

Anti-Bribery and Corruption Financial Crime

Definitions

"Applicable Laws" means all laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any court or competent authority or tribunal, all codes of practice having force of law, statutory guidance, regulatory policy or guidance and industry codes of practice. For the avoidance of doubt, "Applicable Laws" includes without limitation the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977, the UK Proceeds of Crime Act 2002, the UK Terrorism Act 2000, the UK Criminal Finances Act 2017 and any applicable local laws.

"Applicable BAT Policies" means the BAT Supplier Code of Conduct, Standards of Business Conduct and any other policies (including changes and additions) which BAT may from time to time notify to the Supplier and as may be amended from time to time.

"Associated Parties" includes officers, directors, employees, shareholders, representatives or agents.

"Public Official" includes, without limitation, any person holding or acting on behalf of a person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organisation, any political party or an official thereof or any candidate for any political office, any Associated Party of any government or any department, agency, or part thereof, or of any state owned enterprise or joint venture/partnership with a state owned enterprise (including a partner or shareholder of such an enterprise) or of a public international organisation, or any person acting in an official capacity for or on behalf of any such government or department, agency, or part thereof, or for or on behalf of any such public international organisation, or a relative or Associated Party of any such person.

1.1 [Third Party] warrants and represents that:

(a) in performing its obligations under this Agreement neither it, nor any of its Associated Parties, will:

(i) directly or indirectly, either in private business dealings or in dealings with the public sector, offer, give, receive or agree to offer, give or receive (either itself or in agreement with others) any payment, gift or other advantage with respect to any matters which are the subject of this Agreement which: (A) is intended to, or does, influence or reward any person for acting in breach of an expectation of good faith, impartiality or trust, or which it would otherwise be improper for the recipient to accept; (B) is made to or for a Public Official with the intention of influencing them and obtaining or retaining an advantage in the conduct of business; or (C) which a reasonable person would otherwise consider to be unethical, illegal or improper (any activity described in (A), (B) or (C), a "Corrupt Act");

(ii) commit an offence of: (a) cheating the public revenue or (b) being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of a tax (including any excise duty or tax or levy chargeable in any jurisdiction) (each a "Tax Evasion", and any such offence, a "Tax Evasion Offence");

(iii) commit an offence of (a) facilitating a Tax Evasion Offence by being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax by another person; or (b)

aiding, abetting, counselling or procuring the commission of a Tax Evasion Offence (each a "Tax Evasion Facilitation");

(iv) engage in any activity which constitutes an offence under the UK Proceeds of Crime Act 2002 or UK Terrorism Act 2000, or which would directly cause the other party to commit an offence under the UK Proceeds of Crime Act 2002 or the UK Terrorism Act 2000 ("AML/CTF Offence") or

(v) breach any Applicable Laws or cause [BAT] or its Affiliates to breach any Applicable Laws.

(b) neither it, nor any of its Associated Parties have engaged in any Corrupt Acts

(c) it has the requisite skill, knowledge and experience to perform its obligations under this Agreement; and

(d) to the best of its knowledge and belief, neither it nor any of its Associated Parties has:

i) engaged in any AML/CTF Offence, Tax Evasion or Tax Evasion Facilitation prior to the date of this Agreement;

(ii) been found by a court in any jurisdiction to have engaged in any Corrupt Act, AML/CTF Offence, Tax Evasion or Tax Evasion Facilitation (or similar conduct);

(iii) admitted to having engaged in any Corrupt Act, AML/CTF Offence, Tax Evasion or Tax Evasion Facilitation (or similar conduct); or

(iv) been investigated or been suspected in any jurisdiction of having engaged in any Corrupt Act, AML/CTF Offence, Tax Evasion or Tax Evasion Facilitation (or similar conduct).

e) the information provided by [Third Party] in the BAT due diligence process (including but not limited to the external questionnaire response) is complete and accurate.

1.2 [Third Party] further agrees and undertakes:

(a) to notify [BAT] immediately in writing if, at any time, it becomes aware that any of the representations set out in Clause [1.1] are no longer correct.

(b) to maintain, for a period of at least 7 years, complete, accurate and up to date records of all transactions which relate in any way to this Agreement or to services provided by [Third Party] under it, including without limit all services provided and payments made or received;

(c) to read and at all times comply with the principles set out in the Applicable BAT Policies in respect of its performance under this Agreement, and to notify [BAT] immediately should it learn or have reason to know of any potential breach of the Applicable BAT Policies by it or its Associated Parties;

(d) to take reasonable steps to ensure that its Associated Parties, and any subcontractors or suppliers providing goods or services in connection with [Third Party's] provision of services to [BAT or its Affiliates] under this Agreement ("Subcontractors"), are provided with a copy of and will comply with the principles contained in the Applicable BAT Policies, and will undertake appropriate due diligence in relation to financial crime risks on any counterparties proposed to be involved in providing the services to [BAT];

(e) not to use any Sub-contractor without BAT's prior written consent, such consent to be given at BAT's discretion and not to be given unless that Sub-contractor agrees to the same or materially equivalent representations, warranties and obligations as set out in these Clauses [1.1 and 1.2];

(f) to provide to [BAT] reports on its activities under this Agreement, in such format and at such frequency, as may be reasonably requested by [BAT];

(g) to undertake any such anti-corruption, tax compliance and/or anti-money laundering training as [BAT] may reasonably require; and

(h) to notify [BAT] immediately in writing if at any time it becomes aware of any Corrupt Act being requested by a third party or official in connection with the performance of this Agreement.

1.3 BAT, its authorised advisers and other representatives may audit the compliance of the Third Party and its Associated Parties with the terms of this Agreement (including compliance with Applicable BAT Policies) and the accuracy of the Third Party's invoicing of the charges payable by BAT under this Agreement. For the purpose of facilitating an audit under this clause, the Third Party shall provide to BAT (including its authorized employees), its authorised advisers and other representatives on request (at no cost to [BAT]):

(a) reasonable access to the records referred to in clause [1.2(b)];

(b) reasonable access to all relevant information, premises, data, employees, agents, Subcontractors and assets at all locations at which the same are present (or may reasonably be expected to be present), including locations from which obligations of the Third Party are being or have been or should have been carried out (but not to information which the Third Party is obliged to keep confidential or information which is legally privileged and/or subject to litigation privilege); and

(c) all reasonable assistance in carrying out any audit.

1.4 All invoices issued in accordance with this Agreement must contain a detailed breakdown of all work completed in relation to that invoice and [Third Party] shall keep records and evidence of having completed such work. This proof of services shall be made available to [BAT] on demand.

1.5 Save as disclosed in writing in advance to [BAT], neither [Third Party] nor any of its Associated Parties or anyone in their families are: (i) Public Officials; [(ii) Associated Parties of a [Customer] or potential customer,]; or (iii) persons who might otherwise assert a corrupt or illegal influence on behalf of either Party.

1.6 Notwithstanding any other provision of this Agreement, the Third Party shall to the fullest extent permitted by law indemnify, defend and hold harmless BAT and its Affiliates from and against any claim, loss, damage, penalty, liability, expense, attorney's fees and costs of whatever nature arising out of, or related to, or connected with the Third Party's failure to comply with this Clause [1] or of any Applicable law or Applicable BAT Policies.

1.7 BAT may terminate this Agreement with immediate effect on giving written notice to the Third Party if BAT reasonably suspects the Third Party is in breach of this Clause [1] or of any Applicable Laws or Applicable BAT Policies.

1.8 If BAT terminates this Agreement for a breach of this Clause [1], any outstanding payment

obligations will be terminated.

1.9 During the term of this Agreement BAT may be required under its internal policies and procedures to refresh its risk assessment and due diligence on [Third Party]. If this exercise leads to a different set of compliance clauses or conditions being required with [Third Party], BAT will notify these clauses and/or conditions to [Third Party] in writing. If [Third Party] does not accept the clauses and/or conditions being incorporated into this Agreement then BAT may terminate the Agreement immediately, without prejudice to any other termination rights BAT has under this Agreement.

Investigation

1.10 Without prejudice to Clause [*Termination Clause – [1.7] [and 1.8]*], in the event [BAT] considers that there may have been a breach of Clauses [1.1 to 1.5] of this Agreement, [BAT] may notify [Third Party] by notice in writing ("Advice Letter") of the suspected breach.

1.11 Following the issue of an Advice Letter, [BAT], where permitted by law, will investigate the suspected breach ("Investigation") and [Third Party] shall provide any information and assistance reasonably requested by [BAT] in connection with such Investigation. Where permitted by law, [Third Party] shall have the opportunity to respond to the findings of the Investigation. If no time period for a response is notified, such response should be provided within 14 days of the date of the findings of any Investigation being notified to [Third Party] by [BAT].

1.12 Where [BAT] is not permitted by law to investigate the matter, it may terminate this Agreement forthwith.

1.13 Following issue of the Advice Letter, any right to payment of the [Fees] will be suspended. [Further, during the course of the Investigation, [Third Party] shall not meet or communicate with any [Customers] or potential customers in connection with [BAT's] goods, products and services.]

1.14 Where [BAT] reasonably considers the results of the Investigation to provide prima facie evidence of a breach of this Agreement and the breach is incapable of remedy or has not been remedied within 20 days of the date of the notification of the findings of the Investigation to [Third Party], this Agreement will be terminated forthwith. [BAT] shall notify [Third Party] of the date of termination in writing as soon as practicable.

1.15 Where the breach is remedied to [BAT's] satisfaction or the Investigation concludes that there is no prima facie evidence of such a breach, then [Third Party] will be notified in writing and Clause [1.12] will no longer apply in relation to that incident of breach.

Delay

1.16 If [Third Party] believes that production or delivery of goods or services under this Agreement has been or may be delayed because of demands for illegal payments from Public Officials or other third parties, [Third Party] shall notify [BAT] immediately of any such demands. [Third Party] and its Associated Parties will make no such payments unless an individual's personal safety is at risk.

1.17 [[Third Party] will take all reasonable steps to complete production and delivery as quickly as possible without making illegal payments, but [Third Party] will not be deemed to be in breach of timeliness requirements or be subject to penalties for delay under this Agreement for the length of any reasonable delay caused by [Third Party's] failure to make illegal payments.]

2. Economic Sanctions

2.1 In this clause [2]:

“Affiliate” means, (i) an entity (other than Customer) that directly or indirectly, through one or more intermediaries, owns more than 50% of the outstanding voting securities of the Customer, and (ii) an entity that directly or indirectly through one or more intermediaries, is controlled by the Supplier, in each case where the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract interest or otherwise.

"Associated Parties" includes Affiliates officers, directors, employees, contractors, shareholders, representatives or agents.

"Prohibited Territory" means [Afghanistan, Belarus, Iran, Myanmar, North Korea, Russia, Syria and the non-Ukrainian-government-controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts, and Crimea & Sevastopol], such list as may be updated and notified by BAT from time to time.

"Sanctioned Person" means a person or entity (including any bank) (i) listed on any applicable sanctions list as from time to time amended, including but not limited to the United Nations Consolidated Sanctions List, the United States' Office of Foreign Assets Control ("OFAC") List of Specially Designated Nationals and Blocked Persons, the United Kingdom's Consolidated List of Financial Sanctions Targets and UK Sanctions List, the European Union's Consolidated List of Persons, Groups and Entities Subject to Financial Sanctions, or (ii) incorporated, headquartered or based in Iran, Syria, Cuba, North Korea, the non-Ukrainian-government-controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts, or Crimea & Sevastopol.

"Economic Sanctions" means any law, regulation, directive, decree or decision relating to economic, financial, trade or other sanctions, including but not limited to any trade restriction, embargo, import or export ban, prohibition or restriction on dealings with Sanctioned Persons, governments, countries, groups or territories and any prohibition on the provision, receipt or transfer of funds, assets or services, or equivalent measures imposed, administered, enacted or enforced from time to time by: (i) the European Union or any of its Member States; (ii) the United Kingdom including His Majesty's Treasury and the Department for Business and Trade; (iii) the United States including OFAC, the Bureau of Industry and Security and the United States Department of State; (iv) the United Nations including any United Nations Security Council Sanctions Committee; or (v) or any other relevant governmental or regulatory authority including of any country in which obligations under this Agreement are to be performed.

2.2 The Supplier represents, warrants and undertakes that:

(a) Neither it nor, to the best of its knowledge and belief, any of its Associated Parties is currently (i) a Sanctioned Person, (ii) owned or controlled directly or indirectly by a Sanctioned Person or (iii) incorporated or resident in, or owned or controlled by or acting on behalf of the government of a Prohibited Territory.

(b) Neither it nor, to the best of its knowledge and belief, any of its Associated Parties is aware of any circumstance, or has taken any action, directly or indirectly, that could result in a breach of any applicable Economic Sanctions by the Supplier, Supplier's Affiliates BAT and/or BAT's Affiliates.

(c) The Supplier shall maintain a bank account with a non-Sanctioned Person financial institution for the purpose of this Agreement and will procure that all funds transferred in connection with this Agreement, or arising as a result of this Agreement, shall be transferred using non-Sanctioned Person financial institutions exclusively (with no funds originating from or passing through any Sanctioned Person financial institution).

(d) Any transaction subject to this Agreement is conditional on BAT's designated bank permitting the transfer of funds to or from the Supplier, , where the bank account provided by the Supplier is residing within a Sanctioned Person financial institution, the transfer may not be permitted and the Supplier would be required to provide a bank account with a non-Sanctioned Person financial institution.

(e) It conducts and has conducted its business in full compliance with applicable Economic Sanctions and has instituted and maintains policies and procedures designed to ensure continued compliance with Economic Sanctions.

(f) In performing its obligations under this agreement or other agreements between BAT and the Supplier, the goods and services are not and will not be delivered from, to or via transshipment through any Prohibited Territory, or Cuba. If there is no other commercially viable alternative, the Supplier must obtain an express written consent from BAT for such transshipment and agrees to cooperate with BAT to ensure sanctions-compliant conditions for the entire transaction.

(g) It will promptly notify BAT in writing together with all relevant details if it is unable to perform its obligations under this Agreement as a result of the imposition of Economic Sanctions (including the imposition of Economic Sanctions against a country or person or the addition of an item or service to a list of sanctioned items or services under Economic Sanctions).

(h) Following notification in accordance with clause [2.2.g] it will work with BAT to agree, within a reasonable period, a practical solution to permit continuity of this Agreement in a manner that is compliant with Economic Sanctions.

(i) No supply of services or goods under this Agreement is directly or indirectly destined to or sourced from Cuba, or intended to benefit persons in Cuba.

2.3 If the Parties do not agree a practical solution within [10] Business Days of receipt of notification under clause [2.2(g)], or if BAT considers that such a risk is incapable of mitigation to its satisfaction, BAT may terminate this Agreement immediately by notice. During such [10] Business Days period the Parties' respective obligations to provide goods and services under this Agreement are suspended.

2.4 The Supplier agrees that BAT may inspect or otherwise undertake an audit of the records relating to its obligations under this Agreement, including at the Supplier's premises. The Supplier will provide all relevant access, information and documentation to BAT to facilitate its audit as promptly as possible.

2.5 Notwithstanding any provision of this Agreement to the contrary, BAT shall not be obligated to make any payment or take any other action under this Agreement (and shall not be liable for failure to take or delay in taking any action under this Agreement) if BAT determines in its sole reasonable opinion that such action may constitute a violation or contribute to any violation of, or otherwise expose it to negative consequences under, Economic Sanctions.

2.6 BAT shall additionally have the right at any time to terminate its commercial relationship with the Supplier (including this and any other relevant agreement) by giving written notice to the Supplier in the event that:

(a) BAT reasonably believes the Supplier and/or its Affiliates:

(i) has breached or committed any offence under any Economic Sanctions; or

(ii) has taken any action which would cause BAT to breach any Economic Sanctions;

(b) BAT, in its sole discretion, determines that any action, performance, or non-performance by the Supplier and/or its Affiliates may be or is likely to be in violation of, inconsistent with or could

expose BAT and/or its affiliates to any negative consequences under Economic Sanctions; or

(c) the Supplier and/or its Affiliates becomes a Sanctioned Person or owned or controlled by a Sanctioned Person. Prior to BAT issuing a notice of termination under clause 2.6(a) and (b), the Supplier shall have the opportunity to respond to any breaches and /or violations alleged by BAT. If no time period for a response is notified, such response should be provided within 14 days of the date of the alleged breaches and / or violations being notified to the Supplier by BAT.

Compliance

3.1 The Customer warrants and represents that it, along with its employees, agents, contractors, representatives and Subsequent Customers, that:

(a) it has seen, read and will comply with the Standards of Business Conduct, Summary of SCC Procedures, and [other relevant policies];

(b) the Customer will not, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, give, receive or agree to offer, give or receive (either itself or in agreement with others) any payment, gift or other advantage with respect to any matters which are the subject of this Agreement which: (A) is intended to, or does, influence or reward any person for acting in breach of an expectation of good faith, impartiality or trust, or which it would otherwise be improper for the recipient to accept; (B) is made to or for a Public Official with the intention of influencing them and obtaining or retaining an advantage in the conduct of business;

or (C) which a reasonable person would otherwise consider to be unethical, illegal or improper (any activity described in (A), (B) or (C), a "Corrupt Act");

(c) neither the Customer nor any persons performing services for or on behalf of the Customer have engaged in any Corrupt Acts;

(d) save as disclosed in writing in advance to [BAT], neither [Customer] nor any of its Associated Parties or anyone in their families are: (i) Public Officials; [(ii) Associated Parties of a [Subsequent Customer] or potential customer,]; or (iii) persons who might otherwise assert a corrupt or illegal influence on behalf of either Party.

(e) it is fully aware of and understands the provisions of applicable Money Laundering, Terrorist Financing and Taxation Laws and that it has in place robust and reasonable internal procedures to ensure that its employees, agents, contractors, representatives and Subsequent Customers comply with the applicable Laws (including, but not limited to, appropriate policies, approval processes, training and monitoring);

(f) it will undertake any anti-corruption, tax compliance and/or anti-money laundering training as [BAT] may reasonably require;

(g) to the best of its knowledge and belief, none of its assets or funds are or represent the proceeds or benefit of criminal activity;

(h) it is not and has not been involved in any arrangements which are or could constitute arrangements which facilitate the commission of a Money Laundering or Terrorist Financing Offence;

(i) it has not committed and will not commit a Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence, a Tax Evasion Offence or Tax Evasion Facilitation Offence; and

(j) it will promptly notify the Company in writing if:

i. it becomes aware of any Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence, Tax Evasion Offence or Tax Evasion Facilitation Offence by it, its employees, agents, contractors, representatives or Subsequent Customers[, or that the representation set out in Clause [1(c) or 1(d)] is no longer correct];

ii. it or its employees, agents, contractors, representatives or Subsequent Customers become the come the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence, Tax Evasion Offence or Tax Evasion Facilitation Offence, or any such investigation is threatened or pending; or

iii. there is a material change in its ownership/control structure or route to market structure.

(k) The information provided by the Customer in the BAT due diligence process (including but not limited to the external questionnaire response) is complete and accurate.

Trade Sanctions

In this clause [3]:

[“Affiliate” means, (i) an entity (other than Customer) that directly or indirectly, through one or more intermediaries, owns more than 50% of the outstanding voting securities of the Customer, and (ii) an entity that directly or indirectly through one or more intermediaries, is controlled by the Supplier, in each case where the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract interest or otherwise "Associated Parties" includes officers, directors, employees, contractors, shareholders, representatives or agents.]

"Prohibited Territory" means Afghanistan, Belarus, Iran, Myanmar, North Korea, Russia, Syria and the non-Ukrainian-government-controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts, and Crimea & Sevastopol, such list as may be updated and notified by BAT from time to time. [Drafting note: this is the list of "Prohibited Territories" as maintained by the Global Sanctions Counsel found in the SoBC Sanctions Compliance Procedure as of 6 March 2024 Accordingly, this list may require updating.]

"Sanctions Authority": (i) the United Nations; (ii) the European Union or any of its Member States; (iii) the United Kingdom; (iv) the United States of America; (v) the governmental authorities of any of the foregoing, including but not limited to, the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury, the United States Department of State, the Bureau of Industry and Security, His Majesty's Treasury and the Department for Business and Trade; and (vi) any other governmental authority with relevant jurisdiction or any of its affiliates that imposes, administers or enforces Economic Sanctions;

"Sanctioned Person" means a person or entity (including any bank) (i) listed on any applicable sanctions list as from time to time amended, including but not limited to the United Nations Consolidated Sanctions List, the United States' Office of Foreign Assets Control List of Specially Designated Nationals and Blocked Persons, the United Kingdom's Consolidated List of Financial Sanctions Targets and UK Sanctions List, the European Union's Consolidated List of Persons, Groups and Entities Subject to Financial Sanctions, or (ii) incorporated, headquartered or based in Iran, Syria, Cuba, North Korea, the non-Ukrainian-government-controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts, or Crimea & Sevastopol.

"Economic Sanctions" means any law, regulation, directive, decree or decision relating to economic, financial, trade or other sanctions, including by not limited to any trade restriction, embargo, import or export ban, prohibition or restriction on dealings with Sanctioned Persons, governments, countries, groups

or territories and any prohibition on the provision, receipt or transfer of funds, assets or services, or equivalent measures imposed, administered, enacted or enforced from time to time by: (i) the European Union or any of its Member States; (ii) the United Kingdom including His Majesty's Treasury and the Department for Business and Trade; (iii) the United States including OFAC, the Bureau of Industry and Security and the United States Department of State; (iv) the United Nations including any United Nations Security Council Sanctions Committee; or (v) or any other relevant governmental or regulatory authority including of any country in which obligations under this Agreement are to be performed.

"Subsequent Customer" means a subsequent customer of the Customer (but excluding consumers).

3.2 The Customer represents, warrants and undertakes that:

(a) [in performing its obligations under this Agreement or other agreements between BAT and the Customer for the supply of [BAT] products ("Relevant Agreements") / in dealings with [BAT]] it will not, and it will procure that its Associated Parties will not: (i) make [BAT] products or any related funds available directly or indirectly to or for the benefit of a Sanctioned Person or any person or entity owned or controlled by a Sanctioned Person; (ii) use any Sanctioned Person or any person directly or indirectly owned or controlled by a Sanctioned Person, with respect to the transportation of the Products or payment to BAT (including, for the avoidance of doubt, ensuring no funds paid to BAT directly or indirectly originate from or pass or have passed through any Sanctioned Person financial institution); (iii) without prior written authorisation from BAT, sell, distribute, ship, market or divert the Products to or through any Prohibited Territory (such list as may be updated by BAT and communicated to the Customer, from time to time at their sole discretion); or (iv) effect payment to BAT directly or indirectly using or involving any funds derived or received from any criminal activities or received from or via any person registered or located in, or derived from any business activities related to, a Sanctioned Country.

(b) Neither it nor, to the best of its knowledge and belief, any of its Associated Parties is currently (i) a Sanctioned Person, (ii) owned or controlled directly or indirectly by a Sanctioned Person or (iii) incorporated or resident in, or owned or controlled by or acting on behalf of the government of a Prohibited Territory.

(c) The Customer will not use, sell, resell, export, re-export, transfer, divert, dispose of or otherwise supply [BAT] products, directly or indirectly, to or within any destination or to any person without all requisite Economic Sanctions licences and approvals from (i) the applicable Sanctions Authority, (ii) the country of origin and (iii) the original country of export.

(d) The Customer shall maintain a bank account with a non-Sanctioned Person financial institution for the purpose of this Agreement and will procure that all funds transferred in connection with this Agreement, or arising as a result of this Agreement, shall be transferred using non-Sanctioned Person financial institutions exclusively.

(e) Any transaction subject to this Agreement is conditional on BAT's designated bank permitting the transfer of funds to or from the Customer.

(f) No supply of services or goods under this Agreement is directly or indirectly destined to or sourced from Cuba, or intended to benefit persons in Cuba.

(g) It conducts and has conducted its business in full compliance with Economic Sanctions and has instituted and maintains policies and procedures designed to ensure continued compliance with Economic Sanctions.

3.3 The Customer hereby undertakes that it will promptly notify BAT in writing together with all

relevant details in the event that:

(a) it is unable to perform its obligations under this Agreement as a result of the imposition of Economic Sanctions (including the imposition of Economic Sanctions against a country or person or the addition of an item or service to a list of sanctioned items or services under Economic Sanction);

or

(b) it or any of its Subsequent Customers or banks becomes either: (i) a Sanctioned Person; or

(ii) owned or controlled directly or indirectly by a Sanctioned Person.

3.4 The Customer agrees that BAT may inspect or otherwise undertake an audit of the records relating to its obligations under this Agreement, including at the Customer's premises. The Customer will provide all relevant access, information and documentation to BAT to facilitate its audit as promptly as possible.

3.5 Notwithstanding any provision of this Agreement to the contrary, BAT shall not be obligated to make any payment or take any other action under this Agreement (and shall not be liable for failure to take or delay in taking any action under this Agreement) if BAT determines in its sole reasonable opinion that such action may constitute a violation or contribute to any violation of, or otherwise expose it to negative consequences under, Economic Sanctions.

3.6 Following notification in accordance with clause [3.3], it will work with BAT to agree, within a reasonable period, a practical solution to permit continuity of this Agreement in a manner that is compliant with Economic Sanctions.

3.7 If BAT is notified or becomes aware of circumstances under which the Customer or any Associated Party has exposed or may, in BAT's sole reasonable opinion, expose BAT or any of its Affiliates to the risk of a breach of, penalty under, or being or becoming subject to any Economic Sanctions, including but not limited to potential sanctions designation, the Customer shall, if BAT requires, engage with BAT to agree a practical solution that is acceptable to BAT, taking into account BAT's obligations under applicable laws.

3.8 BAT shall have the right at any time to terminate its commercial relationship with the Customer immediately (including this and any other relevant agreement) by giving written notice to the Customer in the event that:

(a) BAT reasonably believes that the Customer and/or its Affiliates:

(i) has breached or committed any offence under any Economic Sanctions; or

(ii) has taken any action which would cause BAT to breach any Economic Sanctions;

(b) BAT, in its sole discretion, determines that any action, performance, or non-performance by the Customer and/or its Affiliates may be or is likely to be in violation of, inconsistent with or could expose BAT and/or its affiliates to any negative consequences under Economic Sanctions; or

(b) the Customer and/or its Affiliates becomes a Sanctioned Person or owned or controlled by a Sanctioned Person. Prior to BAT issuing a notice of termination under clause 3.8 (a) and (b), the Supplier shall have the opportunity to respond to any breaches and /or violations alleged by BAT. If no time period for a response is notified, such response should be provided within 14 days of the date of the alleged breaches and / or violations being notified to the Supplier by BAT.

Indemnity

4. The Customer agrees to indemnify the Company against any losses, liabilities, damages, costs (including, but not limited to, legal fees) and expenses incurred as a result of a Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence, Tax Evasion Offence or Tax Evasion Facilitation Offence by it or its employees, agents, contractors,

representatives or Subsequent Customers.

Acknowledgements

5. The Customer acknowledges and agrees that the Company has in place various processes, protocols and procedures to minimise the risk of the Company committing a Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence, a Tax Evasion Offence or a Tax Evasion Facilitation Offence. Where the Customer does not provide information requested by the Company in a timely fashion or where the Company has reasonable cause to suspect that the Customer has or would commit a Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence, a Tax Evasion Offence or a Tax Evasion Facilitation Offence, then the Company reserves the right to delay delivery of any goods, services or payments being made to the Customer from the Company or any of its affiliates. The Company is not liable for any delay which occurs as a result of the Company taking such reasonable actions to comply with applicable Money Laundering and Terrorist Financing Law.

Audit Rights

6. BAT, its authorised advisers and other representatives may audit the compliance of the Customer and its Associated Parties with the terms of this Agreement (including compliance with Standards of Business Conduct, Summary of SCC Procedures, and [other relevant policies]);. For the purpose of facilitating an audit under this clause, the Customer shall provide to BAT (including its authorised employees), its authorised advisers and other representatives on request (at no cost to [BAT]):

- (a) reasonable access to the records relating to this Agreement;
- (b) reasonable access to all relevant information, premises, data, employees, agents, subcontractors and assets at all locations at which the same are present (or may reasonably be expected to be present), including locations from which obligations of the Customer are being or have been or should have been carried out (but not to information which the Customer is obliged to keep confidential or information which is legally privileged and/or subject to litigation privilege); and
- (c) all reasonable assistance in carrying out any audit.

Termination of Customer Relationships

7.1 The Customer shall comply promptly upon receipt of any notification from the Company to terminate its commercial relationship with and cease supplying its tobacco leaf and/or products to a Subsequent Customer on the basis that:

- a) the Company has Documentary or Other Substantive Evidence that the Subsequent Customer is involved in illicit trade, or has committed a Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence, Tax Evasion Offence or Tax Evasion Facilitation Offence; or
- b) the Company has received a written notification from a regulatory authority that the Customer should terminate its commercial relationship with and cease supplying tobacco leaf and/or products to the Subsequent Customer. For the avoidance of doubt, such written notification from a regulatory authority is accepted by the Customer as conclusive proof that the Subsequent Customer is engaged in illicit trade.

7.2 The Company shall have the right at any time to terminate this Agreement immediately by giving written notice to the Customer:

- a) upon the request of a regulatory authority based on credible evidence supporting the view that the Customer has knowingly or recklessly engaged in the unlawful manufacture, sale, distribution and storage of contraband tobacco leaf and/or products and/or related money laundering (including the commission of a Money Laundering or Terrorist Financing Offence, Tax Evasion Offence or Tax Evasion Facilitation Offence);

b) in the event that the Company reasonably believes that the Customer is unreasonably failing to minimise the risk of the sale of tobacco leaf and/or products being illicit trade and where the Customer has been unable to remedy the Company's concerns within a period reasonably determined by the Company in a notice to the Customer;

c) in the event that the Company has Documentary or Other Substantive Evidence to show that the Customer is knowingly or recklessly engaged in the unlawful manufacture, sale, distribution and/or storage of contraband tobacco leaf or products sold by the Customer or its affiliates and/or related money laundering (including the commission of a Tax Evasion Offence or Tax Evasion Facilitation Offence);

d) the Company forms the suspicion that the Customer is committing, has committed or is likely to commit a Bribery and Corruption Offence, Money Laundering or Terrorist Financing Offence;

e) in the event that the Customer fails to provide any information documents reasonably requested by the Company within 20 Business Days of such a request from the Company, or such other time agreed by the parties in writing;

f) in the event that the Customer does not comply with a request to terminate its commercial relationship with a Subsequent Customer as set out in Clause [1.6] above; or

g) in the event that the Parties do not agree a practical solution relating to Economic Sanctions risks pursuant to clause [X.1.2(d) or X.1.2(e) above] within [10] Business Days of receipt of notification under clause [X.1.2(c)] or within [10] Business Days of BAT becoming aware of the risk referred to at clause [X.1.2(e)], or if BAT considers that such Economic Sanctions risk is incapable of mitigation to its satisfaction. During such [10] Business Days period the Parties' respective obligations under this Agreement are suspended.

h) in the event that the Company is required under its internal policies and procedures to refresh its risk assessment and due diligence on the Customer, leading to a different set of compliance clauses or conditions being required with the Customer, and the Customer does not accept these clauses and/or conditions being incorporated into this Agreement after the Company has notified the Customer of them in writing.]