

LAW N°20.393

Law No. 20,393 on Criminal Responsibility of Legal Entities (hereinafter also known as the "Act"), became effective on September 2, 2009 as a requirement suggested by the Organization for the Cooperation and Economic Development (OCED) in order to incorporate Chile as a member. The provisions contained in the Act are applicable to both the private law legal entities and the state-controlled enterprises. Criminal offenses contemplated in the Act are the following:



Domestic or foreign public official bribery: To offer or consent in the giving of an economic incentive to a public officer, in the benefit of him/her, or a third party (Chilean Criminal Code, sections 250 and 251 bis).

Laundering of Assets: Any act aimed at concealing or covering up the illegitimate origin of certain properties knowingly that they arise from the perpetration of criminal offenses related to the illicit traffic of drugs, terrorism, arms trade, promotion of child prostitution, abduction, bribery, and others. (Section 27, Law No. 19,913).

Financing of Terrorism: Individual who, through any means requests, collects or provides funds with the intention that they are used in the performance of any of the terrorist offenses mentioned in Law No. 18,314 (Section 8°).

Receipt of stolen goods: Anyone who, knowing its origin, or ought reasonably to have known its origin, has in his/her possession, at any title, properties stolen, robbed or subject of cattle raiding, and transports, purchases, sells, transforms or markets them in any manner, even when they have already been disposed of (definition in accordance with section 456 bis A of the Chilean Criminal Code).

Corruption between private individuals: When an employee or agent of the private sector who, in the exercise of his/her duties, requests, accepts, offers, or consents to give an economic or other benefit, for himself or a third party; to be favored, to favor or to have favored the contracting with one offeror over another (Article 287 bis and ter of the Criminal Code).

Disloyal Administration: When anyone who administers the patrimony of another person by virtue of the law, authority or contract; and causes a detriment to it, by exercising abusive powers or by executing or omitting any action in a manner manifestly not suitable or for opposite purposes of the interest of the owner (Article 470 clause 11 of the Penal Code).

Incompatible negotiation: When a Director or Manager of a company has direct or indirect interest in some negotiation (vendor, contract work, operation, or management) that may impair its objectivity or ability to render impartial decision involving the company, in breach of the conditions established by law (Article 240 of the Penal Code).

Misappropriation: Anyone who, to the detriment of another, appropriates or distracts money, effects or any other movable property received in deposit, commission or administration; when there is an obligation to return it (Article 470 subsection 1 of the Criminal Code).

Extractive activities without aquaculture concession, in areas of management and exploitation of benthic resources: Anyone who, carries out extractive activities in areas of management and exploitation of benthic resources, without being the owner of the rights of the mentioned areas. (Article 139 bis, Law 18,892).

Management of hydro biological resources in collapsed or overexploited state, or derived products, without proving their legal origin: Anyone who, processes, elaborates or stores hydro biological resources or products derived from them, when they cannot prove their legal origin, and the above mentioned actions correspond to resources that are collapsed or overexploited, according to the annual report of SUBPESCA; or that someone who, having the quality of a trader registered in SERNAPESCA and in accordance with Article 65, commercializes hydro biological resources. (Article 139 ter, Law 18,892).

Water Pollution: Anyone who, without authorization, or contravening the conditions or infringing the applicable regulations, introduces into the sea, rivers, lakes or any other water body, chemical, biological or physical contaminants that cause damage to hydro biological resources. Someone who by recklessness or mere negligence executes the behaviors described in the preceding paragraph. (Article 136, Law 18,892).

Management of prohibited hydro biological resources: The processing, support, transformation, transportation, marketing, and storage of hydro-biological resources that are banned or prohibited. Production, commercialization, and storage of forbidden by-products obtained from hydro-biological resources.

WHAT DOES A CRIMINAL OFFENSES PREVENTION MODEL CONTEMPLATE?

The Criminal Offenses Prevention Model contemplates a policy that defines the guidelines within which the adoption, implementation, and operation of the Criminal Offenses Prevention Model of Blumar S.A. and its affiliates in accordance with the provisions contained in Law No. 20,393 of Criminal Responsibility of Legal Entities for the prevention of the criminal offenses contemplated therein.

On the other hand, it contemplates a criminal offenses prevention procedure that defines the activities leading to the functioning of the Criminal Offenses Prevention Model. Such activities are: Activities of Prevention, Activities of Detection, Activities of Reaction, Supervision, and Monitoring of the Criminal Offenses Prevention Model.

HOW MAY I REPORT AN IRREGULAR SITUATION?

Reporting channel:

Means through which the collaborators or third parties can file their complaints/reports as a result of infractions to the Code of Ethics and Entrepreneurial Conduct, regulations, policies, procedures, and/or other internal and external rules associated to the ethical behavior and Criminal Offenses Prevention Model.

Such channel is available in the corporate website of the Company (<http://www.blumar.com>).

Minimum contents of a complaint/report:

- Identification of the complainant/report, or in an anonymous manner (optional).
- Type of complain/report (Infractions to the Code of Ethics or Law No. 20,393).
- Detailed description of the complaint.
- Attachment of back up information, if available, such as, photographs, files, or other.

DO I RISK SANCTIONS AS A RESULT OF THE NON-COMPLIANCE WITH THE CRIMINAL OFFENSES PREVENTION MODEL?

If an employee violates the Criminal Offenses Prevention Model, the sanction will be determined by the Ethics Committee, depending on the importance of the transgression, enforcing the sanctions stipulated in the Company's Order, Hygiene and Safety Internal Regulations.

WHO ARE PART OF THE ETHICS COMMITTEE?

- The General Manager;
- The Administration and Finance Manager;
- The Audit Manager;
- The Human Resource Manager; and
- Two members of the Board of Directors.

BENEFITS OF THE CRIMINAL OFFENSES PREVENTION MODEL

- Establishment of formal guidelines for the prevention of the offenses;
- Application of preventive actions associated to the exercise of controls by each Division of the Company;
- Implementation of a channel of denunciation that guarantees the anonymity of the complaint/report;
- Improvement of the procedures or controls that confer a better level of efficiency to the Company;
- Support the reputation of the Company both at domestic level and abroad;
- Higher degree of confidence on the part of clients and suppliers of the Company; and
- Eventually, reduction of the sanctions that could be applied to the Company.

IS IT NECESSARY TO CERTIFY THE CRIMINAL OFFENSES PREVENTION MODEL?

It is necessary, each time Law No. 20,393 indicates in order to consider that the duties of direction and supervision of the legal entities are complied with, and in that manner to exempt themselves from criminal responsibility under the Act, they may obtain the certification of the adoption and implementation of their Criminal Offenses Prevention Model. Independent audit firms may issue the certification, risk rating firms, or third parties authorized by the Financial Market Commission (CMF) in accordance with the provisions set forth in Rule of General Applicability No. 302.

The certification must be made in a periodical manner and each time the business conditions change, in accordance with what is established by the Board of Directors of Blumar S.A.

WHICH ARE THE PENALTIES ESTABLISHED BY THE ACT?

- Dissolution of the legal entity or cancellation of its legal authorization to exist;
- Temporary or perpetual prohibition to perform acts or enter into agreements with the state-controlled agencies (2-5 years);
- Partial or total loss of tax benefits or absolute prohibition to receive the same for a certain period of time (20% to 100% of benefits);
- Fines (400 Monthly Tax Units to 300,000 Monthly Tax Units (Unidades Tributarias Mensuales - UTM));
- Accessory penalties (publication of the sentence in a newspaper of national coverage).

WHO IS THE INDIVIDUAL IN CHARGE OF THE PREVENTION OF CRIMINAL OFFENSES?

In accordance with in Law No. 20,393, the Board of Directors of Blumar S.A. designated the Internal Audit Manager, Mr. Ariel Elgueta, as the Individual in Charge of the Prevention of Criminal Offenses. The Board of Directors of Blumar S.A., the Higher Administrative Authorities of its Affiliates, the Office of the General Manager, the Ethics Committee, and the Individual in Charge of the Prevention of Criminal Offenses, will be responsible for the adoption, implementation, administration, updating, and supervision of the Criminal Offenses Prevention Model.

