sxb

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED
OCT 23 2020 mc
THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES OF AMERICA	)	
	)	No. 20 CR 745
v.	)	
	)	Hon. Charles R. Norgle
BEAM SUNTORY INC.	)	

DEFERRED PROSECUTION AGREEMENT

Defendant Beam Suntory Inc. (the "Company"), pursuant to authority granted by the Company's Board of Directors reflected in Attachment B, and the United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section"), and the United States Attorney's Office for the Northern District of Illinois (the "Office") enter into this Deferred Prosecution Agreement (the "Agreement").

Criminal Information and Acceptance of Responsibility

1. The Company acknowledges and agrees that the Fraud Section and the Office will file the attached one-count criminal Information in the United States District Court for the Northern District of Illinois charging the Company with one count of conspiracy to commit an offense against the United States, in violation of Title 18, United States Code, Section 371, that is, to violate: (1) the anti-bribery provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, Title 15, United States Code, Sections 78dd-1 and 78dd-2; (2) the internal controls provisions of the FCPA, as amended, Title 15, United States Code, Sections 78m(b)(2)(B), 78m(b)(5) and 78ff(a); and (3) the books and records provisions of the FCPA, as amended, Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a). In so doing, the Company: (a) knowingly waives its right to indictment on this charge, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code,

Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) knowingly waives any objection with respect to venue to any charges by the United States arising out of the conduct described in the Statement of Facts attached as Attachment A ("Statement of Facts") and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Northern District of Illinois. The Fraud Section and the Office agree to defer prosecution of the Company pursuant to the terms and conditions described below.

2. The Company admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as charged in the Information, and as set forth in the Statement of Facts, and that the allegations described in the Information and the facts described in the Statement of Facts are true and accurate. The Company agrees that, effective as of the date the Company signs this Agreement, in any prosecution that is deferred by this Agreement, it will not dispute the Statement of Facts set forth in this Agreement, and, in any such prosecution, the Statement of Facts shall be admissible as: (a) substantive evidence offered by the government in its case-in-chief and rebuttal case; (b) impeachment evidence offered by the government on cross-examination; and (c) evidence at any sentencing hearing or other hearing. In addition, in connection therewith, the Company agrees not to assert any claim under the United States Constitution, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal Procedure, Section 1B1.1(a) of the United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines"), or any other federal rule that the Statement of Facts should be suppressed or is otherwise inadmissible as evidence in any form.

Term of the Agreement

3. This Agreement is effective for a period beginning on the date on which the Information is filed and ending three years from that date (the "Term"). The Company agrees, however, that, in the event the Fraud Section and the Office determine, in their sole discretion, that the Company has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of the Company's obligations under this Agreement, an extension or extensions of the Term may be imposed by the Fraud Section and the Office, in their sole discretion, for up to a total additional time period of one year, without prejudice to the Fraud Section and the Office's right to proceed as provided in Paragraphs 14 to 16 below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the reporting requirement in Attachment D, for an equivalent period. Conversely, in the event the Fraud Section and the Office find, in their sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirement in Attachment D, and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early. If the court refuses to grant exclusion of time under the Speedy Trial Act, 18 U.S.C. § 3161(h)(2), the Term shall be deemed to have not begun, and all the provisions of this Agreement shall be deemed null and void, except that the statute of limitations for any prosecution relating to the conduct described in the Statement of Facts shall be tolled from the date on which this Agreement is signed until the date the Court refuses to grant the exclusion of time plus six months, and except for the provisions contained within Paragraph 2 of this Agreement.

Relevant Considerations

4. The Fraud Section and the Office enter into this Agreement based on the individual facts and circumstances presented by this case and the Company, including:

a. the Company did not receive voluntary disclosure credit pursuant to the FCPA Corporate Enforcement Policy in the Department of Justice Manual 9-47.120, or pursuant to the Sentencing Guidelines, because it did not timely disclose to the Fraud Section and the Office the conduct described in the Statement of Facts, and because prior to the Company's disclosure, a former Company employee sent an email to the Company, copying the U.S. and Indian governments, alerting them to "illegal cash transactions" associated with the Company's distributors in India;

b. the Company received partial credit for its cooperation with the Fraud Section and the Office's investigation, including making factual presentations to the Fraud Section and the Office, making foreign-based employees available for interviews in the United States, and producing documents to the Fraud Section and the Office from foreign countries;

c. the Company did not receive full credit for its cooperation due to its inconsistent and, at times, inadequate cooperation, including positions taken by the Company that were not consistent with full cooperation, as well as significant delays caused by the Company in reaching a timely resolution and its refusal to accept responsibility for several years;

d. the Company provided to the Fraud Section and the Office all relevant facts known to it, including information about the individuals involved in the conduct described in the Statement of Facts and conduct disclosed to the Fraud Section and the Office prior to the Agreement;

e. the Company engaged in remedial measures, including: suspending operations in India for a period of time, implementing enhanced controls, including additional controls over disbursements and interactions with government officials, requiring in-person

compliance training for employees, hiring a dedicated Chief Compliance Officer and an APSA regional compliance officer, and hiring new management in India;

f. the Company did not receive full credit for its remediation because it failed to discipline certain individuals involved in the conduct described in the Statement of Facts;

g. although the Company had inadequate anti-corruption controls and an inadequate anti-corruption compliance program during the period of the conduct described in the Statement of Facts, the Company has enhanced and has committed to continuing to enhance its compliance program and internal controls, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment C to this Agreement (Corporate Compliance Program);

h. based on the Company's remediation and the state of its compliance program, and the Company's agreement to report to the Fraud Section and the Office as set forth in Attachment D to this Agreement (Corporate Compliance Reporting), the Fraud Section and the Office determined that an independent compliance monitor was unnecessary;

i. the nature and seriousness of the offense conduct, as described in the Statement of Facts, including making corrupt payments in India, the falsification of books and records to conceal improper payments, and the willful failure to implement an adequate system of internal controls, which included efforts by a then-member of Beam's Legal Department to affirmatively avoid uncovering information related to improper activities and practices by third-parties engaged by the Company in India that presented corruption risks, as well as the duration of the misconduct;

j. the Company has no prior criminal history;

k. the Company resolved with the U.S. Securities and Exchange Commission ("SEC") through a cease-and-desist proceeding relating to the conduct described in the attached Statement of Facts, but the Fraud Section and the Office are not crediting the penalty paid to the SEC because the Company did not seek to coordinate a parallel resolution with the Fraud Section and the Office;

l. the Company has agreed to continue to cooperate with the Fraud Section and the Office in any ongoing investigation as described in Paragraph 5 below;

m. accordingly, after considering (a) through (l) above, the Fraud Section and the Office believe that the appropriate resolution in this case is a Deferred Prosecution Agreement with the Company; a criminal monetary penalty in the amount of $19,572,885, which reflects a discount of ten percent off the bottom of the otherwise-applicable Sentencing Guidelines fine range; and the Company's agreement to report to the Fraud Section and the Office as set forth in Attachment D to this Agreement.

Future Cooperation and Disclosure Requirements

5. The Company shall cooperate fully with the Fraud Section and the Office in any and all matters relating to the conduct described in the Statement of Facts and other conduct under investigation by the Fraud Section and the Office at any time during the Term, subject to applicable laws and regulations, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded, or the end of the Term. At the request of the Fraud Section and the Office, the Company shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies, as well as the Multilateral Development Banks ("MDBs"), in any investigation of the Company, its parent company, its subsidiaries, or its affiliates, or any of its present or former officers, directors, employees, agents, and consultants, or

any other party, in any and all matters relating to the conduct described in this Agreement and the Statement of Facts and other conduct under investigation by the Fraud Section and the Office. The Company's cooperation pursuant to this Paragraph is subject to applicable law and regulations, as well as valid claims of attorney-client privilege or attorney work product doctrine; however, the Company must provide to the Fraud Section and the Office a log of any information or cooperation that is not provided based on an assertion of law, regulation, or privilege, and the Company bears the burden of establishing the validity of any such assertion. The Company agrees that its cooperation pursuant to this paragraph shall include, but not be limited to, the following:

a. The Company shall truthfully disclose all factual information with respect to its activities, those of its parent company, subsidiaries, and affiliates, and those of its present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal or external investigations, about which the Company has any knowledge or about which the Fraud Section and the Office may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Company to provide to the Fraud Section and the Office, upon request, any document, record or other tangible evidence about which the Fraud Section and the Office may inquire of the Company.

b. Upon request of the Fraud Section and the Office, the Company shall designate knowledgeable employees, agents or attorneys to provide to the Fraud Section and the Office the information and materials described in Paragraph 5(a) above on behalf of the Company. It is further understood that the Company must at all times provide complete, truthful, and accurate information.

c. The Company shall use its best efforts to make available for interviews or testimony, as requested by the Fraud Section and the Office, present or former officers, directors,

employees, agents and consultants of the Company. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Company, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Fraud Section and the Office pursuant to this Agreement, the Company consents to any and all disclosures to other governmental authorities, including United States authorities and those of a foreign government, as well as the MDBs, of such materials as the Fraud Section and the Office, in their sole discretion, shall deem appropriate.

6. In addition to the obligations in Paragraph 5, during the Term, should the Company learn of any evidence or allegation of conduct that may constitute a violation of the FCPA anti-bribery provisions had the conduct occurred within the jurisdiction of the United States, the Company shall promptly report such evidence or allegation to the Fraud Section and the Office.

Payment of Monetary Penalty

7. The Fraud Section and the Office and the Company agree that application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

a. The November 1, 2018[1] version of the Sentencing Guidelines is applicable to this matter.

b. Offense Level. Based upon U.S.S.G. § 2B1.1, the total offense level is 28, calculated as follows:[2]

[1] Due to changes in U.S.S.G. § 8C2.4 that potentially implicate *ex post facto* concerns, the 2014 U.S.S.G. manual was used for the § 8C2.4 calculation.

[2] The offense level was calculated using U.S.S.G. § 2B1.1, because a calculation under U.S.S.G. § 2C1.1 resulted in a lower total offense level due to the uncertainty regarding the calculation of the value of the benefits obtained from the bribery conduct, and was not altered by a grouping analysis pursuant to U.S.S.G. § 3D.

§ 2B1.1(a)(1) Base Offense Level	6
§ 2B1.1(b)(1)(K) Value of Benefit Received (more than $9,500,000 but not more than $25,000,000)	+20
§ 2B1.1(b)(10)(B) Conduct Occurred Outside of the U.S.	+2
TOTAL	28

c. Base Fine. Based upon U.S.S.G. § 8C2.4(a)(2), the base fine is $15,534,036.

d. Culpability Score. Based upon U.S.S.G. § 8C2.5, the culpability score is 7, calculated as follows:

(a) Base Culpability Score	5
(b)(2)(A) The organization had 1,000 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the offense	+4
(g)(2) The organization clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	-2
TOTAL	7

Calculation of Fine Range:

Base Fine	$15,534,036
Multipliers	1.4(min)/2.8(max)
Fine Range	$21,747,650 / $43,495,300

The Company agrees to pay a total monetary penalty in the amount of $19,572,885 (the "Total Criminal Fine"). This reflects a ten percent discount off the bottom of the applicable Sentencing Guidelines fine range. The Total Criminal Fine will be paid to the United States Treasury within

ten business days of the execution of this Agreement. The Company, the Fraud Section, and the Office agree that this penalty is appropriate given the facts and circumstances of this case, including the Relevant Considerations described in Paragraph 4 of this Agreement. The Total Criminal Fine is final and shall not be refunded. Furthermore, nothing in this Agreement shall be deemed an agreement by the Fraud Section and the Office that the Total Criminal Fine is the maximum penalty that may be imposed in any future prosecution, and the Fraud Section and the Office are not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Fraud Section and the Office agree that under those circumstances, they will recommend to the Court that any amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment. The Company acknowledges that no tax deduction may be sought in connection with the payment of any part of the Total Criminal Fine. The Company shall not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the penalty or disgorgement amounts that the Company pays pursuant to this Agreement or any other agreement entered into with an enforcement authority or regulator concerning the facts set forth in the Statement of Facts.

Conditional Release from Liability

8. Subject to Paragraphs 14 to 16, the Fraud Section and the Office agree, except as provided in this Agreement, that they will not bring any criminal or civil case against the Company relating to any of the conduct described in the Statement of Facts or the criminal Information filed pursuant to this Agreement. The Fraud Section and the Office, however, may use any information related to the conduct described in the Statement of Facts against the Company: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a

prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code.

a. This Agreement does not provide any protection against prosecution for any future conduct by the Company.

b. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Company.

Corporate Compliance Program

9. The Company represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout its operations, including those of its affiliates, subsidiaries, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials or other activities carrying a high risk of corruption, including, but not limited to, the minimum elements set forth in Attachment C.

10. In order to address any deficiencies in its internal accounting controls, policies, and procedures, the Company represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of their existing internal accounting controls, policies, and procedures, regarding compliance with the FCPA and other applicable anti-corruption laws. Where necessary and appropriate, the Company agrees to adopt a new compliance program, or to modify its existing one, including internal controls, compliance policies, and procedures in order to ensure that it maintains: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting controls, as well as policies and procedures designed to

effectively detect and deter violations of the FCPA and other applicable anti-corruption laws. The compliance program, including the internal accounting controls system will include, but not be limited to, the minimum elements set forth in Attachment C.

Corporate Compliance Reporting

11. The Company agrees that it will report to the Fraud Section and the Office annually during the Term regarding remediation and implementation of the compliance measures described in Attachment C. These reports will be prepared in accordance with Attachment D.

Deferred Prosecution

12. In consideration of the undertakings agreed to by the Company herein, the Fraud Section and the Office agree that any prosecution of the Company for the conduct set forth in the Statement of Facts be and hereby is deferred for the Term. To the extent there is conduct disclosed by the Company that is not set forth in the Statement of Facts, such conduct will not be exempt from further prosecution and is not within the scope of or relevant to this Agreement.

13. The Fraud Section and the Office further agree that if the Company fully complies with all of its obligations under this Agreement, the Fraud Section and the Office will not continue the criminal prosecution against the Company described in Paragraph 1 and, at the conclusion of the Term, this Agreement shall expire. Within six months after the Agreement's expiration, the Fraud Section and the Office shall seek dismissal with prejudice of the criminal Information filed against the Company described in Paragraph 1, and agree not to file charges in the future against the Company based on the conduct described in this Agreement and the Statement of Facts. If, however, the Fraud Section and the Office determine during this six-month period that the Company breached the Agreement during the Term, as described in Paragraph 14, the Fraud

Section's and the Office's ability to extend the Term, as described in Paragraph 3, or to pursue other remedies, including those described in Paragraphs 14 to 16, remains in full effect.

Breach of the Agreement

14. If, during the Term, the Company (a) commits any felony under U.S. federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (c) fails to cooperate as set forth in Paragraphs 5 and 6 of this Agreement; (d) fails to implement a compliance program as set forth in Paragraphs 9 and 10 of this Agreement and Attachment C; (e) commits any acts that, had they occurred within the jurisdictional reach of the FCPA, would be a violation of the FCPA; or (f) otherwise fails to completely perform or fulfill each of the Company's obligations under the Agreement, regardless of whether the Fraud Section and the Office become aware of such a breach after the Term is complete, the Company shall thereafter be subject to prosecution for any federal criminal violation of which the Fraud Section and the Office have knowledge, including, but not limited to, the charges in the Information described in Paragraph 1, which may be pursued by the Fraud Section and the Office in the U.S. District Court for the Northern District of Illinois or any other appropriate venue. Determination of whether the Company has breached the Agreement and whether to pursue prosecution of the Company shall be in the Fraud Section and the Office's sole discretion. Any such prosecution may be premised on information provided by the Company or its personnel. Any such prosecution relating to the conduct described in the Statement of Facts or relating to conduct known to the Fraud Section and the Office prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Company, notwithstanding the expiration of the statute of limitations,

between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, the Company agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, the Company agrees that the statute of limitations as to any violation of federal law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Fraud Section and the Office are made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

15. In the event the Fraud Section and the Office determine that the Company has breached this Agreement, the Fraud Section and the Office agree to provide the Company with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty days of receipt of such notice, the Company shall have the opportunity to respond to the Fraud Section and the Office in writing to explain the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the Fraud Section and the Office shall consider in determining whether to pursue prosecution of the Company.

16. In the event the Fraud Section and the Office determine that the Company has breached this Agreement: (a) all statements made by or on behalf of the Company to the Fraud Section and the Office or to the Court, including the Statement of Facts, and any testimony given by the Company before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Fraud Section and the Office against the Company; and (b) the Company shall not assert any claim under the

United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Company prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, the Company, will be imputed to the Company for the purpose of determining whether the Company has violated any provision of this Agreement shall be in the sole discretion of the Fraud Section and the Office.

17. The Company acknowledges that the Fraud Section and the Office have made no representations, assurances, or promises concerning what sentence may be imposed by the Court if the Company breaches this Agreement and this matter proceeds to judgment. The Company further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

18. On the date that the period of deferred prosecution specified in this Agreement expires, the Company, by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, will certify to the Fraud Section and the Office, in the form of executing the document attached as Attachment E to this Agreement, that the Company has met its disclosure obligations pursuant to Paragraph 6 of this Agreement. Each certification will be deemed a material statement and representation by the Company to the executive branch of the United States for purposes of 18 U.S.C. §§ 1001 and 1519, and it will be deemed to have been made in the judicial district in which this Agreement is filed.

Sale, Merger, or Other Change in Corporate Form of Company

19. Except as may otherwise be agreed by the parties in connection with a particular transaction, the Company agrees that in the event that, during the Term, it undertakes any change in corporate form, including if it sells, merges, or transfers business operations that are material to the Company's consolidated operations, or to the operations of any subsidiaries or affiliates involved in the conduct described in the Statement of Facts, as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Fraud Section and the Office's ability to determine a breach under this Agreement is applicable in full force to that entity. The Company agrees that the failure to include these provisions in the transaction will make any such transaction null and void. The Company shall provide notice to the Fraud Section and the Office at least thirty (30) days prior to undertaking any such sale, merger, transfer, or other change in corporate form. The Fraud Section and the Office shall notify the Company prior to such transaction (or series of transactions) if it determines that the transaction(s) will have the effect of circumventing or frustrating the enforcement purposes of this Agreement. If at any time during the Term the Company engages in a transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, the Fraud Section and the Office may deem it a breach of this Agreement pursuant to Paragraphs 14 to 16 of this Agreement. Nothing herein shall restrict the Company from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such

indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Fraud Section and the Office.

Public Statements by Company

20. The Company expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for the Company, make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the Statement of Facts. Any such contradictory statement shall, subject to cure rights of the Company described below, constitute a breach of this Agreement, and the Company thereafter shall be subject to prosecution as set forth in Paragraphs 14 to 16 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to the Company for the purpose of determining whether it has breached this Agreement shall be at the sole discretion of the Fraud Section and the Office. If the Fraud Section and the Office determine that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Fraud Section and the Office shall so notify the Company, and the Company may avoid a breach of this Agreement by publicly repudiating such statement(s) within five business days after notification. The Company shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of the Company in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Company.

21. The Company agrees that if it, or any of its direct or indirect subsidiaries or affiliates, issues a press release or holds any press conference in connection with this Agreement, the Company shall first consult with the Fraud Section and the Office to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Fraud Section and the Office and the Company; and (b) whether the Fraud Section and the Office have any objection to the release.

22. The Fraud Section and the Office agree, if requested to do so, to bring to the attention of law enforcement and regulatory authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, including the nature and quality of the Company's cooperation and remediation. By agreeing to provide this information to such authorities, the Fraud Section and the Office are not agreeing to advocate on behalf of the Company, but rather are agreeing to provide facts to be evaluated independently by such authorities.

Limitations on Binding Effect of Agreement

23. This Agreement is binding on the Company and the Fraud Section and the Office but specifically does not bind any other component of the Department of Justice, other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the Fraud Section and the Office will bring the cooperation of the Company and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company.

Notice

24. Any notice to the Fraud Section and the Office under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified

mail, addressed to Chief, FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Ave., NW, 11th Floor, Washington, D.C. 20005, and Chief, Financial Crimes Section, United States Attorney's Office, Northern District of Illinois, 219 S. Dearborn Street, Suite 500, Chicago, Illinois 60604. Any notice to the Company under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to General Counsel, Beam Suntory Inc., Merchandise Mart, 222 West Merchandise Mart Plaza, Suite 1600, Chicago, Illinois 60654, or by electronic mail to those individuals or to other counsel or individuals identified to the Fraud Section and the Office by the Company. Notice shall be effective upon actual receipt by the Fraud Section and the Office or the Company.

Complete Agreement

25. This Agreement, including its attachments, sets forth all the terms of the agreement between the Company and the Fraud Section and the Office. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section and the Office, the attorneys for the Company and a duly authorized representative of the Company.

AGREED:

FOR BEAM SUNTORY INC.:

Date: 10/22/2020 By: _____
Todd M. Bloomquist
Beam Suntory Inc.

Date: 10/22/2020 By: _____
Richard N. Dean
Nancy J. Rosenfeld

R. Adam Scott
Baker & McKenzie LLP

Date: 10/22/2020

By: */s/ Joan Meyer*
Joan Meyer
Thompson Hine LLP

Date: 10/22/2020

By: _____
Daniel D. Rubinstein
Libby Deshaies
Winston Strawn LLP

FOR THE DEPARTMENT OF JUSTICE:

DANIEL S. KAHN
Acting Chief, Fraud Section
Criminal Division
United States Department of Justice

By: *John-Alex Romano*
John-Alex Romano
Della G. Sentilles
Trial Attorneys

JOHN R. LAUSCH, JR.
United States Attorney
Northern District of Illinois

By: *Tyler Murray*
Tyler C. Murray
Assistant United States Attorney

Date: October 22, 2020

COMPANY OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for Beam Suntory Inc. (the "Company"). I understand the terms of this Agreement and voluntarily agree, on behalf of the Company, to each of its terms. Before signing this Agreement, I consulted outside counsel for the Company. Counsel fully advised me of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed the terms of this Agreement with the Board of Directors of the Company. I have advised and caused outside counsel for the Company to advise the Board of Directors fully of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of the Company, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am the General Counsel for the Company and that I have been duly authorized by the Company to execute this Agreement on behalf of the Company.

Date: 10/22/2020

Beam Suntory Inc.

By: _____

Todd M. Bloomquist
Senior Vice President, General Counsel and Secretary

CERTIFICATE OF COUNSEL

I am counsel for Beam Suntory Inc. (the "Company") in the matter covered by this Agreement. In connection with such representation, I have examined relevant Company documents and have discussed the terms of this Agreement with the Company Board of Directors. Based on our review of the foregoing materials and discussions, I am of the opinion that the representative of the Company has been duly authorized to enter into this Agreement on behalf of the Company and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of the Company and is a valid and binding obligation of the Company. Further, I have carefully reviewed the terms of this Agreement with the Board of Directors and the General Counsel of the Company. I have fully advised them of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To my knowledge, the decision of the Company to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: 10/22/2020

By: _____
Richard N. Dean
Baker & McKenzie LLP
Counsel for Beam Suntory Inc.

ATTACHMENT A

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section"), the United States Attorney's Office for the Northern District of Illinois (the "Office"), and Beam Suntory Inc. ("BEAM" or the "Company"). BEAM hereby agrees and stipulates that the following facts and conclusions of law are true and accurate. BEAM admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. Should the Fraud Section and the Office pursue the prosecution that is deferred by this Agreement, BEAM agrees that it will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding. The following facts took place during the relevant time period and establish beyond a reasonable doubt the charges set forth in the criminal Information attached to this Agreement:

Relevant Entities and Individuals

1. BEAM, formerly known as Beam Inc., is a Delaware corporation headquartered in Chicago, Illinois. BEAM produces and sells distilled beverages, including bourbon whiskey, tequila, Scotch whiskey, Irish whiskey, vodka, cognac, rum, cordials and pre-mixed cocktails. From on or about October 4, 2011, through April 2014, Beam Inc. had a class of publicly traded securities that were registered with the United States Securities and Exchange Commission ("SEC") pursuant to Section 12(b) of the Securities Exchange Act of 1934 and were traded on the New York Stock Exchange. During this time, Beam Inc. was an "issuer" within the meaning of the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Sections 78dd-1(a) and

78m(b). Before October 4, 2011, Beam Inc. was known as Beam Global Spirits & Wine, Inc., and was owned by Fortune Brands, Inc., a holding company which had a class of publicly traded securities registered with the SEC that traded on the New York Stock Exchange. Beam Global Spirits & Wine Inc. was a "domestic concern" and "United States person" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(1)(B) and 78dd-2(i)(2). References to "BEAM" in this Statement of Facts are to Beam Suntory Inc. and its predecessors, Beam Global Spirits & Wine Inc. and, after October 3, 2011, Beam Inc. In April 2014, BEAM was taken private and delisted from the New York Stock Exchange. At all relevant times, BEAM was incorporated under the laws of the state of Delaware and headquartered in the Northern District of Illinois.

2. Beam Global Spirits & Wine (India) Private Limited ("Beam India") was acquired by BEAM in 2006. Beam India imported Teacher's Scotch whiskey and distributed that and other BEAM products throughout India. During the relevant time period, Beam India was a wholly owned subsidiary of BEAM and headquartered in Gurgaon, India. Beam India's financial statements were consolidated into the financial statements of BEAM. Starting in January 2011, Beam India came under the responsibility of BEAM's Asia Pacific/South America ("APSA") regional business unit, which was based in Sydney, Australia.

3. "APSA Executive 1," an individual whose identity is known to the Fraud Section, the Office, and the Company, was a high-ranking executive of BEAM's APSA region from 2011 to 2013 and was based in Australia. From at least in or around January 2011 until on or about October 3, 2011, APSA Executive 1 was an agent of a domestic concern within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(a). APSA Executive 1 was an employee of BEAM's Australian subsidiary. From at least on or about October 4, 2011, until on or about

December 31, 2013, APSA Executive 1 was an executive officer of BEAM and an officer and agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

4. "APSA Executive 2," an individual whose identity is known to the Fraud Section, the Office, and the Company, was a high-level financial executive within the APSA region from 2011 to 2014. APSA Executive 2 dual reported to APSA Executive 1 and to BEAM's Chief Financial Officer ("CFO"). APSA Executive 2 was an employee of BEAM's Australian subsidiary. From at least in or around January 2011 until on or about October 3, 2011, APSA Executive 2 was an agent of a domestic concern within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(a). From at least on or about October 4, 2011 through in or around April 2014, APSA Executive 2 was an agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

5. "Beam Executive 1," an individual whose identity is known to the Fraud Section, the Office, and the Company, was a senior executive in BEAM's legal department from at least September 2001 until 2018 and was based in BEAM's corporate offices in the Northern District of Illinois. From at least in or around January 2011 until on or about October 3, 2011, Beam Executive 1 was an officer, employee, and agent of a domestic concern within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(a). From at least on or about October 4, 2011 through in or around April 2014, Beam Executive 1 was an officer, employee, and agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

6. "Beam Employee 1," an individual whose identity is known to the Fraud Section, the Office, and the Company, was a high-ranking employee in BEAM's legal department from at

least 2010 until 2017 and was based in BEAM's corporate offices in the Northern District of Illinois. From at least in or around January 2011 through on or about October 3, 2011, Beam Employee 1 was an employee and agent of a domestic concern within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(a). From at least on or about October 4, 2011 through in or around April 2014, Beam Employee 1 was an employee and agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

7. "Beam India Executive 1," an individual whose identity is known to the Fraud Section, the Office, and the Company, was a high-ranking executive of Beam India from 2006 to 2012. Before 2006, Beam India Executive 1 was an executive of Beam India's predecessor company. Beam India Executive 1 was based in Beam India's headquarters in Gurgaon, India.

8. "Foreign Official 1," an individual whose identity is known to the Fraud Section, the Office, and the Company, was a senior government official in a state Excise Ministry in India. Foreign Official 1 was a foreign official within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1) and 78dd-2(h)(2)(A).

Overview of the Conspiracy and Bribery Scheme

9. The alcoholic beverage industry in India was highly regulated by government authorities. Beam India, and third parties acting on its behalf, regularly interacted with government officials in connection with Beam India's importation of distilled mixes for spirit products; shipments to Beam India's bottling facility in Behror, Rajasthan; inspections of the Behror plant; shipments from the facility in Behror to distribution warehouses in multiple states in India; label registrations required to distribute each brand of liquor in each state; licensing of warehouses in states prior to retail distribution; and sales to retail stores that were operated by the Indian

government. The introduction of new spirit products and distribution warehouses required government approval of new label registrations and licensing of the warehouses in each state. Label registrations and warehouse licenses also required yearly renewal in Rajasthan and in the 26 Indian states where Beam India sold BEAM products or had warehouses.

10. During the relevant period, BEAM, through its officers, employees, and agents, knowingly and willfully conspired (1) to corruptly pay a bribe in the amount of one million Indian Rupees (approximately $18,000 at the then exchange rate) to Foreign Official 1 with the intent to obtain an improper advantage and in exchange for Foreign Official 1's approval of a license to bottle a new line of products that BEAM sought to market and sell in India; (2) to fail to implement and maintain an adequate system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and preparation of financial statements and that would have helped to detect and put an end to Beam India's practice of making improper payments to government officials; and (3) to maintain false accounting records, by, among other things, recording falsified expenses that were consolidated into BEAM's books, records, and accounts and by maintaining false Sarbanes-Oxley sub-certifications, in an effort to conceal the improper payments made to Indian government officials.

11. From the time BEAM acquired the Indian business in 2006 through the end of the third quarter of 2012, Beam India paid bribes and made other improper payments to various Indian government officials, including corrupt payments to obtain or retain business in the Indian market. Most of the corrupt payments were made through third-party sales promoters and distributors, who paid government officials to secure orders of BEAM products at government controlled depots and retail stores, obtain prominent placement of BEAM products in government retail stores,

acquire and renew label registrations and licenses, and enable the distribution of BEAM spirit products from Beam India's Behror bottling facility to warehouses in other states throughout India. The payments to government officials were made with the knowledge, authorization, and complicity of Beam India's management, including Beam India Executive 1. One of those payments, a bribe of one million Indian Rupees (approximately $18,000) to Foreign Official 1, was authorized by APSA Executive 1 in connection with a project initiated and overseen by, and for the benefit of, BEAM. BEAM profited from the illicit payment scheme at Beam India.

12. The payments to government officials on Beam India's behalf were funded through the submission of fictitious and/or inflated invoices to Beam India by the third parties. Senior Beam India management directed the distribution of funds to those third parties in different markets to make payments to government officials in those states. Certain Beam India finance executives maintained off-the-books accounts that tracked amounts and uses of the funds provided to the third parties. For example, during the relevant period, Beam India overpaid its third-party sales promoter in the state of Delhi more than $550,000, and overpaid its third-party sales promoter in the sales channel for the India military's Canteen Stores Department ("CSD") more than $1.5 million; the promoters used those funds, in part, to make improper payments to government officials at government-controlled retail stores and depots in those markets.

13. Before its acquisition by BEAM, the entity that subsequently became Beam India also made corrupt payments, directly and indirectly, to Indian government officials, including to secure and increase sales of spirit products and to facilitate distribution of the entity's products. When BEAM acquired the assets of the Indian entity, it also retained existing management of the entity, which continued the schemes at Beam India without interruption from the 2006 acquisition

through the end of the third quarter of 2012. To conceal the scheme, Beam India management, which included Beam India Executive 1, maintained a second set of financial records that tracked the payments and disguised the scheme in the entity's books and records to make it appear that the illicit payments were legitimate business expenses.

14. During the relevant time period, in its official books and records, Beam India falsely characterized the illicit payments made to government officials as legitimate business expenses, including for "Customer Support," "Off-Trade Promotions," "Commission to Distributor/Promoter," and "Commercial Discount, Ongoing," which disguised the true nature of these payments. Ultimately, the disguised expenses were consolidated in BEAM's general ledger system and coded as "Selling and Distribution Expenses."

15. Beam India management also submitted false certifications to BEAM regarding Beam India's financial records, internal controls, and compliance with laws. As a wholly-owned subsidiary of BEAM, Beam India was required to provide quarterly certifications, which included certification by Beam India management that they were "aware of their obligations under the [FCPA] and Anti-Bribery provisions." Starting on or about October 4, 2011, when BEAM became a publicly traded company, Beam India began providing sub-certifications to BEAM that BEAM maintained in its books and records, and that BEAM management relied upon in certifying the accuracy of the quarterly and annual financial statements that BEAM filed with the SEC, in accordance with the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"). From at least October 2011 through in or around July 2012, Beam India management, including Beam India Executive 1, submitted false Sarbanes-Oxley sub-certifications to BEAM. These false sub-certifications, among other things, failed to report the direct and indirect payments to government officials and

failed to report the falsified expenses that were consolidated into BEAM's books and records, even though Beam India management knew about the improper payments and false records.

16. Notwithstanding multiple red flags regarding Beam India's practice of making improper payments to government officials, BEAM knowingly and willfully failed to implement and maintain an adequate system of internal accounting controls, including failing to implement controls related to payments to third-parties in India, sufficient to provide reasonable assurances regarding the reliability of financial reporting and preparation of financial statements. For example, after being made aware of significant red flags indicating that Beam India was involved in making improper payments, Beam Employee 1 sent an email to Beam India Executive 1 noting an intention to approach an upcoming compliance review "with the understanding that a U.S. regulatory regime should not be imposed" and in a way that would acknowledge "India customs and ways of doing business."

Bribe Payment To An India State Excise Official

17. In 2011, Beam India sought to introduce BEAM's profitable "Ready to Drink" ("RTD") products in India. At the time, BEAM had embarked on a broad global initiative to develop RTD beverages in emerging markets and had targeted India as one of the markets where it would introduce RTD. BEAM and APSA employees were involved in the rollout of RTD products in India.

18. In or around May 2011, Beam India contracted with a third-party bottling company to produce the RTD drinks. Beam India's third-party bottler then filed, on Beam India's behalf, applications with the state Excise Ministry to obtain the label registrations required to operate the facility and bottle RTD products in that state.

19. In or around September 2011, APSA management, including APSA Executive 1 and APSA Executive 2, learned that Foreign Official 1 had solicited a bribe in the amount of one million Indian Rupees (approximately equal to $18,000 at the then exchange rate or to the official's annual compensation) to approve the label registration for Beam India. Foreign Official 1 had the discretion to deny the label registration application. A senior Beam India manager ("Beam India Manager") informed a senior APSA manager in Australia ("APSA Manager"), who had been selected by BEAM to implement the RTD rollout in India, of the bribe solicitation by Foreign Official 1. In that capacity, APSA Manager was an agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a), on and after October 4, 2011, and was an agent of a domestic concern within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(a), before that date.

20. APSA Manager met with APSA Executive 1 and APSA Executive 2 in Sydney, Australia, and informed them of the bribe solicitation. At this meeting, APSA Executive 1, APSA Executive 2, and APSA Manager discussed the possibility of a third-party bottler making this payment and how the payment could be concealed and reimbursed through the submission of false invoices by the third-party bottler to Beam India. At the end of the meeting, APSA Executive 1 instructed APSA Manager to have the payment made to Foreign Official 1.

21. APSA Manager informed Beam India Manager that he had discussed the matter with APSA Executive 1, that the third-party bottler should make the payment to Foreign Official 1, and that Beam India would reimburse the third-party bottler for the amount of the payment through false invoices. Beam India Manager relayed that information to Beam India Executive 1, who told Beam India Manager to make the payment to Foreign Official 1 because it had been

ordered by APSA Executive 1. Beam India's third-party bottler agreed to make, and did make, the unlawful payment of one million Rupees to Foreign Official 1.

22. Thereafter, on or about November 16, 2011, the Excise Ministry issued the approval to begin bottling the RTD product. Several months later, the third-party bottler submitted false invoices to Beam India, purportedly for consulting services at the bottling facility, in the total approximate amount of the payment to Foreign Official 1, which Beam India paid.

Failure To Implement And Maintain Adequate Internal Controls

23. BEAM also knowingly and willfully failed to implement and maintain an adequate system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and preparation of financial statements and that would have helped to detect and put an end to Beam India's practice of making improper payments to government officials. BEAM was cautioned on numerous occasions regarding the need to implement sufficient compliance measures and internal accounting controls relating to risks associated with improper activities by third parties in India. Nevertheless, for several years, BEAM failed to adopt significant recommended actions and failed to address the concerns those recommendations were meant to alleviate.

24. Under the circumstances of BEAM's acquisition of its Indian business, BEAM did not conduct thorough due diligence on Beam India before it acquired that business in 2006. BEAM conducted internal audits of the Indian business in or around 2008 and 2009, but those audits did not focus on anti-corruption issues. The audits identified deficiencies in the accounting controls in India and a lack of supporting documentation for credit notes, promotional expenses, and vendor

discounts. BEAM did not take steps sufficient to resolve these issues in Beam India until after the fall of 2012.

25. In or around November 2010, BEAM engaged a global accounting firm to conduct a compliance review of Beam India, which included transaction testing and interviews with employees. In or around early January 2011, the accounting firm issued a report on its findings that raised several red flags, including that Beam India did "not have many anti-corruption policies" and its employees had not received anticorruption training; Beam India management believed Beam India was not liable from a compliance standpoint for the conduct of its vendors and third-party sales promoters; Beam India management maintained it was "very difficult" to conduct business in India without making "grease/facilitation payments," while certain Beam India employees believed that "promoters are likely making grease payments" to government officials in India; certain vendors engaged by Beam India presented a significant risk of corruption; and Beam India "d[id] not perform monitoring relative to corruption risks." The report found that the military-run CSD sales channel presented a "high risk area in terms of anti-corruption compliance." The global accounting firm recommended that BEAM "conduct and document due diligence to confirm activities undertaken" by third parties, "investigate red flags," "discuss legal considerations of third party actions taken on BEAM's behalf," and "consider the need to further review" the CSD and other military outlet business in India. BEAM did not take these steps in India at that time, and BEAM did not implement many of the global accounting firm's recommendations until fall 2012.

26. In or around January 2011, BEAM consulted a United States law firm ("U.S. Law Firm"), which advised that the issues identified by the global accounting firm required follow up.

BEAM did not take steps to enhance its controls in India regarding payments to third parties at this time.

27. In or around February 2011, BEAM retained an Indian law firm ("Indian law firm") to review and expand upon the compliance work performed by the accounting firm and to assess Beam India's compliance with Indian laws and regulations applicable to the spirits industry. Beam Employee 1 was tasked with managing the Indian law firm's review of Beam India's business. At that time, Beam Employee 1 did not have any experience with, and had not received any training on, the FCPA or anti-corruption compliance issues.

28. In or around early February 2011, Beam Employee 1 and Beam Executive 1 had a conference call with APSA Executive 1 and APSA Executive 2 to explain the upcoming review by the Indian law firm. APSA Executive 1 and APSA Executive 2 expressed concern that, if the review uncovered improper activities by third parties, Beam India might have to stop doing business with those third parties, which could disrupt the Indian business. An APSA executive further stated at the meeting that if BEAM continued digging into the Indian business, it likely would find improper activities.

29. On or about February 4, 2011, Beam Employee 1 emailed Beam India Executive 1, stating: "Beam Legal believes it is critical to approach a compliance review with the understanding that a U.S. regulatory regime should not be imposed on our Indian business and that acknowledges India customs and ways of doing business." Beam Employee 1 discussed the messages conveyed in this email, but not the exact wording, with Beam Executive 1 before it was sent.

30. The Indian law firm interviewed Beam India senior management to determine whether improper payments were being made to Indian government officials. The Indian law firm

reported, among other things, that Beam India managers believed that third parties in India may make payments to customs officials and government employees in the CSD channel. The Indian law firm confirmed and reiterated many of the accounting firm's recommendations, including the need for Beam India employees to receive training on the FCPA and liability for third-party conduct; to conduct due diligence on high-risk vendors; to create policies and implement appropriate accounting controls for gifts, petty cash, and reimbursement claims; and to revise its contracts with third parties to include anti-corruption clauses and audit rights.

31. BEAM asked U.S. Law Firm to review the report and work done by the Indian law firm. On or about August 19, 2011, U.S. Law Firm issued a memorandum to Beam noting that no significant analysis of Beam India's books and records, internal controls or other issues related to its finance and accounting practices, and no substantial transaction testing, had been conducted by the Indian law firm. The U.S. Law Firm memorandum also noted that the Indian law firm had raised issues concerning BEAM's oversight of third parties and the potential conduct of those third parties. In addition to confirming the advice given by the accounting firm and the Indian law firm, U.S. Law Firm made additional recommendations with respect to compliance and internal accounting controls, including that BEAM "should strongly consider undertaking a financial review of past invoices and debit notes received from Beam India's third-party business partners that interact with government officials." Because it believed there was "a high likelihood that the results of this type of financial review may uncover evidence of potentially improper payments," U.S. Law Firm recommended that BEAM "should consider structuring the review so that in-house or outside counsel engages an outside forensic investigator to conduct the review . . . ."

32. BEAM did not conduct a further review of the Indian business or enhance its internal accounting controls over payments to third parties at that time.

33. On or about August 30, 2011, Beam Employee 1 wrote to BEAM compliance and finance personnel, copying APSA Executive 2, to discuss concluding the review in India, and stated, in relevant part: "I would like to discuss with you the results of the legal compliance review conducted by [the Indian law firm], as well as notes from [the U.S. Law Firm] with an eye toward making this a case closed within the next four weeks."

34. On or about August 31, 2011, Beam Employee 1 wrote to the Indian law firm, copying APSA Executive 2 and others, stating, in relevant part: "As Beam prepares to become a listed company in one month, executive management directed me yesterday to ensure that the compliance review in India come to a close before then." Beam Employee 1 later added: "Compliance review will be an ongoing process, but hopefully, upon completion of this legal compliance review, Beam India will not have to undergo another compliance review by any department for a long time."

35. The Indian law firm recommended conducting additional interviews in India, this time with Beam India operational employees who interacted with the third-party sales promoters in the CSD channel. This recommendation was based on further conversations that the Indian law firm had with Beam India management, which raised concerns about third-party sales promoters in the CSD channel.

36. BEAM declined to follow the Indian law firm's recommendation. Beam Employee 1 explained to APSA Executive 2 and others in a September 8, 2011 email, "I am concerned about [the Indian law firm] digging and finding information that we cannot impact, specifically, finding

activities and practices by our [third parties] that we cannot remediate or change. The risk may be ultimately having to choose whether to continue to conduct business with any [third parties] that create [FCPA] risks for us/Beam India." Later in the email, Beam Employee 1 referenced an SEC enforcement matter concerning one of Beam's competitors and noted that, if Beam was doing anything in the same manner as the competitor, Beam should change and do things in a more compliant manner. Beam Employee 1 noted further that it would be "beneficial" to conduct the review "in house" and involve external advisors if they felt it necessary.

37. BEAM decided to conclude the review being conducted by the Indian law firm, and did not conduct additional interviews in India until September 2012, after further allegations of corrupt conduct in Beam India were raised. BEAM also knowingly and willfully failed to maintain an adequate system of internal accounting controls, including failing to implement controls related to payments to third-parties in India, sufficient to provide reasonable assurances regarding the reliability of financial reporting and preparation of financial statements until at least September 2012.

False Books and Records

38. As a result of the bribe paid to Foreign Official 1, and in order to conceal corrupt payments made by and on behalf of Beam India, among other things, between at least on or about October 4, 2011 and in or around September 2012, BEAM maintained falsely recorded expenses, including corrupt payments concealed as commission expenses, and falsified certifications, including false Sarbanes-Oxley sub-certifications submitted by APSA Executive 1, APSA Executive 2, and Beam India Executive 1, in its consolidated books, records, and accounts.

39. For example, between at least on or about October 19, 2011, and on or about July 18, 2012, APSA Executive 1 and APSA Executive 2 submitted Sarbanes-Oxley sub-certifications that falsely stated, in sum and substance, that they had no knowledge of non-compliance with anti-corruption laws and that they had no knowledge of any fraud or suspected fraud, whether or not material, that involved management, other employees, or third parties who had a significant role in the region's internal controls. These sub-certifications failed to disclose, among other things, the one-million-Rupee bribe to Foreign Official 1 and the existence of false documents and accounting records related to that payment.

ATTACHMENT B

CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, Beam Suntory Inc. (the "Company") has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section") and the United States Attorney's Office for the Northern District of Illinois (the "Office") regarding issues arising in relation to a conspiracy to pay bribes and make other improper payments in connection with the sale of alcohol in India, to fail to implement a system of adequate internal controls, and to falsify books, records, and accounts to conceal the bribes and improper payments; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Fraud Section and the Office; and

WHEREAS, the Company's Senior Vice President, General Counsel, and Secretary, Todd M. Bloomquist, together with outside counsel for the Company, have advised the Board of Directors of the Company of its rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Fraud Section and the Office;

Therefore, the Board of Directors has RESOLVED that:

1. The Company (a) acknowledges the filing of the one-count Information charging the Company with one count of conspiracy to commit an offense against the United States, in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery, internal controls, and books and records provisions of the FCPA; (b) waives indictment on such charges and enters into a deferred prosecution agreement with the Fraud Section and the Office; and (c)

agrees to accept a monetary penalty against Company totaling $19,572,885, and to pay such penalty to the United States Treasury with respect to the conduct described in the Information;

2. The Company accepts the terms and conditions of this Agreement, including, but not limited to, (a) a knowing waiver of its rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) a knowing waiver for purposes of this Agreement and any charges by the United States arising out of the conduct described in the Statement of Facts of any objection with respect to venue and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Northern District of Illinois; and (c) a knowing waiver of any defenses based on the statute of limitations for any prosecution relating to the conduct described in the Statement of Facts or relating to conduct known to the Fraud Section and the Office prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement;

3. The Senior Vice President, General Counsel, and Secretary of Company, Todd M. Bloomquist, is hereby authorized, empowered and directed, on behalf of the Company, to execute the Deferred Prosecution Agreement substantially in such form as reviewed by this Board of Directors with such changes as the Senior Vice President, General Counsel, and Secretary of Company, Todd M. Bloomquist, may approve;

4. The Senior Vice President, General Counsel, and Secretary of Company, Todd M. Bloomquist, is hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other

documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions; and

5. All of the actions of the Senior Vice President, General Counsel, and Secretary of Company, Todd M. Bloomquist, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

Date: 10/22/2020

By: _____
Todd M. Bloomquist
Senior Vice President, General Counsel, and Secretary
Beam Suntory Inc.

ATTACHMENT C

CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, Beam Suntory Inc. (the "Company"), on behalf of itself and its subsidiaries and affiliates, agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to adopt new, or to modify its existing compliance programs, including internal controls, compliance policies, and procedures in order to ensure that it maintains: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting controls, as well as policies and procedures designed to effectively detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company's existing internal controls, compliance code, policies, and procedures:

Commitment to Compliance

1. The Company will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance codes, and demonstrate rigorous adherence by example. The Company will also ensure that middle management, in turn, reinforce those standards and

encourage employees to abide by them. The Company will create and foster a culture of ethics and compliance with the law in its day-to-day operations at all levels of the company.

Policies and Procedures

2. The Company will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA and other applicable foreign law counterparts (collectively, the "anti-corruption laws"), which policy shall be memorialized in a written compliance code or codes.

3. The Company will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company's compliance code, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws by personnel at all levels of the Company. These anti-corruption policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including, but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"). The Company shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company. Such policies and procedures shall address:

a. gifts;

b. hospitality, entertainment, and expenses;

c. customer travel;

d. political contributions;

e. charitable donations and sponsorships;

f. facilitation payments; and

g. solicitation and extortion.

4. The Company will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system shall be designed to provide reasonable assurances that:

a. transactions are executed in accordance with management's general or specific authorization;

b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

c. access to assets is permitted only in accordance with management's general or specific authorization; and

d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Periodic Risk-Based Review

5. The Company will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors

of operation, potential clients and business partners, use of third parties, gifts, travel and entertainment expenses, charitable and political donations, involvement in joint venture arrangements, importance of licenses and permits in the Company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. The Company shall review its anti-corruption compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

Proper Oversight and Independence

7. The Company will assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's anti-corruption compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, the Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of stature and autonomy from management as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

8. The Company will implement mechanisms designed to ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales,

legal, compliance, finance), or positions that otherwise pose a corruption risk to the Company, and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements. The Company will conduct training in a manner tailored to the audience's size, sophistication, or subject matter expertise and, where appropriate, will discuss prior compliance incidents.

9. The Company will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's anti-corruption compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

Internal Reporting and Investigation

10. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

11. The Company will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures. The Company will handle the investigations of such complaints in an effective manner, including routing the complaints to proper personnel, conducting timely and thorough investigations, and following up with appropriate discipline where necessary.

Enforcement and Discipline

12. The Company will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees. Such procedures should be applied consistently, fairly and in a manner commensurate with the violation, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

Third-Party Relationships

14. The Company will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws, and of the Company's anti-corruption compliance code, policies, and procedures; and

c. seeking a reciprocal commitment from agents and business partners. The Company will understand and record the business rationale for using a third party in a transaction, and will conduct adequate due diligence with respect to the risks posed by a third-party partner such as a third-party partner's reputation and relationships, if any, with foreign officials. The Company will ensure that contract terms with third parties specifically describe the services to be performed, that the third party is actually performing the described work, and that its compensation is commensurate with the work being provided in that industry and geographical region. The Company will engage in ongoing monitoring of third-party relationships through updated due diligence, training, audits, and/or annual compliance certifications by the third party.

15. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books, records, and accounts of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance code, policies, or procedures, or the representations and undertakings related to such matters.

Mergers and Acquisitions

16. The Company will develop and implement policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

17. The Company will ensure that the Company's compliance code, policies, and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly:

a. train the directors, officers, employees, agents, and business partners consistent with Paragraphs 8 and 9 above on the anti-corruption laws and the Company's compliance code, policies, and procedures regarding anti-corruption laws; and

b. where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

Monitoring, Testing, and Remediation

18. In order to ensure that its compliance program does not become stale, the Company will conduct periodic reviews and testing of its anti-corruption compliance codes, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and the Company's anti-corruption codes, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards. The Company will ensure that compliance and control personnel have sufficient direct or indirect access to relevant sources of data to allow for timely and effective monitoring and/or testing of transactions. Based on such review and testing and its analysis of any

prior misconduct, the Company will conduct a thoughtful root cause analysis and timely and appropriately remediate to address the root causes.

ATTACHMENT D

REPORTING REQUIREMENTS

Beam Suntory Inc. (the "Company") agrees that it will report to the Fraud Section and the Office periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment C. Should the Company discover credible evidence, not already reported to the Fraud Section and the Office, that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any Company entity or person, or any entity or person working directly for the Company (including its affiliates and any agent), or that related false books and records have been maintained, the Company shall promptly report such conduct to the Fraud Section and the Office. During this three-year period, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two (2) follow-up reviews and reports, as described below:

a. By no later than one year from the date this Agreement is executed, the Company shall submit to the Fraud Section and the Office a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the Company's internal controls, policies, and procedures for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Eleventh Floor, Washington, DC 20530; and Chief, Financial Crimes Section, United States Attorney's Office, Northern District

of Illinois, 219 S. Dearborn Street, Suite 500, Chicago, Illinois 60604. The Company may extend the time period for issuance of the report with prior written approval of the Fraud Section and the Office.

b. The Company shall undertake at least two follow-up reviews, incorporating the Fraud Section and the Office's views on the Company's prior reviews and reports, to further monitor and assess whether the Company's policies and procedures are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

c. The first follow-up review and report shall be completed by no later than one year after the initial review. The second follow-up review and report shall be completed by no later than one year after the completion of the preceding follow-up review. The final follow-up review and report shall be completed and delivered to the Fraud Section and the Office no later than thirty days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Fraud Section and the Office determine in their sole discretion that disclosure would be in furtherance of the Fraud Section and the Office's discharge of their duties and responsibilities or is otherwise required by law.

e. The Company may extend the time period for submission of any of the follow-up reports with prior written approval of the Fraud Section and the Office.

ATTACHMENT E

CERTIFICATION

To: United States Department of Justice
Criminal Division, Fraud Section
Attention: Chief, FCPA Unit

United States Attorney's Office
Northern District of Illinois
Attention: Chief, Financial Crimes Section

Re: Deferred Prosecution Agreement Disclosure Certification

The undersigned certify, pursuant to Paragraph 18 of the Deferred Prosecution Agreement ("DPA") filed on October 23, 2020, in the U.S. District Court for the Northern District of Illinois, by and between the Fraud Section and the Office and Beam Suntory Inc. (the "Company"), that undersigned are aware of the Company's disclosure obligations under Paragraph 6 of the DPA and that the Company has disclosed to the Fraud Section and the Office any and all evidence or allegations of conduct required pursuant to Paragraph 6 of the DPA, which includes evidence or allegations that may constitute a violation of the FCPA anti-bribery provisions had the conduct occurred within the jurisdiction of the United States ("Disclosable Information"). This obligation to disclose information extends to any and all Disclosable Information that has been identified through the Company's compliance and controls program, whistleblower channel, internal audit reports, due diligence procedures, investigation process, or other processes. The undersigned further acknowledge and agree that the reporting requirement contained in Paragraph 6 and the representations contained in this certification constitute a significant and important component of the DPA and the Fraud Section and the Office's determination whether the Company has satisfied its obligations under the DPA.

The undersigned hereby certify respectively that he/she is the Chief Executive Officer ("CEO") of the Company and that he/she is the Chief Financial Officer ("CFO") of the Company and that each has been duly authorized by the Company to sign this Certification on behalf of the Company.

This Certification shall constitute a material statement and representation by the undersigned and by, on behalf of, and for the benefit of, the Company to the executive branch of the United States for purposes of 18 U.S.C. § 1001, and such material statement and representation shall be deemed to have been made in the Northern District of Illinois. This Certification shall also constitute a record, document, or tangible object in connection with a matter within the jurisdiction of a department and agency of the United States for purposes of 18 U.S.C. § 1519, and such record, document, or tangible object shall be deemed to have been made in the Northern District of Illinois.

By: _____ Dated: _____

[NAME]
CEO
Beam Suntory Inc.

By: _____ Dated: _____

[NAME]
CFO
Beam Suntory Inc.