the Goods (or such other goods as are agreed) for Chivas and/or other Pernod Ricard group members.

F2.2 Location: The Supplier shall ensure that the Dedicated Equipment remains in Scotland (or at an alternative agreed site).

F2.3 Maintenance & security: The Supplier shall keep the Dedicated Equipment safe and secure, shall maintain it (including by promptly repairing or replacing damaged parts) and shall take such ancillary action as is necessary to ensure that it is capable of providing Chivas with a continuous supply of the Goods.

F2.4 Insurance: The Supplier shall ensure that the Dedicated Equipment is kept comprehensively insured with a reputable insurer (including against loss and damage) for an amount not less than the Investment.

F2.5 Repayment on failure to facilitate supply: If any of the following events occur, the Supplier shall immediately, upon Chivas’ request, repay to Chivas the Investment paid by Chivas (together with interest on that amount at the rate prescribed under [Section 6 of the Late Payment of Commercial Debts \(Interest\) Act 1998](#)):

F2.5.1 Lack of progress: Chivas can prove by means of clear evidence that the Supplier is not working effectively to meet any target date(s) agreed;

F2.5.2 No agreed price: following purchase of the Dedicated Equipment, the parties have not agreed the price(s) and other essential commercial terms for supply of the relevant Goods to Chivas (provided that the failure has been wholly or mainly caused by the Supplier failing to act in good faith and/or to act reasonably promptly); or

F2.5.3 Insolvency: any of the circumstances in clause 22.2.5 apply.

F3. EQUIPMENT TRANSFER

F3.1 Licence to manufacture: If any of the following events occur (each being a “**Step-In Event**”), then the Brand Owner shall have a world-wide, irrevocable, royalty-free, perpetual licence (with the right to grant sub-licences for the purpose of manufacturing the Goods) to use and exploit all IPR subsisting in the Goods, together with any manufacturing know-how relating to the Goods

for the purpose of manufacturing and distributing the Goods or any aesthetically similar variation thereof used for Chivas’ products:

- **Material breach:** the Contract is terminated pursuant to clause 22.2.1 (*material breach*) or clause 22.2.4 (*financial crime & slavery*);
- **Supply failure:** the Supplier fails for any reason to meet Chivas’ demand by 40% or more for a period of three consecutive months or longer for supply of the relevant Goods (measured cumulatively across the relevant product range(s) on a month-by-month basis, as forecasted);
- **Change of control:** any of the circumstances in clause 22.2.2 apply - and the control is acquired by either one of Chivas’ other key suppliers of the same category of products as the Goods or by a direct competitor of Chivas (being any entity which produces products within the spirits or wine sector or which is part of a group which has a member which does so) or such change of control is otherwise reasonably likely to be detrimental to Chivas; or
- **Insolvency:** any of the circumstances in clause 22.2.5 apply.

F3.2 Transfer option: If either a Step-In Event occurs or the Contract expires or is otherwise terminated for any reason, Chivas shall have the option to take ownership and possession of the Dedicated Equipment (and the Supplier hereby grants Chivas and its agents an irrevocable right to enter the premises at which the Dedicated Equipment is located to exercise that right), if Chivas:

- **Paid:** has paid the Investment (and it has not been refunded to Chivas);
- **Notice:** gives the Supplier notice at least seven days prior to the date it proposes to take possession of the Dedicated Equipment, including details of where it intends to locate the Dedicated Equipment and its proposed use (“**Possession Notice**”); and
- **Parts cost:** approves for payment a valid invoice for a sum equivalent to the cost to the Supplier of the replacement parts that the Supplier incorporated in the Dedicated Equipment in the six months prior to the Possession Notice being given (provided that the Supplier provides Chivas with the invoice within seven days of the Possession Notice being sent).

F3.3 Transfer veto: Chivas’ right to take possession and control of the Dedicated Equipment pursuant to clause F3.2 is subject to a right of veto exercisable by the Supplier if the Dedicated Equipment is intended to be relocated to any territory outside Britain and Europe. That veto may only be exercised if:

- **Notice:** the Supplier gives Chivas notice of its intention to exercise the veto within seven days of the Possession Notice being sent;
- **Parts invoice:** the Supplier has not issued (and refrains from issuing) the *replacement parts invoice* referred to in clause F3.2; and
- **Investment refund:** The Supplier repays to Chivas an amount calculated in accordance with the table below:

CIRCUMSTANCES	AMOUNT PAYABLE TO CHIVAS
Scrap: Chivas does not intend the Dedicated Equipment to be used for the purposes of producing goods for its use (or for use by any member of the Pernod Ricard group).	An amount equal to the higher of: <ul style="list-style-type: none"> • the demonstrable market value of the Dedicated Equipment as ‘scrap’ (i.e. in a non-functioning form); and • a genuine offer demonstrably made to Chivas by any third party.
Premature termination: A Step-In Event occurs and Chivas still requires the Goods.	An amount equal to the total Investment paid by Chivas.
Default: In all other circumstances.	An amount equal to the higher of: <ul style="list-style-type: none"> • the book value of the Dedicated Equipment (according to the latest tax return); and • the original cost of the Dedicated Equipment depreciated on the basis of straight line depreciation of the Dedicated Equipment to zero over a period of <u>10 years</u> from the target date agreed for commencement of supply of the Goods.



Applicable to: Outsourcing & Working at Chivas' Sites

0

i PEOPLE SERVICES

The provisions on this page apply only to the extent that any of the supplier's people (including temporary/agency workers and subcontractor staff) require access to any Chivas site in connection with the Contract and/or are required to supply services outsourced by Chivas ("**Supplier Staff**").

01. WORKING AT CHIVAS' SITES

01.1 Site access: The Supplier shall ensure that the Supplier Staff:

- 01.1.1 **Permitted areas:** only access such parts of Chivas' premises as are reasonably necessary for provision of the Services to Chivas; and
- 01.1.2 **Chivas instructions:** comply with Chivas' reasonable instructions regarding that access, including designated routes and security arrangements (Chivas shall have sole discretion over what security arrangements are employed at its premises – and, in accordance with those arrangements, Chivas may refuse to admit access to any the Supplier Staff or require any member of the Supplier Staff to leave Chivas' premises immediately upon request).

01.2 Policy compliance: The Supplier acknowledges that, pursuant to clause 11.2, it shall ensure that Supplier Staff comply with Chivas' [Contractors Handbook](#) in connection with performing work at any Chivas sites.

01.3 Defective behaviour: The Supplier shall:

- 01.3.1 **Take responsibility:** ensure that the Supplier Staff act only in accordance with the Contract (actions/omissions of the Supplier Staff are deemed to be actions/omissions of the Supplier for the purposes of the Contract); and
- 01.3.2 **Remedy problems:** take such action, in the event of any non-compliant behaviour by the Supplier Staff, as is reasonably necessary to ensure that the non-compliance does not reoccur (whether by way of re-training, replacement by a suitably qualified and skilled substitute, taking disciplinary action or otherwise).

02. WORKFORCE MANAGEMENT

02.1 Chivas is not the employer: The Supplier shall:

- 02.1.1 **Employment responsibility:** remain, as between it and Chivas, solely responsible for employment obligations connected with the Supplier Staff - including pay, training and workplace safety (the Supplier Staff shall in no sense be regarded as employees of Chivas); and
- 02.1.2 **Service continuity:** remain responsible for fulfilment of the Contract during any Supplier Staff absences (whether due to sickness, annual leave or otherwise) – and the Supplier shall accordingly ensure that appropriate substitute staff are provided where necessary.

02.2 Employee transfers: If, upon expiry of the Contract (or any arrangement under it) any of the Supplier Staff member is deemed by law to transfer to Chivas (or to its replacement supplier) then the Supplier shall:

- 02.2.1 **Pre-transfer liability:** indemnify Chivas / the replacement supplier to which the employee (or any liability in connection with the employee's contract of employment or its termination – including any pension liabilities) transferred against all liabilities (including costs, expenses, damages, fines and losses) arising in connection with:
 - any breach by the Supplier of the [Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#) (or any corresponding applicable law) - or any failure or unreasonable delay to provide Supplier Staff information reasonably requested by Chivas in order to comply with such regulations (or to re-tender the work); or
 - the employment or termination of employment of any of the Supplier Staff arising from any act or omission of the Supplier; and
- 02.2.2 **Assurance for replacement supplier:** if requested by Chivas, promptly enter into an appropriate 'deed of indemnity' with Chivas' replacement supplier on terms equivalent to those in clause 02.2.1.

02.3 Food processing/packaging labour: In accordance with clauses 11.1 and 12.1, if the Supplier is a labour provider which supplies Chivas with people to work in food processing or packaging, the Supplier shall ensure that at all relevant times, it has a [valid Gangmasters Licence](#), if applicable.





Applicable to: 'Point of Sale' Goods & other Promotional Goods Supply

P

i PROMOTIONAL GOODS

The provisions on this page apply only to the extent that Chivas orders promotional goods from the Supplier (including 'point of sale' materials and promotional merchandise, such as drinking glasses, drinks trays, ice buckets, coasters for drinks, barware, drinks 'glorifiers', distillery visitor centre promotional merchandise, etc.).

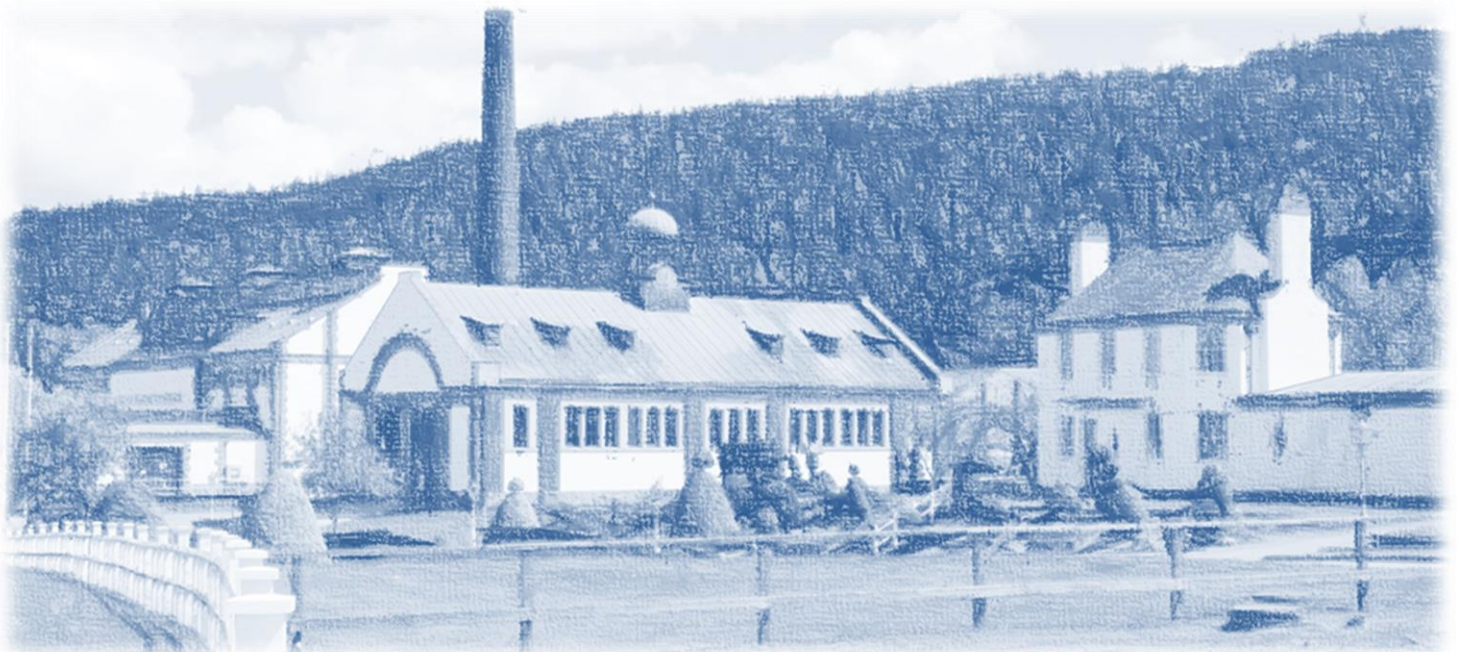
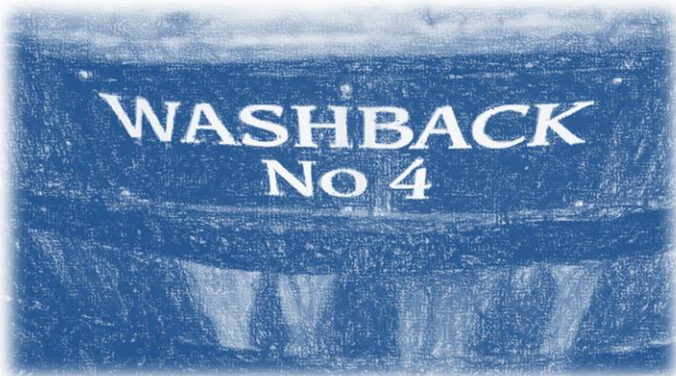
P1. CONSUMER USE

P1.1 Contact with liquid: To the extent that the Supplier supplies Goods for Chivas which are intended to have contact with any alcoholic beverage (or any mixers or other drinks addition – such as 'ice' or 'water'), the Supplier shall:

P1.1.1 Food safe: ensure that, on delivery (whether to Chivas or to any alternative final delivery location specified by Chivas), those Goods are *food safe* for use with alcoholic beverages; and

P1.1.2 Information & evidence: on request, provide Chivas with:

- a comprehensive breakdown of those parts of the Goods which will have the contact (including adhesives);
- reasonable evidence of testing which demonstrates that those parts of the Goods which will have the contact are *food safe* for use with alcoholic beverages (or ice alone, if applicable); and
- copies of all required *food safe* and other necessary certification.



P2. CUSTOM TOOLING & IPR

P2.1 Custom Tooling: Where required to produce Goods to a "**Bespoke Design**" (being a new design for Goods or customisation/development of an existing design for Goods intended to be used in connection with a Chivas product or other Pernod Ricard product) or to a design supplied by or on behalf of Chivas (or to perform associated Services), the Supplier shall arrange for the production of bespoke tooling, including any required bespoke moulds and bespoke replacement parts (the "**Custom Tooling**") and the following terms shall apply:

P2.1.1 Copying: the Supplier shall not make (or allow to be made) more sets of Custom Tooling than is reasonably required to meet Chivas' projected requirements for the relevant Goods/Services;

P2.1.2 Use: the Supplier shall use the Custom Tooling only for the purpose of producing Goods for (or supplying Services to) Chivas and shall ensure that it is not misused, is stored securely, is protected from loss and damage (including by providing appropriate environmental conditions for the Custom Tooling's use and storage) and is otherwise treated with the same standard of care as a reasonable manufacturer would employ for its own equipment (the Supplier shall repair or replace all Custom Tooling lost or damaged through its breach);

P2.1.3 Ownership: regardless of how the cost of Custom Tooling is funded, the Custom Tooling (and IPR in the Custom Tooling, to the extent that the tooling has been customised for Chivas) shall always be the property of Chivas (and the Supplier shall ensure that the Custom Tooling is at all times labelled as the property of Chivas); and

P2.1.4 Post-termination: unless otherwise agreed, the Supplier shall deliver the applicable Custom Tooling to Chivas on termination of the Contract (or, if instructed by Chivas, arrange for its safe destruction and disposal).

P2.2 Licence from the Supplier: Save to the extent that the relevant IPR has already been transferred to the relevant Brand Owner, the Supplier grants (and shall ensure that each relevant third party grants) to that Brand Owner a permanent worldwide, royalty-free, non-exclusive, transferable, irrevocable IPR licence (with an unrestricted right to grant sub-licences) to use and commercially exploit all Goods (and Custom Tooling, if any) supplied to Chivas by the Supplier (and the Supplier shall ensure that any moral rights have been waived).



Applicable to: Working with 'Personal Data'

W

WORKING WITH 'PERSONAL DATA' FOR CHIVAS

The provisions on this page apply only to the extent that any *personal data* is collected or received by the Supplier (or the Supplier otherwise processes *personal data* on Chivas' behalf) in connection with the Contract ("**Relevant Data**"). Terms defined in [Article 5 of the EU's General Data Protection Regulation \(Regulation \(EU\) 2016/679\)](#) shall have the same meaning in these provisions.

W1. LEGALLY COMPLIANT PERSONAL DATA PROCESSING

W1.1 GDPR contract mandatorys: The Supplier shall, both during the Contract and thereafter:

W1.1.1 Specification: ensure that any Goods or Services specification which it provides to Chivas includes details of the associated processing of Relevant Data it will need to perform on Chivas' behalf, the type of personal data involved, the categories of data subject and the duration of processing (if different from the Contract duration);

W1.1.2 Purposes: process Relevant Data only:

- to fulfil the Supplier's obligations under the Contract (for which purpose the Supplier shall process the Relevant Data only in accordance with Chivas' documented instructions - including instructions incorporated in any Goods or Services specification agreed under the Contract); or
- to the extent otherwise required pursuant to [EU law](#) or the law of any [EU member state](#) (in which case the Supplier shall, to the extent legally permitted, inform Chivas of that legal requirement before processing the Relevant Data);

W1.1.3 Transfers: not transfer Relevant Data to any territory outwith the [European Union](#) not recognised by the [European Commission](#) as providing an adequate level of protection for personal data, unless:

- Chivas has agreed in advance to Relevant Data being transferred to that territory; and
- the Relevant Data is protected by an appropriate mechanism compliant with the relevant data protection Laws (such as via implementation of the [European Commission's Standard Contractual Clauses](#));

W1.1.4 Confidentiality: treat Relevant Data as Chivas' Confidential Information in accordance with clause 16, including by limiting access to those of its staff who:

- have been informed of the confidential nature of the Relevant Data;
- have a need to access it to enable the Supplier to fulfil its obligations under the Contract; and
- are bound by appropriate contractual confidentiality obligations in respect of the Relevant Data;

W1.1.5 Security: implement appropriate technical and organisational measures (including staff training) to ensure a level of security proportionate to the risks posed to the rights and freedoms of data subjects by processing the Relevant Data and by data breaches (including measures appropriate to protect the Relevant Data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure, access, or processing);

W1.1.6 Sub-processing: not engage another processor to process Relevant Data unless agreed in advance by Chivas - and, if the appointment is agreed by Chivas, the Supplier shall be responsible for sub-processor compliance - and shall accordingly ensure that the sub-processor:

- is reasonably reputable and has been selected diligently;
- processes the Relevant Data in compliance with contractual terms substantially the same as the Supplier's data protection obligations under the Contract; and
- ceases to process the Relevant Data on termination of the Contract;

W1.1.7 Co-operation: provide such reasonable assistance as Chivas requests to enable Chivas to:

- respond appropriately to inquiries from regulatory authorities;
- comply with the rights of data subjects; and
- comply with Chivas' legal obligations relating to data security, data breach notification, data protection impact assessments and related prior consultation procedures (taking into account the nature of the processing and the information available to the Supplier);

W1.1.8 Deletion & return: if requested by Chivas, permanently delete/securely destroy or return/copy to Chivas (at Chivas' option) all Relevant Data in the Supplier's possession or control – save that copies may be retained to the extent required by law; and

W1.1.9 Evidence: make available to Chivas all information necessary to demonstrate the Supplier's compliance with this clause W1.1 – including a written statement of the measures implemented pursuant to clause W1.1.5 (and allow Chivas and Chivas' nominated representatives to audit and inspect the Supplier's compliance with this clause W1.1).

W1.2 No infringement: The Supplier shall not, in connection with the Contract, do (nor omit to do) anything that will (or is reasonably likely to) place Chivas (or any other member of the Pernod Ricard group) in breach of data protection Laws. The Supplier shall give Chivas notice of all data processing instructions rejected pursuant to this clause.

(The Supplier shall not be held liable for any breach of this clause W1.2 to the extent that the breach of data protection Laws arises from compliance by the Supplier with written instructions from Chivas which the Supplier both (i) was unaware would result in the breach and (ii) was not responsible for checking, whether pursuant to clause 13 or otherwise).

W2. MANAGING PERSONAL DATA PROBLEMS

W2.1 Data breaches: The Supplier shall:

W2.1.1 Notification: promptly provide Chivas with all material details upon on becoming aware of any:

- failure of the measures referred to in clause W1.1.5 - or other data breach (including details of the categories and number of affected data subjects/records, the likely consequences of the breach and any steps being taken to address the breach);
- complaint made to the Supplier relating to Relevant Data; and
- approach by any regulator investigating compliance by Chivas, the Supplier or any of the Supplier's subcontractors/sub-processors with data protection Laws (to the extent permitted by law); and

W2.1.2 Mitigation: take steps to mitigate the effects of and to minimize any damage resulting from the data breach and comply with any reasonable instructions provided by Chivas in relation to the data breach.

W2.2 Direct data processor responsibilities: Nothing within the Contract is intended to relieve the Supplier of its own direct responsibilities and liabilities under data protection Laws.

