Schedule B

DISTRIBUTOR Compliance Principles
**DISTRIBUTOR undertakes to comply with the following compliance principles (the “Compliance Principles”):**

**Compliance with All Laws and Regulations**

1. DISTRIBUTOR must comply with all applicable laws and regulations, including but not limited to those related to advertising, the environment, labour, antitrust and fair competition, consumer protection, product registrations/licences, anticorruption and money laundering.

**Additional Compliance with P&G Standards & Principles**

1. In addition, and without limiting the scope of the foregoing provision, DISTRIBUTOR must comply with the following P&G standards and principles (whether or not already required by applicable laws and regulations) **with respect to P&G business**, in that DISTRIBUTOR will:
	1. Labour:
		1. not use child , prison, indentured or bonded labour, or use corporal punishment or other forms of mental and physical coercion as a form of discipline,
		2. not permit the exploitation of children, physical punishment or abuse, or involuntary servitude,
		3. provide a safe work environment, to prevent accidents and injury, and to minimize exposure to health risks.

For the purposes of this provision a “child” is defined as 15 years of age or less, unless otherwise agreed with P&G, having regard to International Labor Organization Convention.

* 1. Fair Competition:
		1. never discuss, directly or indirectly, matters such as prices, pricing intentions, pricing strategies, product or marketing plans, production volumes or terms of sale or any other commercially sensitive topics with P&G competitors and/or other distributors competing with the PRODUCTS.
		2. never gather information about P&G competitors and/or DISTRIBUTOR’s competitors using deception, theft, misrepresentation, or other illegal or unethical means, nor in a way that can violate competitors’ IP, confidentiality or trade secrets rights;
		3. treat customers equitably and never seek to provide any unfair advantage to one customer over another
		4. never pressure or agree with a customer on resale prices, terms and conditions of sale of the PRODUCTS , adopting the principle that pricing is always at the customer’s sole discretion, and
		5. never act as intermediary between customers to help them coordinate their behaviour on the market
	2. Improper Payments to Third parties:
		1. not offer or make any payment or anything else of value, however small, directly or indirectly, to government officials or employees or representatives, officers or employees of government-controlled entities, elected officials or political party officials for any purposes. Any payment made to a government entity itself (not an individual) can only be made if it is an official tariff of the organization and otherwise made in accordance with local law (where it is permissible).
		2. not offer or make any special payments whatsoever, or anything else of value, either directly or indirectly, to any customer or other third party (including candidates for public office or for a political party) with a view to influencing unduly the acts or decisions of such third party in order to receive special treatment or personal gain, or to obtain or retain business.
	3. Trade Controls:
		1. observe any applicable US, EU and local laws on the export, re-export, transfer or disclosure of PRODUCTS or any technical data supplied to the DISTRIBUTOR;
		2. observe any applicable US, EU and local laws on dealings with sanctioned or restricted countries, entities or other parties that may be ineligible to receive PRODUCTS or any technical data supplied to the DISTRIBUTOR.

**Government Lobbying**

1. DISTRIBUTOR will not engage, directly or indirectly (e.g. using an agent or other intermediary), on P&G’s behalf with government officials, elected officials, political party officials or candidates for public office or for a political party without the express written approval of P&G.

**Privacy**

1. a. If accessing or using P&G systems and/or data, DISTRIBUTOR must abide by P&G’s appropriate use, privacy and security policies and practices. Further, if a breach of P&G’s privacy or security policies occurs, DISTRIBUTOR must immediately notify P&G including the details of the breach to the fullest extent permitted by law and, in agreement with P&G, take all other reasonable steps to remediate the situation and mitigate harm. DISTRIBUTOR will cooperate with P&G to eliminate the consequences of the breach and prevent occurrence.

b. If DISTRIBUTOR needs to collect consumer information as part of any service to P&G (eg consumer relations, adverse health effect reporting, etc), it shall handle this information according to P&G Privacy standards & policies as shared with DISTRIBUTOR from time to time.

**Product and Site Quality**

1. In the manufacturing, packaging, labelling or distribution of PRODUCTS, DISTRIBUTOR must ensure that
	1. P&G’s quality and safety standards are met
	2. PRODUCTS and packages are safe for consumers and the environment when used as intended; and
	3. DISTRIBUTOR’s operations must be safe for DISTRIBUTOR’s employees, neighbours and the environment.

**Use of Sub-Distributors and Key Service Providers**

1. DISTRIBUTOR may appoint sub-distributors subject to the restrictions of the Agreement. With respect to any such appointment of a sub-distributor, or any use by the DISTRIBUTOR of KEY SERVICE PROVIDERS (as defined in this Agreement), DISTRIBUTOR will:
	1. secure assurances from such sub-distributors and KEY SERVICE PROVIDERS that they will abide by provisions 1, 2, 3, 4, 5, 7, 9a and 9c of these Compliance Principles by signing written undertakings to that effect prior to their appointment;
	2. produce such written undertakings to P&G upon request; and
	3. take reasonable measures to ensure compliance with such undertakings, including securing the certification of compliance according to provision 9a and producing such to P&G upon request

**Notification to P&G of Suspected Violation**

1. DISTRIBUTOR will immediately notify P&G when a suspected or actual violation of law, regulations or of these Compliance Principles has occurred that relates to or may impact the PRODUCTS (including any suspected or actual violation involving a sub-distributor or a KEY SERVICE PROVIDER). Report should also be made in the event that any of DISTRIBUTOR’s personnel are concerned that any employee of P&G might have acted, or proposes to act, in violation of the Law or these Compliance Principles, or has requested DISTRIBUTOR act in violation.  Distributor should be aware and inform his employees involved in P&G business that any violation of the Law and of these Compliance Principles can be reported to the P&G Worldwide Business Conduct Helpline. All reports via the below process are confidential and so the identity of the individual reporting the suspected/actual violation can be safeguarded if required.
	* 1. Call 1-800-683-3738 (if you are located in the United States, Canada or Puerto Rico)
		2. Dial country code 01 and then call collect at 704-544-7434 from any other location
		3. Email pghotline@alertline.com
		4. Send mail to: P&G Worldwide Business Conduct Helpline PMB 376713950 Ballantyne Corporate PlaceCharlotte, NC 28277USA

**Training**

1. DISTRIBUTOR will communicate these Compliance Principles to all of its employees, partners, officers, directors, representatives and agents involved in P&G business and ensure they comply accordingly. In addition, DISTRIBUTOR will specifically train all such persons in (i) antitrust law compliance; and (ii) (for those persons who additionally deal with government officials, or have a family relationship with a government official) antibribery compliance. DISTRIBUTOR will provide appropriate proof of said training upon request to P&G. In the event of any non-compliance with these Compliance Principles, and without prejudice to any other rights or remedies available to P&G arising from the non-compliance, DISTRIBUTOR will fully cooperate with P&G to take all reasonable measures, including further focussed training of its employees, to safeguard against any further non-compliance risk.

**Compliance Certification**

1. DISTRIBUTOR will provide certification or disclosure as required by P&G (but on no more than an annual basis) of:-
	1. compliance with respect to these Compliance Principles,
	2. provision of the trainings required by these Compliance Principles
	3. disclosure of actual or threatened lawsuits, government investigations or inquiries which may impact the business related to the PRODUCTS;
	4. disclosure of all sub-distributors and KEY SERVICE PROVIDERS currently used by the DISTRIBUTOR for business related to the PRODUCTS
	5. disclosure of all owners (having an ownership of >10%), directors or officers of the DISTRIBUTOR; and
	6. disclosure of any officer, shareholder or employee of DISTRIBUTOR, or close associates or relatives of such officers, shareholders or employees, who are current or former officials or employees of a government, government agency or political party or who are a candidate for public office, and who are in a position to influence business related to the PRODUCTS