

MABE COMPLIANCE POLICIES

I. INTRODUCTION

Mabe has zero tolerance towards bribery and corruption. All forms of bribery and corruption are unacceptable and are prohibited. Whoever we may deal with, and wherever we may operate, we are committed to doing so lawfully, ethically and with integrity. We must not, and we must ensure that any third party acting on our behalf does not, act corruptly in our dealings with any other person. Mabe will support employees and any third parties who refuse to pay or accept bribes and they will not be subject to retaliation, or other adverse consequences, even where such refusal results in loss of business for the company. Mabe's CEO is giving support to these policies and is encouraging all employees, directors and officers to observe and commit with the policies. Everyone at MABE has a duty to read, understand, observe and sign these policies, and to be aware of the help and support MABE is providing to support us in doing business the right way. Our ethics are everyone's responsibility.

These Policies have also been designed to promote compliance with laws and regulations; this includes Anti-Bribery and Corruption (ABC) laws which have global reach, and apply across all countries in which Mabe operates.

MABE DIRECTORS, OFFICERS AND EMPLOYEES SUBSIDIARIES AND CONTROLLED AFFILIATES must follow these policies.

Entities in which MABE owns more than 50 percent of the voting rights, or has the right to control the entity, are required to adopt and follow MABE compliance policies.

Non-controlled affiliates should be encouraged to adopt and follow MABE compliance policies

THIRD PARTIES REPRESENTING MABE employees working with third parties, such as consultants, agents, sales representatives, distributors and independent contractors, must:

- Require these parties to agree to comply with relevant aspects of MABE's compliance policies.
- Provide these parties with education and information about policy requirements.
- Take action, up to and including terminating a contract, after learning that a third party failed to abide by MABE's compliance policies.

BUSINESS PRACTICES POLICY

I. NEED FOR A POLICY

I.1. The commercial development of MABE and the Companies requires the reaffirmation of certain essential principles of commercial ethics.

Improper conduct by the directors, management or by the employees of MABE or the Companies can result in serious consequences, not only for MABE and the Companies, but also for any directors, management or employees involved. Therefore MABE and the Companies shall abide by this policy on Proper Business Practices.

II. SCOPE OF THE POLICY

II.1. The rules hereby set forth refer to the prohibition of improper payments and political contributions.

II.1.1 Prohibition of Improper Payments

- a)** MABE and each of the Companies shall offer products and services upon competitive terms or conditions with respect to design, price, service, quality and other similar considerations only. Consequently, no director, manager or employee of MABE or of the Companies shall, in violation of any applicable law or this policy, offer or give any bribe, payment, compensation, gift, anything of value or any similar thing to any person of firm employed by or acting on behalf of any customer or of an agency of any government, for the purpose of inducing any favorable decision or of avoiding any unfavorable decision on any matter or transaction whatsoever.
- b)** MABE and the Companies shall only contract with sales representatives, distributors, dealers, external consultants and counselors who are individuals or companies of recognized reputation and whose remuneration has a reasonable relationship with the services they render.

- c) The foregoing is not intended to prohibit those gifts which, in accordance with custom, are normal in business relations. A normal gift its considered under \$100 usd dollars.
- D) An improper payment to gain advantage in any situation is never acceptable and exposes you and MABE to possible criminal prosecution. MABE expressly prohibits improper payments in all business dealings, in every country around the world, with both governments and the private sector. Improper payments should not be confused with reasonable and limited expenditures for gifts, business entertainment and customer travel and living expenses directly related to the promotion of products or services or the execution of a contract. These payments are acceptable, subject to specific MABE corporate and business guidelines.

II.1.2. Political Contributions

MABE and the Companies shall not make, directly or indirectly, contributions to political parties or to candidates for political office except as permitted by law, as is mentioned on our Mabe compliance policy on the section INTEGRITY AND OPENNESS. Public download on www.mabe.cc

The foregoing is not intended to prohibit the personal participation by employees in political activities of their preference and their own expense.

II.1.3. Books and Records

MABE and the Companies shall devise and implement a system of records designed to reflect accurately the amount and purposes of all expenditures made. Such system will include specific provisions for recording all compensation, gifts, contributions, business entertainment and other payments and grants relevant to this policy.

II.1.4. Periodic Reviews and Reports

At least annually MABE and each of the Companies will perform a review of compliance with this policy and shall report the results of such reviews to their Board of Directors either stating the audit resulted in no deviations to this policy or, if deviation were detected, they were corrected and resolved.

II.1.5. Education

All Mabe Employees of MABE including the Directors, Executive Senior Band, Executive Band and employees in general shall be instructed in the requirements of this policy at least annually. New employees shall be instructed in this policy upon commencement of their employment in addition to the yearly instruction described above.

III.1 Raise and report

If you have a concern about compliance with MABE policies, you have a responsibility to raise that concern in an anonymous way. However, if you identify yourself, we are able to follow up with you and provide feedback.

CONFIDENTIALITY IS RESPECTED Your identity and the information you provide will be shared only on a "need-to-know" basis with those responsible for resolving the concern.

MABE absolutely prohibits retaliation against anyone for raising or helping to address an integrity concern. Retaliation is grounds for discipline up to and including dismissal.

MABE offers several channels for raising concerns. Use the channel that is most comfortable for you.

Generally, your supervisor, manager or HRBP will be in the best position to resolve an integrity concern quickly. However, your direct supervisor is not your only option. Other resources include:

- Mabe's Ombudsperson (General Counsel) extension 8180 from any place/country in mabe
- Mabe's Integrity helpline 01 800 6725 433 or at extension 3710 from any place/country in Mabe
- Company legal counsel
- Next level of management

ANTI-MONOPOLY POLICY

I. NEED FOR A POLICY

The commercial development of MABE and of the Companies requires the reaffirmation of certain essential principles of commercial practices.

Conduct by the directors, management or employees of MABE or of any of the Companies tending toward monopolies can result in serious consequences, not only for MABE and the Companies, but also for any directors, management or employees involved. Therefore MABE and the Companies shall abide by this Anti-Monopoly Policy.

II. SCOPE OF THE POLICY

II.1. The rules hereby set forth refer to the prohibition of activities tending to the creation of monopolies.

II.1.1. Prohibition of Activities Tending to Monopolies

MABE and the Companies and their directors, management or employees shall not undertake any activity which tends to create a monopoly and which has

as its purpose the increase or prices or the avoidance of the free exchange of production, commerce or services to the public in violation of the relevant prohibitions of any applicable laws or regulations of the jurisdictions where MABE or the Companies operate.

II.1.2. Prohibited Agreements

MABE and the Companies and any of their directors, management or employees shall not enter into any agreement express or implied with a competitor which limits or restricts competition with any competitor or any third party in violation of the relevant prohibitions of any applicable laws or regulations of the jurisdictions where MABE or the Companies operate.

II.1.3. Exchange of Information with Competitors

MABE and the Companies and any of their directors, management or employees shall not discuss with a competitor or any third party acting for a competitor, or give to a competitor, or accept from a competitor information on any subject as to which an agreement with a competitor is prohibited by Section II.1.2 above unless such information is relevant and appropriate to a bonafide business transaction with a competitor such as a legitimate buyer-seller relationship. This section does not prohibit obtaining competitive information from independent third party sources who are not acting for a competitor in providing the information.

II.1.4 Exports

With regard to exports, MABE and the Companies and any of their directors, officers or employees shall not undertake any activities, agreements or exchanges of information with competitors which could violate the applicable laws and regulations of the countries to which the products or services are exported.

II.1.5. Periodic Reviews and Reports

At least annually MABE and each of the Companies will perform a review of compliance with this policy and shall report the results of such reviews to their Boards of Directors either stating that the audit resulted in no deviations to this Policy or, if deviations were detected, that they were corrected and resolved.

II.1.6. Education

Employees of MABE and the Companies shall be instructed in the requirements of this Policy at least annually. New employees shall be instructed in this Policy upon commencement of their employment in addition to the yearly instructions described above.

INTER-CORPORATE RELATIONS POLICY

I. NEED FOR A POLICY

I.1. The commercial development of MABE and the Companies requires the adoption of a policy which ensures that MABE and the Companies shall, at all times, maintain their own distinct legal existence, separate and apart from one another. Maintenance of the corporate separateness between and among MABE and the Companies will result in ongoing benefits in particular, insulation of each corporation from claims of creditors and/or liabilities of the other's. Therefore, MABE and the Companies shall abide by this policy.

II. SCOPE OF THE POLICY

In general, management of MABE and the Companies should be done by the operating management personnel of such corporations within and in line with MABE's corporate structure. Each of MABE and the Companies may also contract for management consulting services from affiliated corporations.

In addition to the above, there are many additional factors that may enter into the preservation of corporate separateness in any given case. The following points shall provide guidance in the maintenance of this policy:

- Third parties should not be misled as to the identity of the entity with which they are dealing.
- The subsidiary or affiliate should generally not be given express or implied authority to bind parents and affiliates in any way.
- Hiring and firing be done by the management of the subsidiary or affiliate.
- Shareholder and directors meeting should be consistently held pursuant to the charter and bylaws of the subsidiary or affiliate as well as in accordance with the local law.
- The subsidiary or affiliate should not be undercapitalized.
- The subsidiary or affiliate should not operate at a deficit while the parent is profitable unless for independently supportable reasons.
- Creditors of the subsidiary or affiliate should not be misled to the financial strength of the particular entity or as to with which entity they are dealing, i.e. loans and other liabilities with or to third parties should be

clearly documented as to which legal entity is the responsible debtor.

- Loans and other financial and commercial transactions between the parent and subsidiary or affiliate should be formally documented and conducted on an arms length basis.
- The letterhead and other stationery (e.g., invoices, shipping documents, etc.) should clearly indicate that the subsidiary or affiliate is a separate entity from the parent. In this respect, the name of the subsidiary or affiliate should be the prominent element on such stationery.
- The parent and affiliate or subsidiary should not refer to one another as one organization or as divisions, departments, branches or offices of one another.

The above listing should not be considered as complete. Other factors can arise in the general implementation of these guidelines. It is felt that the foregoing, in addition to being specific, are also indicative of the things about which management should remain wary in the maintenance of corporate separateness.

III. PERIODIC REVIEWS

III.1. At least annually, MABE and each of the Companies shall perform and audit of compliance with this Policy and shall report the results of such audit to their respective Boards of Directors. Any deviations shall be corrected by the respective Boards of Directors.

IV. EDUCATION

IV.1. New executives and management employees of MABE and the Companies shall be instructed in the requirements of this Policy at least annually. New executives and management employees shall be instructed in this Policy upon commencement of their employment in addition to the yearly instruction described above.

POLICY OF INTEGRITY AND OPENNESS

GENERAL

I.1 It is the policy of MABE and the Companies to operate with integrity and openness in all of the activities that they undertake, thereby guaranteeing the ethical behavior of all of the personnel of which they are comprised, adhering at all times and with strictness to their philosophy, which consists of the basic beliefs that guide the organization 's work in the accomplishment of its mission of international competitiveness and leadership in Latin America.

I.2 The observance of this policy includes:

- Communication with all operations and confidentiality.
- Adherence to Laws and Regulations
- Government Relations
- Openness with clients, suppliers and competitors
- Safety, Health and Environmental Protection
- Financial and Accounting Controls
- Prevention of Conflicts of Interest

I.3 This Policy of Integrity and Openness is to be made known to all the MABE and the Companies' personnel and in particular to the corresponding Area Directors who are to monitor the application and compliance thereof. Likewise and at least on annual basis, all such personnel is to be instructed and oriented as to the requirements of this policy and new employees are to be so instructed upon contracting with MABE or the Companies. MABE and the Companies will develop and use specific training materials for purposes of this instruction and orientation.

I.4 It is the obligation of all personnel participating in any of the operations of MABE and the Companies to follow this policy and at the same time to promote it. All personnel will be required to report suspected violations of this policy to the designated company officer for resolution.

Moreover, all personnel have the right to be informed to their satisfaction upon requesting any clarification or supplemental information with respect to this policy.

All personnel will acknowledge, in writing receipt of this policy and commitment to adhere to its requirements.

I.5 At least annually MABE and each of the Companies will conduct a review of compliance with this policy and report to the respective Board of Directors any violations found and remedial steps taken in the resolution of such violations.

II. COMMUNICATIONS WITH ALL OPERATIONS AND CONFIDENTIALITY

II.1 It is an obligation of MABE and the Companies to guarantee that any consultation requested by their personnel on this policy receives a timely and open response, in order to comply with the compartment of integrity of the personnel at all levels; at the same time it is an obligation of all of the personnel to maintain strict confidence with the outside regarding information held by MABE and the Companies, particularly that which is considered confidential and to observe the following:

- Make known the Policy of Integrity and Openness to all of the personnel.
- The authority to release information to the outside is to be the exclusive responsibility of the person(s) who is/are to be designated for such purpose by the respective Board of Directors of MABE and the Companies, as applicable.
- Likewise and within the bounds of the criteria for confidentiality set forth above, the information that must necessarily be handled during MABE or the Companies' dealings with third parties is to be adjusted to said criteria and only that information that is strictly indispensable for the performance of the transaction involved is to be transmitted, with the understanding that if, by the very needs of said transaction, information that is confidential or classified must be transmitted, this is only to be done if prior written agreement to maintain said information in strict confidence is executed by the third party(ies) involved.

II.2 MABE and the Companies are to periodically request that their personnel recognize and confirm their commitment to integrity and openness. Newly hired personnel is to understand it and is to provide written agreement to fulfill this policy.

III. ADHERENCE TO LAWS AND REGULATIONS

III.1 For MABE and the Companies it is particularly important to comply with all of the Laws, Regulations and other legal provisions relating to and applicable to their operations and the functioning of their business and therefore, the following behavior is to be followed:

- Fulfill all applicable legal requisites for the operations and transactions carried out. In the event of a question as to the applicability of certain legal provisions, consultation with the respective Area Director is to be made and, where appropriate, with the Legal Department or legal advisors of the organization.
- Provide the same level of care and attention to compliance with Federal, Local and Municipal Laws, Regulations and legal provisions.
- Of particular importance is compliance with the antitrust and competitiveness laws of the jurisdictions where MABE and the Companies operate in order for MABE and the Companies to participate in the economic competition and free trade promotion process in the markets for goods and services in each country, avoiding at all times those practices that could be considered monopolistic or restrictive to said free trade; for example, do not propose or enter into any agreements or understandings -express or implied, formal or informal, written or oral- with any competitor regarding prices or terms and conditions of sale to third parties, production or sales volume, product or service offerings or markets or customers served.
- Other areas of particular importance include dealings with customers and suppliers, dealings with government, health, safety and environmental matters, political contributions, detection and prevention of illegal activities of third parties that jeopardize the organization, conflicts of interest and accounting controls.
- For MABE and the Companies' international transactions, compliance is to be made with the legal provisions that control international commerce in goods and services, lending at all times respect and compliance with the applicable laws of the foreign entities or agencies involved.
- Full collaboration is to be exercised in complying with the reasonably based and motivated requirements of a competent authority.

IV. GOVERNMENT RELATIONS

IV.1 The openness with which relations with government institutions and agencies are to be maintained must remain an outstanding characteristic of MABE and the Companies and their personnel, with the following to be observed in particular:

- A spirit of openness and cooperation with competent authorities is to be shown, with the respective formal requirements to be met always, regardless of whether the government officers involved are at the Federal, Local or Municipal level.
- In no event are gifts, illegal payments or political contributions to be offered or received.
- When any government office, whether Federal, Local or Municipal, is a client of MABE and/or the Companies, compliance with the applicable laws, regulations, standards and procedures is to be assured.

IV.2 Any question regarding the behavior to exercise before any governmental authority is to be communicated for response from the Area Director and, where appropriate, from the Legal Department or the legal advisors of the organization in order to avoid an actual or appearance of illegality or impropriety.

V. OPENNESS WITH CLIENTS, SUPPLIERS AND COMPETITORS

V.1 The relationship that MABE and each of the Companies have with their clients and suppliers must be open in order to assure a stable and permanent relationship with them; therefore, strict business ethics are to be exercised in the purchase of materials, contracting for services, and the sale of products. Likewise loyal, open and free competition must be the norm with respect to the organization's competitors, avoiding any practice that might tend to the fixing of prices, sales conditions or practices that might be held as monopolistic or restrictive of the free trade in goods and services in the markets involved.

- Never are gifts, illegal payments or special contributions to be offered or received during or in connection with commercial negotiations.
- Assurances must be taken so that the social relationships established with clients or suppliers are proper and normal to the regular course of business and are reasonably accepted by the firms involved and by MABE or the Companies as applicable.

V.2 Any question regarding the behavior to follow with clients, suppliers or competitors is to be communicated for response from the Area Director and, if appropriate to the Legal Department or to the legal advisors of the organization in order to avoid an actual or appearance of illegality or impropriety.

VI. SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION

VI.1 MABE and each of the Companies recognize work as a means of personnel development and growth, one which is to prioritize the preservation of the health and of the physical integrity of their men and women and the preservation of the environment. This activity is a commitment and a responsibility of the administration and of all personnel in the labors that are conducted at MABE and the Companies. MABE and the Companies are to permanently strive to provide a safe and hygienic work environment and to avoid negative and damaging effects to the environment.

VI.2 To accomplish the foregoing it is required:

- Complying with the applicable laws, regulations, standards and other legal provisions relating to labor safety and hygienics and to the preservation of the environment.
- All personnel is obligated to respect and generate respect for the standards that are established to protect their safety, health and to preserve the environment.
- Governmental institutions are to be seen as a resource and support mechanism for compliance with the legal aspects of safety, health and environmental protection.
- Contact with the community in order to detect any situations that require correction or prevention and involvement with mutual support committees in the location where MABE and the Companies have operations are to be maintained.

VII. FINANCIAL AND ACCOUNTING CONTROLS

VII.1 MABE and each of the Companies are responsible for drafting, registering and maintaining reports on accounting and financial data for their management, shareholder, and director organizations. The laws on the matter require to maintain precise records with sufficient detail to accurately reflect the operations of the organization and maintain a system of internal accounting controls whereby:

- The drafting, registering and maintaining of accounting and financial reports is to be systematized in order to obtain an uniform basis for measuring, administering and reporting on MABE and each of the Companies' operations.
- The generally accepted accounting principles are to be followed as well as the accounting and auditing practices that are required by the applicable legislation.

- Those in charge of the drafting of said reports are to ensure that the information contained therein is true, accurate and complete.
- In no event is financial information to be revealed without the prior and express authorization of the Directors of the Financial Area.
- The organization auditors are to be allowed access to MABE and the Companies' accounting and financial information and they are to be provided cooperation in the exercise of their functions.
- Immediate notice is to be given to the Director of the Financial Area of any deviation or breach of this policy.

VIII. PREVENTION OF CONFLICTS OF INTEREST

VIII.1 MABE and the Companies recognize and respect the right of its directors, officers and employees to participate in activities of any nature outside of their respective jobs in the organization. Nonetheless, said activities are to be licit and are not to enter into conflict with their respective responsibilities at the organization, to with:

- In no event are the shareholders, directors, officers, and employees of MABE and the Companies to make improper use of the resources of the organization, nor participate in activities that could discredit or influence unfavorably on the good name and prestige of MABE and the Companies.
- Transactions between the organization and its shareholders, directors, officers and employers or relatives (by consanguinity or affinity) of all of the aforementioned are to be in the ordinary course of business and on an arm's length basis and disclosed and evaluated as to fairness and arm's length characteristics prior to the implementation of the said transactions, and if not in the ordinary course or on an arm's length basis, approved by the MABE Board of Directors, including the arrimative vote of at least one of the Directors appointed by the Series "B" Shareholders.
- Activities that could prevent or at all affect the open and responsible conduct within MABE and the Companies are to be avoided.

VIII.2 Any question regarding the behavior desired to be performed and that could in any way present a potential conflict of interest with the responsibilities and jobs that are being conducted in the organization is to be communicated for response from the Area Director and, if appropriate to the Legal Department or to the legal advisors of the organization in order to avoid an actual or appearance of illegality or impropriety.

POLICY AGAINST MONEY LAUNDERING

I. Statement of Policy

MABE and the Companies are strongly committed to comply with all applicable laws to combat money laundering. MABE and each of the Companies shall only do business with customers carrying on lawful commercial activities and whose funds derive from legitimate sources. Every one of the employees of MABE and the Companies is responsible for reading, understanding and accepting the commitment of absolute compliance with this policy. A violation of this policy can result in disciplinary action up to and even including dismissal. Infringement of the law can result in severe sanctions including the application of fines and terms in prison according to the seriousness of the crime.

II. What is Money Laundering?

A. Definition

Money laundering is the process by which criminals convert the proceeds of their illegal activities into a seemingly legitimate product. Contrary to popular belief, money laundering is not limited to drug traffic, financial institutions or cash transactions. Money laundering may involve the purchase of consumer items, including household appliances, by means of postal money orders or bank drafts, electronic transfers, checks and other negotiable instruments.

B. The Crime of Money Laundering

The laws of the different jurisdictions where MABE and the Companies operate consider money laundering to be an unlawful activity and a serious offense with corresponding prison terms and severe fines, therefore, compliance with the present policy is essential for the protection of MABE and the Companies and their employees in regard to schemes which seek the use of products from Mabe and the Companies in order to engage in transactions with funds deriving from illegal activities.

III. Program Against Money Laundering

In order to prevent its products from being used in money laundering activities, MABE has developed a program to prevent and detect these activities and ensure compliance with applicable laws and regulations. This program includes the "Know your client" procedure, export controls, distribution restrictions, acceptable means of payment, procedures for

identifying and reporting suspicious transactions, as well as training and a due diligence element.

MABE's Legal Department is responsible for the anti-money laundering procedures. Any questions related to MABE's policies and procedures must be addressed to MABE's Legal Department.

A. "Know Your Client" Procedures

A fundamental aspect of the MABE program against money laundering is the "Know Your Client" policies and procedures. Under no circumstance shall MABE or the Companies do business with persons or companies which might be involved in drug traffic or other illegal activities, or whose funds apparently do not proceed from a legitimate source or when inaccuracy, inconsistency, doubt or suspicion arises which cannot be cleared up after an investigation has been carried on.

In order to protect MABE the Companies and their employees from the risk of inadvertent violation of applicable laws, MABE has developed policies and procedures for identifying the client, confirming his business background, obtaining sufficient information to examine the legitimacy of his business as a client and the probable source of his income. These requirements are complementary and in addition to the MABE credit policies and procedures which must also be complied with. The amount of information and documentation which must be obtained and the due diligence procedures that should be carried on for each category of client shall be determined by the corresponding Area Director. This determination can vary, according to certain factors, including the type of client (for example a national distributor as opposed to a local one), the nature, background and degree of the relationship, estimated transactions, risk that a client may engage in unauthorized export, the risk profile of the geographic area or country where the client is currently established, and whether or not other risk factors are present. In each case, sales personnel shall be responsible for collecting the information and documentation necessary to provide support for MABE's recommendation to enter into a permanent relationship with the dealer or distributor involved. All due diligence materials must be kept in individual files for five years and shall be handled on an internal and confidential basis, except when their disclosure is required by competent authorities.

In order to identify any abnormal or suspicious activity once a business relationship has been established, employees of Mabe and the Companies must pay careful attention to the client's sales volumes, types and patterns, and their manner of making payment, as well as to any changes in their ownership or control, if the client is a corporation. The appropriate Area Director shall examine from time to time the purchase statistics (volume, product mix, price, etc.) of each client to confirm, among other things, continuous compliance with

established "Know Your Client" procedures, so as to be able to identify any abnormal or suspicious patterns of activity.

Should there arise doubts regarding compliance with the laws and regulations against money laundering on the part of clients, or with the restrictions and controls set up by MABE with respect to distribution, against money laundering or export, or if there appears to be something abnormal or suspicious in the purchasing activity of the client, prompt notice of this activity must be given to MABE's Legal Department, and a due diligence procedure must be undertaken. This due diligence procedure must include a meeting with the client and, should this be the case, an inquiry as to compliance, as well as other pertinent investigation of the client. If as a result of this inquiry, it would appear that the client or distributor might be engaging in money laundering or any other illegal activity, or be infringing MABE's policies and procedures against money laundering, its export controls or distribution restrictions, MABE shall take adequate measures, up to and including termination or suspension of the client relationship, placing the client on trial, providing him with training, requiring the client to adopt acceptable policies and procedures and/or following up on the client's activities.

To reduce the risk of the dealers and distributors for MABE and the Companies being enmeshed into money laundering activities, MABE is urging them, especially those located in high risk geographical areas, to adopt a program against money laundering to include the following:

1. Know Your Client guidelines;
2. Procedures to ensure compliance with laws applicable to foreign trade;
3. Procedures to avoid acceptance of questionable forms of payment;
4. A system of internal controls to ensure compliance with policies and procedures;
5. Training of employees, and
6. A due diligence or analysis function.

In addition, domestic dealers and distributors are urged to adopt procedures to ensure observance of MABE's export controls and its restrictions against distribution to unauthorized clients or distributors.

Warning Signals

The following are indicators for suspicion or warning signals in the "Know Your Client" procedure:

- The client refuses or objects to submitting an application, is reluctant to provide all required information or documentation, or the information or documentation is inexact, inconsistent or of a suspicious nature;
- The client uses a fictitious name or false identification;
- The legitimacy of the client is in doubt (missing letter-head, a third party's fax number, irregular office hours, home address is the same as that of the company representative, business is carried on at irregular hours or in questionable places);
- Client discourages or opposes visits to his place of business;
- Orders/purchases are inconsistent with client's historic or scheduled purchase patterns (e.g., inexplicable sales rises);
- Client opposes MABE's established conditions and forms of payment or requests unaccustomed methods of payment or financial conditions or other deviations from MABE policy.
- Client appears to be uninterested in negotiating price levels or determining whether the products satisfy his needs;
- Client offers to pay a bonus or contribution;
- Client offers to pay large sums in cash; or
- Client attempts to pay in an unacceptable or suspicious manner, e.g., several money or bank orders, traveler's checks, cashier's checks, or third party checks.

In case any of these warning signals are observed, MABE's Legal Department should be notified of this and transactions with client suspended until the situation is investigated and suitable action adopted.

B. Export Controls and Distribution Restrictions

In order to guarantee compliance with the program against money laundering and control the export of MABE appliances, MABE and the Companies apply strict export controls and restrictions on distribution by dealers and distributors. These export controls and restrictions on distribution aim to guarantee that exports are sold exclusively through companies controlled by MABE or by authorized foreign dealers and distributors and that the products are suitable and can be safely used in foreign countries.

According to MABE's policy, domestic dealers and distributors are allowed to sell household appliances exclusively to end users at retail within the domestic territory. It is expected that all of MABE's domestic dealers guarantee compliance with these controls and that they train suitable personnel, in particular sales personnel and others in positions from which they supervise observance of said controls according to MABE policy and procedures to be followed by dealers and distributors. Failure to comply with export controls and distribution restrictions shall constitute a cause for termination of the agreement entered into between MABE and the client.

According to MABE policy, distributors in other countries cannot re-ship or re-export appliances from the country of initial import without prior written consent from MABE or the applicable Company (unless domestic law prohibits this type of stipulations).

On the other hand, MABE has the policy of investigating any violations of its export controls and distribution restrictions. As soon as a MABE employee obtains information relating to possible violations of these controls or restrictions, he should immediately notify MABE's Legal Department, who will investigate the activity. If it is determined that a dealer or distributor is violating the controls or restrictions, MABE shall take measures appropriate to the circumstances at hand, in order to remedy the situation, including termination, suspension, period of conditional trial, client training, increased supervision of sales and/or implementation of a stricter program on the part of the client against money laundering and improvement of procedures to ensure compliance with MABE's export controls and distribution restrictions.

C. Restrictions on Payment

Another important measure taken by MABE to detect money laundering through the purchase of MABE products has been limiting the forms of payment considered acceptable. In general, MABE's payment policy forbids accepting forms of payment which conceal the true identity of the client or the source of the funds.

Preferred methods of payment include:

- Payments with client's check bearing his printed name and drawn on an account in client's own name;
- Payment by wire or electronic transfer of funds whereby the client is the one who originates the transference of said funds.
- Payment by irrevocable letter of credit, whereby the client is the holder of the account and the invoice numbers are listed in the letter of credit.

MABE's policy restricts in general the following methods of payment:

- Cash payments. Payments in cash can only be accepted in those limited circumstances in which it is important from client service or marketing perspective; where the client is well-known and on the basis of his background; where previous written authorizations exist issued by the responsible managers and Legal Department of MABE, once it has been determined that the cash payment is not indicative of illegal activity and facts such as customary business usage in similar transactions and the client's geographic zone of location are taken into consideration.
- Payment by money order or bank drafts, traveler's checks and negotiable instruments issued to bearer.
- Payment in "packages" of instruments or several instruments to pay a single invoice.
- Payment by cashier's checks or bank drafts which do not identify the payer. Payment by foreign bank drafts which do not identify the payers can only be accepted in those exceptional cases in which the client does not have an account in US dollars, the draft is drawn in the country of the client's domicile and there exists prior written authorization issued by the responsible managers and Legal Department of MABE.
- Payment with checks issued by third parties or checks drawn on accounts of third parties that are not related to the transaction, unless a joint payment has been previously and properly authorized, i.e., a construction project or similar credit arrangement established by the MABE Credit and Collections Department.
- Sales to a client on behalf of someone else, unless this arrangement is contemplated as part of a legitimate credit arrangement established by the MABE Credit and Collections Department.

In case MABE or a Company receives an unacceptable method of payment, notice must be given to MABE's Legal Department before the payment is deposited, should this be possible, and in any case before crediting the amount involved to the client's account. MABE's Legal Department shall determine if the method of payment is appropriate, given the circumstances. If the method of payment is authorized, MABE's Legal Department should document the reasons for authorizing the transaction. Furthermore, regardless of the method of payment, if a payment arouses suspicions or when carrying out a transaction there are indications that are cause for concern, the transaction should not be completed and immediate notice should be given to MABE's Legal Department.

D. Notice of Questionable Activity

As was previously mentioned, all of MABE's employees must be alert for any deviant or suspicious activity on the part of the clients, dealers and distributors of MABE and the Companies. Any activity, conduct or unusual or suspicious circumstances should be reported to MABE's Legal Department, who shall investigate the activity and determine whether or not the activity is suspicious and whether other additional measures are indicated, including suspending relationship with the client, terminating or suspending relationship with a dealer or distributor and/or following up on future activities or transactions.

E. Information and Training

In order to ensure compliance with the laws and regulations against money laundering and with the MABE Policy Against Money Laundering and its related procedures MABE and each of the Companies must provide, on a yearly basis, training on the matter for all pertinent employees. In addition, to make sure that all MABE and Company dealers and distributors understand fully and comply with MABE policies against money laundering, including export controls and distribution restrictions, MABE and the Companies shall provide dealers and distributors with informational materials. It is expected that all dealers and distributors explain the MABE policies against money laundering and export controls and distribution restrictions to their respective employees. In geographic areas where there is significant risk for money laundering, the sales personnel for MABE and each of the Companies should also meet with the dealers and distributors to discuss MABE policies against money laundering and its export controls, so that they may be aware of potential problems related to unauthorized export and encourage them to implement a program against money laundering.

F. Due Diligence

To guarantee that the MABE Policy Against Money Laundering and its related procedures are being observed and are effective, MABE's Legal Department must report , on a yearly basis, to MABE's Audit Committee any detected issues . When issues are detected, Mabe's Internal Audit Department may also with the collaboration of MABE's Legal Department conduct a due diligence procedure on the dealers and distributors involved, to verify whether or not they are complying with MABE policies against money laundering as well as with its export controls and distribution restrictions.

All the information obtained concerning a client, dealer or distributor shall be kept confidential and shall only be used to corroborate compliance with this policy and the programs and procedures for its application.