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Group 7 comes
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(get as good as fine
to tax revision)

GUIDELINES FOR TECHNOLOGY TRANSFER

The B.A.T Group can benefit greatly from good transfer of knowhow and technology between its individual operating companies and must ensure the success of such transfer in order to maintain its competitive position in the industry. This document sets out the principles under which B.A.T Germany has agreed to transfer technology to other companies within the Group as part of its strong support of this 'open-door' philosophy.

1. The objectives of these guidelines are:
 - i. to encourage profitable exploitation of its technology by the B.A.T Group,

and
 - ii. to maintain the advantage of the Group by preserving confidentiality and avoiding transfer of knowhow etc. to competitors.
2. Transfer of knowhow etc. will normally be free of charge.
3. Transfer may be effected by some combination of:
 - visits by receiving company personnel;
 - handover of documentation, reports, drawings etc;
 - tests by B.A.T Germany;
 - possibly engineering design projects carried out by B.A.T Germany for the receiving company.
 - possibly actual supply of equipment by B.A.T Germany.
4. In order to ensure optimum use of available knowhow in the Group, PP & D (Millbank) will coordinate transfer.
5. Receiving companies will sign a secrecy agreement, copies of which will also be signed by the key people in those companies concerned with applying the knowhow. They will be responsible for the maintenance of confidentiality to the B.A.T Group.
6. Manufacture of equipment covered by the knowhow will not be carried out by third parties unless absolutely necessary - in which case a special agreement on licencing terms etc. will be arranged.

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If components of a process have to be manufactured externally the receiving company is responsible for guarding against leakage of the relevant knowhow.

7. A reasonable amount of test work etc. will be free of charge, but should substantial effort be called for from B.A.T Germany a charge level will be agreed with the receiving company.
8. In collaboration with B.A.T Germany further development may be carried out in Germany, in GR & DC or elsewhere as appropriate

In this way an active transfer of knowhow and its intelligent application provides a contribution to the maintenance of our product quality level and to the reduction of production cost-key objectives in an increasingly competitive environment.

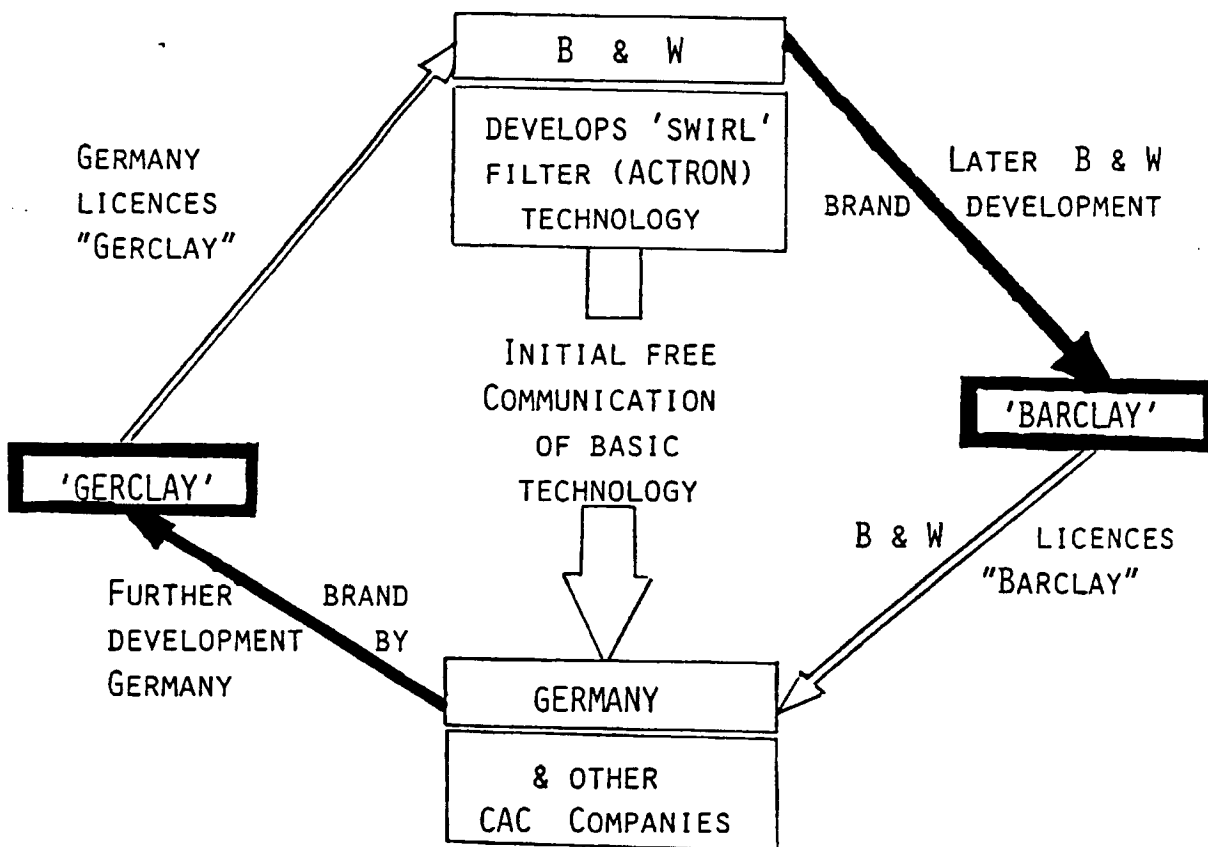
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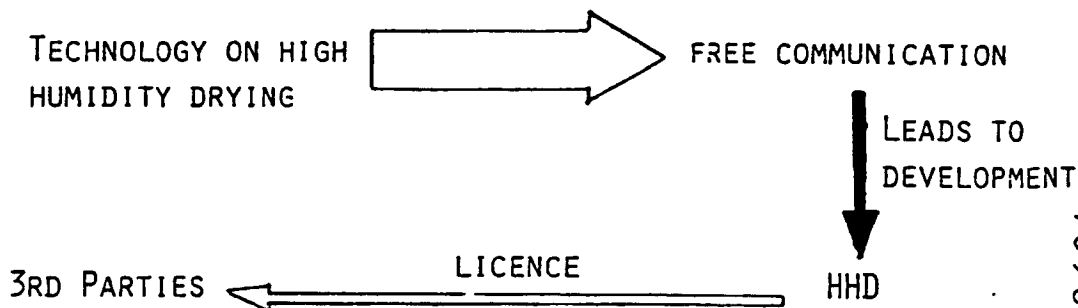
EXCHANGE OF TECHNOLOGY

EXAMPLES FOR PRODUCT & PROCESS

PRODUCT:



PROCESS:



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