

BEAM GLOBAL SPIRITS & WINE, INC.

STATEMENT OF VOLUNTARY PRINCIPLES

Beam Global will implement the following Voluntary Principles¹:

1. Audience Demographic Placement Standards
 - 1.1. Effective with media placements commencing on or after January 1, 2008, Beam Global will implement a 75 percent audience demographic standard as follows:
 - 1.2. Beam Global's advertising and marketing materials will be placed in broadcast, cable, radio, and print communications only where at least 75 percent of the audience is reasonably expected to be above the legal purchase age (determined by using reliable, up-to-date audience composition data).
 - 1.3. To facilitate these placement commitments, Beam Global will review recognized electronic and print composition data on a regular basis (at least annually) in order to ensure that the audience composition data are current and appropriate.
 - 1.4. Beam Global will undertake internal, periodic after-the-fact audits of past placements to verify that past advertising placements were in compliance and to take appropriate, corrective action for future placements.
 - 1.5. Electronic Marketing Practices for Beam Products will be utilized only where at least 75 percent of the audience is reasonably expected to be above the legal purchase age (determined by using reliable, up-to-date audience composition data).
 - 1.6. In addition to placing all individual advertisements for Beam Products only in media vehicles that meet the above-referenced 75 percent audience demographic placement standard, effective January 1, 2008, Beam Global will purchase advertising for Beam Products only in

¹ This Statement of Voluntary Principles is delivered with Beam Global's letter to Attorneys General dated April 23, 2007. Capitalized terms used in the Voluntary Principles without definition have the meanings in Appendix A attached.



broadcast television, cable television, radio, and print communications vehicles in order to achieve on an annual, calendar year basis a minimum aggregate average of 85 percent of all impressions delivered to persons of LPA, for each advertised brand and in each of the aforesaid media categories.

- 1.7. The procedures for purchasing certain media are subject to variation not within the control of Beam Global. Beam Global will nonetheless make good faith efforts to place advertising for Beam Products solely in media that meet or exceed the 75% audience demographic placement standard and the 85% annual aggregate average.
- 1.8. Guidelines regarding achievement of the Voluntary Principles with respect to the audience demographic standards are set forth in Appendix B attached.
- 1.9. Promotional Events

Beam Global will take appropriate measures and best efforts so that advertising and marketing for Beam Products are not specifically aimed at events unless at least 75 percent of the audience is reasonably expected to be LPA.

- 1.10. Fixed Advertising

Fixed Advertising and Marketing Materials for Beam Products may be placed at venues that are used primarily for LPA Adult-Oriented Events.

- 1.11. College Campuses

Beam Products will not be advertised or marketed in College and University Newspapers or on College and University Campuses.

- 1.12. Proximity to Places of Worship, Schools and Public Playgrounds

Advertising for Beam Products will not be placed by Beam Global on any Outdoor Stationary Location within five hundred (500) feet of an established place of worship, an elementary school or secondary school, or a Public Playground.



1.13. Magazine Special Binding

Beam Global has taken action such that effective July 1, 2006, advertising for Beam Products will not appear in the school library/program copies of *Newsweek*, *Time*, *US News & World Report*, *Sports Illustrated* and *People* intended for delivery to schools and libraries, by securing special bindings of these publications if and to the extent advertisements for Beam Products appear in these magazines. Beam Global will refrain from advertising Beam Products on the inside and back covers of these magazines (premium advertising space) if their covers cannot be segregated out for special bindings of school library/program copies.

1.14. Special Subscription Editions

1.14.1. Effective January 1, 2008, Beam Products will be advertised only in the Special Subscription Editions of magazines that offer this service. As of the date of the Voluntary Principles, magazines offering this service include *Rolling Stone*, *Sports Illustrated*, *Vibe*, *Spin*, *Jane*, and *ESPN The Magazine*. Beam Global will not advertise in the Full Run Editions or Newsstand Editions of magazines that offer Special Subscription Editions.

1.14.2. Beam will place advertising for Beam Products in the above-referenced Special Subscription Editions only to the extent they comply with the 75 percent audience demographic placement standard.

1.15. Unmeasured Magazines

1.15.1. Beam Global's intention is to achieve an independent measurement of demographic profiles for Unmeasured Magazines in which Beam Products are advertised.

1.15.2. Effective January 1, 2008, Unmeasured Magazines in which advertising for Beam Products will appear will have an independent measurement of their subscribers, which meets the following criteria:



- 1.15.3. Effective January 1, 2008, a demographic survey of subscribers will be conducted periodically for established magazines and for new magazines in connection with consideration of an advertisement placement for a Beam Product (and again for new magazines once the subscriber base has stabilized; for example, after initial subscribers have had an opportunity to renew would be appropriate in the latter instance). Guidelines regarding achievement of the Voluntary Principles with respect to Unmeasured Magazines are set forth in Appendix C attached.
- 1.15.4. Upon the receipt of the independent demographic survey, Beam Global will evaluate the survey in conjunction with other factors prior to purchasing an advertising placement for Beam Products, such as the editorial and advertising content of the magazine, similar or comparable publications, the “pass along” rate and/or circulation distribution of similar or comparable publications.

1.16. Brand Logoed Apparel

- 1.16.1. Effective July 1, 2007, Beam Global will limit the manufacture of Brand Logoed Apparel and the licensing of Beam Global trademarks for use in connection with sales of Brand Logoed Apparel intended for sale to only sizes for adult men and women and will endeavor to educate retailers not to offer such Brand Logoed Apparel for sale in children’s sections, and will institute measures with the objective of having Brand Logoed Apparel sold only in appropriate adult sections of retail venues. Beam Global will undertake a review of the controls in its licensing agreements to help ensure that Brand Logoed Apparel is to the extent within Beam Global’s control marketed only to LPA.
- 1.16.2. Effective July 1, 2007, Beam Global will endeavor to limit the manufacture or licensing of any Racing Apparel intended for sale to only sizes for adult men and women. Beam Global will endeavor to ensure that Racing Apparel will be sold at racing venues only after verification the purchaser is LPA.



1.17. Model Automobiles

Effective July 1, 2007, Beam Global will limit the manufacture or licensing of Model Automobiles sold to die cast models sold on a fixed.

1.18. Flavored Malt Beverages

Beam Global will not introduce or market any products in the “Flavored Malt Beverage” category.

1.19. Product Placement

1.19.1. Cinema Movies and Purchased Videos

Effective January 1, 2008, Beam Global will not knowingly make or accept paid advertising and/or placements for Beam Products in Cinema Movies and Purchased Videos or approve use of a Beam Product in a movie or video script unless the intended audience is predominantly adult and the projected rating of the film, if any, as of the date of Beam Global’s decision is NC-17 or R.

1.19.2 Television

Effective January 1, 2008, Beam Global will not knowingly make or accept paid advertising and/or placements for Beam Products in television programs, or approve use of a Beam Product in a television script, unless the intended audience for the television program in which a placement of a Beam Product is made meets the 75% Audience Demographic Placement Standard in Principle 1.1.

1.19.3 Videogames

Effective January 1, 2008, Beam Global will not knowingly make or accept paid advertising and/or placements for Beam Products, or approve use of a Beam Product, in Videogames.

1.20 Web Sites

Beam Global will not operate web sites which include messages, images or functions specifically aimed at, i.e., targeted at, Underage Persons.



1.21 Spring Break Events

Effective July 1, 2007, advertising and promotion of Beam Products will not refer to Spring Break and Beam Global will not market or advertise Beam Products at Spring Break Events that are held either in or outside the United States.

1.22 DISCUS and Wine Institute Codes

The Voluntary Principles work in tandem with and supplement the DISCUS Code and the Wine Institute Code but, in the event of any inconsistency between the Voluntary Principles and, as applicable, either the DISCUS Code or the Wine Institute Code as they relate to advertising and marketing practices for Beam Products, the Voluntary Principles will control.

1.23 Third Party Conduct

Beam Global will not license or authorize any third party to advertise Beam Products in a manner prohibited or restricted by this agreement if done by Beam Global. Beam Global will promptly take commercially reasonable action, as permitted under federal and/or state alcohol and other laws and regulations, to address activities by third parties with respect to Beam Products that would violate the provisions of the Voluntary Principles if the same activities were undertaken by Beam Global.

2. Modification of Principles

- 2.1. Beam Global reserves the right in its discretion to revise or suspend the contents of the Voluntary Principles. Relevant factors may include, but are not limited to, new developments in advertising “best practices,” an agreement by an Attorney General with another member of the alcohol beverage industry on subjects covered by the Voluntary Principles, or litigation concerning the advertising or promotion of Beam Products.
- 2.2. If Beam Global determines that its practices should be amended or revised to better achieve the Voluntary Principles, Beam Global will do so within a reasonable period, provided that committed purchases and/or placements of advertising and promotional materials for Beam Products



irrevocably purchased by Beam Global will not need to be cancelled; rather, as needed, Beam Global will amend its advertising placement procedures to address any issue concerning achievement of the Voluntary Principles on a going-forward basis.

3. Scope and Coverage

- 3.1. These Voluntary Principles apply only to Beam Global, to subsidiaries and affiliates within the control of Beam Global, to their successors, and to the respective directors, officers, and employees of each operating solely in their official capacities.
- 3.2. It is Beam Global's intention that no provision or portion of these Voluntary Principles will provide any rights to any person or entity.
- 3.3. Except as expressly provided, nothing in the Voluntary Principles is intended to supersede or override Beam Global's ability to manufacture, market, advertise and promote, and sell Beam Products in compliance with applicable Federal, state, local and municipal alcohol beverage laws and regulations and other applicable law.

4. Miscellaneous

- 4.1. The Voluntary Principles are voluntarily adopted in good faith without admission by Beam Global, for the purpose of resolving potential disputes. Beam Global specifically disclaims and denies any liability or wrongdoing with respect to the matters addressed by the Voluntary Principles and has adopted the Voluntary Principles solely as further confirmation of its commitment to ensuring that all of Beam Global's marketing and promotional practices observe the highest standards of responsibility.
- 4.2. By adopting the Voluntary Principles, Beam Global is not making an offer that may be accepted by any person to form a contract, is not entering into a contract and does not intend to enter into a contract with any State or any other party.
- 4.3. Appendix A, Appendix B and Appendix C attached are incorporated into and form part of the Voluntary Principles.



The Voluntary Principles demonstrate Beam Global's sincere commitment to actions to achieve our goal: elimination of Underage Drinking. We understand that, despite Beam Global's leadership and commitment in this critical area, there will be those who will criticize our actions and Voluntary Principles. We invite those parties to work with us to eliminate Underage Drinking including actions to minimize access to alcohol from parents, family members and friends, to enforce existing laws and to educate those younger than 21 that underage drinking is illegal.

Beam Global Spirits & Wine, Inc.

April 23, 2007



Appendix A

Definitions

“Beam Global” means Beam Global Spirits & Wine, Inc., a Delaware corporation with principal offices in Deerfield, Illinois.

“Beam Products” means all beverage alcohol products owned by or exclusively distributed by Beam Global.

“Brand Logoed Apparel” means wearable personal merchandise licensed exclusively by Beam Global and which bear names or trademarks of Beam Products offered for retail purchase by consumers, such as brand-logoed t-shirts, shirts, pants, caps, hats, etc. but does not include items intended for employee use or trade customer use, or items bearing the company name or logo of Beam Global or its subsidiaries and affiliates.

“Cinema Movies and Purchased Videos” means feature-length movies or shorts shown at a theater open to the public for which the viewing audience pays consideration at the time the event is viewed or the ticket is purchased, or for which the viewing audience has paid consideration at the time of retail purchase or rental for subsequent viewing in a location that is not open to the public, and includes DVD’s.

“College and University Campuses” means the physical premises considered by relevant administration of any 2-year or 4-year or other institution of higher learning beyond high school to be part of the campus property boundaries, but does not include licensed retail establishments serving beverage alcohol located on such campuses.

“College and University Newspapers” means daily or weekly news delivery vehicles in printed or electronic form provided by or funded wholly or in part by the administration of a college or university, but does not include alumni publications or for-profit periodic news delivery vehicles available for sale in the community in which a college or university may be located.

“DISCUS” means the Distilled Spirits Council of the United States, Inc.

“DISCUS Code” means the Code of Responsible Practices for Beverage Alcohol Advertising and Marketing published by DISCUS.

“Electronic Marketing Practices” means forms of communication to consumers that are electronic-, television-, computer- and/or telephone-based, including the Internet.



“Fixed Advertising and Marketing Materials” means stationary advertising and marketing materials for beverage alcohol for which a periodic or other fee is payable for display, that are affixed in or visible in a public venue and whose primary viewing audience is people inside a structure attending an event, but does not include billboard advertising.

“Flavored Malt Beverage” means a pre-packaged, pre-mixed beverage alcohol product with flavor(s) derived from added flavorings, sugars, or other additives that contain distilled spirits, resulting in a product that is distinct from traditional malt beverage products (e.g., beer, ale, lager, porter, stout, or malt liquor), but does not include “Beam & Cola” or other pre-mixed or low proof products which contain a distilled spirit as the alcohol base, are taxed at distilled spirits rates, and are distributed through distilled spirits distribution networks.

“Full-Run Editions” means editions of print magazines that are printed by or on behalf of the owners of the publication for general circulation and/or sale at newsstands and other retail purchase outlets.

“Industry Trade Magazines” means magazines of targeted circulation that are directed to and whose substantive content is directed exclusively to members of the alcohol beverage industry including *Impact*, *Beverage Dynamics*, *Stateways*, *Beverage News*, *Beverage Journal*, *Cheers*, *Market Watch*, and *Nightclub & Bar*.

“LPA” means people in the U.S. at or above the minimum age for legal purchase and/or consumption of beverage alcohol, currently age 21 or older.

“LPA Adult Oriented Events” means events where at least 75 percent of the audience attending an event in a particular venue is reasonably expected to be at or above LPA.

“Model Automobiles” mean collectible replicas of passenger vehicles or racing vehicles bearing the trademarks of Beam Global or any Beam Product and/or which bear the logos or identifying marks of any Indy Racing League or NASCAR driver or team.

“Newsstand Editions” means the Full-Run Editions of selected magazines that are sold directly to the purchaser at retail purchase outlets but does not include mail or other delivery subscription editions of those magazines, and does not include any of such selected magazines sold directly to the purchaser at retail purchase outlets when the purchasing audience for any of such publications can be verified to be at least 75 percent LPA at the time Beam Global commits to place advertising for a Beam Product in any of such magazines.



“Outdoor Stationary Location” means any fixed advertising space located on a free standing structure or on the exterior of or outside a structure which is used for advertising including billboards, transportation shelters, exterior surfaces of buildings, computerized electronic exterior signs and similar locations, but does not include advertising space located on or in a licensed premise.

“Public Playgrounds” means outdoor parks and recreational areas owned and managed by local, regional, state, or federal governments, which are accessible to the public without admission or use fee and which include playground areas and equipment designed specifically for use by minors, for example slides, swings, roundabouts, sandboxes, etc.

“Racing Apparel” means wearable personal merchandise offered for retail purchase by consumers and which bear logos, names, trademarks or identifying marks of any Beam Product and also of any Indy Racing League or NASCAR driver or team, such as t-shirts, shirts, pants, caps, hats, etc. but does not include items intended for employee use or trade customer use, or merchandise bearing the company name or logo of Beam Global or its subsidiaries and affiliates.

“Special Subscription Editions” means editions of those print magazines that offer a special subscription delivery service only to persons/households that have verified they are LPA.

“Spring Break” means temporary cessation of classroom academic activities during annual spring recess from the course of the academic year at high school, college and universities when many students travel to Spring Break Locations.

“Spring Break Events” means public or private gatherings of U. S. high school and college students held at Spring Break Locations during Spring Break, but does not include gatherings or events on licensed premises.

“Spring Break Locations” means recognized popular high school and college Spring Break vacation locations in the U.S. and Mexico and the Caribbean.

“Third Parties” means persons and entities not owned by or controlled by Beam Global.

“Underage Drinking” means purchase and/or consumption of alcohol beverages by persons younger than the minimum legal age for doing so, currently age 21.

“Underage Persons” means people in the U.S. younger than the LPA.



“Unmeasured Magazines” means print publications of national or significant state, regional, or multi-regional subscriber base intended for general circulation which are not measured by a syndicated data source such as MRI or Simmons and which have or are intended to have a recurring subscriber base.

“Unmeasured Local and Regional Magazines” means print media of restricted local and/or regional circulation that are not measured by any recognized media measuring source and which are believed to be substantial LPA in viewing audience including Louisville Magazine, Kentucky Monthly, 2007 Official Kentucky Visitor’s Guide, Bardstown and Nelson County Guide (Kentucky Standard), Best Read Kentucky Maps, Bourbon & Bluegrass (Kentucky Standard), Christmas ‘Round Bardstown (Kentucky Standard), Greater Louisville’s Official Visitor’s Guide, Keeneland Magazine, Kentucky Derby Festival Program, Kentucky Derby Souvenir Magazine, Premier Kentucky (Kentucky Standard), Welcome to Greater Louisville.

“Videogames” means computer-controlled games or games run by a console or arcade machine where players interact with images or objects displayed on a screen for the sake of entertainment, rated EC through M under the Entertainment Software Ratings Board system or that do not meet the 75 percent audience demographic placement standard.

“Wine Institute Code” means the Code of Advertising Standards published by the Wine Institute.



Appendix B

Demographic Data/Advertisement Placement Guidelines to Implement the 75 percent LPA+ Placement Provisions of the Voluntary Principles

Set forth below are guidelines regarding placement of advertisements in various media and periodic, random after-the-fact audits (post audits) of placements to meet the demographic standard where at least 75 percent of the audience for TV, print and radio advertisements is reasonably expected to be 21 years of age or older (the legal purchase age (LPA) audience composition).

I. Media placement and the 75 percent LPA standard

- A. A placement will be considered to be in compliance with this LPA standard if:
 - i) Beam Global has a reasonable expectation at the time a placement decision is made, determined by using reliable, up-to-date audience composition data, that the LPA audience composition will be at least 75 percent;
 - ii) Beam Global conducts internal, semi-annual after-the-fact audits of a random portion of past placements to verify that such placements were in compliance with the 75 percent LPA audience composition standard; and
 - iii) Beam Global, upon learning of a non-compliant placement, takes appropriate, corrective action for future placements.
- B. A reasonable expectation for meeting this demographic standard takes into account marketplace realities, the medium and available demographic audience composition data, and includes:
 - i) Recognition that Beam Global's media buys generally are determined prior to its upcoming fiscal year for placement during the course of that fiscal year;
 - ii) Recognition that Beam Global's media buys rely upon historical demographic data to estimate the future LPA audience composition;



- iii) Recognition of the availability and publication intervals of syndicated audience composition data; for example, MRI TwelvePlus data are published annually and Arbitron data are published quarterly, whereas national broadcast networks have the most frequently measured syndicated audience composition data (national Nielsen data) thereby affording, among other things, more data for advertisement placement and for more expeditious after-the-fact audits, as compared to, for example, local (spot) TV and cable, as well as radio and print media.

II. Media placement and audience composition data

A. For TV - broadcast (network/local), cable (network/local) and syndication:

- i) Purchase by program (or, if program specific data are unavailable, by daypart/timeslot) using nationwide, or local if applicable, “2+” audience composition data, such as national or local market Nielsen data, based upon the last two quarters of such data.
- ii) For new programs, data for similar programs or time periods.
- iii) A placement will be considered appropriate when the above-referenced data show that the placement is in compliance with the 75 percent LPA demographic standard.
- iv) Post audits: A past placement will be considered appropriate where data published or supplied for the quarter in which the placement ran show an LPA audience composition that was in compliance with the 75 percent LPA demographic standard.

B. For radio:

- i) Purchase by daypart (e.g., “a.m. drive,” “midday,” “afternoon drive,” etc.) using “12+” audience composition data, such as Arbitron data, based upon the last two quarters of such data.
- ii) If the station is not measured by a syndicated data source (e.g., a new station or a station not measured by Arbitron), data provided by the station regarding the target listenership audience or data for stations with similar formats in similar markets.



- iii) More specific data than daypart can be used for audience composition such as, for example, narrowing the a.m. drive hours from 6:00 a.m.-10:00 a.m. to 8:00 a.m.-10:00 a.m. to determine audience composition.
- iv) A placement will be considered appropriate when the above-referenced data show that the placement is in compliance with the 75 percent LPA demographic standard.
- v) Post audits: A past placement will be considered appropriate where data published or supplied for the quarter in which the placement ran show an LPA audience composition that was in compliance with the 75 percent LPA demographic standard.



C. For print:

- i) Purchase by publication using “12+” audience composition data, such as MRI consolidated TwelvePlus data (designed to allow analysis of “12+” youth and adult readership) or, if unavailable, MRI “18+” data, based upon the last publication of such data.
- ii) If the publication is not measured by a syndicated data source (e.g., a new publication or a publication not measured by MRI), data provided by the publisher regarding target readership audience or data for similar publications.
- iii) More specific data regarding audience composition also meet this standard, such as a “21+” subscriber special edition of the publication.
- iv) A placement will be considered appropriate when the above-referenced data show that the placement is in compliance with the 75 percent LPA demographic standard.
- v) Post audits: A past placement will be considered appropriate where data published or supplied subsequent to the placement show an LPA audience composition that was in compliance with the 75 percent LPA demographic standard.
- vi) For the purpose of calculating the 85% annual aggregate average, the impressions achieved for Industry Trade Magazines will be deemed to be 100% LPA and for Unmeasured Local and Regional Magazines will be deemed to be 85% LPA.

D. For Internet

- i) Review of comScore Media Metrix, Nielsen



Appendix C

1. Survey of magazine subscribers must be conducted by an independent third party research company using established research methods, such as the ABC Subscriber Study Audit requirements.
2. Survey supplier and the date survey was conducted must be identified.
3. Sample should be at least 300 in-tab (tabulated) respondents with the sample frame fully reported.
4. Sample must be pulled on an nth name basis from all eligible names on the publication's full subscriber file for U.S. only. No complimentary copies, international, business addresses, demographic, or regional edition splits (unless these copies also are used for the advertising).
5. Subscribers, not other household members, should be asked to fill out and return the survey.
6. Actual age, year of birth, or check off for appropriate bracket of age are acceptable, as long as the age bracket identifies 21 as a starting point (21-34 versus 18-24, for example).