

Distell Anti-Bribery and Corruption Policy

CL-P-001A

Revision: 3

Approved: September 2020

OVERVIEW OF ABC POLICY

Distell is committed to doing business in an ethical and lawful manner, and as such **all forms of bribery and corruption by any person involved in the business of Distell are prohibited**. In this Policy, the specific rules and procedures relating to this prohibition are set out in detail.

The words bribery and corruption are used interchangeably in this Policy, and include the term “bribe”. A “bribe” is the direct or indirect offer, authorization, gift or promise to give anything of value to a government/public official or any other person, with the intent to obtain or retain business or gain an improper advantage (and it includes so-called “facilitation payments”). For the sake of clarity, bribery and corruption include, amongst others, the following:

- any payment or anything else of value to any officer, official, employee, agent and/or representative of any government or public international organization to influence or reward his/her or its decision, or to gain any other improper advantage;
- any payment or anything else of value to any representative of a private enterprise/company (whether for profit or otherwise) to improperly, dishonestly and outside the ordinary course of ethical business practice, influence or reward his/her or its decision, or to gain any other improper advantage; and
- any act or omission that constitutes a contravention of any applicable ABC Laws.

All employees, associated persons and business partners of Distell are required to comply with this Policy and the specific rules and procedures dealt with in the Policy, whenever such persons are involved with the business of Distell (in any way). If any person is unsure of whether this Policy applies and/or how a particular rule or procedure should be applied, such person should contact the Compliance Department of Distell on +2721 809 7563, or by email: sbotha@distell.co.za or compliance@distell.co.za.

1. DEFINITIONS

- 1.1. **“ABC”**: Anti-bribery and corruption.
- 1.2. **“ABC Laws”**: The South African Prevention and Combating of Corrupt Activities Act, 2004, or any other national or international regulatory enactment of similar import that may have a bearing on the activities of Distell.
- 1.3. **“associated person”**: An “associated person” is a person who performs services for or on behalf of Distell. This person can be an individual or an incorporated or unincorporated body. The capacity in which a person performs services for or on behalf of Distell does not matter and can include employees (who are presumed to be performing services for their employer), agents and subsidiaries.
- 1.4. **“bribery and corruption”**: Have the meaning detailed in the overview of this Policy provided on page 1.
- 1.5. **“business partner”**: Includes any third party with which Distell does business and includes, but may not be limited to, any of the following: suppliers; distributors or re-distributors; customers; sales agents ; consultants and independent contractors.
- 1.6. **“Distell”**: Distell Group Limited as well as any:
 - 1.6.1. subsidiary of the Distell Group Limited, whether incorporated in the Republic of South Africa or elsewhere;
 - 1.6.2. partnership, incorporated and unincorporated joint venture or trust in which the Distell Group Limited has a, direct or indirect, partnership or beneficial interest of 50% (fifty percent) or more; and
 - 1.6.3. company, partnership, incorporated and unincorporated joint venture or trust which is controlled by the Distell Group Limited.
- 1.7. **“employee/s”**: All Distell employees working at all levels and grades (whether permanent, fixed-term or temporary), including directors (non-executive and independent directors), senior managers, officers, trainees, seconded staff, home based staff, casual staff, agency staff, volunteers and interns.
- 1.8. **“facilitation payment”**: Facilitation payments are payments made to government officials to induce them to perform routine functions expeditiously.
- 1.9. **“government official”**: The term “government official” is interpreted very broadly around the World and covers people not only working directly for government, but also employees of government owned or controlled companies or agencies. In this Policy, the term “government official” should be interpreted as including reference to any “public official”. In some countries it can be difficult to determine whether you are dealing with “government officials”. For example a government official may be: an official or employee of a government or government owned enterprise; an official or employee of a government agency or regulatory authority; an official or employee of a political party or a political candidate; any official or employee of an international public organisation such as the United Nations, World Bank or International Monetary Fund; a member of the judiciary or magistracy; an individual who holds or performs the duties of an appointment, office or position created by custom or

convention, including some members of royal families and some tribal leaders; a person who is, or holds themselves out to be, an authorised intermediary of a government official; a relative or associate of such government official; and Police officers, customs and tax officials, employees of state owned enterprises, political party officials as well as children or other relatives of a government or political party official.

- 1.10. **“improper advantage”**: An “improper advantage” is broadly defined to mean something to which Distell is not clearly entitled, such as improper influence on a decision to purchase Distell products at a government institution, contract award, grant of operating permits, product registration approval, favourable court decision, or a tax dispute settlement.

2. INTRODUCTION

- 2.1. Distell recognises that bribery and corruption is a growing concern for corporate and public life in many countries across the World. Acts of corruption and bribery are strictly prohibited by ABC Laws that require companies, such as Distell, to develop comprehensive and robust ABC processes and procedures.
- 2.2. Distell has always been committed to doing business on an ethical and sound basis and in-line with applicable legislation, Distell is committed to comply fully with ABC Laws and to continuously conduct its business with integrity and with proper regard for ethical business practices. Distell has a zero tolerance approach to acts of bribery and corruption by any associated person and expects all its employees to comply with these principles and to act in the best interest of the company at all times.
- 2.3. The Managing Director and Senior Management Team will actively and visibly lead the organisation’s ABC policy and practice and ensure that this Policy is implemented consistently and with clear lines of authority.

3. PURPOSE

Distell has prepared and set out herein a clear policy that outlines the measures which it has taken to prevent bribery and corruption, and the procedures that should be followed if any incident of bribery or corruption occurs within the purview of its business. This Policy does not form part of any employee's contract of employment and it may be amended at any time. However, all employees are required to comply with this Policy at all times and any failure to do so may result in disciplinary action being taken against the employee concerned.

4. POLICY STATEMENT

No employee, associated person or business partner may engage in any act of bribery or corruption in relation to the business of Distell, including in the distribution and sale of its products.

5. POLICY

- 5.1. This Policy applies to all Distell employees and to all associated persons, wherever located. For business partners, this Policy applies insofar as they are involved in the business of Distell including the distribution and sale of its products. All employees, associated persons and business partners must read, become familiar and comply with this Policy.
- 5.2. Any breach of this Policy will be regarded as a serious matter, which may result in

disciplinary action being taken, which could result in dismissal and criminal proceedings. For business partners, a breach of this Policy may have implications for the ongoing contractual relationship between the business partner and Distell, and in terms of the applicable ABC Laws, Distell may be under a legal obligation to report acts of bribery and corruption to the relevant authorities.

5.3. **Bribery and kickbacks**

Distell does not take part in acts of bribery and corruption, pay bribes or receive kickbacks, either directly or indirectly and prohibits its employees and associated persons from engaging in acts of bribery and corruption, such as paying or accepting bribes or kickbacks.

5.4. **Determining bribery and corruption**

5.4.1. When in doubt about whether or not a particular incident involves bribery or corruption, a person may consider asking the following questions:

5.4.1.1. Am I being asked to pay something or provide any other benefit over and above the cost of the service that is being performed (for example, an excessive commission, lavished gift, kickback or contribution to a charity or political party)?

5.4.1.2. Am I being asked to make a payment to a third party that is not involved in the particular transaction or process?

5.4.1.3. Are the gifts and hospitality that I am receiving or providing reasonable and justified, and would I be embarrassed to disclose them?

5.4.1.4. Do I know suspect that a payment or other benefit that I am providing may induce or reward favourable treatment, undermine the recipients impartial decision-making, or persuade him or her to do something that would not be in the proper performance of his or her job?

5.4.2. The “red flags” detailed in the Schedule to this Policy may also be used as guidance. If still unsure, a person can contact the Compliance Department of Distell on +2721 809 7563, or by email: sbotha@distell.co.za or compliance@distell.co.za.

5.5. **Facilitation Payments**

5.5.1. Distell does not make and will not accept facilitation payments of any kind and prohibits all employees and associated persons from making these payments, even to secure or expedite a routine government action by a government official. It is also not permitted to establish accounts or internal budgets for the purpose of facilitation payments to government officials.

5.5.2. All employees and associated persons must avoid any activity that might lead to, or suggest that, a facilitation payment or kickback will be made or accepted by Distell, recognising that refusal to make such payments may result in commercial delays and that there may be additional costs attributable to adherence with this Policy. If any employee or associated person encounters a demand for a facilitation payment, or think they are likely to do so, they should report the situation to the respective line manager without delay, who should ensure that the regional managers, where applicable, are informed and will escalate these situations to the respective Distell Compliance and/or

Legal Department as soon as possible.

- 5.5.3. Distell however recognises that there may be exceptional circumstances where an individual's safety may be at risk. In such circumstances all steps necessary will be taken to safeguard the individual, who may be required to use their best judgement. These circumstances must be reported as soon as possible after the incident has occurred and will be required to provide absolute transparency as to the occurrence.

5.6. **Gifts, Hospitality and Expenses**

- 5.6.1. Although Distell recognises that to refuse a gift can offend business partners in certain circumstances and/or countries, employees and associated persons may not offer to, or accept from any third parties, government officials or business partners gifts, hospitality, rewards, benefits or other incentives that could affect either party's impartiality, influence a business decision or lead to the improper performance of an official duty. Similarly, no cash payments, donations or any other cash equivalent such as a gift voucher may be offered or accepted.

- 5.6.2. However, gifts and entertainment, such as meals or invitations to local sporting events may be offered and accepted where these are deemed to be 'reasonable' and 'proportionate' when considering the value of the gift or benefit as well as the frequency with which the gift or benefit is offered or accepted. Gifts must be given or received openly, unconditionally and must be of modest value and be duly reported in terms of Distell's Gift Policy. Gifts and entertainment must never be offered or accepted to obtain an improper advantage. For the sake of clarity, lavish and unreasonable gifts, entertainment and hospitality are prohibited (such as large cash payments, luxury goods and/or overseas trips).

- 5.6.3. Where reasonably practicable, pre-approval for all gifts, hospitality or benefits received or offered which exceed the relevant limits stipulated in Distell's Gifts Policy must be sought from the respective business unit managers or heads, prior to final acceptance or provision thereof. The approval of such gifts, hospitality, benefits or expenses will be determined in accordance with Distell's delegations of authority and must be given in writing. Detailed records of all gifts, hospitality, benefits and expenses must be kept, including from whom and by whom (in-line with Distell's Gift Policy).

- 5.6.4. Where it is not reasonably practicable to obtain prior approval before the initial acceptance of a gift or hospitality, these situations must be reported and retrospective approval sought, at the required level as soon as possible after the situation has occurred.

- 5.6.5. In addition to the above, the following specific requirements are applied to the offering or accepting of gifts, hospitality and other benefits:

- 5.6.5.1. it is not made with the intention of influencing a third party to obtain an improper advantage;
- 5.6.5.2. it complies with applicable ABC Laws;
- 5.6.5.3. it is given in Distell's name, not in an individual's name;
- 5.6.5.4. it does not include cash or a cash equivalent (such as gift certificates or vouchers);

and

- 5.6.5.5. it is appropriate in the circumstances, that is – not of excessive value in relation to the level of related business or within the industry norm.

5.7. Dealing with government officials

- 5.7.1. Bribing or corrupting a government official is a serious offence and may result in severe penalties and significant reputational damage for both Distell and any associated persons. Interacting with government officials requires particularly stringent scrutiny. In this regard it is important to appreciate that government officials can often be in a position to solicit bribes or facilitation payments and any gifts or benefits, including alcohol products, offered or provided to a government official may be construed as a bribe.
- 5.7.2. Where ever reasonably practicable, the pre-approval process for all gifts, hospitality or benefits offered or provided to government officials must be completed prior to the offering of anything of value, and Distell's Gift Policy must be strictly adhered to.
- 5.7.3. Notwithstanding the above, Distell recognises that the laws applicable in certain jurisdictions may provide for legitimate payments to government officials under specific circumstances, such as the payment of *per diems* (which cover daily living expenses such as travel, accommodation and food). The following rules apply in respect of the payment of *per diems*:
- 5.7.3.1. the *per diem* must be required to be paid by the government (NOT by the government official), and clearly addressed in applicable laws;
- 5.7.3.2. the rates must be the official rates provided for in the applicable law (and cannot be arbitrarily arrived at through negotiation);
- 5.7.3.3. an official invoice must be received, and if this is not possible, the official must sign for receipt of payment;
- 5.7.3.4. payment in cash should, as far as reasonably possible, be avoided. Where possible, payment should be made to the service provider directly or alternatively into the official account of the government department (NOT the account of the government official); and
- 5.7.3.5. pre-approval from the Compliance Department of Distell is required for all per diem payments.

6. ROLES AND RESPONSIBILITY FOR ABC COMPLIANCE

The prevention, detection and reporting of bribery and corruption is the responsibility of all employees and associated persons, who must ensure that they have read, understand and will comply with this Policy. Distell entrusts all persons involved in its business to take a proactive role in improving Distell's ABC policy and practice.

6.1. The Board

The Board of Distell has overall responsibility for ensuring that this Policy complies with applicable ABC Laws and that adequate processes are put in place to ensure compliance

with this Policy, as far as reasonably practicable.

6.2. **Social and Ethics Committee**

Distell has appointed a Social and Ethics Committee, as required by Regulation 43 of the Regulations to the South African Companies Act of South Africa 71 of 2008. The Social and Ethics Committee of Distell shall monitor the company's progress and standing regarding ABC compliance requirements and will be responsible for providing independent oversight and assessment of the adequacy and effectiveness of this Policy.

6.3. **Executives / Directors**

6.3.1. The leadership group at Distell is responsible for holding their direct reports and project partners to account. They are responsible for ensuring that their matters are properly planned and that relevant risks are assessed and managed in line with this Policy.

6.3.2. The Company Secretary has primary and day-to-day responsibility for implementing this Policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation.

6.3.3. Management at all levels in Distell are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate and regular training.

6.4. **Employees and associated persons**

6.4.1. Employees and associated persons at Distell are responsible for challenging instances where bribery and corruption may occur. Employees and associated persons may not give or receive bribes and are responsible for reporting all bribery and corruption that they are aware of via the procedures laid out in this Policy. It is critically important that all employees and associated persons notify Distell's Compliance or Legal Department as soon as possible if bribes are offered or requested by a third party, or where they suspect that this may happen in the future, or believe they are a victim of another form of unlawful activity.

6.4.2. Where employees and/or associated persons are uncertain about whether a particular behaviour or conduct constitutes bribery or corruption, or where there may be any other queries, these should be raised with Distell's Compliance or Legal Department.

6.4.3. Employees and associated persons are also required to fight by the ethical principles set out in the Schedule to this Policy.

6.5. **Human Resources**

The Human Resources department is responsible for ensuring that the spirit of this Policy is incorporated into all aspects of Distell's people management policies, including recruitment, promotion, training, performance evaluation, remuneration and reward; and that policies are continually improved in consultation with employees.

6.6. **Finance**

The Finance department is responsible for ensuring that the spirit of this Policy is incorporated into all aspects of Distell's financial management policies, including maintaining

of accurate books and records, corporate accounting, gifts registers, staff expenses and donations – and that these policies are continually improved in consultation with employees.

6.7. **Business partners**

Whenever business partners are involved, in any way, with the business of Distell, they are required to comply with the rules and procedures laid out in this Policy. For business partners that are juristic entities, the senior management of such entities are required to take reasonably practicable steps to ensure that all of their employees, agents, representatives and other persons involved with the business of Distell on their behalf, are aware of, and comply with, the applicable rules and procedures of this Policy.

7. **ABC COMPLIANCE PROCEDURES**

7.1. **Risk assessment**

7.1.1. Distell is committed to the on-going monitoring of its ABC risk and its ABC controls are reviewed periodically. Pursuant thereto, ABC control reports are submitted to its Social and Ethics committee, which, in addition to monitoring Distell's good corporate citizenship responsibilities, monitors implementation and adherence to this Policy.

7.1.2. Distell recognises that the threat of bribery varies across borders, countries, areas of work, business partners and transactions and that accordingly, Distell must respond proportionately to those risks. Matters which involve working with business partners or overseas agents and intermediaries are assessed, in addition to the ongoing formal and informal risk assessment.

7.2. **Due diligence (Recruitment)**

7.2.1. Distell recognises that robust ABC practice starts from the outset of employing an individual. It therefore:

7.2.1.1. ensures that employment contracts prohibit the giving or receiving of bribes on behalf of Distell; and

7.2.1.2. ensures that all new employees receive ABC training.

7.3. **Due diligence (Third Parties)**

7.3.1. Distell expects all its business partners to be familiar with this Policy, to comply with its provisions when involved with its business and to approach any bribery or corruption incidences in accordance with this Policy. Third parties and business partners should in particular be aware that Distell strictly prohibits the payment of bribes and where this requirement of Distell is not complied with by a third party or business partner, Distell will reconsider its relationship with such third party or business partner.

7.3.2. Distell requires that all employees and associated persons engaging with business partners on behalf of Distell to ensure that:

7.3.2.1. business partners are selected and procured through a transparent, competitive and fair process;

7.3.2.2. a due diligence is carried out, based on the assessed risk level of business

partners, before entering into contracts;

- 7.3.2.3. based on their assessed risk level, high-risk business partners are briefed on this Policy, have been provided with a copy thereof and made a formal commitment to abide by it;
- 7.3.2.4. contractual agreements expressly prohibit the giving or receiving of bribes on behalf of Distell and include the necessary provisions, clauses or exceptions permitting the withdrawal from the business relationship or termination of the contract where associated persons fail to abide by this Policy;
- 7.3.2.5. Distell uses its influence to ensure that joint ventures and other business relationships meet Distell's high integrity standards and where Distell has the managing control, that such associated persons adopt Distell's commitment and approach to ABC compliance as detailed in this Policy; and
- 7.3.2.6. fees and commissions payable are appropriate and remuneration for goods or services rendered is reasonable, justifiable and legitimate.

7.4. Charitable and Political Donations

- 7.4.1. As part of its Corporate Social Responsibility, Distell supports various charities and provides sponsorships, particularly to those in local communities, but only where these serve a legitimate public purpose and subject to high standards or integrity, transparency and accountability. Distell will not make any charitable donations, unless approved in advance and in writing in accordance with current and applicable procedures.
- 7.4.2. Political contributions, donations, gifts or sponsorships made to a politician, political party or political campaign are regarded as high corruption risk activities which must be strictly avoided, and if considered under exceptional circumstances, they will be strictly managed. Accordingly any requests for donations or sponsorship to such individuals or parties must be referred to the Compliance Officer, Company Secretary **and** the Director: Corporate & Regulatory Affairs in writing for consideration. The request will only be approved if:
 - 7.4.2.1. more than one political party (or politician) will be represented as regards such contribution, donation, gift or sponsorship; and
 - 7.4.2.2. if the Compliance Officer, Company Secretary **and** the Director: Corporate & Regulatory Affairs is satisfied that the respective contribution, donation, gift or sponsorship will be properly recorded in terms of the provisions in clause 9.5.

7.5. Record-keeping

- 7.5.1. Financial records must be kept and appropriate internal controls must be in place, which will evidence the business reason for making payments to third parties.
- 7.5.2. All hospitality or gifts accepted or offered must be declared in terms of Distell's Gifts Policy.
- 7.5.3. All expense claims relating to hospitality, gifts or expenses incurred to third parties must be submitted in accordance with Distell's expenses policy with specific record of the

reason for such expenditure.

- 7.5.4. All accounts, invoices, memoranda and other documents and records relating to transactions with third parties, such as clients, suppliers and other business partners, should be prepared and maintained with strict accuracy and completeness. No transactions will be accounted for off-record to facilitate or conceal improper payments.

7.6. Training and Communication

- 7.6.1. Distell will make this Policy available to all employees and associated persons. Training on this Policy forms part of the induction process for all new employees of Distell and all existing employees will receive regular and relevant training on how to implement and adhere to this Policy.

- 7.6.2. Distell's zero-tolerance approach to bribery and corruption must be communicated to all business partners at the outset of a business relationship and thereafter, as appropriate and they must understand and comply with this Policy. To ensure that this is communicated, Distell will:

- 7.6.2.1. publish this Policy on the employee intranet and on its external website;
 - 7.6.2.2. revise and publishes its code of conduct to explicitly forbid the giving or receiving of bribes and ensures that employees sign up to this annually;
 - 7.6.2.3. brief all employees on this Policy, as part of the organisation's induction as a minimum;
 - 7.6.2.4. incorporate ABC into the employee performance appraisal process, where applicable; and
 - 7.6.2.5. ensure that all employees undergoes regular ABC training and that the HR department maintain attendance registers thereof.
- 7.6.3. Suitable channels of communication, by which employees or other associated persons can confidentially report any suspicion of bribery or corruption, will be maintained through Distell's Ethics Line.

7.7. Monitoring and Review

- 7.7.1. The Company Secretary will monitor the effectiveness and review the implementation of this Policy regularly, considering in particular its suitability, adequacy and effectiveness.

- 7.7.2. Through regular risk assessments, employee training and feedback, Distell will continuously monitor and review its procedures designed to prevent bribery and corruption by persons associated with it and make improvements and policy changes where necessary. For optimal transparency, this review and monitoring process should be performed by suitable qualified independent experts. Personnel are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Company Secretary. Improvements will be made as required from time to time. Internal control systems and procedures will be subject to regular audits for assurance that they are effective in

countering bribery and corruption.

7.8. Raising Concerns and Whistle Blowing

7.8.1. Distell encourages all employees, associated persons and business partners to raise concerns about any issue or suspicion of corruption or bribery without delay to the respective Business area or Line Manager or alternatively to use the Distell Ethics Line. Red flag situations that may indicate bribery or corruption are set out in the Schedule attached hereto. Employees, associated persons and business partners should reject demands for or offers of bribes and Distell's ABC stance should be made clear.

7.8.2. The only circumstance where payments are permissible is when the health and safety of an individual is seriously at risk. Managers, directors and employees should plan their operations and have security procedures to reduce the risk of payments being requested under duress.

7.8.3. Where bribery and corruption is suspected, or where it occurs:

7.8.3.1. All pertinent details should be recorded as soon as possible practicable to enable the investigation thereof.

7.8.3.2. Any instance of actual or potential bribery will be properly and promptly investigated.

7.8.3.3. The objectives of an investigation should be to:

7.8.3.3.1. confirm whether or not bribery or corruption has taken place, and to identify who was responsible;

7.8.3.3.2. confirm whether internal controls and ABC procedures have been effectively implemented; and

7.8.3.3.3. identify any improvements required to ABC procedures.

7.8.4. Depending on the findings of the investigation, subsequent action will be determined. This may involve disciplinary action against staff involved or external reporting to the authorities or a regulator, whichever is applicable. When a business partner is involved, Distell may consider terminating any further relationship with such business partner and it may be under a legal obligation to report the relevant circumstances to the authorities in the jurisdiction concerned.

7.9. Protection

7.9.1. Distell encourages openness and will support anyone who raises genuine concerns in good faith under this Policy.

7.9.2. Distell is committed to ensure that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or corruption incident has taken place, or may take place in future. Detrimental treatment connected with raising a concern

should be reported to the Company Secretary immediately.

DISTELL ETHICS LINE	<ol style="list-style-type: none"> 1. South Africa (Toll Free): 0800 004 822 2. United Kingdom (Toll Free): 0808 189 1196 3. Namibia MTC (Toll Free): 081 91847 4. Namibia Landline (Toll Free): 0800 003 313 5. France (Toll Free): 0805 0805 44 6. International: +27 31 571 5657 	Email Address: distell@ethics-line.com
COMPANY SECRETARY	Number: 021 809 8103	Email Address: Imalan@distell.co.za
LEGAL DEPARTMENT	Number: 021 809 8105	Email Address: jwdewet@distell.co.za
DIRECTOR: CORPORATE & REGULATORY AFFAIRS	Number: 021 809 7013	Email Address: BSMBackman@distell.co.za
COMPLIANCE DEPARTMENT	Number: 021 809 7563	Email Address: sbotha@distell.co.za or compliance@distell.co.za

1. ETHICAL PRINCIPLES

Distell expects that all employees and associated persons should at all times act in accordance with the following principles:

- 1.1. behave honestly, be trustworthy and set a good example;
- 1.2. use the resources of Distell in the best interests of Distell and not misuse those resources;
- 1.3. make a clear distinction between the interests of Distell and private interests to avoid any conflict of interest, and if such conflict does arise, to report it immediately;
- 1.4. ensure that any community support, sponsorship and charitable donations do not constitute bribery or corruption, and if in doubt, to immediately consult management;
- 1.5. confidentially report all incidents, risks and issues which are contrary to this Policy to the Company Secretary of Distell, the Compliance Department or through the Distell Ethics Line; and
- 1.6. not offer or accept any bribes and not be involved with any act of bribery or corruption.

2. ABC “RED FLAGS”

The following is a list of possible ABC “red flags” that should raise concern. The list is not intended to be exhaustive and is for illustrative purposes only. Any of these “red flags” must be reported to line management:

- 2.1. if a business partner engages in, or has been accused of engaging in, improper business practices;
- 2.2. if a business partner has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with a government official;
- 2.3. if a business partner insists on receiving a commission or fee payment before committing to sign a contract with Distell, or carrying out a government function or process for Distell;
- 2.4. if a business partner requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for payments made;
- 2.5. if a business partner requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 2.6. if a business partner requests an unexpected additional fee or commission;
- 2.7. if a business partner demands lavish entertainment or gifts before commencing or continuing contractual obligations or services;
- 2.8. if a business partner requests that a payment is made to “overlook” potential legal violations or to reimburse unsubstantiated expenses or requests a blank value sheet in order to insert their own value of goods supplied;
- 2.9. if a business partner requests employment or other benefit to a friend or relative;

- 2.10. if a business partner insists on the use of side letters or refuses to put agreed terms in writing;
 - 2.11. if a business partner requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Distell;
 - 2.12. an invoice for a commission or fee payment that appears vague or excessive, given the nature of the services provided;
 - 2.13. an invoice from a business partner that appears to be non-standard or customised; and
 - 2.14. an unusually generous gift or lavish hospitality offered by a third party.
-