U.S. Department of Justice

United States Attorney Northern District of California

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September 10, 2026

John Keker
Jan Little
Keker, Van Nest & Peters, LLP
633 Battery Street
San Francisco, CA 94111

John Lausch
Charles Kalil
Kirkland & Ellis LLP
333 West Wolf Point Plaza
Chicago, IL 60654

Re: Southern Glazer's Wine and Spirits, LLC

Dear Messrs. Keker and Lausch:

This sets forth the agreement between your client, Southern Glazer's Wine and Spirits, LLC and the United States Attorney's Office for the Northern District of California:

NON-PROSECUTION AGREEMENT

In consideration of Southern Glazer's Wine and Spirits, LLC, a limited liability company registered in Delaware ("SGWS" or the "Company") entering into the following Non-Prosecution Agreement (the "Agreement" or "Non-Prosecution Agreement") on behalf of itself and its operating divisions in California, Oregon, and Washington, pursuant to authority granted by the Company's Board of Directors as reflected in Attachment B, the United States Attorney's Office for the Northern District of California (hereinafter the "USAO" or the "Office") agrees to resolve the federal criminal investigation related to the conduct described in the Statement of Facts attached as Attachment A to this Agreement. This Agreement is binding only on the Company, the USAO, United States Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau, and Internal Revenue Service – Criminal Investigation; it 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.

I. Introduction and Relevant Considerations

a. The USAO enters into this Agreement with SGWS based on the individual facts and circumstances presented by this case, including the following factors:

i. The Company's acceptance of responsibility for conduct related to improper payments and benefits provided to SGWS employees (including off-book "creative incentive" payments to SGWS employees) and improper gifts, travel, cash/gift cards, and other benefits to employees of SGWS retail customers (including alcohol buyers at chain grocery stores), which payments and benefits were at times facilitated through the use of third-party vendors, documented with falsified invoices, or sent directly from SGWS' alcohol suppliers with the knowledge of certain SGWS employees, as described further in the Statement of Facts (Attachment A).

ii. The Company's agreement to make a monetary payment of **$12,500,000** to the United States Treasury.

iii. The Company's Compliance Program in place during the Relevant Period, which included compliance policies; a Code of Conduct and employee handbook; training on trade practice regulation; and processes for reporting, investigating, and remediating conduct; and in 2019, the Company took steps to mitigate known violations of trade practice regulations by providing written notice to certain third-party marketing companies and terminating their ability to handle incentives and gift cards as discussed in the Statement of Facts (Attachment A).

iv. Since 2023, the Company's significant efforts to enhance its Compliance Program and to expressly align its Compliance Program to the factors set forth in the DOJ's Guidance for Evaluating Corporate Compliance Programs, including:

- The Company's structural and leadership enhancements to the Compliance Program, including the promotion of the General Counsel to the Executive Vice President Chief Legal and Compliance Officer reporting directly to the CEO as of September 2023; the creation (and hiring) of a Senior Vice President of Compliance & Ethics reporting to the Chief Legal and Compliance Officer in October 2023; the hiring of a Vice President and Associate General Counsel for the Company's West region in January 2024; and the alignment of the legal and compliance functions, including by re-mapping the compliance function to the Company's five business regions;

- The Company's substantial investment in the Compliance Program, which has expanded headcount by 85% and received increased funding by over 65% from 2022 to 2024;

- The Company's investment in outside compliance experts to advise on Compliance Program enhancements and best practices;

- The Company's removal of certain Vice Presidents and other managers for violations of Company policy; discipline for additional employees; and replacement of senior leadership for California and the West Region;

- The Company's commitment to "tone at the top" messaging, including from its President and Chief Executive Officer, reinforcing the importance of compliance and ethics to all employees;

- The Company's updated corporate values statement of "HEART" representing Honesty, Excellence, Agility, Respect, and Teamwork;

- The Company's effort to ensure that the Compliance Program is embedded throughout the organization, including through a community of "Compliance Champions" for each state, responsible for driving compliance awareness at the local level and offering additional compliance support;

- The Company's imposition of a Trade Practice Compliance Audit Program, "iShop" platform for marketing and promotional spending, and additional mandatory ethics and compliance training programs and resources; and

- The Company's imposition of a Third Party Management Program requiring all vendors to agree to the Company's compliance and audit standards; subjecting vendors to enhanced due diligence and documentation requirements; requiring vendors to provide the Company with audit rights; requiring that any vendor must be pre-approved before any payment may issue; and the offboarding of vendors as a result of these requirements.

v. The Company's provision of evidence to the USAO in support of the investigation and prosecution of others in connection with the conduct set forth in the Statement of Facts (Attachment A), as well as its agreement (in accordance with Section IV of this Agreement) to continue to cooperate with the USAO, the United States Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau ("TTB"), and the Department of Treasury, Internal Revenue Service – Criminal Investigation ("IRS-CI") (collectively, the "Investigative Agencies") during the pendency of any criminal prosecution the USAO institutes against other individuals or entities in connection with this matter, including against one or more current or former employees of the Company.

II. The Term of the Agreement

This Agreement shall be deemed effective as of the last date of execution by a party to this Agreement and shall continue in effect for the period of twenty-four (24) months (the "Term").

III. SGWS's Acceptance of Responsibility

SGWS admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents within the scope of their employment, as set forth in the

Statement of Facts. The Company agrees that the factual statements contained within the Statement of Facts are true and accurate to the best of its knowledge.

IV. Ongoing Cooperation and Disclosure Requirements

a. SGWS shall cooperate fully with any prosecution of current or former employees and any other criminal investigation or prosecution that the USAO may initiate during the Term relating to improper payments and benefits provided to SGWS employees and to employees of SGWS retail customers, primarily alcohol retailers, including off-book "creative incentive" payments to SGWS employees and improper gifts, travel, entertainment expenses, or other payments to retail customer employees – which were at times facilitated through the use of third-party vendors and at times documented with falsified invoices. The USAO shall have sole discretion to determine what "matters are relating to the investigation." All such cooperation described in this Paragraph shall include, but not be limited to:

i. Timely providing upon oral or written request, consistent with applicable law and regulations, including data protection and privacy laws, all non-privileged information, documents, records, and other tangible evidence that can be obtained through reasonable efforts, including from the Company;

ii. Identifying, upon oral or written request, witnesses who, to the knowledge of the Company, may have material information regarding charges or matters relating to the investigation; and

iii. Upon oral or written request, using its best efforts to facilitate the availability for interview or testimony, in a timely fashion, of any current or former officer, executive, director, employee, agent, or consultant of the Company, including by facilitating such persons' availability in the Northern District of California, at the Company's expense, regardless of their location or residence.

b. The Company represents that it has timely and truthfully disclosed all material factual information known to the Company with respect to its activities in California, Oregon, and Washington, those of its subsidiaries and affiliates, and those of its present and former officers, employees, agents, and consultants, relating to the conduct described in the Statement of Facts (Attachment A), as well as any other conduct under investigation by the USAO about which the Company has any knowledge.

c. The Company further agrees that it shall provide complete, truthful, and accurate information to the USAO and the Investigative Agencies in connection with matters relating to the investigation that the USAO may initiate. The Company's obligation to cooperate pursuant to this Section will no longer apply if a prosecution by the USAO is commenced against SGWS as a result of a breach of this Agreement.

d. The Company agrees to use reasonable efforts to work with the USAO to determine the amounts of improper compensation, whether incentives or other compensation, accounted for, paid to, or held on behalf of its current or former employees, and to issue and report any required tax documentation related to such payments, including but not limited to Forms 1099.

e. Nothing in this Agreement is intended to request or require the Company to waive its attorney-client privilege or work product protections, and no such waiver shall be deemed effected by any provision herein.

V. Corporate Compliance Agreement and Disclosures

SGWS agrees to implement the Corporate Compliance Agreement set forth in Attachment D. SGWS will begin to implement the measures set forth in Attachment D within thirty (30) days of the date of execution of this Agreement by the parties. SGWS agrees that it will maintain these measures at least through the Term of this Agreement.

On the date that the Term specified in this Agreement expires, the Company, by its Chief Executive Officer and its Executive Vice President and Chief Legal and Compliance Officer, will certify to the USAO in the form of executing the document attached as Attachment F to this Agreement that the Company has met its disclosure obligations pursuant to Section IV of this Agreement.

VI. Statements to the Media and Public

a. The Company and the USAO agree that this Agreement, including all Attachments, will be disclosed to the public except for the expressly "Non-Public" portion of Attachment A.

b. 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 (Attachment A). Any such contradictory statement, subject to cure rights of the Company described below, shall constitute a breach of this Agreement, and the Company thereafter shall be subject to prosecution as set forth in 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 USAO. If the USAO determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts (Attachment A), the USAO shall so notify the Company, and the Company may avoid a breach of this Agreement by publicly repudiating such statement(s) within a reasonable time period, no greater than one calendar week, after notification, unless another time frame is agreed upon by the parties upon notification by the USAO. 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 (Attachment A) provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts (Attachment A). 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.

c. 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 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 Office and the Company; and (b) whether the Office has any objection to the release.

VII. Non-Prosecution

a. The USAO and the Company intend for this Agreement to resolve the USAO's criminal investigation of the Company relating to the conduct described in the Statement of Facts (Attachment A) − including but not limited to putative violations of 18 U.S.C. § 371; 18 U.S.C. § 1519; 18 U.S.C. §§ 1343 and 1346; and 27 U.S.C. § 205(c) − and the USAO agrees that if the Company fully complies with all of its obligations under this Agreement, the USAO will not criminally prosecute the Company, during the Term of this Agreement or thereafter, for any crime related to the conduct described in the Statement of Facts (Attachment A).

b. Except as expressly provided in this Section, subpart (a) above, this Agreement does not preclude or limit the USAO, any other United States Attorney's Office, or the United States Department of Justice from investigating or prosecuting the Company, or for prosecuting any other individual or entity, including any current or former officer, employee, or agent of the Company.

VIII. Monetary Payments

The Company agrees to make a monetary payment of **$12,500,000** ("Payment") to the United States Treasury. $6,250,000 shall be paid within fifteen (15) business days of the date of execution of this Agreement by the parties, and the remaining $6,250,000 shall be paid within twelve (12) months of the execution of this Agreement. The USAO agrees that in the event of a subsequent breach and prosecution, it will recommend to the Court that the amount actually paid by the Company pursuant to this Agreement be offset against whatever fine or other payment the Court shall impose as part of its Judgment. SGWS understands that such a recommendation will not be binding on the Court. SGWS acknowledges that no tax deduction or insurance claim may be sought in connection with this payment.

IX. Breach of Agreement

a. If, during the term of the Agreement, (a) SGWS knowingly and willfully provides in connection with this Agreement materially false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (b) the USAO determines that the Company, prior to execution of the Agreement, knowingly and willfully provided materially false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; or (c) SGWS otherwise fails to perform or fulfill any of its obligations under the Agreement – and has failed to remedy such breach after receiving notice from the USAO as set forth in this Section, subpart (b) – the USAO will deem the Company in breach of the Agreement, and the Company shall thereafter be subject to prosecution for any federal criminal violation of which the USAO has knowledge as of the date of this Agreement, including, but not limited to, charges arising from the conduct described in the Statement of Facts (Attachment A). After meeting and conferring with SGWS regarding any potential breach, the USAO, in its sole discretion, may determine by a preponderance of the evidence whether SGWS has breached the Agreement. If the USAO determines in its sole discretion that SGWS has breached the Agreement, then the balance of the Payment, if any remains, shall become immediately due and payable as provided above and any amount previously paid shall be retained by the United States Treasury.

b. In the event that the USAO decides to institute a criminal prosecution against the Company after a breach of this Agreement, then:

i. All statements made by or on behalf of the Company to the USAO, including the Statement of Facts set forth in Attachment A, shall be admissible in evidence in any and all criminal proceedings brought by the USAO against SGWS, and SGWS hereby stipulates to the admissibility into evidence of the Statement of Facts as an admission by the Company and shall be precluded from offering any evidence or argument that contradicts the Statement of Facts;

ii. SGWS 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 such statements made by or on behalf of SGWS prior or subsequent to this Agreement should be suppressed or are otherwise inadmissible;

iii. The Company remains bound by all waivers expressly made as part of this Agreement; and any such prosecution relating to the conduct described in Attachment A or relating to conduct known to 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 Office is 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.

X. Sale, Merger, or Other Change in Corporate Form of the Company

a. This Agreement shall be binding upon SGWS and its successors and assigns. Except as may otherwise be agreed by the parties in connection with a particular transaction, SGWS agrees that in the event that, during the term of the Agreement, SGWS sells, assigns, or otherwise directly transfers all or substantially all of its business to another person/entity, whether such sale is structured as an asset sale by the Company, merger of the Company into another person/entity, transfer by the Company, or change in corporate form of the Company, such business shall continue to be subject to the terms and conditions of this Agreement.

XI. Notice

a. Any notice to the USAO under this Agreement shall be provided via personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to:

Chief, Criminal Division
c/o AUSA Colin Sampson
U.S. Attorney's Office
Northern District of California
450 Golden Gate Ave., 11th Fl.
San Francisco, CA 94103
Email: colin.sampson@usdoj.gov

b. Any notice to SGWS under this Agreement shall be provided (1) via email to Alan Greenspan at alan.greenspan@SGWS.com and (2) via personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to:

Alan Greenspan
Executive Vice President and Chief Legal & Compliance Officer
Southern Glazer's Wine and Spirits, LLC
14911 Quorum Drive, Suite 150
Dallas, TX 75254

-and-

John Lausch
Charles Kalil
Kirkland & Ellis LLP
333 West Wolf Point Plaza
Chicago, IL 60654

John Keker
Jan Little
Keker, Van Nest & Peters LLP
633 Battery Street
San Francisco, CA 94111

c. Notice shall be effective upon actual receipt by the USAO or SGWS.

XII. Jurisdiction and No Other Agreements

a. This Agreement is covered by the laws of the United States. The USAO and SGWS agree that exclusive jurisdiction and venue for any dispute arising under this Agreement is in the United States District Court for the Northern District of California.

This Agreement, with Attachments A through F, sets forth all the terms of the agreement between the Company and the USAO. No modifications or additions to this Agreement, or to

Attachments A through F, shall be valid unless they are in writing and signed by the USAO, SGWS's attorneys, and a duly authorized agent of the Company.

Attachment A –	Statement of Facts
Attachment B –	Company Officer's Certificate
Attachment C –	Certificate of Counsel
Attachment D –	Corporate Compliance Agreement
Attachment E –	Compliance Certification
Attachment F –	Disclosure Certification

AGREED:

CRAIG H. MISSAKIAN
United States Attorney

9/10/2026
DATE

COLIN C. SAMPSON
SAILAJA PAIDIPATY
Assistant United States Attorney

9/10/2026
DATE

SOUTHERN GLAZER'S WINE AND SPIRITS, LLC
by: ALAN N. GREENSPAN, Exec. Vice President, Chief Legal and Compliance Officer

9/10/26
DATE

JOHN LAUSCH
CHARLES KALIL
Kirkland & Ellis, LLP
Counsel for Southern Glazer's Wine and Spirits, LLC

9/10/2026
DATE

JOHN KEKER
JAN LITTLE
Keker, Van Nest & Peters LLP
Counsel for Southern Glazer's Wine and Spirits, LLC

ATTACHMENT A

STATEMENT OF FACTS

Background and Introductory Facts

1. The United States Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau (hereafter "TTB") issues permits to beverage alcohol wholesalers ("distributors") and importers/manufacturers (hereafter "suppliers"), among other industry members. Under the trade practice regulations administered by TTB, beverage alcohol distributors and retailers are considered "trade buyers."

2. Among other criminal trade practice violations administered by TTB, 27 U.S.C. § 205(c) prohibits members of the beverage alcohol industry from, among other things, engaging in certain practices which threaten the independence of a trade buyer, including through commercial bribery.

3. TTB investigators conduct investigations into violations of trade practice regulations. TTB has a right of access to inspect, copy, and examine records and documentation kept and maintained by permit holders, including documents related to the sale and marketing of alcohol products. With respect to non-permit holders, administrative subpoenas for TTB investigations must be approved by a delegate of the Administrator of TTB before they are served.

4. SOUTHERN GLAZER'S WINE AND SPIRITS, LLC ("SGWS"), is a distributor of beverage alcohol. SGWS is the country's largest distributor of wine and spirits, employs more than 24,000 people nationwide, and operates in forty-six states and the District of Columbia, including California, Nevada, Arizona, Oregon, Washington, and Hawaii, among others.

5. Some contracts between SGWS and beverage alcohol suppliers have included provisions for SGWS to devote a certain portion of the profit from the sale of that supplier's products (oftentimes on a per case basis) for marketing and promotional activity. Funds allocated

accordingly are often referred to as local marketing funds ("LMF") and are accounted for on SGWS's books. Because LMFs were typically funded through negotiated amounts of money per case purchased by SGWS from a supplier, use of LMF typically required the approval of both SGWS and the supplier on certain expenses related to the promotion and sale of the product, including education, displays, menu printing, and discounts.

6. California is SGWS's largest market. In California, SGWS is the state's largest distributor of alcohol by volume. SGWS operates many offices in California, with its two largest California offices in Union City, California, within the Northern District of California, and Cerritos, California. Between at least 2017 and 2024, approval of expenses, including invoices from vendors and "billbacks" to suppliers, were processed through Union City, California. SGWS's California Controller was also based in Union City, California. From at least 2010 until approximately December 2019, Individual-17 was the Controller of SGWS's operating division in California. Individual-17's assistant Controller replaced him.

7. SGWS distributed beverage alcohol to "on-premise" retailers, including but not limited to restaurants and bars, and to "off-premise" retailers, including but not limited to liquor stores, convenience stores, and grocery stores. In California, the largest single buyer of SGWS's beverage alcohol products from at least 2017 through 2024 was Retailer-1, a large national grocery store chain operating stores in Northern California under the "Retailer-1B" brand, and stores in Southern California under multiple brands (collectively referred to as "Retailer-1A").

8. SGWS was organized into several divisions responsible for managing sales of certain supplier portfolios of beverage alcohol. Some of the largest suppliers to SGWS in California included Supplier-1, Supplier-3, Supplier-4, Supplier-8, and Supplier-9. SGWS

distributed products manufactured or imported by many suppliers, including Supplier-2, an importer and producer of kosher wines and spirits.

9. In California, SGWS had teams of employees dedicated to "chains," that is, selling beverage alcohol to large grocery chains such as Retailer-1B, Retailer-1A, Retailer-4, and other retailer chains. Some of those teams of employees were dedicated to a particular chain of grocery stores.

10. Stephen Magliocco was Vice President ("VP") of the SGWS Golden State Division in Southern California from approximately 2019 until 2025. Magliocco's team consisted of Account Executives that handled a portfolio of suppliers at various times including Supplier-8, Supplier-11, Supplier-13, among others.

11. Adrian Ruiz was Senior VP of SGWS's California Chains Division from at least 2021 until approximately early 2025, and managed approximately five Vice Presidents that had responsibility for various different supplier portfolios under the Chains Division and were responsible for selling supplier products to grocery store chains in California. From 2020 until early 2025, Magliocco reported to Ruiz.

12. Loratina "Tina" Muscara, a SGWS employee based in Union City, California, was dedicated to beverage alcohol sales to Retailer-1B stores until 2023.

13. Michael Dehdashtian, VP, Ryan Dow, VP, and VP-8 – all SGWS employees based in Cerritos, California – were largely dedicated to beverage alcohol sales to Retailer-1A stores until 2025.

Third-Party Entities

14. J. Go Events, Inc. ("JGO") was a company registered in California since on or about December 18, 2017. JGO provided services as an approved vendor of SGWS. Jessica Goebel owned and managed JGO. JGO issued invoices to SGWS for various services. In many instances,

invoices issued by JGO to SGWS required approval of the invoice from the beverage alcohol supplier prior to approval for payment by SGWS. JGO typically charged a 10% fee for its services, which included purchases of prepaid gift cards, event and retreat planning, and holding individual funds on behalf of certain SGWS employees, the majority of which related to supplier incentives received by those employees.

(a) JGO held these funds (referred to as "travel funds") for employees of SGWS. These funds were used by SGWS employees for personal purposes including travel, entertainment, and other uses, including at times providing gift cards to others. At times, certain SGWS employees would receive portions of these funds in the form of gift cards. At times, certain suppliers would direct the placement of funds into individual funds held by JGO for the benefit of SGWS employees.

(b) SGWS employees and employees of suppliers requested that JGO purchase items including, but not limited to, millions of dollars in prepaid gift cards, and plan events or travel on behalf of SGWS and suppliers, such as trips to Hawaii and Las Vegas, including to entertain retailers as described further below. Funds used to pay for these items frequently came from false invoices issued by JGO to SGWS. SGWS often paid the invoices from specified supplier LMF, also known as a "billback." JGO issued the false invoices at the direction of SGWS employees and suppliers. JGO did not issue invoices to SGWS identifying or describing "travel funds" or gift cards.

15. Vendor-1 was an approved vendor to SGWS. The principal of Vendor-1, now deceased, was a retired former employee of SGWS.

16. Vendor-3 was an approved vendor of SGWS. The principal of Vendor-3, Individual-7, is married to a former SGWS employee based in San Diego, California.

17. Vendor-4 was an approved vendor to SGWS and was based in Portland, Oregon. Vendor-4 was founded by three spouses of SGWS executives in the Pacific Northwest.

Suppliers

18. Bryan Barnes was a sales executive employed by Supplier-1, a beverage alcohol supplier. SGWS distributed Supplier-1's products in California. Barnes' responsibilities included meeting with employees of SGWS and employees of beverage alcohol retailers, including Retailer-1A.

(a) Barnes provided on behalf of Supplier-1, directly and in the presence of employees of SGWS, including Dehdashtian, thousands of dollars' worth of prepaid gift cards procured by JGO to an employee, Patrick Briones, of beverage alcohol retailer Retailer-1A.

19. Matthew Adler worked for Supplier-1, including as a Senior Regional Manager. As part of his duties, Adler was involved in setting sales goals for Supplier-1.

20. Adler and Barnes provided thousands of dollars in prepaid gift cards, travel funds, and luxury items to managers and executives of SGWS to incentivize the sales of Supplier-1's products.

21. Adler used the LMF to incentivize employees of SGWS to sell Supplier-1's product. SGWS does not dispute that Adler used and approved third-party vendors identified herein as Vendor-1 and JGO to facilitate those incentive payments to SGWS employees at times via fraudulent invoices submitted to SGWS. As to Vendor-1, for example:

(a) Adler authorized the billback of invoices, the proceeds of which were used to pay for and distribute prepaid gift cards to SGWS employees, including Regional VPs based in the Northern District of California.

(b) Many invoices for services provided by Vendor-1 falsely omitted that Vendor-1 had purchased prepaid gift cards. Adler and employees of SGWS approved the payment on those invoices from the LMF.

22. At times, SGWS employees would receive luxury items purchased by JGO at the direction of suppliers in connection with sales incentives. At other times, JGO invoiced SGWS for meetings that did not take place or overstated the cost of an invoice, and SGWS paid those invoices from a supplier-designated LMF with the authorization of the associated supplier who was aware of the real purpose underlying the invoices.

For example:

(a) On multiple occasions, including in the Northern District of California, SGWS employees, including a Union City-based Vice President, received luxury watches from suppliers, purchased through JGO.

(b) Adler approved expenses by JGO for an April 2019 "Pebble Beach Event" to include lodging, golf, spa expenses, and dinners totaling $47,131.49. SGWS understands that the event did not happen and ultimately the funds were credited to individual "travel funds" held by JGO, including over $9,000 each credited to "travel funds" for three Regional Vice Presidents ("RVPs") (RVP-1, RVP-2, and RVP-3), the Director of Trade Development (VP-1, who received $5,400) and VP and General Sales Manager (GSM) of Northern California (VP-2, who received $3,825).

(c) SGWS understands that Adler approved a March 25, 2019 invoice to Supplier-1 and to SGWS for an "RVP Program" totaling $13,200. The funds were divided equally among four SGWS RVPs (RVP-1, RVP-2, RVP-3, and RVP-4).

(d) Adler arranged for a custom tailor to measure himself and numerous SGWS managers for custom suits. Payment for the suits was made through billbacks authorized by Adler.

(e) On several occasions when a SGWS employee could not attend an incentive trip, the SGWS employee received the equivalent of the incentive funds instead, which were held by JGO in that employee's "travel fund" or provided to the employee in the form of gift cards at the request of SGWS employees.

23. John Herzog was a representative of Supplier-2, a beverage alcohol supplier with a representative located in California. SGWS distributed Supplier-2 products in California. Supplier-2 did not have an LMF with SGWS.

24. Employees of beverage alcohol suppliers, including Adler, were notified in approximately 2019 that SGWS would no longer process sales incentives through third-party vendors such as Vendor-1, Vendor-3 or JGO. However, employees of SGWS continued to receive funds outside of SGWS-approved processes, including at times, directly from suppliers that SGWS does not dispute were working with JGO or other third-party vendors.

"Travel Funds"

25. Certain employees of SGWS in California received payments that were not accounted for on SGWS's books; these incentives variously came in the form of gift cards or personal travel funds, sometimes referred to as "travel funds," among other benefits. At times, these sales incentives were referred to as "creative incentives." The practice of receiving incentives in this way resulted in those incentives not being processed through SGWS's payroll. Accordingly, SGWS did not account for such payments provided to its employees as wages. Many recipients did not report the income on their taxes.

26. Multiple SGWS California employees, and employees of suppliers, were aware of and facilitated this practice. The means by which certain SGWS employees in California, working

together with certain employees of various beverage alcohol suppliers, received "creative incentives" was frequently by using third-party vendors (also known as third-party marketing firms) to facilitate these incentive payments. These included Vendor-3, JGO, Vendor-1, Vendor-4, and Vendor-5.

27. SGWS does not dispute that its former Controller, Individual-17, was copied on emails requesting billback approval requests to suppliers and provided approval for the use of the LMF for payments. Individual-17 also had funds in a "bank" in his name with JGO from invoice proceeds, and requested to be cashed out in prepaid gift cards. SGWS further does not contest that VPs, including the then-VP of Chains and Executive VP and General Manager of California, were also credited and used funds held by JGO.

28. On July 18, 2019, Individual-17 sent letters to JGO, Vendor-3, Vendor-1, and Vendor-5 stating that it would no longer process invoices for "incentives." Thereafter, VP-5 requested Vendor-3 provide an accounting of funds held in "banks" on behalf of SGWS employees. In early 2020, VP-5 demanded that Vendor-3 issue a payment to SGWS for the amount of funds in banks held in the name of former SGWS employees (including VP-6 and VP-7), which Vendor-3 provided, and did not demand payment of funds in "banks" held for any then-current SGWS employees, including Dow and at least six others.

29. Beginning shortly after the issuance of the July 2019 letters, employees of SGWS continued to use "travel funds" held by JGO and Vendor-3. Furthermore, SGWS does not dispute that following the July 2019 letters, third-party vendors invoiced SGWS's suppliers directly for similar services previously invoiced to SGWS to be allocated against supplier-designated LMFs, and certain SGWS employees, including Dehdashtian, Dow, Ruiz, and Magliocco, and retailers, including Briones, benefitted through gift cards, travel, and "travel funds."

30. SGWS employees in other states used other vendors, including but not limited to Vendor-4, for similar services as were provided by JGO and Vendor-3, including for SGWS employees and others to receive gift cards and things of value, with knowledge and participation at times by suppliers. Similar invoicing practices as described above at times were used in connection with these other vendors, including the mischaracterization of invoices to conceal the purpose of the expenditure.

31. SGWS understands that JGO also maintained “banks” that were used for the benefit of employees of alcohol retailers, and that such “banks” were funded by multiple beverage alcohol suppliers, including via invoices issued to SGWS for payment from supplier LMFs. One such “bank” maintained by JGO was associated with Retailer-3, a large department store chain with on-premise beverage alcohol sales, including in states outside of California. A SGWS Account Executive, AE-1, was involved in the Retailer-3 “bank” creation with JGO and involved in communications that SGWS understands were related to the funding of the account through JGO invoices to SGWS and certain suppliers, in coordination with a Retailer-3 employee. For example, during 2017 and 2018, JGO issued several invoices to SGWS for “[Retailer-3] Chain Staff Education” or “[Retailer-3] Meeting” (Invoices 3865-3868) with notations for Supplier-8, Supplier-20, and Supplier-26, among others, which SGWS understands funded the JGO bank for Retailer-3. By July 2019, JGO invoices related to the Retailer-3 bank were sent directly to the SGWS suppliers; however, AE-1 remained involved in discussions between suppliers and Retailer-3 employees about depletions, which led to incentives for alcohol sales. AE-1 assisted in referring another entity that would maintain the Retailer-3 “bank” instead of JGO in late 2022. SGWS understands that a now-former SGWS employee was involved in similar conduct regarding

a JGO "bank" related to a restaurant chain owned by Retailer-2. These "banks" received and spent hundreds of thousands of dollars between 2017 and 2022.

Payments and Things of Value to Retailer-1A's Wine Buyer and Incentives Outside of SGWS Processes

32. Patrick Briones' role as an Assistant Sales Manager at Retailer-1A included conducting meetings with employees of SGWS, Supplier-1, and Supplier-2, among other beverage alcohol suppliers.

33. Dehdashtian, Dow, Magliocco, VP-8, and other employees of SGWS at times worked with certain suppliers to provide Briones things of value, directly or indirectly, through false and misleading invoices from approved vendors such as JGO, Vendor-3 and Vendor-4.

34. Dehdashtian, Magliocco, Dow, and VP-8, directly or in the presence of suppliers, including Supplier-1 and others, provided gift cards and other valuable items to Briones in connection with the purchase of beverage alcohol products sold or offered in interstate commerce. At times, the prepaid gift cards were worth as much as $1,000 each.

35. Briones accepted payments directly from employees of SGWS, Supplier-1, Supplier-2, and others. Briones further accepted things of value from SGWS employees, including Magliocco, Dow, Dehdashtian, and VP-8. At times, the things of value were funded through false invoices submitted to SGWS, which SGWS paid from specified supplier LMF with the approval of the supplier, including suppliers Supplier-12, Supplier-17, and others. The provision of gifts and things of value at times were related to the purchase, maintenance, and/or placement of certain products in preferable locations in stores. For example:

(a) During 2015, Briones accepted a Rolex "Explorer II" watch worth thousands of dollars from SGWS Vice President VP-4. Between approximately 2017 and 2018, VP-4 suggested to an employee of a supplier to provide Briones with a similarly expensive watch in response to that employee's inquiry about currying favor with Briones.

(b) VP-8, working together with Vendor-3, arranged for trips for Briones, his spouse, and VP-8 and his spouse, at a luxury resort in Maui, Hawaii between 2018 and 2020. In November 2018, VP-8 directed Vendor-3 to use proceeds from a specific $20,000 Vendor-3 invoice to SGWS (# 3487 for "Retailer-1A Regional Educational Seminar 2018") associated with Supplier-4 to fund Briones and a relative's suite and other expenses in Maui. On at least one instance, at least $3,000 in gift cards associated with a trip in September of 2019 were delivered to VP-8. On another occasion, some funds from a $30,000 Vendor-3 Invoice (# 4129) with the stated purpose of "Retailer-1A Seminar 2019" were applied to a Hawaii trip for VP-8, Briones and relatives.

(c) On or about September 14, 2020, Herzog purchased two $1,000 American Express prepaid gift cards and sent them to Dehdashtian to provide to Briones on behalf of Supplier-2 for placement of their brands at Retailer-1A locations. Herzog later had the prepaid gift cards mailed to Dehdashtian's residence.

(d) Herzog, in coordination with Dehdashtian, procured a Gucci bag for Briones in 2021. Herzog mailed the bag, worth over $2,000, to Dehdashtian's residence. Dehdashtian later confirmed that Briones was happy with the "support."

36. Dehdashtian, Dow, Magliocco, VP-8, and other employees of SGWS coordinated the provision of gifts and things of value, including gift cards, procured by alcohol suppliers for Briones, through false and misleading invoices from approved vendors such as JGO, Vendor-3, and Vendor-4, and through falsified receipts submitted to SGWS, designed to conceal the true nature of the expenditures.

37. Dehdashtian, Magliocco, Dow, and VP-8, directly or in the presence of employees and representatives of suppliers, including Supplier-1 and others, provided gifts and things of value, including gift cards, to Briones in connection with the promotion and purchase of certain alcohol products sold or offered for sale in interstate commerce.

38. Dehdashtian, Dow, VP-8, and other employees of SGWS further coordinated golf trips and vacations attended by Briones, funded through the use of invoices submitted to SGWS, which SGWS paid out of specified supplier LMF, which payment was approved by SGWS and the supplier. Invoices submitted to pay for some of these trips concealed payment for Briones' lodging, the nature of the trip, and Briones' involvement in them. At times, SGWS employees paid for items like shoes, shirts, wind breakers, and golf paraphernalia for Briones at golf course pro shops. Such purchases for Briones were not accurately reflected on the invoices submitted to SGWS and paid out of specified supplier LMF.

39. On multiple occasions, SGWS employees including Magliocco, Ruiz, Dow, VP-8, and others used template invoices that had been altered to reflect legitimate business purposes while concealing the true nature of the expense. The altered invoices were used to circumvent SGWS accounting controls when submitted to SGWS for reimbursement.

40. On several occasions, SGWS employee Ruiz directed a subordinate, SGWS employee Magliocco, to assist with fabricating invoices for reimbursement to conceal non-business-related expenses as legitimate business events and meals.

41. On one occasion, Magliocco directed another SGWS employee, AE-2, to purchase casino chips for him with AE-2's own money and to submit a fabricated invoice to SGWS reflecting a hotel stay that never occurred.

42. JGO submitted false invoices to SGWS and/or to specific suppliers distributed by SGWS. In those instances, JGO sought approval for payment of the invoice from the specified supplier and SGWS. In many instances, after the invoices were paid, JGO would hold some or all of the proceeds in "travel funds" for the personal use of individual employees of SGWS. Employees of SGWS, including the Controller of its operating division in California, on occasion requested that the invoices submitted by JGO to SGWS for the purchase of gift cards provide generic descriptions for services rendered.

43. Between at least 2017 and at least 2021, JGO ordered millions of dollars in gift cards worth up to $1,000 each at the direction of employees of suppliers as well as employees of SGWS, and mailed them to the employees. For example:

(a) JGO mailed some of these gift cards to SGWS employees at SGWS's office in Alameda County, California. This included an April 4, 2019 request from SGWS's California Controller, Individual-17, to convert $1,000 in travel credit to one or multiple gift cards, funded from his JGO travel bank balance, to Individual-17's SGWS office in Alameda County, California.

(b) Some gift cards were given by employees of SGWS and/or suppliers to beverage alcohol buyers at large national grocery store chains, including Retailer-1A, which owned and operated regional grocery store chain brands in California and elsewhere.

44. At the direction of employees of SGWS and suppliers, JGO, Vendor-3, Vendor-4, and Vendor-5 would allocate unused funds from invoices, which invoices were sometimes inflated, towards "travel funds" of SGWS employees to use at their discretion.

45. Employees of SGWS and suppliers directed JGO and Vendor-3 to, among other things, use "travel funds" to arrange for purchases of air travel and related amenities for those employees and their family members, including Super Bowl tickets, international vacations, first-

class flights, luxury automobile rentals, gift cards, jewelry, and resort bookings with golf and massage packages.

46. Until approximately 2023, Muscara was employed in the SGWS Chains Division in Union City, California. Muscara was a main point of contact for Retailer-1B lead wine buyer Individual-4. Muscara arranged for multiple items of value and services to be provided to Individual-4 at her request. Muscara entertained Individual-4 on multiple occasions, and such entertainment included meals at expensive restaurants, attendance at spas, and professional sports games, among other things. Some of this entertainment was done on behalf of supplier Herzog, who at times approved invoices in connection with the entertainment.

47. On at least one occasion before 2020, Muscara accompanied Individual-4, her husband, her daughter, and two to three additional guests on a wine tasting at a prominent vineyard in Napa, California. The trip included dinner and accommodation for one night at the vineyard residence. In connection with a 2019 trip to an industry conference (Wine Spectator) in New York City, the SGWS employee directed JGO to arrange travel and retailer entertainment on behalf of the SGWS employee and the buyer. SGWS paid for expenses related to entertainment, but not the buyer's hotel lodging and airfare. SGWS does not dispute that Individual-4 did not pay for the travel to New York, and that a supplier distributed by SGWS in California did.

48. On or about December 2, 2021, Ruiz, Dehdashtian, Briones, and two employees of Supplier-7 traveled to Las Vegas, Nevada to attend an NFL football game and for entertainment at restaurants and clubs.

49. Ruiz sent a December 6, 2021 email to an employee of Supplier-7 for approval of a billback of $6,525 for a "planning meeting." The Supplier-7 employee approved the expense.

50. In connection with a December expense reimbursement request to SGWS with an approved billback to Supplier-7's LMF, Ruiz submitted a fraudulently altered $5,662 invoice purporting to be from a Newport Beach, California resort for one night of lodging and meeting room expenses on December 15, 2021.

51. On or about January 27, 2022, Dow issued multiple billbacks to suppliers requesting approval of expenditures for a "[Retailer-1A] meeting." This included a $999.95 bill-back to Supplier-18 and a $1,999.89 billback issued to Supplier-4, among others. The purpose of these billbacks, as disclosed to the suppliers, was to attend an NFL conference championship game with Briones.

52. On or about October 22, 2020, Barnes sent a group text message to Briones and Dehdashtian, stating "Extortion fees arrived. Mike, I will give to you when we meet on Monday."

53. On September 26, 2023, Briones and Dow exchanged a text message about whether Briones would keep a particular supplier on "MED" (on the planner) and place a related wine label on an "island," or another prominent display. Briones asked Dow if "hes [sic] got a kicker". Dow responded "yessir!! 1k."

54. At times, including at "new item" meetings, Dehdashtian handed prepaid gift cards to Briones in connection with products for inclusion on Retailer-1A store shelves. Dehdashtian informed a supplier how much Briones would be provided in prepaid gift cards or cash in connection with product placement. On some occasions, Dow and Dehdashtian were present when Barnes handed prepaid gift cards and cash to Briones. At times, the purpose of providing gift cards to Briones was to influence the maintenance of a product at Retailer-1A, including, at times, in connection with the evaluation of products for addition or deletion.

55. Magliocco used fabricated receipts on numerous occasions from at least two hotel resorts in Southern California and a restaurant to seek personal reimbursement from SGWS. Some reimbursement requests exceeded $10,000. The receipts purported to be for legitimate business expenses but were not. SGWS does not dispute that Magliocco may have provided some of the proceeds of this fraudulent invoicing in connection with Briones.

56. Muscara received gift cards from certain suppliers procured through JGO. SGWS does not dispute that Muscara spent gift card proceeds in connection with a birthday dinner for Individual-4's relative in March 2021. Muscara arranged for other gifts and entertainment for Individual-4, including through JGO. Muscara communicated with Herzog by text message about valuable services provided to Individual-4, including an August 24, 2021 text stating "…I sent a bill back . . . [t]ook [Individual-4] to spa for her birthday any chance you can sponsor billback." SGWS understands that Muscara subsequently sought billbacks for related expenses from other suppliers.

57. Between January 2019 to February 2020, Magliocco, Dow, Dehdashtian and others directed employees of Vendor-3 to coordinate the purchase of thousands of dollars of casino chips for Briones and others during trips to Las Vegas. Invoices submitted in connection with those purchases did not reflect casino chips or Briones' involvement in the trip.

58. Briones, Barnes, Dehdashtian, Herzog, and others communicated by text message, including group chats, about the gift cards and things of value they provided to Briones.

SGWS Events Involving Retailer-1A's Alcohol Buyers:

59. Dehdashtian, Dow,VP-8, and other employees of SGWS further coordinated golf trips with Briones, funded through JGO and Vendor-3, including through invoices that did not reflect Briones' attendance, which included luxury accommodations, meals, spa treatments, and spending in resort boutiques and pro shops. These trips were often funded through LMF and

authorized by suppliers. As previously noted, LMFs were set up between SGWS and certain suppliers for purposes, such as marketing, brand education, and promotional products.

60. Magliocco, Dow, Dehdashtian, VP-8, and others arranged for interstate trips from California to Las Vegas, Nevada, annually, from approximately 2017 until at least January 12, 2024. These trips, which frequently did not involve formal business meeting agendas, at times included room accommodations, golf reservations, dinners, casino chips for gambling, and prepaid gift cards. Both JGO and Vendor-3 arranged Las Vegas trips involving Briones and employees of SGWS and others. As previously noted, invoices related to these trips did not reflect Briones' participation or that certain of Briones' expenses were covered as part of invoices submitted by third parties to SGWS, including coverage of lodging for Briones.

61. SGWS does not dispute that its employees provided a $500 prepaid gift card to a different Retailer-1A buyer, which was procured by JGO using travel funds held in the name of a supplier.

62. In 2020, SGWS employees attended NFL wildcard weekend with Briones in Las Vegas. SGWS employees attending included Magliocco, Dehdashtian, Dow, and VP-8. Trips to NFL wildcard weekend occurred annually for a period. SGWS does not dispute that Briones' travel and other expenses were coordinated with SGWS employees and an employee of a supplier using a third-party vendor.

63. Dow and Dehdashtian organized a May 4, 2021 trip with Briones to Pebble Beach, within the Northern District of California, funded by an LMF associated with Supplier-5. Dow, Dehdashtian, and others, organized trips with Briones at exclusive golf and other resorts in Florida, Oregon, and Cabo San Lucas, Mexico, among other destinations. These and other trips involving Briones were funded by LMFs associated with certain suppliers, including Supplier-1, Supplier-5,

Supplier-7, Supplier-14, Supplier-17 and others. Invoices associated with these trips concealed the presence of Briones.

64. On January 18-21, 2023, Dehdashtian and Ruiz attended a golf trip with Briones and Supplier-17 employees to an exclusive golf club in Hobe Sound, Florida. SGWS employees paid for Briones' purchases of clothing and apparel at a pro shop during that golf trip; the payments for Briones were not reflected on any invoice.

65. In connection with a January 2023 expense report, Ruiz submitted a reimbursement request for over $11,000 using a falsified hotel invoice purporting to be related to a stay at a Southern California hotel on January 28-30. Ruiz sought billback approval for the expense to one of the Supplier-17 employees who attended the January 18-21 golf trip in Florida.

Funds Involved in Conduct:

66. The following SGWS vendors issued invoices to SGWS, including as follows:

(a) Between July 2014 and March 2020, JGO issued approximately 2,000 invoices to SGWS totaling not less than approximately $14 million. J. Go Events, Inc. invoices largely related to Supplier-2, Supplier-3, Supplier-4, Supplier-8, Supplier-9, Supplier-10, Supplier-15, and Supplier-21, among others.

(b) Between July 2014 and November 2019, Vendor-1 issued approximately 900 invoices to SGWS totaling not less than approximately $4 million. Vendor-1's invoices largely related to Supplier-8, Supplier-10, Supplier-12, Supplier-14, Supplier-15, Supplier-16, Supplier-19, Supplier-22, Supplier-23, Supplier-24, Supplier-25, and Supplier-26, among others.

(c) Between June 2014 and July 2022, Vendor-3 issued approximately 900 invoices to SGWS totaling not less than approximately $16 million. Vendor-3 invoices largely related to Supplier-1, Supplier-4, Supplier-5, Supplier-7, Supplier-8, Supplier-10, Supplier-15, Supplier-17, and Supplier-18, among others.

(d) Between approximately March 2017 and October 2024, Vendor-4 issued invoices to SGWS totaling not less than approximately $1.9 million. Vendor-4 invoices largely related to suppliers whose products were distributed by SGWS.

(e) Between approximately July 2014 and March 2020, Vendor-5 issued approximately 250 invoices to SGWS totaling not less than approximately $2 million. Vendor-5's invoices largely related to Supplier-3, Supplier-4, and others.

ATTACHMENT B

COMPANY OFFICER'S CERTIFICATE

I have carefully reviewed every part of this Non-Prosecution Agreement, including Attachments A through F, with outside counsel for Southern Glazer's Wine and Spirits, LLC ("SGWS"). I understand the terms of this Agreement and voluntarily agree, on behalf of SGWS, to each of its terms. Before signing this Non-Prosecution Agreement, I consulted with outside counsel for SGWS. Counsel fully advised me of SGWS's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Non-Prosecution Agreement.

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

Date: 9/10/2026

Name (Signed): [signature]
Name (Printed): Alan N. Greenspan
Exec. Vice President, Chief Legal and Compliance Officer, Southern Glazer's Wine and Spirits, LLC

ATTACHMENT C

CERTIFICATE OF COUNSEL

The undersigned is counsel for Southern Glazer's Wine and Spirits, LLC ("SGWS") in the matter covered by this Non-Prosecution Agreement. In connection with such representation, I have examined relevant company documents and have discussed the terms of this Non-Prosecution Agreement with Management for SGWS. Based on my reviews of the foregoing materials and discussions, I am of the opinion that Alan Greenspan is duly authorized to enter into this Non-Prosecution Agreement on behalf of SGWS, and that this Non-Prosecution Agreement has been duly and validly authorized, executed, and delivered on behalf of SGWS, and is a valid and binding obligation of SGWS. Further, I have carefully reviewed the terms of this Non-Prosecution Agreement with Mr. Greenspan. I have fully advised him of SGWS's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Non- Prosecution Agreement. To my knowledge, SGWS's decision to enter into this Non-Prosecution Agreement, based on the authorization of Mr. Greenspan, is informed and voluntary.

______________________________ 9/10/26
JOHN KEKER DATE
JAN LITTLE
Keker, Van Nest & Peters LLP
Counsel for Southern Glazer's Wine and Spirits, LLC

______________________________ 9/10/26
JOHN LAUSCH DATE
CHARLES KALIL
Kirkland & Ellis LLP
Counsel for Southern Glazer's Wine and Spirits, LLC

ATTACHMENT D

<u>CORPORATE COMPLIANCE AGREEMENT</u>

Southern Glazer's Wine and Spirits, LLC ("SGWS" or the "Company") has implemented and will continue to implement a compliance program at the Company reasonably designed to prevent and detect violations of federal trade practice laws and regulations, including related to bribery, obstruction, and related federal criminal offenses throughout the Company's operations, including those of its affiliates and agents. On the date that the Term expires, the Company, by its Chief Executive Officer and Executive Vice President & Chief Legal and Compliance Officer, will certify to the United States Attorney's Office for the Northern District of California ("USAO" or the "Office"), in the form of executing the document attached as Attachment F to this Agreement, that the Company has met its disclosure obligations pursuant to Section IV and this Attachment.

In order to address any deficiencies in its internal compliance 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 the Company's existing internal controls, policies, and procedures regarding compliance with federal trade practice laws and regulations, including related to bribery, obstruction, and related federal criminal offenses (the "Compliance Programs"). Where necessary and appropriate, the Company agrees to adopt a new compliance program at the Company, or to modify its existing one, including internal controls, compliance policies, and procedures in order to ensure that the Company maintains at the Company a rigorous compliance program as well as policies and procedures designed to detect and deter effectively violations of federal trade practice laws and regulations, including related to bribery, obstruction, and related federal criminal offenses. The compliance program will include, but not be limited to, the minimum elements set forth in this Attachment.

Corporate Compliance Reporting

The Company agrees that it will report to the USAO and the Alcohol and Tobacco Tax and Trade Bureau ("TTB") annually during the Term regarding remediation and implementation of the compliance measures described in Section IV and this Agreement.

The reports prepared in accordance with this Agreement ("Compliance Reports") likely will include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the Compliance 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 Compliance 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 USAO determines in their sole discretion that disclosure would be in furtherance of the USAO's discharge of their duties and responsibilities or is otherwise required by law.

The Company shall promptly notify the USAO of: (a) any deficiencies, failings, or matters requiring attention with respect to the Company's federal trade practice compliance program identified by any law enforcement or regulatory authority within 30 business days of any such notice, provided that the authority has granted the Company permission to notify the USAO; and (b) any steps taken or planned to be taken by the Company to address the identified deficiency, failing, or matter requiring attention. The USAO may demand that the Company provide additional reports about its federal trade practice compliance program, and may demand interviews of Company employees and agents concerning any non-privileged matter described or identified in the Compliance Reports. The Company may extend the time period for submission of any Compliance Reports with prior written approval of the USAO.

Where necessary and appropriate, the Company agrees to adopt new or to modify existing Compliance Programs to ensure their effectiveness in detecting and deterring violations of federal trade practice laws and regulations. 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:

<u>High-Level Commitment</u>

1. The Company will ensure that its executives and senior management provide strong, explicit, and visible support and commitment to its Compliance Programs and any other corporate policy against violations of federal trade practice regulations and demonstrate rigorous adherence by example. The Company also will ensure that all levels of management, in turn, reinforce those standards and encourage and incentivize employees to abide by them. The Company will create and foster a culture of compliance with the law in its day-to-day operations at all levels of the Company.

<u>Policies and Procedures</u>

2. The Company will develop and promulgate a clearly articulated and visible corporate policy against violations of trade practice laws and regulations, which shall be memorialized in a written compliance policy or policies.

3. The Company will develop, enhance, implement, and maintain Compliance Programs designed to reduce the prospect of violations of federal trade practice laws and regulations, and the Company will take appropriate measures to encourage and support the observance of compliance policies and procedures against violation of federal trade practice laws

and regulations by personnel at all levels of the Company. The Compliance Programs shall apply to all executives, officers, and employees and, where possible and appropriate, outside parties acting on behalf of the Company, 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 Compliance Programs is the duty of individuals at all levels of the Company. Such Compliance Programs shall address, among others, the following minimum requirements:

a. supplier and vendor onboarding;

b. periodic vendor reviews for compliance risk;

c. timely response to law enforcement requests and legal process;

d. independent audit of bill-back, accounts payable, and employee reimbursement procedures and systems;

e. whistleblowing;

f. policies and procedures pertaining to the use, collection, preservation, and retention of corporate records subject to legal holds (or otherwise required to be maintained for business purposes) on ephemeral messaging platforms—with the goal of preventing circumvention of the Compliance Program and ensuring transmission of relevant materials to law enforcement upon request;

g. informing suppliers, vendors, and customers of the Company's commitment to abiding by laws prohibiting trade practice violations;

h. informing employees and, where necessary, agents and business partners, of the Company's commitment to abiding by the Compliance Programs and any other corporate policy against violations of federal trade practice laws and regulations; and

i. seeking a reciprocal commitment from agents, suppliers, and vendors.

Periodic Risk-Based Review

4. The Company will develop, maintain, and enhance the Compliance Programs on the basis of a periodic risk assessment addressing the individual circumstances of the Company, including, but not limited to, its geographical organization, industrial sectors of operation (such as on-premise and off-premise), involvement in, and degree of governmental oversight and inspection.

5. The Company shall review its 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 industry standards.

Proper Oversight and Independence

6. The Company has and will continue to assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's Compliance Programs. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit or any appropriate board or executive committee, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

7. The Company has and will continue to implement mechanisms designed to ensure that its Compliance Programs are effectively communicated to all officers, executives, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all executives and officers, all employees in

positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such executives, officers, employees, agents, and business partners, certifying compliance with the training requirements.

8. The Company will maintain, or where necessary establish, an effective system for providing guidance and advice to executives, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's Compliance Programs, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

Internal Reporting and Investigation

9. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, executives, officers, employees, and, where appropriate, suppliers, vendors, agents and other business partners concerning violations of trade practice laws and regulations or the Company's Compliance Programs related to such laws and regulations.

10. 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 trade practice laws and regulations or the Company's Compliance Programs related to such laws and regulations.

Enforcement and Discipline

11. The Company will implement mechanisms designed to effectively enforce its Compliance Programs, including appropriately incentivizing compliance and disciplining violations.

12. The Company will institute appropriate disciplinary procedures to address, among other things, violations of trade practice laws and regulations and the Company's Compliance Programs related to such laws and regulations by the Company's executives, officers, and employees. Such procedures should be applied consistently and fairly, 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 Compliance Programs and making modifications necessary to ensure that they are effective.

Mergers and Acquisitions

13. 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 by legal, accounting, and compliance personnel.

14. The Company will ensure that the Company's Compliance Programs regarding federal trade practice laws and regulations apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly: a. train the executives, officers, employees, agents, and business partners consistent with Paragraph 7 above on federal trade practice laws and regulations and the Company's Compliance Programs regarding such laws and regulations; and b. where warranted, conduct an audit specific to federal trade practice laws and regulations of all newly acquired or merged businesses as quickly as practicable.

Monitoring and Testing

15. The Company will conduct periodic reviews and testing of its Compliance Programs designed to evaluate and improve their effectiveness in preventing and detecting violations of federal trade practice laws and regulations and the Company's Compliance

Programs related to such laws and regulations, taking into account relevant developments in the field and evolving industry standards.

ATTACHMENT E

<u>COMPLIANCE CERTIFICATION</u>

To: United States Attorney's Office
Northern District of California
Attention: Chief, Criminal Division

Re: Non-Prosecution Agreement Compliance Certification

The undersigned certify, pursuant to Section IV and V and Attachment D of the Non-Prosecution Agreement executed on September 10, 2026, by and between the United States of America and Southern Glazer's Wine and Spirits, LLC ("SGWS" or the "Company") (the "Agreement"), that the undersigned are aware of the Company's compliance obligations under Section IV and V and Attachment D of the Agreement, and that, based on the undersigned's review and understanding of the Company's trade practice (Title 27) compliance program, the Company has implemented a compliance program that meets the requirements set forth in Attachment D to the Agreement. The undersigned certify that such compliance program is reasonably designed to detect and prevent violations of trade practice laws and regulations throughout the Company's operations.

The undersigned hereby certify that they are respectively the Chief Executive Officer and Executive Vice President & Chief Legal and Compliance Officer of the Company and that each has been duly authorized by the Company, respectively, 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 California. 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 California.

Date: ________________________	Name (Signed):______________________________ Name (Printed): Wayne Chaplin Chief Executive Officer Southern Glazer's Wine and Spirits, LLC
Date: ________________________	Name (Signed):______________________________ Name (Printed): Alan N. Greenspan Exec. Vice President, Chief Legal and Compliance Officer, Southern Glazer's Wine and Spirits, LLC

ATTACHMENT F

DISCLOSURE CERTIFICATION

To: United States Attorney's Office
Northern District of California
Attention: Chief, Criminal Division

Re: Non-Prosecution Agreement Disclosure Certification

The undersigned certify, pursuant to Section V of the Non-Prosecution Agreement ("the Agreement") executed on September 10, 2026, by and between the United States of America and Southern Glazer's Wine and Spirits, LLC ("SGWS" or the "Company"), that the undersigned are aware of the Company's disclosure obligations under Section V of the Agreement, and that the Company has disclosed to the United States Attorney's Office for the Northern District of California ("USAO" or the "Office") any and all evidence or allegations of conduct required pursuant to Section V of the Agreement, which includes evidence or allegations of conduct that may constitute a criminal violation of U.S. laws as they relate to federal trade practice regulations, including 18 U.S.C. § 371, obstruction of an actual or contemplated investigation of the Alcohol and Tobacco Tax and Trade Bureau ("TTB"), 18 U.S.C. § 1519, honest services wire fraud, 18 U.S.C. §§ 1343 and 1346, and commercial bribery, 27 U.S.C. § 205(c), ("Disclosable Information"). This obligation to disclose information extends to 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 requirements contained in Section V and the representations contained in this certification constitute a significant and important component of the Agreement and of the USAO's determination whether the Company has satisfied its obligations under the Agreement.

The undersigned hereby certify that they are the Chief Executive Officer and Executive Vice President & Chief Legal and Compliance Officer of the Company, respectively, 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 California. 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 California.

Date: ______________________

Name (Signed):______________________
Name (Printed): Wayne Chaplin
Chief Executive Officer
Southern Glazer's Wine and Spirits, LLC

Date: ______________________

Name (Signed):______________________
Name (Printed): Alan N. Greenspan
Exec. Vice President, Chief Legal and Compliance
Officer, Southern Glazer's Wine and Spirits, LLC