

CRIME PREVENTION MANUAL

Antofagasta PLC
Anti-Corruption Legislation
(Law 20.393 & UK Bribery Act)

November **2014**



ANTOFAGASTA PLC



ANTOFAGASTA PLC

Aguas Antofagasta

Antofagasta Minerals

Antofagasta PLC

Energía Andina

Ferrocarril de Antofagasta

Minera Antucoya

Minera Centinela

Minera Los Pelambres

Minera Michilla

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I. Introduction

Law 20.393¹, which came into force in Chile towards the end of 2009, stipulates the criminal liability of legal entities for the offenses of bribing a public official, financing terrorism and asset laundering. Similarly, the UK Bribery Act², which came into force in July, 2010, stipulates the criminal liability for acts of bribery of public officials and bribery in the private and public sectors, as well as also the failure of companies to prevent them. Other countries in which Antofagasta plc operates also have anti-corruption laws in place.³

Anti-corruption laws are applied internationally, so the actions of any employee, or third party involved in the business of Antofagasta plc, may have an impact on our organization if they fail to comply with these regulations. The above does not preclude the individual liabilities for committing any of the above offenses.

As part of our compliance with the Anti-Corruption Laws (UK Bribery Act, Law 20.393 and others) and its *duty to supervise and direct*, the Board of Directors of Antofagasta plc approved the implementation of the **Crime Prevention Model** (hereinafter the **CPM**) in Antofagasta plc.

¹ See the provisions of Chilean Anti-Corruption Legislation (Law 20.393) in Exhibit i.

² See the provisions of the UK Bribery Act in Exhibit ii.

³ Some anti-corruption laws in countries where Antofagasta plc operates: US Foreign Corrupt Practices Act (FCPA), Australia Bribery of Foreign Public Officials, Canada Corruption of Foreign Public Officials Act (CFPOA) and the Foreign Trade Law of the People's Republic of China. See exhibits ii through vi for more details.

This Crime Prevention Manual (hereinafter the **Manual**) stipulates the operation of the various activities to prevent and mitigate the potential risks of offenses being committed, which Antofagasta plc, has been identified as being exposed to and which have been included in the CPM.

The CPM comprises the following internal elements:

1. Code of Ethics.
2. Channel for complaints.
3. Internal Regulations on Order, Hygiene and Safety.
4. The Policies, Instructions, Policies, Procedures or other regulations specifically defined to support the anti-corruption initiatives implemented to mitigate the risks of offenses identified.
5. The Risk and Compliance Area's training and communications plan that stipulates the various instances and ways of delivering information and training employees with regard to the offenses referred to herein and to executing the CPM.

II. Purpose

The purposes of this Manual are to:

- Stipulate the activities and procedures needed to effectively implement and operate the CPM.
- Stipulate a mechanism for preventing and mitigating the risks of offenses to which Antofagasta plc is exposed.
- Stipulate the activities of the CPM for which the Crime Prevention Officer is responsible in performing his or her supervision of the model.
- Comply fully with the requirements stipulated under Anti-Corruption Laws.

III. Scope

The Manual and CPM apply to all who work or provide services in or for Antofagasta plc or its affiliates.⁴ The scope includes shareholders, directors, top management, managers, executive officers, employees, temporary staff, contractors and advisors of the Company.

The Company expects upright, strict and diligent behavior from all the persons identified above in complying with the anti-corruption related regulations, specifically money laundering, funding terrorism, bribery of public officials and bribery, together with their respective measures of prevention and mitigation as stipulated by the Company.

IV. Overall Definitions

Management of a Legal Entity: According to Article 4 of Law 20.393, the Management of the Legal Entity is the top administrative authority, with this, in the case of Antofagasta plc, being its Board of Directors.

Bribery of public officials: This is understood to be offering or consenting to provide any benefit, whether economic or of any other kind, to a public official, whether national or foreign, so that he or she does, or stops doing, something, within the sphere of his or her position, competence and responsibilities, in the interests of the legal entity (company).

Bribery: Offering or consenting to grant any benefit, economic or otherwise, to any person, irrespective if they are private or public officials, national or foreign, for said officials to do or refrain from doing anything, within the scope of their position, competence and responsibilities, in the interest of the company.

⁴ Law 20.393 stipulates and regulates the criminal liability of the legal entity. Hence, the agreement to implement the Crime Prevention Model and all arrangements stemming from this agreement must be adopted and be applicable directly by each of the legal entities (companies making up the Antofagasta plc Group).

Asset Laundering: Any act intending to hide or conceal the illicit origin of given goods, or to acquire, own, have or use the goods, knowing that they stem from the commitment of an illicit act involving drug trafficking, terrorism, arms trafficking, promoting child prostitution, kidnapping, bribery, securities market, bank financing and others, with the intent to profit from, sell, contribute them to a company, or any other purpose, knowing their illicit or illegal origin at the time of receiving the good.

Funding terrorism: This is understood to be any individual or legal entity that, by any means, whether direct or indirect, requests, collects and/or provides any kind of contribution for the purpose of it being used to expedite any act of terrorism, whether such is a contribution of species, money or some other kind of collaboration with activities that qualify as terrorist ones.

Associated persons: This refers to any person, whether an individual or a legal entity, with which the Company has currently, or is in the process of negotiating potentially in the future, a business or service relationship. This includes the Contractors, Subcontractors, Advisors, Agents or any third party, whose behavior or conduct, because of their business function and/or relationship with Antofagasta plc, may possibly constitute the offenses referred to in Anti-Corruption Laws.

V. Crime Prevention Model

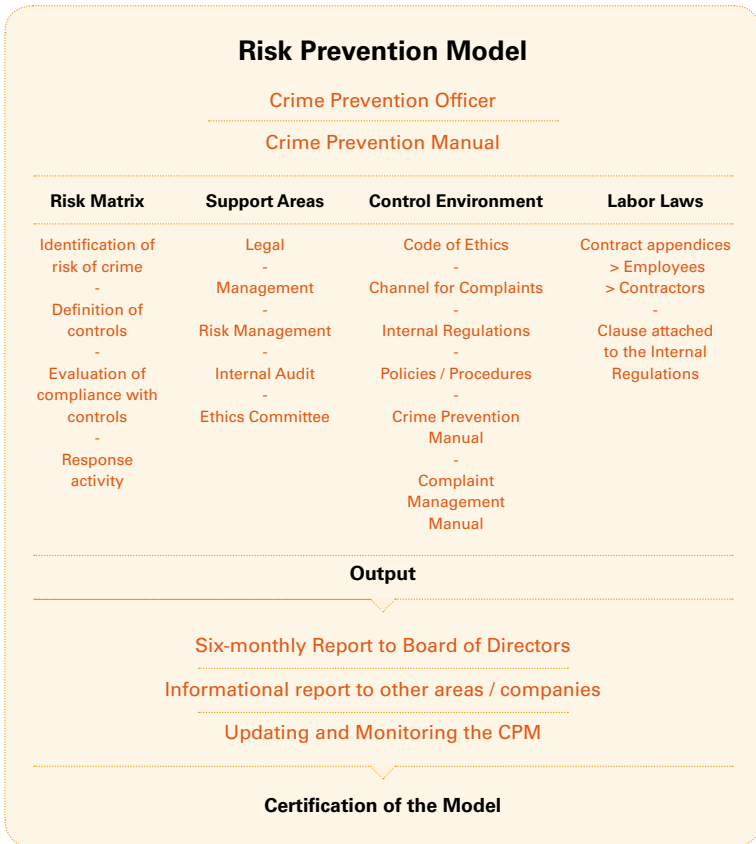
The Crime Prevention Manual of Antofagasta plc consists of a series of measures of prevention of the crimes of asset laundering, funding terrorism, bribery of public officials and bribery, which operate through the various activities of the CPM and are contained in this document. The purpose of these activities is to meet the requirements of a “*Crime prevention system*”, and the implementation of the “*Policies and procedures*” under the Anti-Corruption Laws. This manual also stipulates the risk identification activities, risk controls, and suitable monitoring and reportability mechanisms for preventing, detecting and mitigating the risks associated with the above offenses.

All the executive officers, employees and outside staff of Antofagasta plc are committed to complying with the laws and regulations in force in the countries where it operates. Therefore, the Company will not tolerate any kind of corruption, and the commitment of any illicit act, such as asset laundering, funding terrorism, bribery of public officials and bribery, is expressly forbidden. Consequently, Antofagasta plc:

1. Shall oversee performance of its duty to direct and supervise through the adequate operation of the CPM.
2. Shall appoint a Crime Prevention Officer. This individual will hold the position for three years and may be re-elected for equal periods while holding his or her current position.

The application and fulfilment of the activities stipulated in this CPM is the responsibility of each Company of the Antofagasta plc Group, and their effectiveness will be reported to each of their Boards of Directors by the Individual In Charge of Crime Prevention.

The CPM of Antofagasta plc is carried out via a series of activities represented in the graphic model besides:



A. Crime Prevention Officer

Law 20.393 requires the appointment of a **Crime Prevention Officer** (hereinafter **CPO**). The Board of Directors has full authority to appoint the CPO for a 3-year term, and must record its decisions in this regard in the respective minutes of the Board of Directors.

The CPO⁵ is responsible for setting up a *crime prevention system*, by means of an CPM, together with the Company's top management, i.e., its Board of Directors.

⁵ Law 20.393, article 4(3).

› Function of the Crime Prevention Officer:

By his actions, the CPO represents the company's values. He or she also has full and complete knowledge of the following:

- The functions and responsibilities of each area of the company.
- The legislation and regulations issuing from the legitimate, competent regulatory authorities.
- The Code of Ethics, Procedures Manuals, Regulations and other internal instructions of Antofagasta plc.

› Means and Powers of the CPO:

1. In performing his or her functions as CPO, the CPO acts autonomously in relation to the Management of Antofagasta plc, its shareholders and controllers, with direct access to the Board of Directors of Antofagasta Plc.
2. He or she has available an annual budget (means provided by the Executive Chairman or General Manager and approved by the Board of Directors) and staff under his or her charge to implement, operate and review the CPM in compliance with the Law.⁶
3. He or she has the basic, necessary tools to properly perform his or her role and responsibilities as the Crime Prevention Officer.
4. The CPO has direct, unrestricted access to the various areas of the organization, in order to be able to carry out the following activities:
 - i) Carry out specific investigations.
 - ii) Expedite monitoring of the crime prevention system.
 - iii) Request and review the information for carrying out its functions.

⁶ Law 20.393, Art 4, 2): Management of the Legal Entity shall provide the individual in charge of prevention with sufficient means and powers to be able to perform his or her functions, which must consider at least the following: a) the necessary material resources and means to adequately perform his or her tasks, considering the size and economic capacity of the legal entity; b) direct access to the Management of the Legal Entity to inform it in good time and by suitable means of the measures and plans implemented in compliance with his or her mission and to render account of his or her management and report at least on a six-monthly basis.

› Responsibilities of the CPO:

1. Oversee proper development, implementation and operation of the CPM in the Company, together with the Board of Directors of Antofagasta plc.
2. Coordinate compliance by the various areas and managements of Antofagasta plc with laws and regulations to prevent the crimes referred to in this Manual.
3. Ensure that everybody involved with Antofagasta plc receives the Code of Ethics and ensure they comply with it to prevent any improper conduct in the daily actions of the employees and service providers. This may be checked by reviewing the training on these matters that the company must provide regularly for its employees, and through the reports of irregularities or breaches of the Code of Ethics.
4. Report on a six-monthly basis to the Board of Directors of Antofagasta plc on the status of the CPM and matters for which he or she is responsible and what he or she has done as CPO. Also report in due time to the Board of Directors on any situation that has come to his or her attention and which could be considered an offense, so that the latter can adopt whatever measures might apply.
5. Together with the Board of Directors, promote the design and necessary updates to the policies, procedures, instructions and guidelines, including this Manual, so that the CPM can be operated effectively and/or whenever such may be necessary in light of any changes to the country's laws and regulations.
6. Oversee knowledge of and compliance with the protocols, policies, procedures, instructions and guidelines stipulated as elements of crime prevention in the daily actions of the members of the organization and their collaborators.
7. Head up investigations when there is a valid complaint, or a suspicious situation that warrants one, gathering any evidence that may be necessary.
8. Define specific reviews to check compliance with the activities of the CPM. Also determine their scope and extent. The results of completed reviews must be reported to the Board of Directors or to the applicable Board Committee.

9. Check the design and implement the CPM training programs designed for the members of the organization.
10. Together with the Board of Directors, assume responsibility for the process of identifying and assessing the risks of offenses involving the implementation of the control activities for preventing and mitigating such risks and the adequate operation of the CPM.
11. Keep an updated list of any activities that, because of how they are carried out or their typical features, may represent a risk of Money Laundering, Funding terrorism, Bribery of public officials and Bribery. This list identifying such activities is contained in the “Risk Matrix”, which is an integral part of the Model.
12. Encourage the fact that the internal processes and controls of Antofagasta plc should have effective crime risk prevention controls and maintain suitable records of evidence of compliance with and implementation of these controls.
13. Document and safeguard evidence about their crime prevention activities.
14. Receive any complaint submitted due to non-compliance of the CPM or the commission of any illicit act, as submitted by any of the owners, individuals responsible, directors, top management, executive officers, employees, dependents, contractors and third parties related to the business.
15. Be a standing member of the Ethics Committee of Antofagasta plc and have access to all reports received in relation to Anti-Corruption Laws.

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Without detriment to the above, the CPO may act directly, or through the staff under his or her charge or through any assigned person, to delegate part of his or her activities.

B. Components of the Crime Prevention Model

The CPM of Antofagasta plc has the following components, which are of essential importance to the effective operation and functioning of the Model:

1. Policies and Procedures

All of the policies and procedures stipulating definitions, regulations and controls for the company's activities must be duly documented, disseminated and accessible to all staff involved in them.

2. Code of Ethics

The Code of Ethics stipulates a framework of behavior for the business' daily challenges based on transparency, integrity, compliance with the applicable laws and making good business decisions. In this regard, it stipulates a control environment for the activities that might expose the Company to legal and/or criminal liabilities.

Antofagasta plc demands an upright, strict and diligent behavior from all of its executive officers, supervisors, employees and collaborators in complying with the Prevention Model, with all of them having to commit to the strictest possible observance of the Model.

3. Anti-corruption Regulations

Anybody acting on behalf of Antofagasta plc shall not offer, promise or consent to give any public official or private officer, whether Chilean or foreign, any economic benefit under any pretext or circumstances and using any means. Similarly, employees shall always take care to ensure that the Company's money or assets, or the signing of agreements or contracts, are never used under any circumstances for illegal ends and/or ends that could constitute offenses, such as the funding terrorism, money laundering, bribery of public officials and bribery.⁷

Employees must always be alert to any situation that might seem suspicious and might expedite the committing of any of the offenses referred to above, and they shall report them immediately using the channel for complaints set up by Antofagasta plc.

⁷ Law 20.393, Criminal Liability of Legal Entities, forbids the offenses of bribery of a public official (national or foreign), money laundering and funding terrorism. The UK Bribery Act forbids bribery in the public or private sector, as well as also the companies' failure to prevent bribery.

4. Whistle blowing channels and complaint Investigation

The complaints channel is a system implemented at the organization, available through the intranet, internet, email and telephone (toll free number), intended to be used as a mechanism to submit any complaint related to irregularities or violations of internal policies, irregular conduct, Ethics Code violations, CPM breaches or potential commission of any offense indicated in the Anti-Corruption Laws (Law 20.393, UK Bribery Act, etc.). The CPO shall analyze the complaints received through the various channels set in place by the organization, to identify those that could have CPM implications or otherwise associated with any criminal offenses under the Anti-Corruption Laws (Law 20.393, UK Bribery Act, etc.).

The CPO must see to the proper coordination of investigations launched on the basis of complaints having CPM implications or otherwise associated with any criminal offenses under the Anti-Corruption Laws (Law 20.393, UK Bribery Act, etc.).

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Handling of complaints and coordination of complaint investigations are conducted as provided in the “Complaint Review and Reporting Methodology.”

Response activities

The objective is to launch the investigation, establish resolutions, corrective action, disciplinary action and/or sanctions for CPM offenders or upon detection of any red flags under Anti-Corruption Laws. As part of the response, the review of breached control activities must be contemplated in order to reinforce or replace them with new control activities:

CPM response activities in case of any violation of Anti-Corruption Laws are as follows:

- Report sanctions and control enhancements.
- Coordinate disciplinary sanctions.
- Register and follow up on cases and sanctions.
- File a report with the law enforcement agencies, if applicable.

5. Due Diligence

Relationship with third parties

Due diligence audits on prospective business partners Antofagasta plc, whether to create a strategic alliance, joint venture or cobranding, not only cover commercial and financial aspects, but they also analyze all the information needed to detect potential ties between the outside company and any of the offenses indicated in Law 20.393 and the UK Bribery Act.⁸

Relationship with Contractors and Vendors/Associates

Induction of Antofagasta plc contractors/vendors (“Associates”) must include a due diligence process contemplating the following matters, whenever applicable: background checks on the partners or owners of the company, investigation of suspicious situations involving the Associate, such as product or service prices significantly below the market price, obtaining corruption risk information on the Associate’s country of origin, if a foreigner, inclusion of due diligence forms as part of the paperwork necessary for the tender, and maintaining a database with the Associates deemed ineligible.

6. Contract clauses

In compliance with Anti-Corruption Laws, all employment contracts with in-house staff and Associates must include clauses, obligations and negative covenants related to these laws.

Compliance with this requirement is under the responsibility of Human resources and Contracts, as applicable, to be reviewed by the EDP from time to time.

Exceptionally, modifications may be introduced into the clauses provided they are approved by Corporate Risk and Compliance.

⁸ The Risk and Compliance Area of the VPF and/or Company Compliance Officer is in charge of leading the due diligence process in order to assess the risk of offenses posed by a new business relationship and subsequent reporting requirements and prevention assurances.

7. Internal Regulations on Order, Hygiene and Safety

In compliance with Anti-Corruption Laws, the Internal Regulations on Order, Hygiene and Safety of Antofagasta plc must include the internal obligations, prohibitions and sanctions related to stated offenses. These procedures must be regulated in light of the regulations involving the fundamental rights of the employees.

8. Conflict of Interest Declaration

Upon being employed by the Company, new hires must sign a conflict of interest declaration and declare if they have a Conflict of Interest as determined in Title II of the Ethics Code of Antofagasta plc. It must be reviewed and updated if a conflict is identified subsequent to the Conflict of Interest Declaration signed at the time of employment. This statement must be provided and, after being signed, delivered to Human Resources at Antofagasta plc, with a copy to Risk and Compliance.

Moreover, every executive officer, supervisor, employee and collaborator of Antofagasta plc, who, in his or her relationship with public officials, has or believes that he or she has a conflict of interests, is bound to report conflict of interest situations through the Conflict of Interest Declaration, available with Human Resources at Antofagasta plc. In addition, the same communication may be delivered to Risk and Compliance and in the Intranet.

In the case of associates, whenever a contract is renewed or tendered, any Contractor or Supplier must sign the Conflict of Interest Declaration as indicated in the Risk Manual.

9. Gifts and Hospitality Guidelines

Antofagasta plc employees may not offer, give or receive gifts or hospitality when:

- The value exceeds USD 100.
- When done on a regular or periodic basis with the same person or institution.

- When Antofagasta plc is in a negotiation/tender process, securing a permit or authorization for key rights.
- It is strictly forbidden to offer, give or receive money.

For more information, see the Gifts and Hospitality Guidelines.

C. Risk Management⁹

Together with the Board of Directors, the CPO is responsible for the process of identifying and assessing the potential risks of commitment of an offense to which Antofagasta plc is exposed. As a result of this process, a Crime Risk and Controls Profile must be drawn up, and it must be reviewed every year or when there are significant changes to the conditions of the business.

The following must be done to carry out this activity, in accordance with the Risk Management Manual in effect at the Company:

- Identify and assess risks.
- Assess and quantify risks.
- Identify controls.
- Assess controls.
- Monitor and follow up.

The process must be documented in the Risk System established by the Company.

1. Identifying Risks

Risks must be identified using a “top down” approach through work meetings in which all key people participate. A list of the main risk scenarios is drawn up involving commitment of the offenses within the scope of the Law that may be committed in the direct and immediate

⁹ Anti-corruption Legislation Requirements, especially article 4(3)(a) of Law 20,393 and Principle 3 of the UK Bribery Act.

interest or for the benefit of the company and that may be committed by the owners, directors, responsible individuals, main executive officers or those who perform management and supervisory activities, as well as by the employees under the direction or supervision of any of the above. The risks are assessed to establish their validity and quantify them. This information must be incorporated into the Risk Matrix.

2. Assessing Risks

The risks identified must be assessed to place them in order of priority, with a view to determining the operating areas or processes with the most exposure. This enables the CPO to focus his or her resources and efforts.

The Impact and Probability parameters are used to assess the risks as indicated in the Risk Management Manual.

Key persons, who are aware or involved in the risks to be discussed and who have the authority to make decisions about the control strategies and other methods of risk management, must participate in the assessment of the risks identified.

3. Identifying Controls

For any risks detected, controls must be identified for their effective mitigation. These controls are incorporated and monitored by Risk and Compliance to assess the effective operation of the CPM.

For each control, one must identify:

- Description of control activity.
- Frequency.
- Identification of the person in charge of executing controls.
- Evidence of support, among other aspects.

4. Assessing Controls

The design and effectiveness of the controls identified in point 3 will be evaluated with regard to their mitigation of the risk of an offense to which they will be applied.

Based on the evaluation performed, one must conclude that the control:

- Reasonably mitigates the risk of the offense.
- Does not reasonably mitigate the risk of the offense.

5. Monitoring and Follow Up

The purpose is to take actions to detect any non-compliance with the CPM and possible exposures to the offenses specified under Anti-Corruption Legislation (Law 20.393, UK Bribery Act and/or others).

The CPM detection activities are as follows:

- Review of compliance with the CPM controls.
- Review of litigation.
- Review of complaints and investigations carried out.

D. Communication and Training

Antofagasta plc is required to advise all its employees and associates on the existence and contents of the model and the scope of the Anti-Corruption Legislation (Law 20.393, UK Bribery Act and others).

Furthermore, for this policy to be integrated into the daily tasks of each member of Antofagasta plc, regular training will be given to the members of Antofagasta plc in order to transmit the minimum knowledge required of the matter and how to apply its procedures.

Training shall consider at least the following contents:

- Definition of the offenses of bribery, bribery of public officials, asset laundering and funding terrorism and legislation on these matters.
- The Company's Policies with regard to the Prevention Model.
- Brief exposition on the contents of the Prevention Manual.
- Tools and mechanisms used for implementing the Model and the Code of Ethics.
- Examples of situations of risk of these offenses being committed.
- Established reporting channels
- Internal regulations and standards.
- Obligation to report.
- Disciplinary consequences, as well as legal (civil, criminal, administrative), of non-compliance with the internal and external regulations in matters of asset laundering, funding terrorism and bribery.
- Responsibility of each employee with regard to this matter.

Every relevant employee of Antofagasta plc shall participate in the training instances arranged by the Company for these purposes.

E. Monitoring and Reviewing the CPM

By monitoring, the CPO, or whoever he or she appoints, shall regularly check that the CPM works as it was designed to do.

In order to carry out the monitoring activities, the CPO may request support from other areas of the organization, such as Internal Audit (or outsource this activity), Accounting, among others, always provided such areas are not involved in the activity to be reviewed.

The CPO may perform the following monitoring activities:

- Review the supporting documentation of the tests performed by the support areas.
- Check the control activities (by means of sampling).

- Analyze the reasonableness of the transactions.
- Check compliance with the restrictions stipulated in the procedures.
- Others.

In those monitoring activities where a sample needs to be determined, the CPO must determine and document the criterion to be used.

Review Plan

The CPO must stipulate a Review Plan, which must consider checks on the operating effectiveness of the controls implemented, the mitigation of the risk of committing the offenses stipulated and the operating effectiveness of the CPM as stipulated in Anti-Corruption Legislation. This Plan must define the number of reviews needed, the matters to be checked, the frequency and their controls, etc.

All operations giving rise to an investigation due to the possible perpetration of any of the offenses particularized in this Manual must be recorded. This record must be kept for at least five (5) years.

According to article 4(b) of Law 20.393, Antofagasta plc may certify the Crime Prevention Model as per the requirements set out in the same statute and in relation to the situation, size, business line, level of revenues and complexity of the company.

VI. High risk business activities

Donations

The following obligations are an integral part of the procedure regulating donations at Antofagasta plc:¹⁰

- Stipulate the chain of authorizations for making donations.

¹⁰ Review Community Investments Guideline, which defines and specifies all matters relating to Company donations

- Ensure that the entity receiving the donation has the proper accreditation (legal validity, incorporation, legal representatives, etc.).
- Check the institution in the RECORD OF DONATION-RECEIVING INSTITUTIONS – LAW 19,885.
- Identify the work done by the institution receiving the company's donation.
- Stipulate the purpose and use of the resources donated by Antofagasta plc.

Sponsorship

A record must be kept with the physical evidence of the contributions made to sponsor events. This record must include an identification of the recipient or beneficiary of the sponsorship and the purpose of the benefit. The process of authorization applied by the company to the provision of the sponsorship must also be recorded, including detailed information about the request for sponsorship (if any).

.22 Funds to be Rendered, reimbursement of expenses and credit card use

In order to facilitate performance of duties on the part of executives and some employees, the Company advances funds, reimburses expenses already incurred and provides credit cards.

The procedure requires filling out rendering forms, indicating expense details, with the respective vouchers. The forms shall bear the signature of the applicant and approval of his or her direct superior. They must finally be sent to Accounting.

These funds are not to be used to entertain public officials, nor for entertainment expenses, nor for any other purpose than those specified in the paragraph above. More details are found in the Fund Rendering, Reimbursement of Expenses and Credit Card Use procedure.

Travel by Employees and Third Parties

Travel expenses will only be reimbursed when related to: transportation, accommodations, food, commuting, use of dry cleaning services use of telephones, car rental expenses, entertainment expenses, actually disbursed, and submitting the relevant supporting documentation or original invoices.

In very exceptional cases, and in companies with cash-only economies, where no documents supporting the transaction are available, the transaction must be described in detail and discussed with the VP, Area Manager or General Manager in question, who shall evaluate approval.

The Company shall not assume responsibility for disbursements not directly related to the purpose of the work trip, which shall be borne by the employee.

The Group shall not reimburse expenses that go against its values.

Likewise, it is forbidden to accept trips paid by customers, suppliers or contractors, current or prospective, of Antofagasta plc.

For more information, please review the Expenses and Travel Guidelines and the Gifts and Hospitality Guideline.

Mergers or Acquisitions

A Merger or Acquisition process shall necessarily consider a Due Diligence with an analysis of all of the information that can possibly be compiled on the participation of the company to be acquired, or with which a merger is being sought, in the offenses specified in Anti-Corruption Legislation.

Permitting

As part of its ordinary course of business, Antofagasta plc needs to obtain several sector-specific or other permits required by the business. Communications by e-mail with public officials shall be conducted using the institutional e-mail addresses of Antofagasta plc and the institution to which the official belongs. In case of any anomaly detected in this process, the Prevention Officer must be contacted.

Retaining of Services and Procurement of Goods

Antofagasta plc is a company governed by the highest ethical standards and, therefore, it expects its providers of goods and/or services to strictly adhere to all the laws and regulations that apply to its business processes. To this end, it has included, as part of its analysis, a background check on participants, the use of the due diligence questionnaire and providing participants with the Conflict of Interest Form (internal and external).

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Surplus Materials for Sale

The sale of surplus materials is related to equipment, tools, materials, supplies and other items declared non-essential by a company, either because they are no longer necessary or are no longer useful for the main business activity. These surpluses are classified as: decommissioned fixed assets, obsolete stocks; project surpluses and other surpluses (scrap metal, material in disuse from production processes).

Generally, these surpluses are valued as an obsolescence provision or write-down, to be reversed at the time of sale.

To sell surpluses, Antofagasta plc must conduct the following activities: declaration of non-essential assets by the relevant business area; sales process; and accounting of the activity in accordance with the Accounting Policies of the Group.

() This list is not all-inclusive, and it does not cover all business activities presenting higher risk.*

VII. Non-Compliance Reporting Procedure

1. General Framework

Antofagasta plc expects that, in the performance of their tasks, its employees and collaborators will act at all times subject to the principle of good faith, which requires, among other aspects, constantly maintaining an attitude of collaboration with the organization. These are consistent with the principles of behavior and values stipulated in our Code of Ethics. As part of a tool for complying with the above, Antofagasta plc has designed and implemented a channel of communications, so that members of the organization and its collaborators may express, communicate or report any irregularities they may detect in the performance of their jobs.

Similarly, the organization expects its employees and collaborators to adopt responsible measures to prevent any non-compliance with the Crime Prevention model, so as to look for guidance and report situations in time to be able to prevent them from becoming problems. To that end, one must consider that, as a general principle, if any employee or collaborator of Antofagasta plc has any doubts or suspicion about a possible infringement of the laws, of this policy or any others of the company's policies, such employee or collaborator may report this situation using its formal channel for receiving these kinds of reports, via the Intranet or the Internet.

2. Whistle blowing channels

The channels provided by Antofagasta plc for reporting any irregularities are as follows:

- Intranet Address:
<http://sistemas.aminerals.cl/sri>
- Internet Address:
<https://sistemas.aminerals.cl/SRIProduccion/frmNuevoReporte.asp>
- Telephone:
 - 800 – 835 – 132 (Chile)
 - 1 – 800 – 089 – 969 (Australia)
 - 1 – 866 – 488 – 7958 (Canada)
 - 1 – 866 – 835 – 6085 (United States)
 - 0808 – 101 – 7308 (United Kingdom)
- E-mail address:
lineaetica.consultas@aminerals.cl

3. Reporting

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Without detriment to the fact that the employees and collaborators of Antofagasta plc may report those situations that might – depending on the circumstances – signify a possible violation of the laws, this policy or any others of the company’s policies, in a preventive manner and using the channels described above, they shall necessarily report any suspicions of any violation of the local laws or those of the country where the company operates, or of the Company’s policies, regulations and procedures, when any of the following matters are involved:

- An alleged act of bribery of public officials or bribery of a public official, whether national or foreign, or an alleged link of Antofagasta plc to an act of bribery of public officials or bribery.
- Knowledge or suspicion of a link between an employee of Antofagasta plc, which involves terrorist acts or funding terrorism, or asset laundering.
- Knowledge or suspicion of a supplier or provider of services to Antofagasta plc, which involves bribery, asset laundering or funding terrorism.

Any reports involving the offenses stipulated in Law 20.393 and the UK Bribery Act will be referred to the Crime Prevention Officer.

4. Handling Complaints or Reports

The CPO is responsible for adequate, timely handling of complaints and reports received that have to do with the offenses stipulated in Anti-corruption Legislation (Law 20.393, UK Bribery Act, etc.) and he or she will ensure that the necessary measures are adopted with regard to such complaints or reports.

Reports of non-compliance of the CPM must consider the following aspects:

- The individual making the report or complaint must describe in as much detail as possible the situation in which he or she was made aware of the transaction or operation that caused the report. He or she must include the foundations on which the indications of this possible unusual or suspicious operation or situation are based.
- If there is a beneficiary of the transactions, specify the personal data of this beneficiary.
- The report must contain as much information as possible about the individual under suspicion or those involved.
- The CPO will keep a confidential file with all of the information received and which may only be accessed by the people who, because of their position, must be involved in some way in the investigation of the report and only with regard to the essential information for that investigation.

5. Confidentiality of the report

All reports will be kept strictly confidential and, hence, they will only be known to the recipient of the report and the Individual in Charge of Prevention and/or the people who need to be involved in the investigation.

6. Reporting to law enforcement agencies

If facts are uncovered that have the characteristics of a crime, the CPO shall evaluate, together with the Legal Counsel and Board of Directors of the Company, whether to make the respective accusations to the Courts of Law, the Public Prosecutor or the Police. This action is specified as an attenuating circumstance for the criminal liability of the legal entity in Art. 6 of Law 20.393, which states.

“The legal entity will be understood especially to collaborate substantially when, at any stage of the investigation or legal proceedings, its legal representatives have informed the authorities of the punishable event, or contributed information to establish the events investigated, before knowing that it was the subject of legal proceedings”.

VIII. Administrative Sanctions

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Every employee of Antofagasta plc must know the contents of the Model and shall be governed by its guidelines at all times. The CPO controls compliance with this Model and puts into practice the verification programs.

Non-compliance with the terms and conditions of this Manual by the employees is grounds for sanctions, which may range from a verbal admonition to dismissal, depending on the seriousness of the violation, notwithstanding any other actions deemed applicable depending on the case.

For advisors, contractors or suppliers, non-compliance with the terms and conditions of this Manual is deemed a gross breach of contract and is grounds for immediate termination of the contract in force.

The employees must report any infringements noted of the Prevention Model to their supervisors or the CPO, or through the reporting mechanisms.

The employees of Antofagasta plc shall be aware that they may be the subject of internal investigations, if there is any indication or any report has been received involving non-compliance with some law or internal regulation of the company within Anti-corruption Legislation (Law 20.393, UK Bribery Act, etc.). Employees shall collaborate fully with the internal investigation procedures carried out within the framework of the CPM. Compliance with the policies and procedures specified in this Manual, in the Code of Ethics and in the other documents supporting the Model is mandatory and they are incorporated into the functions and responsibilities assigned to each employee.

The advisors, contractors and suppliers of Antofagasta plc are subject to the same obligation to collaborate, which is placed on record in the respective contracts or agreements signed.

Annexes

These annexes are referred to the provisions of the Anti-Corruption Regulations in: Chile, United Kingdom, United States, Australia, Canada and the Public Republic of China.

On the understanding that the anti-corruption legislations are applied internationally, the fact that the UK Bribery Act has been described as the far-reaching in scope and the toughest legislation, and with the intention to protect the company and its employees, for all purposes Antofagasta plc will develop its crime prevention model, guidelines and procedures in accordance with the UK Bribery Act.

Anexo i

Chile Law 20.393

Requires having in place a Crime Prevention Model in order to prevent the commission of criminal acts: money laundering, funding terrorism and bribery of public officials.

In its Article 3, the Law 20.393 sets out the 'Attribution of criminal responsibility'. Legal persons shall be liable for the offenses listed in Article 1 that were committed directly and immediately in their interest or for their benefit, by their owners, drivers, managers, senior executives, representatives or those engaged in administration or supervision if the commission of the offense is a consequence of breach, by the latter, of the duties of management and supervision.

Under the same assumptions of the preceding paragraph, legal persons shall be liable for crimes committed by individuals who are under the direction or direct supervision of any of the persons mentioned in the preceding paragraph.

Supervisory duties are fulfilled when, prior to the crime, the legal person has adopted and implemented models of organization, management and supervision to prevent crimes.

Legal persons shall not be liable in cases of natural persons mentioned in the preceding paragraphs, have committed the offense solely to their advantage or for a third party."

Anexo ii

UK Bribery Act 2010

The UK Bribery Act (hereinafter "Act") is a law enacted by the United Kingdom Parliament that seeks to strengthen the anti-bribery legislation. Indeed, it has been described as the hardest, globally, of laws compared in this topic establishes prison sentences of 10 years.

Section 12 of the Act provides that the courts will have jurisdiction over the sections 1, 2 or 6 offences committed in the UK, but they will also have jurisdiction over offences committed outside the UK where the person committing them has a close connection with the UK by virtue of being a British national or ordinarily resident in the UK, a body incorporated in the UK or a Scottish partnership.

The Act creates a new offence under section 7 which can be committed by commercial organisations which fail to prevent persons associated with them from committing bribery on their behalf. It is a full defence for an organisation to prove that despite a particular case of bribery it nevertheless had adequate procedures in place to prevent persons associated with it from bribing.

As the principles make clear commercial organisations should adopt a risk-based approach to managing bribery risks. Procedures should be proportionate to the risks faced by an organisation. No policies or procedures are capable of detecting and preventing all bribery.

A risk-based approach will, however, serve to focus the effort where it is needed and will have most impact. A risk-based approach recognises that the bribery threat to organisations varies across jurisdictions, business sectors, business partners and transactions.

These principles are not prescriptive. They are intended to be flexible and outcome focussed, allowing for the huge variety of circumstances that commercial organisations find themselves in. Small organisations will, for example, face different challenges to those faced by large multi-national enterprises. Accordingly, the detail of how organisations might apply these principles, taken as a whole, will vary, but the outcome should always be robust and effective anti-bribery procedures.

Procedures put in place by commercial organisations wishing to prevent bribery being committed on their behalf should be inspired by six principles: 1) Proportionate procedures: A commercial organisation's procedures to prevent bribery by persons associated with it are proportionate

to the bribery risks it faces and to the nature, scale and complexity of the commercial organisation's activities; 2) Top-level commitment: The top-level management of a commercial organisation (be it a board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it; 3) Risk Assessment: The commercial organisation assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it; 4) Due Diligence: The commercial organisation applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks; 5) Communication: The commercial organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training, that is proportionate to the risks it faces; 6) Monitoring and Review: The commercial organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

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Anexo iii

US Foreign Corrupt Practices Act (FCPA)

The FCPA regulations prohibit offering to pay, promise to pay, pay, or authorize payment of money or anything of value to a foreign official for the purpose of influencing any act or decision of the foreign official in his official capacity or to secure an advantage inappropriate to obtain or retain business.

The FCPA potentially applies to any individual, firm, officer, director, employee or agent of a firm and any stockholder acting on behalf of a company. Individuals and firms may also be penalized if they order, authorize or assist any other person to violate the anti-bribery or conspire to violate those provisions.

Under the FCPA, United States jurisdiction over corrupt payments to foreign officials depends if the violator is an “issuer” (“issuer”), a “domestic company” (“domestic know”), or a national or foreign company.

Anexo iv

Australia Bribery of Foreign Public Officials

Australia ratified the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the Convention) on 18 October 1998. Australia’s implementing legislation (the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999 (Cth)), entered into force on 17 December 1999, which inserted Division 70 into the Criminal code. The Convention requires countries to legislate against the giving or offering of a bribe to a foreign public official to gain or retain a business advantage.

As noted above, Australia implementing legislation for the Convention is contained in Division 70 of the Criminal code. The law applies to conduct occurring in Australia or in a foreign country by an Australian resident or citizen, or a corporation incorporated in Australia.

Section 7.02 of the Criminal Code creates the offence of bribing a foreign public official. The offence is committed if a person: (a) provides a benefit to another person; or (b) causes a benefit to be provided to another person; or (c) offers to provide, or promises to provide a benefit to another person; or (d) causes an offer of the provision of the benefit, or a promise of provision of a benefit, to be made to another person; and (e) the benefit is not legitimately due to the other person; and (f) the first mentioned person does so with the intention of influencing a foreign public official in the exercise of the official’s duty as a foreign public official in order to: (i) obtain or retain business; or (ii) obtain or retain a business advantage that is not legitimately due to the recipient, or intended recipient, of the business advantage.

Anexo v

Canada Corruption of Foreign Public Officials Act (CFPOA)

Canada's foreign corruption avoidance legislation is the Corruption of Foreign Public Officials Act (CFPOA). The CFPOA was enacted in 1999, more than two decades after the US Foreign Corrupt Practices Act and over a decade before the UK brought into force the Bribery Act. The CFPOA was enacted in response to the OECD's anti-bribery convention, which Canada signed in late 1997 and ratified in late 1998. The CFPOA is deliberately similar in many ways to the US FCPA and in a robust regime which necessitates careful compliance activity by Canadian companies and individuals carrying on business abroad.

Consistent with the OCDE Convention, the CFPOA seeks to curtail corrupt practices by Canadians and Canadian businesses operating abroad. More specifically, it focuses on acts of bribery offence in the CFPOA is prescribed in section 3 (which is very similar to both the FCPA and the OECD Convention):

(1) Every person commits an offence who, in order to obtain or retain an advantage in the course of business, directly gives, offers or agrees to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official (a) as consideration for an act or omission by the official in connection with the performance of the official's duties or functions; or (b) to induce the official to use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions.

(2) Every person who contravenes subsection (1) is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

The CFPOA also prohibits the laundering of property or proceeds of any property obtained or derived from bribery of a foreign public official, in Canada or offshore. Possession in Canada of property or proceeds,

whether from bribery or laundering is an offence. Further it prohibits a conspiracy or an attempt, aiding or abetting, an intention in common, or counseling others to commit bribery of a foreign public official, laundering property and proceeds, or possession of property and proceeds.

Anexo vi

Provisions under Public Republic of China Anti-unfair Competition Law

The PRC Anti-Unfair Competition Law (the “AUC”) provides that business operators may not sell or purchase products or services through bribing the opposite parties with properties or with other means. A party’s act of paying rebate to the opposite party off balance sheet and in secret shall be deemed as paying bribe; the opposite party’s act of taking rebate off balance sheet and in secret shall be deemed as accepting bribe (Article 8).

The AUC further provides that: where the acts of business operators who sell or purchase products or services through bribing with properties or with other means constitute a crime, these business operators shall assume criminal liabilities in accordance with the criminal laws (please refer to “PRC Criminal Law” on the next page hereof for details); if such acts do not constitute a crime, the in-charge authority may fine them in the range of RMB10,000 to RMB200,000 in accordance with the seriousness of each specific case and shall confiscate all illegal incomes (if any) derived there from (Article 22).

Interim Provisions on Banning Commercial Bribe

The Interim Provisions of the State Administration of Industry and Commerce on Banning Commercial Bribery (“BCB”) provides that entities and individuals shall not accept or seek bribe when selling or purchasing commodities or services within the territory of PRC (Article 4).

A party which violates the BCB to sell or purchase commodities or services by paying bribe shall be imposed a fine in the range of RMB10,000 to RMB200,000 pursuant to Article 4 of the AUC in accordance with

the circumstances of each specific case, and all illegal incomes (if any) derived there from shall be confiscated by Administration of Industry and Commerce. A party which sells or purchases commodities or services by receiving bribe shall be sanctioned as same way as the aforesaid; if such party's behaviors constitute a criminal offence, such party shall be investigated and prosecuted by the justice authorities (Article 9).

Provisions under Public Republic of China Foreign Trade Law

PRC Foreign Trade Law ("FT") applies to foreign trade and related intellectual property protection. Foreign trade therein refers to import and export of commodities, technologies and international trade of services (Article 2).

Article 33 of FT provides that unfair competition behaviors are forbidden in foreign trade business, including sales at unfairly low prices, collaborating bids, advertising dishonestly, bribing and so on.

Article 33 of the FT goes on to provide that: a party who conducted unfair competition behaviors in foreign trade business shall be sanctioned in accordance with the anti-unfair competition laws and regulations; if such behaviors damage the order of foreign trade, the authority in charge of the foreign trade may eliminate the damage by measures of, for example, banning the party from import and export of the related commodities and technologies.

Public Republic of China Criminal Law

The PRC Criminal Law ("CL") provides that employees of companies, enterprises or other entities who make use of their working conveniences to seek properties or unlawfully accept properties from other people, and make benefits for such people, shall, in cases involving "relatively large amounts", be punished with imprisonment or criminal detention for less than 5 years; in cases involving a "large amount", with imprisonment of over 5 years, and may be subject to forfeiture of property (Article 163).

The aforesaid Article 163 also provides that employees of companies, enterprises or other entities, who in the course of economic contacts, receive personal kick-backs and commissions in various forms in violation of rules of the state, shall be punished according to provisions under the preceding paragraph.

Article 164 of the CL provides that offering property to company, enterprise or other entities' employees for improper benefits shall, in cases involving "relatively large amounts", be punished with imprisonment or criminal detention for less than 3 years; for cases involving a "large amount", with imprisonment of over 3 years but less than 10 years, and with fine.



ANTOFAGASTA PLC

Risk Prevention Model

Crime Prevention Officer

Crime Prevention Manual

Risk Matrix	Support Areas	Control Environment	Labor Laws
Identification of risk of crime -	Legal -	Code of Ethics -	Contract appendices > Employees > Contractors
Definition of controls -	Management -	Channel for Complaints -	-
Evaluation of compliance with controls -	Risk Management -	Internal Regulations -	Clause attached to the Internal Regulations
Response activity	Internal Audit -	Policies / Procedures -	
	Ethics Committee	Crime Prevention Manual -	
		Complaint Management Manual	

Output

Six-monthly Report to Board of Directors

Informational report to other areas / companies

Updating and Monitoring the CPM

Certification of the Model



ANTOFAGASTA PLC