

October 29, 2013

Telephone: (717) 783-9454

FAX: (717) 787-8820

Adam Radbell, Senior Manager, Marketing Compliance
Pernod Ricard USA
100 Manhattanville Road 4th Floor
Purchase, NY 10577

RE: Absolut Transform Today Challenge

Dear Mr. Radbell:

ISSUE: This correspondence is in response to your e-mail and attached letter sent October 2, 2013, which was forwarded to this office on October 18, 2013, in which you request approval, on behalf of Pernod Ricard USA (“Pernod”), to run the “Absolut Transform Today Challenge” contest in Pennsylvania.

According to the “Official Rules” that you provided, the contest provides interested individuals with the opportunity to submit their project ideas for the chance to see them brought to life in collaboration with Pernod, Nylon, Pitchfork Media Inc. (“Pitchfork”), Vice Media Inc. (“Vice”), and Wired Magazine (“Wired”). Interested individuals may enter the contest by visiting www.ABSOLUT.com/transformtodaychallenge and following the instructions to complete and submit an online entry form. All entrants must select one (1) of the following four (4) creative categories in which to enter: Visual Arts; Technology; Music; or Fashion. All entrants must then submit one (1) JPEG, MP3, MOV, PDF, PNG, GIF, or video submission of one (1) of their previous works in the chosen creative category. The previous work should be something that best illustrates the contest entrant’s artistic skill, creativity, originality, and innovation. All entrants must also supply a written description, limited to one hundred fifty (150) words or less, of the artistic project that they are hoping to make a reality if they are selected as a winner. All projects must be capable of being completed within a three (3)-month window and within a budget of twenty thousand dollars (\$20,000.00). There is a limit of one (1) entry per person, per e-mail address, per day. The entry period for the contest began on October 1, 2013, and runs until November 10, 2013.

Between November 11 and November 13, 2013, Nylon, Pitchfork, Vice, and Wired will judge all of the entries received within their respective categories. Nylon will judge the entries in the fashion category. A panel appointed by Pitchfork and Pernod

will judge entries in the music category. Vice will judge entries in the visual arts category, and Wired will judge entries in the technology category. The judges will select five (5) finalists from each creative category, using the following criteria: creativity—thirty-five percent (35%); artistic skill—thirty percent (30%); originality—twenty percent (20%); and innovation—fifteen percent (15%). Between November 18 and November 30, 2013, the finalists' submissions will be posted to the contest website and subjected to consumer voting. Consumers can vote every day for their favorite projects for a chance to win a prize from Pernod. On or about December 2, 2013, Pernod will select one (1) winner from each creative category based on the judging criteria previously set forth above.

Each winner will have the opportunity to receive twenty thousand dollars (\$20,000.00), managed in an escrow account by SCA Promotions, to be used towards funding the winner's project. The creative project must be fulfilled within a three (3)-month time frame measured from the date of winner verification. The approximate retail value of all prizes is eighty thousand dollars (\$80,000.00).

The contest is open only to legal residents of the United States or the District of Columbia who are twenty-one (21) years of age or older at the time of entry. No purchase is necessary to participate in or win the contest.

OPINION: Section 5.32(h) of the Pennsylvania Liquor Control Board's ("Board") Regulations states that a manufacturer or licensee may sponsor sweepstakes promotions subject to the following conditions:

- i. No purchase is necessary to enter.
- ii. Entrants shall be twenty-one (21) years of age or older.
- iii. Retail licensed premises may only be involved as pick-up or drop-off points for entry forms and not for the conducting of drawings or the awarding of prizes.
- iv. Alcoholic beverages may not be part of the prize.

[40 Pa. Code § 5.32(h)].

This office has reviewed the proposed promotion as described in the "Official Rules" and determined that it comports with applicable liquor laws and regulations, specifically section 493(24)(i) of the Liquor Code [47 P.S. § 4-493(24)(i)] and section 5.32(h) of the Board's Regulations [40 Pa. Code § 5.32(h)].

Please be advised that prior approval of malt or brewed beverages point-of-sale ("POS") material and retail licensed premises POS material is no longer required. However, the requirement for prior approval of POS material intended for

use in the Board's wine and spirits stores from the Bureau of Product Selection remains. The total cost of all POS advertising material relating to any one (1) brand of any one (1) manufacturer at any one (1) time may not exceed three hundred dollars (\$300.00) on a retail licensed premises. [47 P.S. § 4-493(20)(i)].

Therefore, it is permissible to conduct the proposed promotion in the Commonwealth in reference to the areas checked below:

- retail licensed premises.
- distributor licensed premises.
- both retail and distributor licensed premises.
- the Board's wine and spirits stores, subject to approval of the Bureau of Product Selection (POS only).
- other – internet, text messaging.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

FAITH S. DIEHL
CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement
James Short, Director of Marketing and Merchandising
Michelle Bonsick, Director, Bureau of Marketing Communications,
Branding & Design
Pamela Bernd, Product Selection

LCB Advisory Opinion No. 13-472