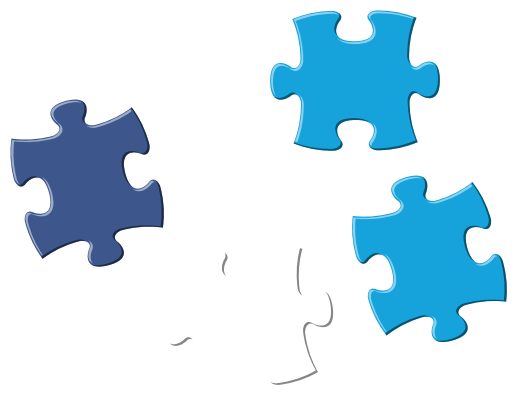


CODE OF ETHICS AND CONDUCT

Midea Carrier ABC JV

Sharing Our Values Throughout The World





CODE OF ETHICS AND CONDUCT

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About the Code of Ethics and Conduct

Midea Carrier ABC JV's ("the Company") Code of Ethics and Conduct ("the Code") is a guidance manual for our daily personal and business interactions. It reflects our model of behavior based on the principles of Integrity, Passion, Respect, and Discipline which are the keys to realizing top performance, profitable growth and overall success for our Company. The Code clearly states that the way we achieve our results is at least as important as the achievement of those results, if not more so. Therefore, our employees (when the Code refers to employees it also refers to third party contractors) should behave with courtesy and decency at all times towards fellow colleagues and outsiders alike, as any inappropriate behavior or action could negatively impact upon the image of our Company.

The Code is applicable to all companies that are encompassed by Midea Carrier ABC JV Joint Venture Agreement; therefore, this Code is binding upon all employees, contractors, vendors and business partners of Midea Carrier ABC JV, including management. Sales people and suppliers are equally subject to applicable requirements, since compliance with the Code is a *sine qua non* condition for doing business with Midea Carrier ABC JV.

Every employee is responsible for demonstrating integrity and leadership in complying with the provisions of the Code of Ethics and Conduct, best business practices, Company policies and applicable laws and regulations. By including a focus on integrity in our business dealings and in the decision-making process, we show our commitment to a business culture that promotes the highest ethical standards.

The easiest way to comply with the Code is by using common sense, and seeking guidance when you are uncertain about something. If you are not sure, ask yourself

the following questions before you take any step:

- Am I authorized to do that?
- Is this a reasonable action to take?
- Is this action legal and consistent with the Code and other policies?
- Would I be comfortable to inform someone I respect about this action?
- Will this action strengthen Midea Carrier ABC JV's reputation as an ethical Company?

If the answer to any of these questions is NO, or if you have questions or concerns about the interpretation or utilization of the Code, or any policy, procedure or standard associated with Midea Carrier ABC JV, you should discuss the issue with your supervisor/director, Human Resources or the Legal Department.

No retaliation will be taken against anyone for complaining, communicating, participating in, or helping with the investigation of a suspected violation of the Code, unless the allegation or the information provided shall prove intentionally to be fraudulent. Midea Carrier ABC JV will maintain confidentiality of all concerns raised to the maximum extent possible.

The Code shall become effective as of [March 2013], subject to clarification and updates by the Company regularly. The Code is also available online. If you wish to have additional information about any of the topics addressed in the Code, please feel free to see the Human Resources team in your business unit.

Our Relationship With People

We do our best to maintain successful business relationships

At Midea Carrier ABC JV we are proud of the strong personal commitment of our employees and the excellent achievements resulting from this commitment. But this level of cooperation can only be achieved in a climate of open and honest communication, trust, and mutual respect. The way that we relate to our partners, subordinates, and managers should foster a partnership where the behavior of every individual is governed by the commitment to ethical conduct and success of the Company.

The relationships we have with our colleagues should be just like the relationships between the members of a winning team. Employees working with their minds, focused on a set of common goals, are the source for the passion and motivating force of our business. For these dynamic team relationships to work, every individual must meet his/her responsibilities and fulfill his/her commitment- being sure that the others will do the same. This implies giving others the required support, to all levels, so they can reach their objectives. No individual or business unit should place their own priorities above the ones of the overall Company.

The relationships between you and the people you work with (and if you are a leader, your subordinates), should promote ethics and compliance, as a model of decency, fairness, reliability and integrity in the way you work with others. And if you are a manager, it is your duty to clearly define the desired standards of performance, to create an environment where teamwork will thrive, and act as a facilitator in helping your people to achieve and surpass results.

We promote open and frank communication

Encourage your colleagues to think creatively and innovatively, and if you are a leader, treat your subordinates as individuals, giving them the freedom they need to carry out their job functions. Give constructive suggestions on how they can improve their performance and be open to taking feedback from them.

Your relationship with your supervisor should be based on mutual respect and trust. Employees and managers make teams that share common goals and objectives. Both groups should work to keep communication open and honest. Whenever possible, take the initiative. Be innovative in fixing problems. Your cooperation and creativity are essential to achieving the goals of your business unit

The way we treat one another should be based on mutual trust and dedication. We are responsible for treating each other with respect and dignity.



and of the Company.

Midea Carrier ABC JV employees - our most valued resource

Midea Carrier ABC JV's commitment to caring for people is evident in the workplace, where there is a variety of programs conceived to promote and reward individual and team achievements.

It is the effort from our talent that makes it possible for us to be successful and excel.

For people management, our commitment is to:

- Recruit, train, and compensate all Midea Carrier ABC JV employees based on the skills required for the job they do, with no discrimination related to race, religion, origin, ethnicity, skin color, gender, sexual identity, age, citizenship status, sexual orientation, marital status, disability or any other characteristic protected by law.

- Reject child labor employment. Child labor employment is defined as “to give employment to any person under the minimum age permitted by law in the jurisdiction in question”. However, under no circumstances will we knowingly give employment to anyone under the age permitted by law..

- Maintain a work environment that promotes integration and strives for excellence, attracting and retaining the best people for our Company.

- Facilitate employee education and create opportunities for career development and progression for all Midea Carrier ABC JV employees.

- Conduct performance appraisals that provide employees with open and precise feedback to encourage bilateral participation and keep track of personal development plans.

- Recognize and reward individual and team contributions that go beyond the normal scope of their job functions through a reward plan, such as variable compensation for the sales force and QCC (Quality Control Circles) promoted by the Quality Area of this Company.


- Be vigilant in preventing and addressing sexual, moral or any other type of harassment of Midea Carrier ABC JV employees by anyone in the workplace or in the course of any Company negotiations.

- Reject favoritism or suspected favoritism in the workplace, according to the Company policies and procedures. Respect the privacy of individuals, collecting employee personal information for processing, storage and use only according to business needs and in compliance with the laws of the countries where we operate.

- Seek to eliminate potential hazards in the workplace and provide a safe and healthy work environment to all Midea Carrier ABC JV employees, complying with all the laws and regulations associated with health and safety in the workplace.

- Help to maintain a secure, healthy and productive work environment for all of Midea Carrier ABC JV's employees and third party contractors, by prohibiting the following:

- The possession, utilization, sale or transfer of illicit drugs or objects utilized in



the preparation of the same within the Company premises or during Company time.

- The performance of work duties under the influence of alcohol.

- The possession of firearms or ammunition within the Company premises or while conducting business for Midea Carrier ABC JV. The carrying of firearms may be authorized for security personnel when the possession of firearms is deemed to be a requirement to ensure the security of Company employees when authorized by law.

Any situation associated with the abuse of alcohol or other substances causing impairment, or the possession of firearms will be immediately communicated to the Company management.



As Midea Carrier ABC JV employees, we do our best to comply with Company policies. At the same time, we work hard to enhance the Company performance. We acknowledge our responsibility and the trust placed in us, and we act with integrity in all circumstances to honor this trust. We are against all conflicts of interest, and other situations that may adversely affect the Company interests.

Our Relationship With the Company

Avoiding conflict of interest

Employees must avoid personal interests or financial activities that conflict, or appear to conflict, with Midea Carrier ABC JV's interests or that influence, or appear to influence, their judgment or actions in performing their duties as employees. Such conflicts may arise in a number of situations. It is not possible to cover all of them in this Code nor will it always be easy to distinguish proper conduct from improper. If you have doubts about any situation, ask your supervisor or the HR Department or Legal Department of your business unit before you take action. The following guidelines apply to common situations where there is a conflict of interest:

Relationships with suppliers, dealers, customers and other business partners

Any employee who owns or acquires, directly or indirectly, an interest in any concern regarding the procurement of goods or services, or competing with the Company, sales distribution with dealers or other business partners, is required to disclose the full detail concerning such interest or relationship. In such circumstances, a conflict may arise if such employee is in a position to influence decisions with respect to any Company transaction involving a business partner, if his or her other interest or relationship is such that it might bring into question his or her continuing ability to make impartial judgment in the Company's best interest. Before you investing, you should advise HR Department or Legal Department of the Company as well as your manager and obtain prior written approval.

Investment

Do not make any investments that might influence your business decisions. The Company policy prohibits Midea Carrier ABC JV employees from owning stock of competing companies or companies in the same industry as Midea Carrier ABC JV, Midea and/or Carrier. This prohibition does not apply to small amounts of stock (typically less than 1 percent) in publicly-held companies, so long as the amount invested shall not be so significant that it might create a conflict of interest. If you made potentially prohibited investments before joining Midea Carrier ABC JV, please notify the HR Department or Legal Department of this fact immediately.

Family

Notify your supervisor and obtain approval from your director and the Legal Department before you start negotiations on behalf of Midea Carrier ABC JV with any Company where you, a family member or friend has an interest that might in any way benefit from your actions or their actions.

Side jobs

Do not work for a competing Company while you are working for Midea Carrier ABC JV. Do not do any type of work for third parties or give assistance to third parties that might adversely affect your business decisions in Midea Carrier ABC JV. Do not use Company time, facilities or materials of the Company to do “side jobs” which have no connection to your job at Midea Carrier ABC JV, without authorization from your immediate supervisor.

Personal relationships

Although the Company recognizes and respects the right of Midea Carrier ABC JV employees to associate freely with their colleagues, we should equally use common sense to ensure that any relationships with our colleagues will not have a negative impact on the performance of our job functions, on productivity, on our ability to supervise third parties, or on the work environment. Any workplace conduct arising out of a personal relationship between employees may be inappropriate if such conduct should generate an unpleasant work environment for other colleagues. Showing favoritism toward someone or making business decisions based on emotions, fidelity, or friendship rather than the best interests of the Company is

forbidden. Individuals should be sure to employ tact, common sense, and respect when proceeding to engage in a personal relationship with a colleague.

Be aware that any member of your family holding a position in the Company could create or seem to create a conflict of interest. Should a situation like this arise, ask your supervisor or the Legal Department of your business unit for advice.

Participation in the Board of Directors of Other Organizations

Obtain approval from the President, as well as from the Director of the Legal Department, before joining the Board of Directors or a similar group in any other Company or government agency. Participating in the Board of Directors of a work-related non-profit organization requires previous authorization from the President and the Director of Legal Department of the Company.

Protection of Company-Private/Restricted Information

Trade secrets of Midea Carrier ABC JV as well as other company-private/restricted information and the majority of Company internal data are valuable assets. The protection of these assets, including the maintenance of its confidentiality, plays a vital role in our continuous growth and in our ability to compete. Trade secrets are information pertaining to Midea Carrier ABC JV and/or Midea and/or Carrier's business that are not in public knowledge and should not be communicated outside the Company. There is, however, other

company-private information such as technical data that must be equally protected.

Midea and/or Carrier and/or Midea Carrier ABC JV's trade secrets and other company-private information include, but are not limited to, intellectual property, formulae, concepts, devices or any information utilized in our business, which give the Company a competitive advantage with our competitors ("Trade Secret(s) of Midea Carrier or "Trade Secret"). Trade Secrets and other company-private information are not exclusively technical in nature. They may include information from business investigation, new product plans, strategic goals, financial information, unpublished pricing strategies, lists of sales people, customers and employees, and information about customer requirements, preferences, commercial traits and plans. Although this is not intended to be an all-inclusive list, it suggests the large variety of information that must be safeguarded.

Your duty with regard to Trade Secrets of Midea Carrier ABC JV and other company-private/restricted information is:

- Do not release company-private information to other Midea Carrier ABC JV employees unless they have a justified "need to know" or "need to use";
- Do not release company-private information to people outside of Midea Carrier ABC JV without proper authorization;


- Do not utilize company-private information for your own benefit.

Even if you should leave the Company, your duty to protect the Trade Secrets of Midea Carrier and other company-restricted information remains until the information becomes public or Midea and/or Carrier and Midea Carrier ABC JV no longer consider it to be a Trade Secret or company-restricted.

One must also bear in mind that Midea Carrier ABC JV's correspondence, printed documents, electronically stored information, documents or logs of all kinds, process specific knowledge, procedures, special production methods, confidential or not, are Company property and should remain in the Company. Evidently, personal skills, acquired or developed while performing your job function are personal property. If you have any questions whether some information is company-restricted in nature or Trade Secrets of Midea Carrier, you should see the Legal Department for clarification.

Media Requests for Information

The media or public sometimes request information about Midea Carrier ABC JV financials. All such requests are to be directed to the President of Midea Carrier ABC JV, who will have designated a Company officer to handle the press communications. Requests for information or other communication from the Brazilian Securities and Exchange Commission, the New York Stock Exchange or other entities and worldwide regulating authorities should be addressed to the Director of Legal Department. No one else is



authorized to directly respond to these requests for information because any inadequate or imprecise response, or a refusal to respond, might result in adverse publicity, or otherwise negatively impact the legal standing and/or public image of the Company.

The policy is not applicable to requests for publicly-available financial information, such as Quarterly and Annual Reports, or advertising and promotional activities of the Company.

Requests for interviews of any Midea Carrier ABC JV officer with regard to the Company or its business and/or the issuance of any press release and/or any press statement should be previously reviewed and approved by the Marketing Director and the Operations Director.

Reliable Reports and Records

The financial standing of the Company and the results of its operations are to be recorded in accordance with legal requirements and generally accepted accounting principles. The Company policy and legal regulations require that Midea Carrier ABC JV keep their books, records, and accounts so as to reflect honestly and accurately the nature of our business transactions and the disposition of the Company assets.

The integrity of Company accounting and financial records is based on the precision and thoroughness of the basic information supporting the accounting book entries. Any person involved in the creation, processing and recording of information is responsible for its integrity. All financial entries must accurately reflect what is

described by the supporting information. There must be no omissions whatsoever on the part of the management, internal auditors, or independent auditors engaged by Midea Carrier ABC JV.

No payment is to be approved or made on behalf of the Company with the intent, or the perception that a portion of said payment will be used for any purpose whatsoever other than the end described in the supporting documentation for the payment. No false entries are to be made in any book or accounting record of the Company for any reason, and no fund, property, or account will be set aside, acquired or maintained on behalf of the Company, for any reason whatsoever, unless such fund, property or account shall be duly recorded in the books and records of the Company. No funds or Company property shall be used for illicit or improper purposes. The directors and other officers responsible for the preparation of financial statements must assure compliance with all finance policies of the Company. All revenues and expenses must be accurately reflected in the books.

Protection of Midea Carrier ABC JV Assets

The property, facilities, and services of the Company must be used for legal, appropriate and approved purposes only. It is our duty to protect the Company against embezzlement and theft of property or services. The equipment, systems, facilities, supplies, and credit cards of Midea Carrier ABC JV must be used for the conduction of Company business or for management-authorized purposes only. Each employee is personally responsible for looking after the

property of the Company entrusted to him/her, and shall strive to protect Company assets as a whole. Employees must pay attention to any situation or incident that might lead to the loss, improper utilization, or damage to Company property, and promptly communicate all situations or incidents to his/her immediate superior.

Only a few high ranking staff have the authority to make commitments affecting the Company assets. You should not make any commitments affecting the Company assets, except when you are fully authorized to do so. If you have any questions with regard to your authority or someone else's authority with regard to the level of commitment that you or he/she can make on behalf of the Company, you should contact the Director of Finance of your business unit, or the Director of Legal Department.

Responsible Utilization of IT Resources

We all must utilize the information technology resources (referred to as "IT Resources") of Midea Carrier ABC JV responsibly and consistently with Company policies, including policies specific to IT technologies, data protection, company-private/restricted information, and intellectual property rights. Midea Carrier's IT Resources include all owned or leased computer systems of Midea Carrier, independent of the physical location, including, but not limited to: PCs, portable devices, network servers, Internet access, Midea Carrier's intranet, and e-mail access devices. All information communicated through voicemail and other voice systems, facsimile equipment, telephones, PDA's (e.g., Blackberry), instant messaging


and information obtained or transmitted and/or communicated over the Internet and the intranet of Midea Carrier is also considered part of the Company's IT Resources.

All IT Resources are property of Midea Carrier ABC JV, including all information created, stored or transmitted via the IT Resources of the Company. The only information that is not considered to be property of the Company is that obtained during the personal, limited utilization of the IT Resources of Midea Carrier ABC JV when authorized by the Company or information considered public according to applicable law and regulations.

Midea Carrier ABC JV's IT Resources must be utilized solely for business purposes of the Company, except if limited personal utilization is authorized by the Company.

The following uses of IT Resources are prohibited:

- Messages of harassment, discrimination, defamation, fraud or threat, including offensive messages regarding race, gender, age, sexual orientation, religion, political ideals, nationalities, physical incapacitation, ethnics, sexual identity or any other characteristics protected under applicable law.
- Sending, accessing, storing, or communicating offensive or obscene matters in any format.
- Unauthorized distribution of Company-private/confidential information, or Trade Secrets of Midea Carrier.
- Causing or allowing security breaches or interruption of the network communication, and/or the unauthorized



disclosure of your password/pass-phrase to a third party.

- Violation of any person's or Company's rights protected under intellectual property laws, such as, trademarks, trade secrets, patents or any other right under similar laws or regulations.
- Violation of privacy rights of any person under applicable law.
- Soliciting on behalf of any external organization, enterprise or cause unrelated to Midea Carrier ABC JV's business including, but not limited to, any commercial, religious or political organization or cause.

Except when limited by applicable laws, Midea Carrier ABC JV reserves the right to monitor the equipment, systems, and activities on the network, including but not limited to email, voice mail, Internet utilization and any information stored under appropriate circumstances and according to applicable laws. Additionally, in order to meet the maintenance, safety, commercial, legal and regulatory requirements of operations, authorized personnel and third party service providers have limited access to the information stored in the IT Resources of Midea Carrier ABC JV to the maximum extent permitted by law. Midea Carrier ABC JV reserves the right to limit access of any user to the IT Resources at any time, with or without previous notice.

We are lucky to have a group of experienced individuals on the Board of Directors, to give us direction and leadership for the continued success of our business. The Board consists of qualified executives from both Midea and Carrier.

Our Relationship with The Board of Directors

The main directors meet periodically under the form of an Executive Committee, led by the Chairman of the Board and CEO of Midea ABC JV to discuss business matters. They ensure the strategic alignment of the Company with the guidelines established by the Board of Directors, developing policy and taking ownership for the dissemination of relevant issues to people and teams.





Our Relationship with Business Entities

Ethics and Supplier/Customer Relations

Our purpose is to ensure continuous and reliable sources of supply. It is essential to conduct honest negotiations with customers and suppliers to maintain strong, lasting relationships with them. As a consequence, we regard our suppliers as partners and we expect them to realize reasonable profits in our dealings together. We consider all prospective suppliers in a manner that is fair and consistent, making our decisions based on objective criteria such as price and quality, in addition to the supplier's reliability and integrity. Giving or taking a "kickback" or payment of any kind as a means to secure business is forbidden.

We do not favor some customers to the detriment of others. We do not favor select customers with promotional concessions, marketing support or the like. We treat every customer with the same business criteria. Negotiations with customers and suppliers are discussed in a separate section of this Code, which addresses our responsibility to comply with anti-bribery, competition, and antitrust laws.

Midea Carrier ABC JV's Code of Ethics, which includes but is not limited to the responsibility to comply with anti-bribery, competition and antitrust laws, is supplied to suppliers and sellers alike, and informed of their requirement to comply with the Code for as long as they have dealings with us. Failure to comply with the Code shall result in termination of the business relationship with Midea Carrier ABC JV.

Respect for Third Party Intellectual Property and Confidential Information

Midea Carrier ABC JV will not willingly infringe upon the intellectual property rights of third parties. We respect the intellectual property and the confidential information of third parties. This aspect is particularly important if you are in possession of intellectual property and confidential information from a former employer. If you have any questions about this subject, you should see the Legal Department.

If someone from outside the Company should approach you

Every one of us is responsible for the image that we convey to suppliers and customers. It is of the utmost importance that we maintain our reputation through the honesty and the fairness with which we negotiate with these groups.

offering an invention or a discovery, it is very important to protect the Company against future allegations of infringement of intellectual property rights or claims for damages, especially in those cases where, out of our own effort, one of our consultants has previously developed the same invention or discovery, which we would like to apply to one of our Company's products. Do not let strange people reveal any details about their invention or discovery.

Our Relationship With Consumers

We Set the Highest Standards for our Products.

We are all working hard to assure that customers can depend on Midea Carrier ABC JV products for their superior reliability, quality and performance. In addition to serving millions of people in the markets where we sell our products, we must constantly strive to manufacture our products as efficiently as possible to make them accessible to an ever-increasing number of consumers.

The products sold by Midea Carrier ABC JV must not only comply with all standards of safety defined in law, but also our own standards and the customer's health and wellbeing are our greatest concern. As a Midea Carrier ABC JV employee, it is your duty to immediately report to the head of your business unit any problems that, in your view, are related to the quality and/or safety of the product.

Customer Receptiveness

Since our line of business is supply for the end customer, our success depends on the satisfaction, confidence and goodwill of our customers. We can achieve our goals more efficiently and satisfy our customer requirements by following a consistent, fair, and sensible program of customer communication.

We recognize the importance of anticipating customer requirements and being receptive to the customer with regard to our products. We believe that opinions, concerns and questions from customers about our products are an important source of feedback. Customer needs are always changing, that is why we must always be aware about the products people want and use our creativity to satisfy these changing customer requirements.

When a customer expresses his/her dissatisfaction with a product, we address the issue immediately with courtesy and fairness, and do our best to maintain or to recover the customer's goodwill and their continued business with us.

Our reputation was built on the quality and the safety of our products. Our commitment to quality and safety is essential to the continuous growth and success of our Company.



Our Publicity is Accurate

Publicity must be creative and competitive, but it also has to be honest, and comply with the law. Our publicity must avoid stereotyping any individuals based on factors such as race, religion, nationality, ethnics, skin color, gender, sexual identity, age, citizenship, sexual orientation, marital status, disability or any other feature protected under the law. Publicity is not simply the product image; the right kind of publicity can build our reputation in terms of confidence and credibility, while the wrong kind can damage it.

In addition, we are extremely careful in selecting the communication media where our message will be shown to the public. We do not allow our messages to use elements of extensive and gratuitous violence or sex, or otherwise anti-social elements, which would adversely affect the reputation or the products of our Company.

We take the principle of business fairness into account when we decide upon our message, the brand names and concepts, so that our products will be successful by virtue of their own intrinsic quality and also by our reputation - not by imitating or taking advantage of a competitor's reputation. Business fairness calls for:

Rigorous compliance with legal requirements about brand protection

and fair competition


Avoidance of copying well-known brand names, slogans, publicity ideas and graphics utilized by multinational companies and regional competitors outside your own location.

Respect for Customer Privacy

We respect and honor our customer's right to privacy. Midea Carrier ABC JV collects, processes, utilizes and maintains customer information in accordance with applicable laws, including the laws that cover the collection and use of personal information of minors, and we make all reasonable efforts to safeguard such information.

When consumers interact with Midea Carrier ABC JV, (for instance when asked for product data or participation in Company-sponsored contests), consumers will provide the Company with personal information such as their name, home address and e-mail address. We utilize this data only for the purposes that they were given to us, except if otherwise authorized by the customers, and if necessary, to keep our customer files updated or comply with the law.

Our policy is to not share customers' personal information unless it is required for providing the services our customers need, or to remain in



compliance with applicable laws and regulations.

Customer privacy laws are constantly developing and changing. We work hard to keep track of the changing privacy laws and rules in order to be able to create specific and timely privacy-compliant policies..

We abide by all the laws that are applicable to Midea Carrier ABC JV's business. In fact, our policy is to go one step ahead of what the law strictly mandates and act according to the spirit of the law. For any unlawful practice, it is required to report any activity that involves or could lead to the involvement of the Company. Therefore, everyone should consult the Legal Department for clarification if there are any questions. In particular for the following aspects:

Our Relationship With The Law

Compliance with Antitrust Law

Midea Carrier ABC JV will assure that every employee will fully comply with all competition laws (also known as antitrust laws) of all countries, states and locations where Midea Carrier ABC JV does business. The purpose of competition laws is to protect the competitive process for the benefit of customers. The competition laws assure that companies will engage in competitive business through lower prices, innovative products and better services, without interference in the market forces of supply and demand. The competition laws also protect companies from abusive and/or unfair practices by dominant companies, providing conditions for everyone to compete openly and fairly. Midea Carrier ABC JV supports the purposes of the competition laws. We firmly believe that our Company achieves better performance in a competitive market.

Virtually every country has adopted competition laws. It is your responsibility to understand the laws of every country where you do business, and to seek guidance from the Legal Department as required. You must strictly abide by all competition laws and regulations, as well as the spirit of applicable laws.

Competition laws worldwide prohibit agreements between potential or existing competitors that will harm the competition. The key to compliance is independence. Midea Carrier ABC JV must be independent in carrying out its business functions – pricing, discounting, promotions and sales / purchasing terms; customer selection, distributors and suppliers, and the choice of products that will be manufactured, and the amount that will be sold. We must bear in mind that an illegal agreement does not have to be a formal written document. It can be a verbal or implicit agreement made in the course of a business negotiation, or in the form of comments inserted on documents. An agreement does not have to be successfully implemented to be considered illegal.

Competition laws also impose some restrictions regarding customer and distributor relations. In most countries, any attempt to deprive customers or distributors of their freedom to set prices, terms and sales conditions, or an attempt to place





inappropriate limitations regarding the right to operate independently, is a violation of competition laws.

The consequences for Midea Carrier ABC JV and its employees, for failure to comply with competition laws, are extremely severe. The violation of some competition laws can bring about fines and severe legal consequences for individuals involved and the Company.

Whenever you are uncertain about the laws of competition, you should refer to the Legal Department for clarification.

Compliance with Securities Laws and Regulations

From time to time, you may come to be in possession of inside information about Midea Carrier ABC JV or other publicly held companies with which the Company does business or is in the middle of negotiations – i.e., information that is not yet in the public domain – such as the amount of provisional income, prospective acquisitions or divestiture, marketing plans or the introduction of new products.

As a general rule, information is considered to be private until it is publicly released, i. e., the information is released to the public and it takes a certain lapse of time until the stock markets assimilate the information. If this inside information is “relevant” – i.e., information that a cautious investor would take into account when making a decision about investing his capital – then, according to applicable security

exchange laws and the policy of the Company:

You should not negotiate, for your own benefit or for the benefit of a third party, shares of stock or securities of Midea Carrier ABC JV or any other Company to which the relevant inside information is about.

You should not encourage or induce a third party to buy or sell shares of stock or other securities based on the inside information about those firms.

You should not disclose inside information to a third party or parties outside of Midea Carrier ABC JV.

You should not discuss inside information unnecessarily with people working for Midea Carrier ABC JV.

Midea Carrier ABC JV employees with access to inside information about any other Company before the private information is released to the public, or for the initial period of time after the release of said information, should not negotiate shares of stock or securities of said companies.

If you are uncertain whether or not a certain piece of information has been released to the public, you should contact the Legal Department and refrain from negotiating securities/stock of the affected Company or to disclose the information until you are notified that the said information is not relevant or has been disclosed and assimilated by the public.

Internal control

Midea Carrier ABC JV's policy is to maintain effective internal control systems to ensure compliance with laws and corporate policies, to protect and prevent misuse of Company assets, and to ensure appropriate authorization for Company transactions and other corporate activities. The Company prepares external reports that fulfill all relevant international business and legal requirements, including financial statements that fairly present the Company's financial position. Employees are expected to maintain accurate and complete internal records of all Company business activities and arrange for appropriate authorization and documentation of transactions and commitments with business partners.

The Company's policy is to disclose important information about its business in accordance with applicable securities laws and stock exchange guidelines, with the objective of promoting an orderly market for its publicly traded securities.


Compliance with Company Records Retention Regulations

We abide by all laws and regulations pertaining to the retention of Company records (including physical documents and electronic data). The Company policy for document retention establishes the rules and procedures for the retention of records.

Upon receiving any judicial order, legal notice, warning of litigation or threat of government investigation, contact the Legal Department at once. In this case, you should retain all the records that may be connected to the judicial order or legal notice, whether or not they are relevant to the litigation or have any bearing on the investigation. Do not destroy or change these records, as the improper destruction of Company records may give cause to severe consequences - including civil and/or criminal sanctions - to the Company and the employee himself/ herself. If you do not know for sure whether or not a certain record relates to the judicial order, investigation, litigation, or the legal notice, refer to the Legal Department for clarification prior to eliminating the record in question.

No Political Donations

No Company fund or asset may be used to make payments to any political party or candidate to a political office in the federal, state, or local level of government. A political donation includes direct donations (i.e., money) and "donations in kind". A donation in kind includes the purchase of tickets for fund-raising events, contribution of products, volunteer work of Midea Carrier ABC JV employees on Company time and the utilization of Midea Carrier ABC JV facilities for fund-raising events or political purposes. If you have any questions about donations in kind, contact the Legal Department.



Midea Carrier ABC JV employees are free to make personal donations to candidates or to political parties of their own choice. A personal donation is the sole responsibility of the donating person. Midea Carrier assumes no responsibility or liability with regard to a personal donation. No personal donation should be made with the intent of aiding Midea Carrier ABC JV or any of its affiliated companies to obtain or retain business.

Anti-Bribery and Corruption

The direct and indirect offer, payment, solicitation, or acceptance of bribes or similar facilitating payment in any form is unacceptable, thus, be especially careful of the following points:

We do not offer, and we do not take improper benefits

To us, it is unacceptable to give or take gifts, payments or other benefits to influence a business decision. Anyone who wishes to give or take a gift, payment or other benefit worth more than just a token value (USD \$100), should obtain previous approval from the Director of Human Resources and/or Director of Legal Department and approval in accordance with the Approval Matrix of the Company. Also, bear in mind that you can only receive a token value gift from a particular source once a year, not to exceed the value

stipulated above. Should it be embarrassing for the Company to refuse a business gift slightly in excess of the token value, you should notify the Legal Department about your taking the gift.

The legal advisers will help you to determine an appropriate destination for the gift. Additionally, do not prepare or accept a business gift, payment or any other benefit of a significant value in the name of close family member of someone with whom the Company has a business relationship or would like to establish a business relationship. Follow this rule: never accept a business gift or service if it will compromise you or give others the impression that it would compromise you. This does not include business meals that are occasional in nature, which may be reciprocal, or business gifts up to USD \$100.

No benefit to government officials

You should be aware that there are special rules establishing suitable conduct when negotiating with the federal, state or local government, and international governments as well. These rules differ from the rules of negotiation with non-government organizations. You should not try to influence the decision of government officials or make a transaction based on a promise of a business gift or any other benefit, or through any other kind of illegal incentive. Therefore, it is very important that you should not give any gift, or participate in any entertainment event or offer any other object of value to a

government official except with previous approval from the Legal Department.

In addition to that, certain lobbying legislation in certain jurisdictions may require the Company and/or its employees to register and introduce themselves as members of a lobby if they communicate with a government official with the purpose of influencing legislation or any official action. If you are involved in any of these activities, you should notify the Legal Department.

The Company policy on corruption forbids our employees or their agents to offer or give money or objects of value – in cash or in kind, directly or indirectly, through a third party – to any foreign official (i.e., foreign government official, foreign political party or office holder or candidate to a foreign government position) to induce such official to influence any government act or decision or to help the Company to secure or to retain business.

To make sure this policy is observed, the Company will not make any payment or offer anything of value associated with the business activities of the Company to foreign government officials, directly or indirectly, except when previously authorized by the Legal Department in a lawful manner under the laws of the applicable country and other relevant laws.

Always be straightforward and honest in all transactions and communication with government officials. Any false statement or warrant made to government officials (verbally, or in

writing) and, particularly, any false statement or warrant made under oath, may expose the Company and its employees to substantial sanctions.

Compliance with International Trade Rules/Regulations

In national and international business transactions, the Company abides by all applicable import / export laws. These laws impose limitations on the types of products that may be imported. Midea Carrier ABC JV employees must carry out Company operations in full compliance with the laws of the countries where the Company operates. However, it is always good to verify whether there is a conflict between the laws of the two countries or the Company policy. In the event of such a conflict, you should notify the Director of Legal Department.

Our Relationship With Society

Local Donations and Volunteer Work

Our goal on a worldwide basis is to participate in projects that foster the development and wellbeing of the local community. These projects include participating in charitable activities and assuming the responsibility of aiding the underprivileged, the victims and those who lose their homes in natural disasters. Midea and Carrier, as well as Midea Carrier ABC JV, believe that current investments in children education will be rewarded in the future. For this reason, the Company sponsors programs and competitive sports events, among other juvenile activities. These initiatives instill in children a spirit of competition and self-achievement.

The Company also encourages its employees to take personal initiative and participate in local charitable activities of their own choice.

Opposition to Abusive / Inhuman Work Practices

Midea Carrier ABC JV prohibits the utilization of child labor, exploitation of child laborers, and other forms of unacceptable treatment of employees. In addition, it is the policy of Midea Carrier ABC JV to not source from any supplier or vendor known for unacceptable treatment of their employees, such as using child labor, physical punishment, abuse of individuals, slavery, or other forms of abuse. Failure to comply with labor laws, such as by exploiting child labor or other forms of unacceptable employee treatment, will not be tolerated. Failure to comply with labor laws will give cause for immediate termination of our business relationship.


Our Commitment to the Universal Declaration of Human Rights

Midea Carrier ABC JV is committed to respecting human rights worldwide. To that end, the Company adopts the following standards and seeks partners who equally believe in:

- Equal opportunity for employees in all grades, independently of skin color, race, gender, sexual identity, age, ethnicity, nationality, sexual orientation, marital status, disability or any

The Company strives to be a member of the society and to contribute to the global community. We consider ourselves a citizen of every country where we operate, and, as a citizen, we have a civic responsibility to support the health, education, and wellbeing of our communities.





other characteristics protected under the law;

- A secure and healthy workplace where human health and the environment are protected;
- The payment of employee compensation that will respect local laws being just and fair according to the employee's skills and the function to be performed in the Company, in addition to providing opportunities to improve their competencies and skills;
- Respect for employees' right to legal association; and
- Cooperation with governments and communities where we do business, so as to improve the level of education, culture, economy, and social welfare of these communities.

Our Relationship With the Environment

Our Commitment to Sustainability

At Midea Carrier ABC JV, sustainability is a key aspect of business, and critical to the success of our Company. It is deeply rooted in Midea Carrier ABC JV's values of social responsibility, teamwork, and continuous improvement.

Our global sustainability will ensure that Company business will consistently and responsibly increase for the benefit of the people we serve: employees, shareholders and all stakeholders around the globe as we promote the wellbeing of future generations.

Environmental Protection and Preservation

The Company has a long-standing commitment to environmental protection. Therefore, every one of us must comply with all applicable laws and regulations, as well as the spirit of the law, and the public policies that they stand for. No individual or Company director is authorized to be noncompliant with this policy, or to authorize, direct, approve or condone such conduct by third parties.

We promote open communication with the public while seeking to establish active and productive partnerships with the communities in which we operate. We will continue sharing information with consumers about our policies and environmental programs, working with community leaders and local organizations so they will join us in our effort to protect the environment for future generations.

In our ever changing world, a socially responsible and respectable method for work is always the top priority for Midea Carrier ABC JV. These efforts continually result in increased efficiency and financial returns for the Company, but there is always room to improve.

A clean, healthier environment is important to Midea Carrier ABC JV not only because this is the right thing to do, but also because it is intelligent from a business standpoint. We are playing our role in protecting the planet, working safely to protect the environment for future generations.



Our Responsibility for Compliance

Communication and sharing are essential

When we join Midea Carrier ABC JV, we assume the responsibility to comply with these rules of conduct, in accordance with all laws, regulations and guidelines. The directors are responsible for communicating these standards to those who work under them, ensuring that they are understood and observed, thus creating an environment where people can openly discuss ethical and legal issues.

Writing a Code of Ethics and Conduct is not enough –these standards must be communicated to everyone effectively, and everyone involved must act in accordance with them.

No Retaliation Policy

No retaliation will be taken against anyone for complaining, reporting, participating in, or aiding with the investigation of a suspected violation of the Code, unless the allegation or the information provided shall prove intentionally fraudulent. Midea Carrier ABC JV will maintain confidentiality of all concerns raised to the maximum extent possible.

Progressive Disciplinary Actions

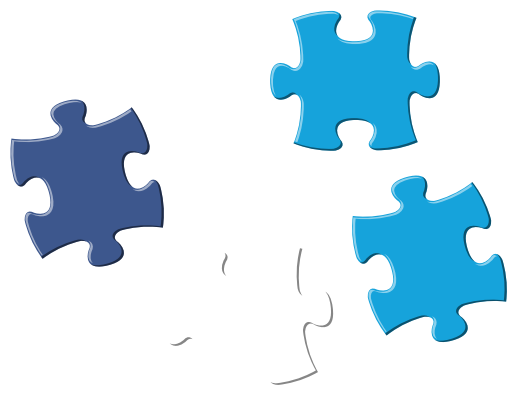
The Company has a “zero tolerance” policy for noncompliance with the Code of Ethics and Conduct. As such, the Company intends to prevent all conduct that is noncompliant with the Code and put an end to any noncompliant actions as soon as they are detected. Midea Carrier ABC JV employees who violate the Code are liable for disciplinary action up to and including termination of employment up to criminal prosecution, depending upon the severity and frequency of the violation.

The Code is Applicable to all Midea Carrier ABC JV Business Activities

The Code applies to all employees, contractors, vendors and business partners of Midea Carrier ABC JV and its branches, including the Company officers. It applies to administrators and Company representatives, according to applicable laws. Copies

of the Code will be available at the Human Resources Department or at the Legal Department, for all employees and entities that are authorized to act on behalf of the Company in areas where the Code is applicable. Administrators, officers and directors will be required to sign a Statement of Compliance annually, in addition to this Code.

The Code applies to dealers, suppliers and all business partners of Midea Carrier ABC JV as well. Full compliance with the Code is a sine qua non condition for doing business with Midea Carrier ABC JV.



You can get in touch with the Ethics and Compliance Department through
P. O Box 316 - Canoas/RS ZIP Code:
92010-970



RECEIVING PROTOCOL

I have received a printed copy of the Code of Ethics and Conduct Midea Carrier ABC JV

Fill out all fields with form letter (readable)

Name: _____

Registration: _____

Enterprise:

- Midea Carrier Ltda
- Climazon Industrial Ltda

Employee's signature

