

CODE OF ADVERTISING PRACTICE

Code of Advertising Practice has been approved as per that established in the Articles of Asociación para la Autorregulación de la Comunicación Comercial (AUTOCONTROL) at the AGM held on 19 December 1996 and amended at the AGM held on 3 April 2002.

I.- SCOPE OF APPLICATION AND GENERAL RULES.

1.- Scope of application.

These rules on ethics apply to all advertising communication activities which, directly or indirectly, encourage the trading of goods or services or promote trade marks or trade names, whatever the medium used.

2.- Purpose and aims of Asociación para la Autorregulación de la Comunicación Comercial.

2.1.- The purpose of the Autocontrol is to ensure that advertising constitutes a particularly useful instrument in the economic process, to ensure respect for ethics in advertising and to protect consumers' rights, excluding the defence of corporate interests.

2.2.- For purposes of illustration, the following aims of the Association are specified:

- a)** To draw up advertising codes of ethics, both general and sectoral, which cover the basic rules of conduct that are to be respected in advertising activities.
- b)** To settle controversies and conflicts which may arise as a result of a certain advertisement and which the members or third parties may submit.
- c)** To draw up reports and studies of any type or form on issues concerning advertising, when requested either by a member or by a third party.
- d)** To place itself on the court record in order to defend the purposes of the Autocontrol and general interests, in compliance with the advertising legislation in force in Spain.
- e)** To collaborate actively with Public Offices, Public Bodies and International Entities to ensure that advertising adheres to the rules under which it is governed, as well as to carry out requests, draw up proposals, carry out suggestions or issue reports for those organisations and authorities in advertising issues.
- f)** To contribute to the development and improvement of Spanish advertising legislation.
- g)** To work actively with national and international associative organisations which are of interest for the purposes of the Autocontrol.
- h)** Any other activities that are complimentary to or arise as a result of the aims detailed above.

3.- Obligations of members.

The members' obligations are:

- a)** To respect current legislation in their advertising activities, and, in particular, the Advertising Codes of Ethics as approved by the Autocontrol.
- b)** To comply with the decisions adopted by the Jury.



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c) To provide reliable and responsible information on issues which are not of a confidential nature or which are not likely to cause damage or involve serious risks, as and when such information will be requested by the Governing Bodies of the Autocontrol or by the Jury.

4.- The Jury: Composition, Conflict of Interests and Powers.

4.1.- The Jury is a body which specialises in ethical issues. It is composed of prestigious persons in the fields of advertising and commercial communication and has those powers specified in the Autocontrol Articles of Association and in its Rules. The work of the Jury is ruled, amongst other criteria, by independence. As a specialised body, the Jury will enjoy full and absolute independence in its functions.

4.2.- The members of the Jury must abstain in the event of conflict of interests.

4.3.- The Jury's tasks are:

- a) To draft and elaborate the preliminary texts of advertising codes of ethics, which are passed on to the Autocontrol's Executive Board for final processing.
- b) To handle complaints submitted by members and non-members against specific advertisements which are claimed not to comply with the rules and codes of ethics approved by the Autocontrol, in accordance with its own Rules.
- c) To deliver technical or ethical reports on advertising issues when submitted by the AAP.
- d) To act as a court of arbitration in advertising disputes which have been submitted to the Jury.
- e) Any other duties, regarding advertising issues, referred to the Jury by the Executive Board.

5.- The Jury: Full Session or Divisions procedure. Remedy of appeal.

The Jury may proceed as a Full Session or in Divisions. The Divisions will settle complaints due to breach of the rules or codes of ethics enforced by the Jury. The Full Session will be competent to decide remedies of appeal against the decisions of the Divisions.

6.- Procedure.

Procedure will be brought "ex officio" or by a complaint of any interested party to proceed against a certain advertisement.

7.- Enforceability of the decisions.

The Jury's decisions are binding for the interested parties and for the remainder of the members.

8.- Subsidiary and complementary rules to the Code.

In all not foreseen in this Code, the current Code of Advertising Practice of the International Chamber of Commerce will apply. The following will also apply:- Complementary to the above, the advertising codes of ethics for specific sectors which have been approved by the Autocontrol and, subsidiary to these, those established for specific sectors by the International Chamber of Commerce.- Complementary to the above and by way of a substitute for the above, the advertising codes of ethics adopted by the business associations for specific sectors, once they have been approved by the Executive Board of the Autocontrol. This approval will be temporary



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pending final approval by the General Meeting.-The aforementioned regulations will apply as long as they do not oppose this Code or the current legislation.

II. RULES ON ETHICS.

A.- Basic Principles.

1.- The Value of Advertising.

No advertising communication should be unworthy of the service which advertising provides to the market whose good operation it must contribute to.

2.- Respect for legality and for the Constitution.

Advertising must respect current legislation and especially all values, rights and principles recognised under the Spanish Constitution.

3.- Interpretation of advertising.

3.1.- Advertisements and advertising claims must be equitable and broadly defined avoiding the break-down of their parts and taking into account the overall impression generated in the mind of the consumers.

3.2.- Nevertheless, those parts of advertisements specifically stressed and those that hold the consumers' attention must be analysed with particular attention.

3.3.- In any case, when advertising has an stressed message, the advertiser should take the appropriate measures to make the rest of the advertisement clearly understood, in such a way that it does not lead to relevant modifications or limitations of the main message.

3.4.- When analysing an advertisement, the Jury might take into account related or even external aspects, if such aspects could influence the interpretation of the message by consumers. In particular, the Jury might analyse the influence that the following factors may have on the interpretation of the message: the time when the message is broadcast; the media used; the channels and ways of marketing the product; or other previous or simultaneous advertising campaigns, in that or other media, related to the message analysed.

4.- Good faith.

Advertising must never constitute a means to abuse the good faith of the consumer.

5.- Exploitation of fear.

Advertising will not offer reasons for purchasing which take advantage of fear, distress or superstitions of those to whom it is addressed. Advertisers may resort to fear as long as it is proportionate to risk, in order to encourage prudent behaviour or to discourage dangerous, imprudent or illegal actions.

6.- Non incitement to violence.



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Advertising will not incite violence, nor will it suggest that there are any advantages in violent attitudes.

7.- *Non incitement to illegal behaviour.*

Advertising will not incite illegal behaviour.

8.- *Respect of good taste.*

Advertising must not include contents that cause offence against prevailing standards of good taste, social decorum, and good customs.

9.- *Dangerous practices and security.*

Advertising must not encourage dangerous practices, except when made in a context in which it may be specifically deduced that it encourages safety.

10.- *Discriminatory advertising.*

Advertising must avoid endorsing discrimination based upon race, nationality, religion, sex or sexual orientation. Advertising must respect human dignity.

11.- *Right of honour.* Advertising must necessarily respect the right of honour, privacy and personal image.

12.- *Respect for the environment.*

Advertising will neither incite nor encourage behaviour that may be damaging to the environment.

B.- *Authenticity.*

13.- Advertising will be clearly disclosed as such, whatever the medium used.

C.- *Principle of Truthfulness.*

14.- Advertising will not be misleading. Misleading advertising refers to that advertising which in any way, including its presentation, or due to inaccuracies in the substantial data contained therein, or by ambiguity, omission or other circumstances, induces or may induce erroneous conclusions in users. All statements must be understandable, exact and demonstrable by the advertiser, in particular with regard to:

14.1.- Characteristics of goods, activities or services such as:

- a) Geographic origin or denomination.
- b) Nature.
- c) Composition and specifications.
- d) Availability conditions.
- e) Method and date of manufacture, supply or performance.



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- f) Novelty. Reference to novelty must indicate whether it concerns a new item in the market or whether it consists of new aspects of those advertiser's products which are already known in the market. Reference to something new must not be claimed in an abusive manner.
- g) Results from use of the product or service.
- h) Results from tests or studies on the products or services.
- i) Risks arising from the use of the product.

14.2.- Price. Price indication in advertising requires that it is complete or is established as an estimate or a method of assessment.

14.3.- Legal and financial conditions of purchase, use and delivery of the products or performance of the services, including, where applicable, the guarantees being offered.

14.4.- Nature, qualifications and rights of the advertiser, in particular regarding:

- a) Identity, capital and professional qualifications.
- b) Industrial or intellectual property rights.
- c) Prizes or distinctions received.

14.5.- After-sales services.

14.6- Relevant limitations of the offer.

D. Rules on certain advertising forms and techniques.

15.- Guarantees.

Advertising must not contain any reference to a guarantee that does not improve the legal position of the purchaser. Advertising may contain the words "guarantee", "guaranteed", "certified" or words having the same meaning only if the full terms and contents of the guarantee are clearly set out.

16.- Availability of products.

Offers must not be made of products or services that cannot be supplied or provided, unless the advertisement indicates the time-scale for delivery.

17.- Technical data.

When technical, scientific or statistical data are included in the advertisement, they must be relevant and comparable, and they will not create confusion with regard to individuals or legal entities, the nature of these or other supporting circumstances.

18.- Comparative tests.

Publication of comparative tests on products or services must reveal the identity of the individuals and legal entities that have carried them out, as well as the date on which they were carried out. In the event of partial spreading, this must be done in an equitable way.



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19.- Testimonials.

When advertising includes recommendations and/or testimonials, that is, assertions from parties not connected to the advertiser and who are not acting as spokesmen for the advertiser, whether they are paid or not, advertising must be truthful. Specifically, with regard to the person recommending/testifying and to the content of the recommendation and/or testimonial. Testimonials must be used only with the permission in writing of those giving them. The advertiser must be able to prove the truth of the testimonial. Such advertising may only be used as long as the above conditions are held to be valid.

20.- Exploitation of the prestige of others and imitation.

Advertising must not contain either explicitly or implicitly, any reference to the distinctive signs of another advertiser, other than in legal or conventionally permitted cases or in the case of acceptable comparative advertising. Advertisements will not imitate the general outline, text, slogan, distinctive signs, visual presentation, music, or sound effects of other national or foreign advertisements, even if they have come to an end, particularly if likely to create confusion or if intended to generate undue advantage. In advertising all risk of confusion must be avoided.

21.- Denigration.

Advertising must not implicitly or explicitly denigrate or disdain other companies, activities, products or services. Exact, truthful and pertinent advertising claims will not be considered denigrative. At no time should a competitor be mentioned with reference to his personal circumstances or his company's.

22.- Comparisons.

Comparative advertising, be it direct or indirect, must respect the requirements listed below. Advertising which establishes a comparison between its own activity, services or establishment and those of others must be based on essential, similar, analogous and objectively demonstrable characteristics. Such advertising will always be truthful and will not be expressed in disdainful or denigrating terms. In the case of comparisons between products or services, at no time will a comparison be accepted with others which are not similar or which are unknown or have a limited participation in the market.

23.- Proof of advertising claims.

Statements included in advertising to which reference is made in articles 14, 17, 18, 19, 20, 21 y 22, must be accredited immediately before the Jury of Advertising Self-Regulation, when required.

24.- Distance selling.

Advertising related to distance selling or sales outside the premises must clearly describe the products offered for sale, prices, payment and delivery conditions, as well as return or cancellation clauses in the legal terms. The full name and address of the advertiser will be clearly indicated.



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25.- Promotions.

Promotional advertising, such as contests or similar operations will clearly indicate the conditions of participation and the expiry dates. At no time will the necessary conditions for obtaining the prize or the costs involved receiving it or taking part in the promotion be concealed.

26.- Common characteristics.

No advertiser may suggest in their advertising that their products or services possess characteristics which are particular to them, when these are common to the various similar products or services.

27- Charity campaigns.

27.1.- When advertising mentions the advertiser's participation in a charity act or campaign, advertising must be absolutely respectful with the principles of good faith and truthfulness.

27.2.- Besides, the following rules should be observed:

- a) The advertiser must, explicitly, unequivocally and without inducing to error, reveal the extent of its participation in the act or campaign.
- b) If advertising names any NGO, the advertiser must have its consent and respect its instructions or conditions of authorisation.

E.- Protection of children and adolescents.

28.- Advertising messages addressed to children must be handled extremely carefully. They must not exploit the natural ingenuity, immaturity, inexperience or credulity of children or adolescents, nor must they take advantage of their sense of loyalty.

Advertising messages addressed to children or adolescents, or which are susceptible of influencing them, must not contain declarations or visual presentations which might damage them mentally, morally or physically.

Special care will be taken to ensure that advertisements do not mislead children as to true size, value, nature, durability or performance of the advertised product. If extra items (for example, batteries) are required to use the product or to produce the results described or shown (for example, paint) this must be explicitly pointed out. Advertisements must not overestimate the degree of skill or the age limit of the children in order to enjoy or use the products.

F.- Health protection.

29.- Advertising must avoid the enticement of its receivers, specifically adolescents, to behave harmfully to their health.