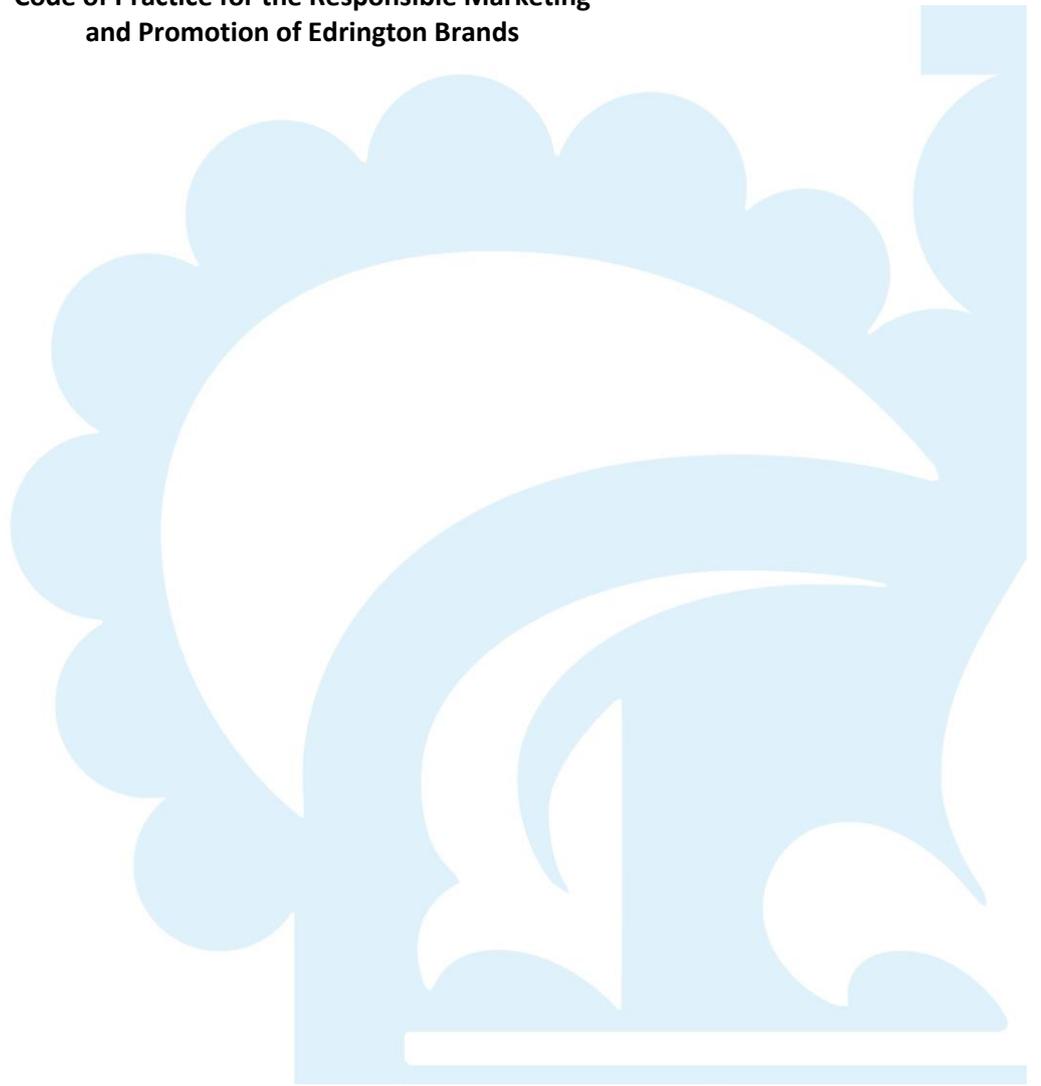




EDRINGTON

EDRINGTON MARKETING CODE

Code of Practice for the Responsible Marketing
and Promotion of Edrington Brands



The
MACALLAN



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Introduction

Edrington is a producer of high quality spirits, responsible for the production, marketing, sales and distribution of its brands. Edrington also distributes brands owned by third parties in certain markets around the world.

As a responsible company with a strategic mission to grow a sustainable, long-term business, Edrington wishes to ensure that its brands and third parties' brands are promoted and enjoyed responsibly.

Edrington introduced the Code of Practice for the Responsible Marketing & Promotion of Alcoholic Beverage Brands (the Code) in 2007.

This fifth edition of the Code, renamed the Code of Practice for the Responsible Marketing and Promotion of Edrington Brands, updates the Code with additional guidance, particularly on digital communication. It is supported by a training programme that is available via the corporate affairs team.

Edrington strongly supports corporate and industry self-regulation and is a signatory of The Portman Group of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks, and The Scotch Whisky Association (SWA Code of Practice for the Responsible Marketing and Promotion of Scotch Whisky.)

Edrington observes the Broadcasting Code issued by OFCOM in the UK and equivalent regulations in overseas markets. Where no such regulations are issued in any particular overseas market, Edrington adopts the same principles as applicable in the UK.

Objectives

Edrington wishes to encourage those adults who choose to drink alcohol to do so responsibly, and to discourage the misuse of alcohol.

Edrington also respects consumers' choice not to drink alcohol, and recognises that some individuals should avoid alcoholic drinks at all times, or in particular circumstances.

The objective of this Code is to ensure that Edrington's brands are promoted in a manner that is responsible and consistent with Edrington's ethics and values.

The Code seeks to provide employees and others working on the brands' behalf with the rules and guidance needed to deliver responsible, effective and creative marketing activities in international markets. It seeks to respect widely different cultures, lifestyles and traditions, while ensuring that consistently high standards are applied.

The company believes that encouraging the responsible consumption of our brands in a manner which is compatible with a balanced and healthy lifestyle is a vital part of building a successful and sustainable business.

In recognising the spirits industry's role in encouraging responsible consumption, Edrington believes that this complements the obligation on every consumer who chooses to drink alcohol to do so in a responsible manner.

Scope

Nothing in this Code is intended to impose restrictions on price-related issues, and its provisions should be read in that context.

The principles of the Code cover all commercial communications in relation to our brands, such as, but not exclusively: brand merchandising and promotional material; product labelling and packaging; point of sale material; digital communications; tastings; sponsorship and press releases. The provisions of the Code also embrace advertising activity including Internet and text message advertising and product placement.

The terms 'marketing' and 'promotion' are used throughout this code to cover all these activities.

Since our brands are sold and enjoyed around the world, marketing teams will have to take into account of national differences in LDA and differing local cultural, religious, gender, race and regulatory considerations. The provisions of the Code set out minimum standards that the company strives to achieve around the world, even where less onerous local regulations exist.

The Code applies in all markets in which Edrington brands are sold, irrespective of the distribution arrangement.

Edrington also distributes brands owned by third parties in certain markets around the world and in this respect the Code is to be interpreted as applying to the marketing and promotion of those brands owned by third parties where the activities are conducted by Edrington on behalf of the third party or on Edrington's own initiative.

Responsible consumption

The majority of adults who choose to enjoy alcoholic drinks do so without harming themselves or others. The marketing of our brands that depicts responsible drinking as a relaxed, sociable and enjoyable part of life has a role to play in promoting a responsible approach to alcohol consumption.

Edrington recognises that some people choose not to drink alcoholic drinks. Commercial communications and activities should not seek to challenge this choice, nor suggest that the decision not to drink alcohol is in any way abnormal or anything other than a legitimate personal choice.

Commercial communications should portray alcohol being consumed in a responsible manner and drinkers behaving in a responsible manner.

Marketing communications should never support or condone illegal, irresponsible or immoderate consumption, such as binge drinking or drunkenness, or associate consumption with the use of machinery, driving or undertaking any potentially hazardous pursuit or pastime.

There should be no suggestion of drinking being associated with bravado, or with violent, aggressive, dangerous or anti-social behaviour.

Commercial communications should never suggest an association with, or acceptance of, or allusion to, illegal drugs.

A responsible drinking message (Please enjoy responsibly) should be carried on all advertising and print point of sale materials.

This must meet or exceed the stipulations of regulation for the relevant country.

Where no relevant legislation exists, the message should be of an appropriate size, colour and location to be **clearly legible under normal viewing conditions**.

Where space allows, it is considered best practice to **add a link to a source of responsible drinking advice relevant to the market**, such as www.drinkaware.co.uk in the UK.

Drinking and Driving

Commercial communications should not portray, encourage or condone driving any motor vehicle after drinking.

The consumption of alcohol must not be portrayed or encouraged before or during the use of machinery, driving or undertaking any potentially hazardous pursuit or pastime.

Discouraging underage Drinking

Alcohol should not be advertised or marketed in any manner directed at or primarily appealing to persons below the legal purchase age (LPA), sometimes referred to as legal drinking age (LDA).

Commercial communications should not depict anyone under LPA or portray objects or images that primarily appeal to persons below LPA.

Brands should not be advertised or promoted by any person who is or appears to be below LPA. To help ensure that individuals in advertising are and appear to be above the legal drinking age, models and actors shown drinking should be a **minimum of 25 years old**. The Advertising Standards Association Committee of Advertising Practice code, which requires that commercial communications for alcohol must not feature people under 25 years playing a 'significant role'.

When the services of a celebrity are used to advertise or endorse a product, that person should not primarily be associated with or be appealing to persons below LPA.

Communications should be placed in print and electronic media outlets only where at least 75% of the audience is reasonably expected to be above LPA. In countries where a higher threshold is laid down, Edrington and those working on its behalf must adhere to that higher percentage.

Marketing materials and promotions should not portray or include objects or images that primarily appeal to persons below LPA. Brand logos and names should not be used on clothes, toys, games, or other items intended for use primarily by persons below LPA.

Products should not be advertised or marketed in a manner associated with the attainment of adulthood or the 'rite of passage' to adulthood. This Code does not apply to any materials or activities whose purpose is solely and clearly to educate those under LPA about the use and misuse of alcohol or the industry's role in society.

Alcohol content

Edrington supports efforts to promote responsible consumption such as the UK organisation The Drinkaware Trust's sensible drinking advice (www.drinkaware.co.uk).

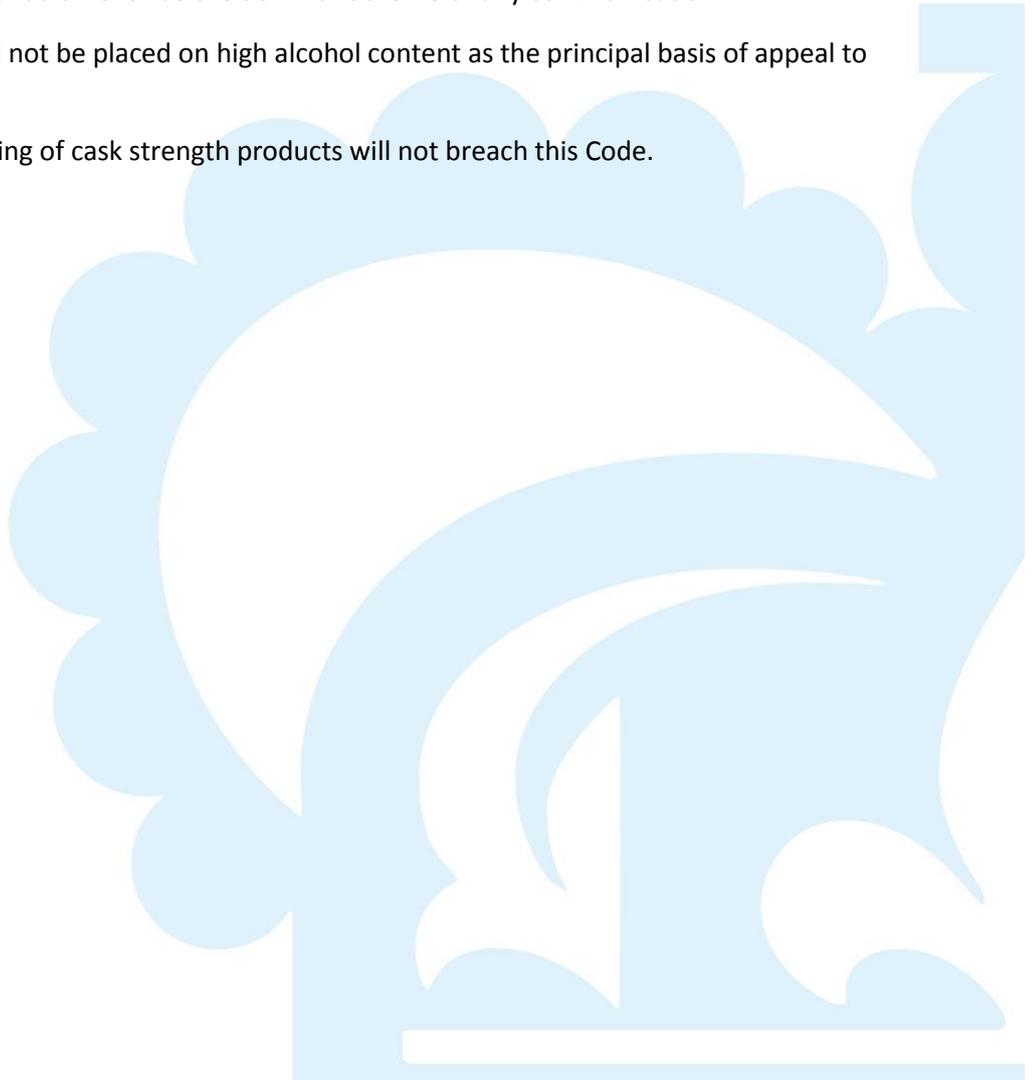
In those markets where it is relevant, it will provide unit or standard drink information in order that consumers can make informed choices.

The alcoholic nature of a drink should be communicated on its packaging with absolute clarity, in line with national legal requirements.

Factual information about the alcohol content of a drink may help consumers to make informed decisions, but strength should never be the dominant theme of any communication.

Undue emphasis should not be placed on high alcohol content as the principal basis of appeal to the consumer.

The responsible marketing of cask strength products will not breach this Code.



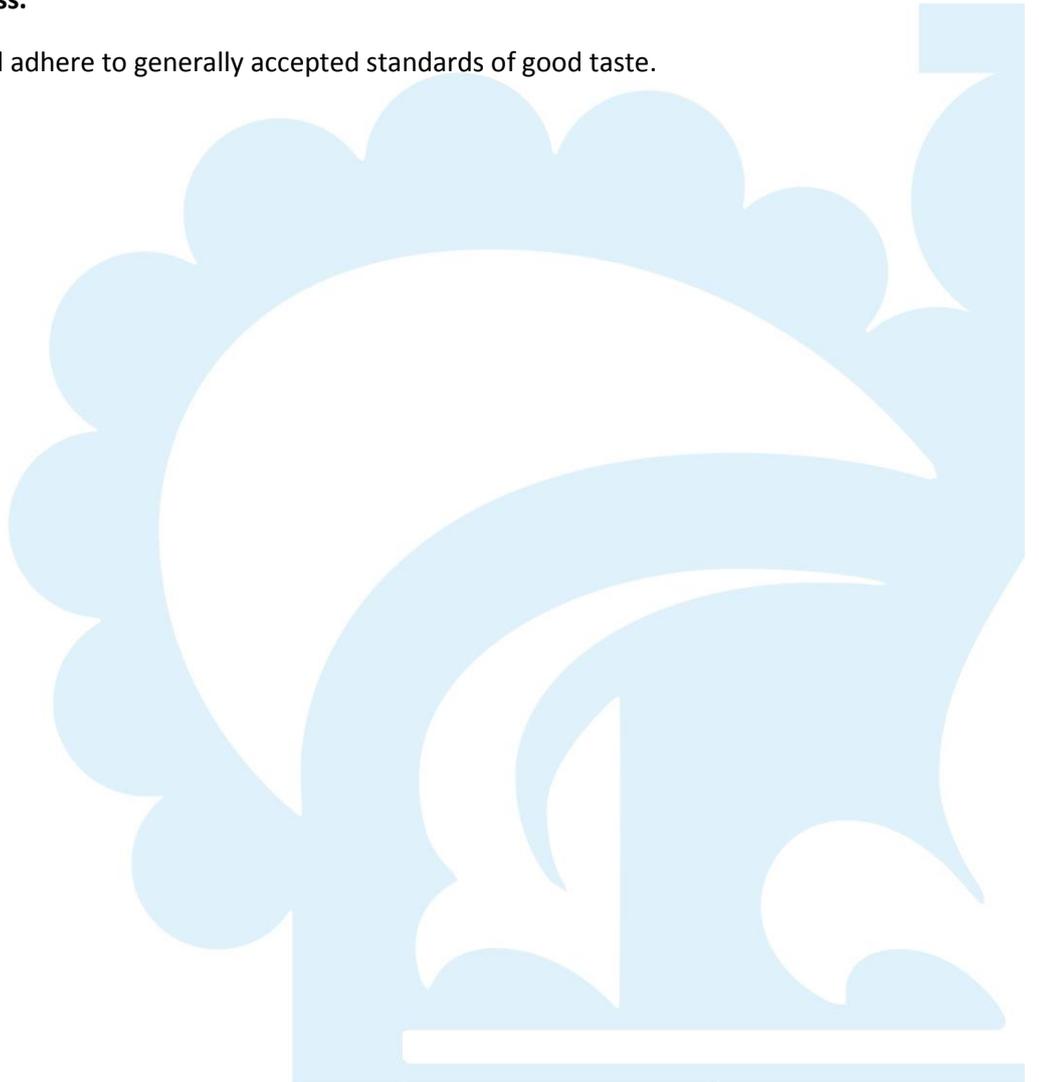
Sexual and social success

Our brands and drinkers may be portrayed as part of responsible personal and social experiences and activities, such as the depiction of people in a social or romantic setting, people who appear to be attractive or affluent, and people who appear to be relaxing or in an enjoyable setting.

However, commercial communications should contain **no claims or representations that individuals can attain social, professional, educational, or athletic success or status** as a result of alcohol consumption.

Commercial communications should not suggest that drinking alcohol enhances sexual capabilities, attractiveness, masculinity or femininity, nor suggest **any association with sexual activity or sexual success.**

Communications should adhere to generally accepted standards of good taste.



Alcohol and health

A considerable body of medical and scientific literature has been published on the benefits and risks of drinking. Much of this indicates that moderate drinking, for most people, can be part of a balanced and healthy lifestyle. Edrington also recognises that some individuals should avoid drinking alcohol completely.

Commercial communications should not create the impression that alcohol consumption can enhance mental or physical capabilities.

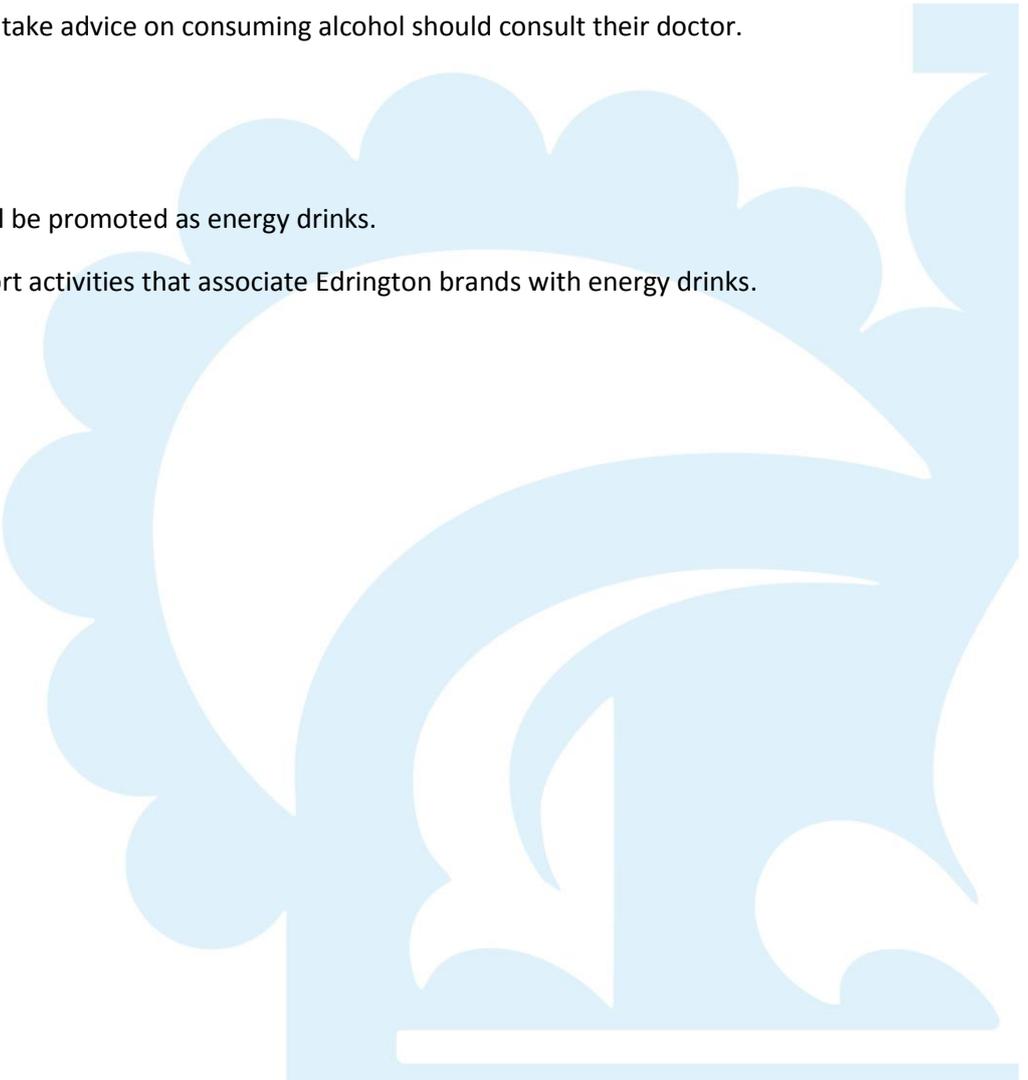
Commercial communications may not make any health claims or suggest that it has health or therapeutic qualities or the ability to prevent, treat or cure illness.

Consumers who wish to take advice on consuming alcohol should consult their doctor.

Energy drinks

No Edrington brands will be promoted as energy drinks.

Edrington will not support activities that associate Edrington brands with energy drinks.



Tastings (including on-trade promotions)

Tastings or sampling activity is defined as the unconditional giving away of product to the general public in a public place, including licensed premises.

Edrington brands each have their own individual characteristics and consumers will from time to time wish to taste different styles to broaden their education and to discover brands previously unknown to them.

Anyone carrying out sampling must comply with current local licensing legislation. All employees and third parties contracted to conduct tastings should be trained in responsible serving and must be of LPA.

Anyone conducting tastings should encourage responsible consumption and discourage activities that reward excessive/abusive consumption. When conducting events, Edrington and its agents should recognise government sensible drinking guidelines and not offer to any one individual alcohol exceeding these recommendations.

Tastings should not promote or encourage drinking in conjunction with reckless and/or irresponsible behaviour, nor involve drinking in games or activities that have speed incentives, or that require excessive quantities of alcohol to be consumed within a short time period.

Some alcohol can be drunk straight. That is not the same as being consumed in a 'shot'. Care should be taken to avoid encouraging rapid consumption or 'downing in one'.

Safeguards should be put in place to avoid tastings being undertaken by individuals under LPA, or by those driving or operating machinery.

Digital communication

The Code applies to all digital marketing communications produced and/or controlled by Edrington.

Digital marketing communications must include a clearly visible responsible drinking message.

Commercial communications should only be placed on media (or defined areas within media) where it can be reasonably expected to meet the threshold of at least 75% of the audience being over the legal purchase age.

All digital marketing communications, where possible or appropriate, require age affirmation based on full date of birth and country of residence whenever digital marketing communications actively engage a user to interact directly with the brand.

Pages or groups on third party sites must ensure the content complies with the requirements of the Code (ie, in relation to responsible consumption, protecting those under LPA, alcohol content, drinking and driving, sexual and social success, alcohol and health). Social media accounts such as Twitter must require age affirmation via an automated age gate where this is possible.

The twitter age gate is easily set up by Twitter account teams or online advertising help centre.

Where a media buying agency is used, audience research should be undertaken using reliable, up-to-date audience composition data from such services as comScore or Nielsen Online.

User Generated Content (UGC) is material created and uploaded to a site or page by an individual and not by Edrington or its agents. UGC that appears on third party websites over which Edrington has no control is outside the scope of the Code.

UGC which appears on company websites or sites over which Edrington has editorial control should be monitored and moderated on a regular basis for compliance with the Code.

Whenever content is allowed to be shared on a company's owned and/or controlled platform, a Forward Advice Notice (FAN) should be included, clearly stating that the content not be forwarded to anyone below LPA in the country of viewing.

Digital communications should respect user privacy. Consumer consent is required prior to sending direct digital marketing communications. Consumers should be provided with an easy way to opt out of receiving direct digital marketing communications.

Digital marketing communications and product promotions must be transparent and not misrepresent their true commercial purpose.

Sponsorship

Every new sponsorship should contain a recognisable commitment to promoting responsible drinking and/or supporting diversionary or community activities, taking into account the size, scale, reach and length of the sponsorship.

Edrington will not sponsor individuals, teams, events, tournaments, competitions, bands or celebrities that have a particular appeal, or are primarily aimed at, those under LPA.

Edrington or its agencies will use their best endeavours to obtain data on the participants, audience or spectator profile to ensure that 75% are aged over LPA. Where historical data is not available, anticipated data or data from a comparable event should be used.

Edrington brands should not sponsor individuals under LPA. The company may sponsor a team, band or group that features members who are aged under LPA, provided that at least 75% of the overall participants are over LPA and that the team, band or group does not primarily appeal to audiences below LPA. Any participants under LPA should not be used individually in any promotional material or brand activation activity.

Sponsorships at events that do not meet the 75% threshold are permitted, but only if restricted to defined areas at which 75% or more attendees are over LPA. In these cases, Edrington will not be the main sponsor, but could be one of a number of sponsors.

Competitions for tickets, which include the provision of alcohol, must not be open to those under LPA.

Prior to entering into a sponsorship, Edrington or its agents should take reasonable steps to establish whether an association with alcohol and/or the sponsored party would be inappropriate under this Code.

Sponsorship of activities that may be hazardous after alcohol consumption (eg, motor racing, sailing, skiing etc) is not necessarily in breach of this code, but no suggestion should be made that alcohol consumption is appropriate while undertaking such activities or that success in these pursuits is enhanced by alcohol consumption.

Donations or activities to assist programmes encouraging social responsibility or discouraging underage drinking will not be in breach of this Code.

Licensing

Edrington will not license its brands for children's books, games, toys, sporting equipment, dolls, action figures or similar characterisations or for other materials primarily targeted towards persons under LDA.

Edrington will not license its brands for children's apparel, clothing or accessories.

Edrington will not license its brands for apparel or other items bearing communication which might encourage rapid drinking, drinking and driving, drinking to excess, drunkenness, violence, anti-social behaviour or inappropriate sexual behaviour.

Edrington will not license its brands for confectionary unless it is clearly intended for adult consumption.

Edrington will not license its brands for food products with predominant or strong appeal to those under LDA.

Edrington will not license its brands for sexual or drug-related merchandise.

Edrington will not license its brands for items, such as guns and knives, which might be considered to be weapons, except for tools or culinary items or for adult sporting activities.

A copy of the Code will be provided to all prospective Licensees and a commitment will be obtained from all prospective Licensees that they will uphold and comply with the Code.

Compliance

The group sales and marketing director, or any other member of the board nominated from time to time, shall have responsibility for ensuring compliance with the Code.

External consultants, such as public relations, marketing and advertising agencies should be supplied with the Code and aware of the principles and provisions of this Code.

Edrington's business partners, such as joint-venture companies and third-party distributors shall be supplied with the Code. All marketing and promotional undertaken on behalf of Edrington or its brands shall be compliant with the Code.

Edrington will also take account of relevant national codes and regulations such as, in the UK, The Portman Group Code on the Naming, Packaging and Promotion of Alcoholic Drinks (www.portmangroup.org.uk), The British Code of Advertising, Sales Promotion and Direct Marketing (www.asa.org.uk) and OFCOM's rules of broadcast advertising (www.ofcom.org.uk). In Europe we will take account of the EFRD (European Forum for Responsible Drinking).

Where national codes of practice do not exist in individual markets, or where a local code does not enshrine the principles of this Code, local distribution companies should follow the principles of this guidance as far as possible.

Audit and complaints committee

The Audit and Complaints Committee is appointed by Edrington's chief executive and chaired by one of Edrington's non-executive directors (currently Alice Avis). Edrington employees who have an interest in a complaint would be expected to recuse themselves from the relevant review. Each member of the Committee shall have one vote.

The Committee will meet once annually to review all materials issued in the previous year and the results will be communicated to the board of directors of Edrington.

In addition to the prescribed annual meeting, the Committee will meet to hear and adjudicate any complaints formally reported on to the group company secretary.

Complaints and Queries

If you have any complaints regarding the Code or the adherence of a particular marketing, promotional or advertising activity subject to the Code, please contact the corporate affairs team or write to:

Gerry O'Donnell
Corporate Affairs Director
Edrington

Or send an email to: gerry.o'donnell@edrington.com