BEST PRACTICE

GUIDE

For giving and receiving gifts, invitations and hospitality







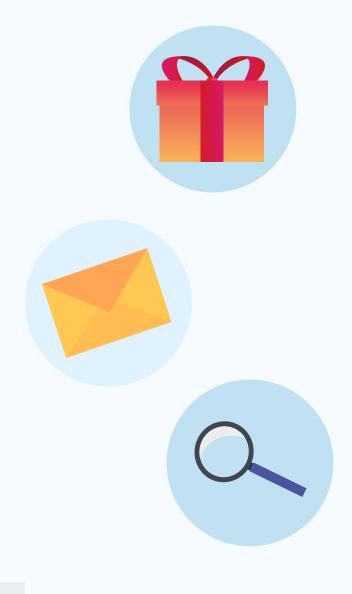


1. INTRODUCTION

This document provides guidelines for giving and receiving gifts, invitations and hospitality as part of SAAM's Compliance Program or Crime Prevention Model for Corporate Criminal Liability; and to complement the Company's policy in its Code of Ethics.

SAAM's operations play a strategic role in the economic development of the countries where they are located. Therefore, the Company is continuously engaged with diverse public and private-sector stakeholders in the towns where it operates, including suppliers, customers, government entities and others, while always upholding best practices for receiving gifts, invitations and hospitality in accordance with current laws in each country and the highest ethical standards for achieving business objectives.

The Company has developed this best practice guide to publicize its practices and assist employees and executives who, because of their jobs, are in a position to receive or give gifts, invitations or hospitality, which must meet integrity standards and strictly comply with the Compliance Program and the Code of Ethics.





2. SCOPE

The behavior guidelines in this document are applicable to SAAM and all subsidiaries, and associates are also encouraged to apply them. In addition, regardless of the regulations applicable in each country where we operate, this best practice guide will set forth the minimum required desired practices for giving and receiving gifts, invitations and hospitality to/from customers, suppliers, public officials and important public positions and politically exposed persons (PEPs).

3. CONCEPT

From this point forward, we will define gifts, invitations and hospitality as anything of value presented to the recipient, whether monetary or in-kind or represented by products, transportation, travel, invitations or any other type of present, token or hospitality that can be interpreted as falling outside commercial practices or commonly accepted courtesy, and in accordance with current laws in the context of best international practices for preventing bribery, corruption and cross-border subornation.



4. GIVING AND/OR RECEIVINGGIFTS, INVITATIONS AND HOSPITALITY

Gifts, invitations and hospitality may be offered and/or received on different occasions, mainly in activities with business objectives, and may lead to a misinterpretation by the recipient and/or giver. Therefore, the following best practices should be considered:







4.a For giving gifts:

- · They must of moderate value.
- They must be offered only as a courtesy.
- They must be directed to all customers/suppliers that meet a certain condition (contract, sales level, VIP, etc.)
- They must be sent with a greeting (card/note) explaining the intention behind the gift (courtesy, with no consideration in exchange).
- They must be given on behalf of the company, not in your own name.
- Preferably the gift should contain the company's logo (e.g.: SAAM).
- Do not give gifts to customers/suppliers with whom you are negotiating a contract, bid, agreement or similar.
- In the context of industry-related activities, SAAM will not offer
 or give economic or other benefits to a public official or third
 party for them to perform some act within their jurisdiction or
 refrain from performing any of their obligations, in favor of the
 Company.

4.b For receiving gifts:

- The permitted referential value for receiving gifts is a maximum of 2 UF (USD 70).
- Do not receive gifts that fall outside industry practice or commonly accepted courtesy.
- Do not receive gifts from customers/suppliers with whom you are negotiating a contract, bid, agreement or similar.
- If you receive a gift and, after analyzing it, consider it inappropriate
 to "receive" it, you must return it and send a thank you email or
 note specifying the reasons for returning it (internal company
 policies).
- If, in the context of industry-related activities, you receive gifts, hospitality or invitations to events or other public or protocolrelated activities from Government Entities, Public Officials or State-Owned Companies, they must meet, without exception, the policies and procedures that govern interactions with Public Officials.



5. DUTY TO REPORT GIVING OR RECEIPT OF

GIFTS, INVITATIONS AND HOSPITALITY

Any gift, invitation or hospitality that is given or received must be reported as follows:

- Always report the gift, invitation or hospitality received, notifying
 the company's designated focal point and sending an email to
 eticaycumplimiento@saam.cl, indicating at least the sender of
 the gift. If the sender is a supplier, customer or other similar,
 attach a photograph of the gift received.
- Always report the gift, invitation or hospitality given by email to eticaycumplimiento@saam.cl, with the following information attached
 - List of people the gift is being given to, indicating whether they are customers, suppliers or other.
 - · The unit value of each gift given.
 - · Photograph of the gift
 - · Copy of the Purchase Order and Purchase Invoice.
 - If Petty Cash, Expense Funds or a Corporate Credit Card was used for the purchase, indicate so and attach a copy of the receipt, invoice or proof of purchase.
 - Copy of the greeting card/note sent with the gift.

Since many companies have instituted best compliance practices with varying degrees of restrictions, your gift may possibly be returned. In that case, the person in charge at each company must report the return by email: eticaycumplimiento@saam.cl and record it in their logbook.

Employees and executives may direct any questions to their direct supervisor or the SAAM Compliance Officer (Crime Prevention Officer).

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