



**Cerro Verde**

**ANTI-CORRUPTION POLICY  
COMPLIANCE - FCPA**

## **POLICIES AND PROCEDURES OF SOCIEDAD MINERA CERRO VERDE: ANTI-CORRUPTION POLICY**

Under the Operating Regulations of Sociedad Minera Cerro Verde S.A.A. ("SMCV" or "Cerro Verde") ("Internal Regulations") Cerro Verde employees must comply with all company policies, standards and procedures.

The Operating Regulations require compliance with the Freeport-McMoRan Inc. ("FCX") Principles of Business Conduct, to which Cerro Verde subscribes; and

Cerro Verde is a subsidiary of FCX and it is the policy of FCX that all FCX subsidiaries comply with the FCX Anti-Corruption Policy, attached as Appendix A, which governs dealings with government officials, including the Government of Peru (referred to in Appendix A as "foreign officials") and that FCX affiliates adopt local anti-corruption policies and procedures designed for their operating activities and risk profile, as well as with local requirements.

Therefore, the President of Cerro Verde has adopted the requirements set forth in FCX's Anti-Corruption Policy in Appendix A and the additional policy requirements set forth below as the Cerro Verde Anti-Corruption Policy, effective March 2017. These requirements constitute the "Cerro Verde Anti-Corruption Policy" (the "Policy").

Who is covered by this Policy? Cerro Verde's Anti-Corruption Policy applies to Cerro Verde and all Cerro Verde's directors, managers, superintendents, officers and any employees, as well as any third parties that Cerro Verde engages for its future operations and projects, including, as appropriate, contractors, consultants, agents, representatives, distributors, service providers or other intermediaries or business partners (each, a "Covered Person"). Cerro Verde will also ensure that the requirements of the Cerro Verde Anti-Corruption Policy apply to FCX affiliates in South America and their employees when assisting with Cerro Verde's business.

Peruvian Anti-Corruption Laws and Regulations - All Covered Persons must be aware of the Peruvian anti-corruption laws governing Cerro Verde's activities. These laws include, without limitation: (a) Peru's anti-bribery laws, set forth in Articles 198, 199, 241-A, 241-B, 384, 397, 397-A, 398 and 400 of Peru's Criminal Code, which prohibit corruption of domestic and foreign public officials, as well as, corruption in the private sector, and Fraudulent Administration of Legal Entities (b) Law N° 30424, Law of Administrative Responsibility of Legal Entities, as amended, which include the regulation of the offenses listed above, as well as, those contained in Articles 1, 2, 3 and 4 of Legislative Decree 1106 and Article 4-A of Decree Law 25475, which establish sanctions for companies, in whose benefit the crimes of Money Laundering, Financing of Terrorism, Bribery, Collusion, Influence Peddling, Fraudulent Administration and Parallel Accounting are committed. The sanctions are independent of the criminal liability of the person committing the offense, and the sanctions range from fines to the dissolution of the legal entity; and (c) regulations on interest management in public administration including disclosure requirements of interest management in public administration and prohibitions on giving things of value to public officials and their relatives, in relation to interest management in public administration, as set forth in Law 28024 - Law

Regulating Interest Management in Public Administration and its amendments, Legislative Decree N° 1353 and Legislative Decree N° 1415. Improper payments to persons outside the public sector may also be prosecuted under Peruvian law and may violate FCX's Principles of Business Conduct regarding corruption, undue advantages and conflicts of interest. In this regard, we inform that there has been an amendment to the Peruvian Criminal Code through Legislative Decree N° 1385, by adding Articles 241-A and 241-B which establish that acts of corruption by private sector employees are punishable with up to four (04) years in prison and disqualification for anyone who accepts, receives or requests a donation, promise or any other undue advantage or benefit of any kind in a business relationship or when doing so to harm the company for which they work.

In addition, Covered Persons must avoid engaging in conduct that may be related to violations of laws, internal regulations and standards of ethics and integrity in the exercise of public office by Government Officials, including issues as, but not limited to, influence peddling, conflicts of interest and the receipt by officials and their relatives of gifts<sup>1</sup>, donations, favors or privileges from private parties and other standards of conduct applicable to such officials.

U.S. Foreign Corrupt Practices Act ("U.S. FCPA") Policy Statement - FCX, as a publicly traded U.S. company, has a responsibility to ensure compliance with the FCPA by its affiliates, including Cerro Verde. The FCX Anti-Corruption Policy in Appendix A applies to Cerro Verde. All Covered Persons must comply with the requirements of Appendix A. Covered Persons are prohibited from offering, promising, authorizing, paying or taking any other action, with corrupt intent, and must not make and/or promise payments, and/or deliver anything of value, directly or indirectly, to any government officials or other prohibited recipients (official of a public international organization, political party, official party or candidate for public office) for the purpose of securing official action to obtain or retain business. The prohibition of indirect bribery includes a prohibition on paying a third party "knowing" that at least part of the funds or things of value will be delivered to a Government Official or any other prohibited recipient.<sup>2</sup> Under this Policy, the term Government Official includes any director, officer, employee and any person acting in an official capacity for a government body, agency or department, at any level and in any branch of government, including a state-owned or controlled company ("State Companies"). For further guidance on who qualifies as an "official" and other aspects of the prohibitions and requirements of the U.S. FCPA, see Appendix A and the Cerro Verde Principles of Business Conduct - [Principios de Conducta Empresarial de Cerro Verde](#) or consult Cerro Verde's Compliance Officer.

Facilitation Payments Not Authorized by this Policy - This Policy does not include any exception for "facilitation payments" to expedite or secure routine government action. This Policy does not authorize Cerro Verde, Covered Persons, or their employees to make or approve such payments, whether or not they qualify as facilitation payments under the FCPA.

---

<sup>1</sup> Additional guidance on gifts, meals and entertainment is available in Cerro Verde's Gifts, Meals and Entertainment Policy [Regalos, Comidas y Entretenimiento \(GME\)](#).

<sup>2</sup> Under the FCPA, "Knowledge" may exist even without actual knowledge. Knowledge may exist even if Company personnel do not know with certainty that a Third Party will make an improper payment. The Company may be liable for the Third Party's payment if the Company is aware of a "substantial likelihood" that the Third Party will direct all or part of the value received from the Company to a Government Official or other prohibited recipient.

Accounting Requirements - Transactions involving Cerro Verde funds can only be conducted in accordance with the accounting requirements of the FCPA, as well as all applicable policies, procedures and controls, and with appropriate controls and approvals. As provided in Appendix A, no undisclosed, unrecorded or "off-the-books" accounts (such as "slush funds") are to be established for any purpose. False or artificial accounts are prohibited.

All transactions involving Cerro Verde must be fully documented and accurately recorded in the books and records of the company.

Examples of activities subject to supervision, monitoring and control under this Policy and implementation procedures - The following activities, although legitimate business activities, may present significant corruption risks. Therefore, they are subject to supervision, monitoring and control under this Policy and implementation procedures, so that risks are identified and managed appropriately:

- Engaging in sales activities with State-Owned Companies in Peru and in other countries.
- Giving gifts, entertainment or travel sponsorship to government officials or their close relatives or business associates.
- Hiring individuals or third parties owned or controlled by government officials or their close relatives or business associates.
- Engaging and monitoring third parties who, in connection with their work for Cerro Verde, deal with governments or State-Owned Companies, whether as agents, representatives, contractors, consultants or other service providers (such as attorneys, tax advisors, etc.), suppliers, distributors, or in any other capacity.
- Importing goods through customs.
- Obtaining permits, licenses and other regulatory approvals.
- Providing support and benefits to State-Owned Companies personnel.
- Making donations or contributions, including those for social or community development.
- Dealing with joint venture partners or Politically Exposed Persons in accordance with Financial Intelligence Unit regulations.
- Conducting business transactions in the private sector.

Related Policies, Procedures and Guidelines - Cerro Verde employees must comply with all Cerro Verde and FCX policies, procedures and guidelines related to the above activities, whether now in effect or implemented in the future, including, but not limited to, the Principles of Business Conduct, FCX Anti-Corruption Guidelines and policies, procedures and forms applicable to matters involving extortion solicitation, selection, monitoring and

supervision of third parties, gifts, meals, entertainment, travel sponsorships for government officials, direct funding of government agencies, charitable contributions, donations and other payments to the State or officials. For more information, please refer to SMCV's Anti-Corruption and Anti-Competitive Practices Manual.

Designation of the Compliance Officer - Cerro Verde has appointed a Compliance Officer for this Policy. The Compliance Officer has the competence, status, authority and independence to initiate investigations and perform the activities and responsibilities inherent to their function, issue guidelines, rules and procedures. Such guidelines, rules and procedures, when issued by Cerro Verde's Compliance Officer, are automatically incorporated into this Policy, and by reference and by extension, into all regulations, contracts and other materials in which this Policy is incorporated. The Compliance Officer has authority to oversee the administration of this Policy and to audit compliance by Cerro Verde, its employees and any third parties it engages, with the requirements of this Policy and all guidelines, rules and procedures issued hereunder.

Disciplinary Action for Violations of this Policy - Cerro Verde must take reasonable and appropriate measures to ensure that violations of the Anti-Corruption Policy, or any guidelines, rules or procedures issued pursuant to this document, are subject to disciplinary action, up to and including dismissal of employees pursuant to internal work regulations or termination of a civil contract with a third party due to acts of corruption.

Communication and Notification of this Policy - This Policy must be communicated to all Cerro Verde employees, must be publicly displayed in accordance with the requirements of Peruvian law and incorporated into employment contracts. You can access and read the updated version of this Policy in the About Us - Policies section of Cerro Verde's website, at this link: [NOSOTROS: / Sociedad Minera Cerro Verde](#).

If you have any questions regarding this Anti-Corruption Policy, you may contact Cerro Verde's Compliance Officer, by cellphone and/or WhatsApp N° 959635144, +51-54-381515 Extension 283-2488, or email: [SM-CVE-compliance@fmi.com](mailto:SM-CVE-compliance@fmi.com), or the FCX Compliance Hotline, at:

- **FCX Compliance Line: 0800-78-539**
- **Email: [Compliance@fmi.com](mailto:Compliance@fmi.com)**
- **Web Link: <http://www.fcxcompliance.ethicspoint.com>**

Cerro Verde will not tolerate retaliation against any employee and/or Covered Person who reasonably and in good faith uses the FCX Compliance Line or reports possible acts of corruption, questions or concerns about the Company's business practices or compliance with applicable laws or regulations.

Cerro Verde hereby commits to comply with applicable anti-corruption laws and the requirements of the Anti-Corruption Management System and to continually improve the Anti-Corruption Management System.