

Code of Responsible Practices for Alcoholic Beverage Marketing and Advertising

Preamble

The Colombian Liquor Industry Association (ACIL), the Colombian Liquor Imports Association (ACODIL) and BAVARIA S.A., as producers and representatives of manufacturers, importers and distributors of domestic and foreign alcoholic beverages, are committed to responsible corporate and brand communication.

Moderate consumption of alcoholic beverages has played a significant role, and is generally accepted, in the cultural and social traditions of Colombia, as in other countries of the world. ACIL, ACODIL and BAVARIA are proud to be part of these traditions, but also are committed to promoting responsible consumption among adults of legal purchase age that chose to drink alcoholic beverages, promoting abstention among minors, and discouraging abusive consumption of their products.

The purpose of this Code is to document this commitment and to provide a framework for the enforcement of responsible marketing, advertising and promotion of alcohol beverage products.

Chapter I Background

Article 1. This Code applies to all activities undertaken to advertise and market beers, *refajos*, distilled and fermented spirits, regardless of their alcoholic content. These activities include brand advertising, consumer communications, promotional activities, packaging, labelling, product placements, and point of sale material (POSM).

Article 2. The provisions herein apply to all kind of media, whether video, television, printed or electronic, including Internet and other on-line communications, used to advertise and market alcoholic beverages.

Article 3. ACIL, ACODIL and BAVARIA members acknowledge that it is not possible to cover every eventuality and therefore agree to observe the spirit and the text of this Code. Questions relating to the interpretation of this Code, and compliance thereof by ACIL, ACODIL and BAVARIA members, as well as the enforcement of its provisions will be submitted to the Compliance Committee.

Article 4. ACIL, ACODIL and Bavaria members also commit to do their best efforts to ensure that third parties acting as their distribution agents comply with the provisions contained herein in their advertisement and marketing activities.

Chapter II Placement and Responsible Content

Article 5. Alcoholic beverage marketing, advertising and promotion must be targeted at adults of legal purchase age, who choose to drink, and must comply with laws and regulations in force in Colombia.

Article 6. Alcoholic beverage marketing, advertising and promotion of all forms must not be targeted directly or indirectly at individuals below the legal purchase age.

Article 7. Alcoholic beverage marketing, advertising and promotion should not be broadcast on open television, cable or closed circuit services, radio, newspaper or alternate media, unless it is expected that at least 70% of the audience are individuals above the legal purchase age. The above shall be determined, as applicable, through reliable, up to date audience ratings. Should there be no audience or reading ratings, the content and the target audience of the corresponding program or advertisement shall be analyzed. In any event, schedule restrictions established by pertinent authorities shall be respected.

7.1 To ensure compliance with these undertakings, target audience and reader composition must be reviewed as frequently as changes in content requires, but at least once a year, to ensure that such ratings are up to date and in compliance with Article 6 herein.

7.2 Internal surveys and audits can be made to confirm compliance with this Code, but must result in pertinent corrective measures in future marketing and advertising placements.

7.3 Alcoholic beverage marketing and advertising should not be placed on the comic pages of printed media.

Article 8. Appropriate measures shall be taken to ensure that alcoholic beverage marketing and advertising is not aimed at events unless at least 70% of the audience is reasonably expected to be above the legal purchase age.

8.1 Advertising on internal banners and POSM may only be placed in such spaces in events, where most of the attendants are reasonably expected to be adults of legal purchase age. The Compliance Committee will regulate the objective criteria to determine the type of spaces and events to which the above restriction will apply.

Article 9. Graphic merchandising, POSM, posters, ads and banners may be displayed inside and outside retail premises, such as stores, self-service outlets, bars, restaurants and other on-premise sites, provided such content is framed within the parameters set forth in articles 15, 16 and 17 herein, and pursuant to the regulations in force.

Article 10. No ads, posters or any other outdoor graphic material may be placed within 200 metres of elementary or secondary schools.

Chapter III Responsible Drinking

Article 11. Alcohol beverage marketing, advertising and promotion shall be aimed at individuals of legal purchase age, who have decided to consume them. Under no circumstances should

alcoholic beverage marketing, advertising and promotion be associated with the attainment of adulthood or the “rite of passage” to adulthood.

Article 12. Alcoholic beverage marketing, advertising and promotion should not include or depict any person below the legal purchase age, nor any objects, images or cartoons that could be deemed to be attractive to persons below the legal age. At any rate, all models and actors employed in alcoholic beverage marketing and advertising should not be, or seem to be, below the age of 21.

Article 13. No brand identification, including logos, trademarks or names, should be used or licensed for use in toys, games, game equipment or other items intended for use primarily by persons below the legal purchase age. Clothes and accessories can be identified with the logo, trademark or name of a beverage alcoholic product, provided that they are not designed and manufactured for sizes that will specifically fit persons below the legal purchase age.

Article 14. Age verification mechanisms must be in place on Web pages, where alcoholic beverages, produced, imported or distributed by the companies subjected to this Code, are marketed, advertised or promoted. The Compliance Committee will regulate these verification mechanisms to ensure their effectiveness.

Article 15. Alcoholic beverage marketing, advertising and promotion must exhibit products within a responsible setting. The product and its consumers may be portrayed as part of a social or romantic setting, in celebrations or parties, with persons who appear to be attractive or affluent, or who seem to be in relaxing or enjoyable settings. Alcoholic beverage consumption should however not be depicted in excess or in an irresponsible way. Consequently, these materials may not:

- 15.1** Portray persons in a state of intoxication;
- 15.2** Suggest that intoxication is a socially acceptable conduct;
- 15.3** Suggest that alcoholic beverages contain any curative or therapeutic effect, except as permitted by law;
- 15.4** Suggest that alcoholic beverage consumption will help consumers attain social, professional, educational or athletic success;
- 15.5** Be presented in any situation associated with violence, illegal activities of any nature, or with dangerous or anti-social activities;
- 15.6** Be presented in situations associated with activities that require a high degree of alertness or physical coordination;
- 15.7** Present, suggest or motivate driving under the influence of alcohol; or
- 15.8** Present pregnant women or suggest that alcoholic beverage consumption can help in lactation.

Article 16. Alcoholic beverage marketing, advertising and promotion must conform to generally accepted, contemporary standards of good taste. Consequently, such marketing and advertising may not:

- 16.1** Degrade the image, form or status of women, men or any ethnic, racial, sexually-oriented or religious group, whether in the minority or not;
- 16.2** Contain images usually considered indecent or pornographic;
- 16.3** Use language generally considered indecent; or
- 16.4** Employ religion or religious themes in a degrading manner.

Article 17. Alcoholic beverage marketing, advertising and promotion may depict affection or amorous gestures and other attributes associated with friendship and sociability, including celebration and party settings. While the brand may be portrayed as a mark of good taste and discernment, alcoholic beverage marketing and advertising may not rely upon sexual prowess or sexual success as a selling point for the brand. Consequently, these materials may not include:

- 17.1 Graphic nudity;
- 17.2 Overt sexual activity;
- 17.3 Promiscuity;
- 17.4 Indecent or pornographic images or language; or
- 17.5 Signs of alcohol intoxication.

Article 18. On-premise promotions should encourage responsible consumption among those adults who decide to drink. Where free sampling is performed, appropriate measures must be employed to safeguard against underage drinking.

Article 19. Alcoholic beverage marketing, advertising and promotion shall not refer to the alcohol content of a beverage, except for information purposes, and shall not promote the potency of alcoholic beverages.

Article 20. Alcoholic beverage marketing, advertising and promotion shall always comply with sanitary laws and regulations in a visible or audible manner. The Compliance Committee shall regulate size, text and placement of written warnings and the duration, characteristics, text and placement of verbal warnings.

Chapter IV Enforcement of Compliance

Article 21. ACIL, ACODIL and BAVARIA, by common consent, shall establish the necessary enforcement mechanisms to ensure compliance with this Code and shall disclose this Code to their affiliates, officials, employees, advertising agencies and other external consultants involved in marketing, advertising and promotion activities.

Article 22. ACIL, ACODIL and BAVARIA will appoint a Compliance Committee as guardians of this Code and as mechanism for the resolution of disputes. The Compliance Committee shall be comprised of two (2) ACIL members, two (2) ACODIL members, two (2) BAVARIA members and one (1) external member appointed by mutual agreement. The Compliance Committee shall be made up, to the extent possible, of officials from functional areas other than marketing and sales.

Article 23. The Compliance Committee shall meet as and when required, for the purpose of analyzing any complaints and claims associated with the content of the Code. The Compliance Committee will establish its own regulations, which must include a warning and sanction regime.

Article 24. The Committee decisions will be taken by a majority vote. A majority shall be construed as the vote of at least 4 members.

Article 25. In the case that the member in question is an industry association, the sanctions, obligations and other stipulations will apply directly to both the industry association and the company in default.

Article 26. Any proceeding before the Compliance Committee shall be held on the petition of at least one of the members, ACIL, ACODIL or Bavaria, or a member company of ACIL or ACODIL.

Article 27. Any petition to pass a resolution on compliance with this Code shall be made in writing, justified and sent to the Compliance Committee.

27.1The petitioner is obliged to attach to the petition a copy or recording of the contested advertising.

27.2After receiving the petition, the Compliance Committee shall send a copy of the petition to the member whose advertising is contested and shall convene a meeting of the Compliance Committee on a day not later than two weeks after receiving the petition, in order to pass a resolution.

27.3The member against whom the petition is made, may present its standpoint or justification in writing, within ten days from receiving a copy of the petition.

Article 28. The proceedings shall end by passing a resolution, with justification, in which the resolution either:

28.1Ascertains compliance of the marketing, advertising and promotion with the Code;

28.2Ascertains non-compliance of the marketing, advertising and promotion with the Code;
or

28.3Refuses to consider the petition if such was lodged by an unauthorized entity or applies to activities not covered by the Code.

The Compliance Committee shall do its best efforts so solve the issue in one meeting. If this should not be possible, a further meeting shall be called at the earliest convenience of Compliance Committee members.

Article 29. Resolutions passed by the Compliance Committee are final. Resolutions must be signed by the Compliance Committee members and must order that the resolution be delivered within seven days to the affected member and the petitioning member.

Article 30. If a resolution is passed finding non-compliance of marketing, advertising and promotion with the Code, the Compliance Committee shall apply sanctions that:

30.1Demand the offending member to give up the marketing, advertising and promotion to which the resolution applies with immediate effect; and

30.2Publish the resolution, along with its justification, on a Web page that shall be exclusively established to disclose the findings of the Compliance Committee in the enforcement of the Code.

Article 31. The Compliance Committee can oblige the offending member to publish an announcement of the resolution, in accordance with the following requirements.

- 31.1**The offending member is obliged to publish the announcement within two months from the day of receiving the resolution.
- 31.2**The announcement is to be placed on page 3 of the “El Tiempo” daily newspaper and cover a quarter of its area.
- 31.3**Within seven days from receiving the resolution, the offending member is obliged to provide the Compliance Committee with proof that an order for the announcement was placed.
- 31.4**If the requirements of previous clause are not met or the offending member did not meet requirements regarding the wording or form of the announcement, then the Compliance Committee shall order to publish it itself. The offending member shall then be obliged to reimburse, within seven days after the announcement has appeared, the costs of the publication placed.

Article 32. The Compliance Committee shall publish a summary every year of the complaints and claims received, as well as its conclusions, recommendations and sanctions.

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