



MINERA SAN CRISTÓBAL S.A.

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# REGULATION OF ETHICS AND BUSINESS CONDUCT

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## CHAPTER I. GENERAL PROVISIONS

### Art. 1. – Objective

The activities of Minera San Cristobal S.A. (the "Company" or "MSC" indistinctly) must be carried out in accordance with the highest ethical, moral and legal principles, thus avoiding any type of dishonest act, corruption or contrary to the good customs of social coexistence.

This Code of Ethics and Business Conduct (hereinafter referred to as the "Code") has been adopted to provide written principles and guidance to promote:

- a) Ethical and honest conduct, including the ethical management of real or apparent conflicts of interest between personal and professional relationships;
- b) Compliance with the laws, rules and governmental regulations in force in all areas: social, labor, economic, financial, civil, etc.;
- c) Disclosure of full, fair, accurate, timely and understandable information in the reports and documents the Company files or submits;
- d) The immediate preparation of informs or internal reports on violations of the Regulations to the appropriate person or persons identified in the Regulations; and
- e) Accountability in terms of compliance with the Regulations;

all of the above, in the performance of activities within MSC as well as in the context of administrative, technical or operational support to companies for which MSC has also committed its services, outside its facilities and in places where the personnel were appointed.

### Art. 2. - Scope

This Code is mandatory and applicable to all MSC personnel at different hierarchical levels.

## CHAPTER II. HONEST AND ETHICAL CONDUCT

### Art. 3. - Commitment

The Company is committed to complying with the highest ethical standards to achieve its corporate interests and expects its personnel to meet those standards.

### Art. 4. - Ethical Standards

In general terms, some of the ethical standards to which the Company is committed and for which all its personnel are individually responsible are the following:

- a) To frame its activities and actions in strict compliance with applicable laws, rules and governmental regulations as well as specific regulations and standards that the company puts into effect.
- b) Act ethically in all the transactions with contractors, suppliers, clients, employees and others.
- c) Avoid situations where personal interests are or appear to be in conflict with the interests of the Company.

- d) Not have behaviors or acts of mistreatment, harassment (labor and sexual), racism, discrimination, breach of trust or that violate good customs and/or the fundamental rights of any natural or legal person, with whom they interact during your employment relationship with the Company.
- e) To responsibly use and protect the Company's assets, including property, equipment, facilities, funds and information.
- f) Maintain confidentiality of private information provided by the Company for its knowledge and use within the scope of its work or that has learned or obtained from third parties and not take advantage of it for personal gain or in actions aimed to harming the Company, its image and/or its interests.

Some of these ethical standards are discussed below in more detail.

### **CHAPTER III. COMPLIANCE WITH THE LAW**

#### **Art. 5. - Compliance with all Laws, Rules and Regulations in Force**

The Company and all its personnel shall respect and comply with all laws, rules and regulations in force in Bolivia.

In relation to the above, in accordance with the laws in force and applicable in Bolivia, personnel must ensure that during their employment with the Company, no payments, gifts or offers; nor promises of payments or gifts of any nature are made, directly or indirectly, to any official of any governmental, sectoral, private or public entity, business, contractor companies, social organization or individual persons for any reason whatsoever.

The Annex to this Code lists the conduct prohibited and criminalized in the Penal Code in relation to the receipt or delivery of gifts, protocol awards, meals and travel expenses, which must be observed by personnel.

#### **Art. 6. - Understanding**

The Company is subject to numerous and complex legal requirements. All personnel must know and understand the scope of those laws that are applicable to them in the performance of their work and take measures to ensure that the Company's operations in which they are involved are conducted in compliance with them.

#### **Art. 7. - Responsibility**

The personnel is individually responsible for compliance with the Law. Failure to comply with the content and spirit of the law may result in civil or criminal liability, both at personal and corporate level.

#### **Art. 8. - Responsibility to report**

Personnel have the responsibility to report to their supervisor, Manager or Vice President (as indicated in Chapter 8), any behavior or conduct related to the Company's activities or business, which may constitute a crime and/or non-compliance with applicable laws, using regular channels and formal mechanisms available in the Company.

#### **Art. 9. - Doubts**

If the personnel have doubts or questions as to whether their conduct or the conduct of others may give rise to personal, civil or criminal liability, should obtain specific guidance and advice from their supervisor, Superintendent, Manager, Vice President or the Human Resources Department. The Chief Executive Officer is the final authority for resolving any concerns or questions that could not be addressed by the aforementioned authorities.

#### **Art. 10. - Applicable Laws**

This Code does not summarize all laws, rules and regulations applicable to the Company and its personnel, who should consult the Supervisor, Superintendent, Manager or Vice President of the Company, on applicable laws, rules and regulations for additional information.

#### **Art. 11. - Consultation at a Higher Level**

If personnel believe that the instructions of their Supervisor, Superintendent or Manager may be in violation of applicable law, should consult with their Vice President or Chief Executive Officer.

### **CHAPTER IV. CONFLICTS OF INTEREST**

#### **Art. 12. - Prohibition**

Conflicts of interest are prohibited as Company policy, except under guidelines approved by the Chief Executive Officer of the Company.

The personnel assume the commitment to have an exclusive labor relationship with the Company as well as the impossibility of agreeing to professional advice, nor to have the status of member of the Board of Directors, with respect to any person, natural or legal, whether public or private law, which may originate - directly or indirectly, a conflict of interest with the activities of the Company.

#### **Art. 13. - Existence of Conflict of Interest**

A "conflict of interest" exists when a person's personal interest interferes or conflicts in any way with the interests of the Company or the person's duties to the Company.

#### **Art. 14. - Other Sources of Conflicts of Interest**

Conflicts of interest may also arise when a person, or members of his or her family, receive improper personal benefits as a result of his or her position in the Company or his or her decision-making authority, or when he or she has a personal interest that may affect his or her objectivity in making a solid and ethical business decision, whether strategic, tactical or operational.

#### **Art. 15. - Examples**

For example, a conflict of interest may exist if some personnel:

- a) Accepts a gift, service, payment or other benefit of more than nominal value from a competitor, a supplier or customer of the Company, or from any entity or organization with which the Company does

- business or intends to do business; provided that normal business meetings sponsored by customers or suppliers are permissible;
- b) Lends to or borrows from, or has any important interest (proprietary or otherwise) in a competitor, a supplier or customer of the Company, or any entity or organization with which the Company does business or intends to do business;
  - c) Accepts compensation (of any kind) for services performed for the Company from any source other than the Company;;
  - d) Serves as a director, manager, partner, consultant or has any other significant role with a competitor, a supplier or customer of the Company, or in any entity or organization with which the Company does business or intends to do business;
  - e) Acts as a broker, agent or other intermediary for the benefit of a third party in transactions involving the Company or its interests;
  - f) Knowingly competes with the Company; or
  - g) Conducts significant outside business activity that precludes the Covered Person from devoting appropriate time and attention to his or her responsibilities with the Company.

**Art. 16. - Questions on Conflicts of Interest and Responsibility to Report**

Conflicts of interest are not always well defined; therefore, if the Covered Person has a question, should consult his or her supervisor, manager or director.

Likewise, is personnel's responsibility to report and inform the Company of any risk of conflict of interest - whether direct or indirect - may exist with respect to professional advisory activities or invitations to become a member of the Board of Directors that they may receive in favor of any person, natural or legal, whether public or private law.

**Art. 17. - Directives concerning the receipt of gifts**

For the purposes of these Regulations, a gift is understood as "something given voluntarily without payment as consideration; to celebrate an event or as a gesture of goodwill".

In order to avoid risks to the Company that may arise as a result of the receipt of gifts given by contractors, suppliers or others to personnel with or without an expectation of receiving preferential treatment in return, the receipt of gifts by personnel is subject to the following guidelines:

- a) Not to receive gifts of cash or cash equivalents (e.g. checks, securities, etc.);
- b) Not accept travel expenses, lodging or other allowances. If it is a legitimate business trip, the Company will pay for travel expenses for personnel;
- c) On business trips, accept expenses for meals (e.g. lunches or dinners) from the hosts if allowed.
- d) If a gift (other than cash or cash equivalents) valued at more than USD 100 (One Hundred and 00/100 United States Dollars) is received, the recipient must advise the contractor or supplier of the existence of the present Code and ensure that the contractor or supplier does not expect any favors in return. In any case, it is recommended not to accept any type of personal gift, regardless of its value;
- e) If personnel perceive or suspect that the gift in question is being given under the expectation of receiving preferential treatment or generating some commitment, then they must report the situation in accordance with the provisions of these Regulations.

#### **Art. 18. - Other Prohibitions**

It is also forbidden to the personnel:

- a) taking personal advantage of opportunities that belong to the Company or that are discovered (disclosed) through the use of the Company's assets, information or position;
- b) use the Company's assets, information or position for personal gain; and
- c) Competing with the Company.

#### **Art. 19. - Interests of the Company**

Employees have a duty to the Company to promote and protect the legitimate interests of the Company when the opportunity arises.

#### **Art. 20. - Permissions**

The Executive President or the Vice President of the area shall have the authority to evaluate and permit any situation related to a real or apparent conflict of interest.

### **CHAPTER V. CONFIDENTIALITY**

#### **Art. 21. - Important and/or confidential information**

Important and/or confidential information includes all private information that could be used by existing or new shareholders or competitors of the Company, or that could harm the Company if disclosed.

In general, the important and/or confidential information, is all the information, documents, files, records, material, data either oral, written or registered in any other way; concerning MSC's affairs and other data, including copyrighted information, techniques, models, MSC's own know-how, processes and Management System in general, programs, executables, research, design details, list of customers, investors, employees, business and contractual relationships, and other information disclosed about third parties, work systems, methods, techniques, discoveries, innovations, ideas, concepts, systems, software and other communication and computer mechanisms developed by or for the activity of MSC and protected by copyright and intellectual property rights, financial and accounting information of the business, as well as bank account data, financial movements and labor and personal data concerning the personnel, among others.

The following information is also considered important and/or confidential: a) Information that is not easily accessible, and b) Information that is not subject to reasonable protection measures, according to the circumstances of the case, in order to maintain its confidential nature, c) the one that is of limited access only to certain people and that if it is known, used or modified by other people without the proper authorization, it can have a critical impact on the systems and/or processes of the company, causing severe damage or not acceptable for business.

#### **Art. 22. - Maintaining Confidentiality**

The personnel must keep absolute reserve and confidentiality on all important and/or confidential information of the Company, being especially obliged not to disseminate, share, provide, cede, facilitate,



sell, exchange, transfer, donate, give away, copy or others, to any person or natural or legal entities, by any mechanism, whether free or onerous, in the national territory or abroad, any of the elements that are part of the CONFIDENTIAL INFORMATION, either for its own benefit or that of third parties, except when the information was in the public domain at the time it was provided or when the legislation in force or a court order requires its disclosure.

Within this framework, the personnel must adopt all security measures that guarantee the confidentiality and non-disclosure of important and/or confidential information, exercising the appropriate actions that in no case may be less than the level of care that is reasonably necessary to prevent its loss, theft, subtraction or unauthorized use.

The foregoing is in accordance with the provisions of MSC's Internal Work Regulations, approved by Ministerial Resolution 198/06, Article 46.8.

**Art. 23. - Legal Obligation to Disclose Confidential Information**

Whenever feasible, personnel shall consult the Chief Executive Officer of the Company if they believe they have a legal obligation to disclose confidential information.

**CHAPTER VI. FAIR TREATMENT**

**Art. 24. - Obligation to Fair Treatment**

The personnel shall treat fairly the personnel in general, regardless of their hierarchical level, customers, suppliers, contractors and competitors of the Company.

Personnel have the right and the obligation to protect the working environment, in order to guarantee and promote respectful, cordial and considerate treatment, free of pressure, discrimination, harassment and mistreatment, in compliance with current labor regulations, the Internal Regulations and the Mutual Respect Policy (2.04.PT03) of MSC.

**Art. 25. - No Unfair Advantage**

No employee should take unfair advantage of anyone or the Company through manipulation, concealment, misuse of privileged information, misrepresentation of important facts, misuse of anonymity or other unfair practices that may even be perceived as extortionate.

**CHAPTER VII. PROTECTION AND ADEQUATE USE OF THE COMPANY'S ASSETS**

**Art. 26. - Protection and Adequate Use**

All personnel shall protect the Company's assets and ensure their efficient use.

**Art. 27. - Use limited to Business Purposes**

Theft, carelessness and waste have a direct impact on the Company's profitability and are attitudes contrary to corporate values. All Company assets shall be used only for legitimate business purposes, in accordance with internal regulations, instructions and authorizations.

## CHAPTER VIII. PUBLIC INFORMATION

### Art. 28. - Public Reports

It is critically important that the Company's public reports are accurate and timely. Personnel may be asked to provide the information necessary to ensure that the Company's public reports are complete, fair and understandable.

### Art. 29. - Accurate Responses

The Company expects personnel to take this responsibility seriously and to provide accurate answers promptly to questions regarding the Company's public disclosure requirements.

### Art. 30. - Books, Records, Accounts and Financial Statements

All books, records, accounts and financial statements of the Company must be prepared with sufficient detail, must properly reflect the Company's transactions and must comply with applicable legal requirements as well as with the Company's system of internal controls.

### Art. 31. - Reporting Deficiencies in Internal Controls or Fraud

Personnel must communicate to their Supervisor, Superintendent, Manager, Vice President or the Chief Executive Officer of the Company any information they may have regarding:

- a) Significant deficiencies in the design or operation of internal controls over financial reporting that could adversely affect the Company's ability to record, process, summarize and report financial data; or
- b) Any fraud, whether important or not, involving management, Vice President or personnel.

## CHAPTER IX. BEHAVIOR OF THE PERSONNEL

### Art. 32. - Obligations of the personnel

The personnel, in the performance of their work, have the obligation to behave correctly in accordance with the moral, social, legal and ethical standards of conduct, inside and outside the Company's facilities, as well as to maintain an appropriate conduct towards their co-workers, being obliged to have an adequate moral behavior, without discrimination by sex, avoiding gender problems or jokes, as well as expressions and acts harmful to the dignity of their colleagues (*MSC Internal Work Regulations, approved by Ministerial Resolution 198/06, Articles 46.1 and 46.2*).

Likewise, and within the framework of Law No. 045 "Law Against Racism and All Forms of Discrimination" and Law No. 348 "Comprehensive Law to Guarantee Women a Life Free of Violence", the Company's personnel are obliged to behave appropriately in the performance of their duties within the Company's facilities and also outside, mainly when they are on work assignments, representing the Company, performing work for Company clients and in any performance that requires social interaction, including with people or residents of the places designated by the Company for the development of its activities.

**Art. 33. - Prevention against Labor or Sexual Harassment and attention of cases**

The Company rejects any conduct or communication of labor or sexual harassment by MSC personnel towards its own personnel, contractors, customers, suppliers, subcontractors and vice versa. Within this framework, the Company, in addition to guaranteeing the safety and protection of the victims, is empowered to initiate and develop the necessary internal processes, within the framework of current legislation, the Internal Regulations and the **2.04.P01.I20** Instructions for the management of mistreatment, workplace harassment and sexual harassment.

**CHAPTER X. REPORTING CHAIN**

**Art. 34. - Business Conduct**

Personnel must report immediately to the superior as part of the Business Conduct.

**Art. 35. - Obligation to Report**

Personnel have the obligation to immediately notify their Supervisor, Superintendent, Manager or Vice President of any situation that may go against the Company's values that may damage the Company's corporate image that means a violation of any Company policy (including this Regulation), any accident or incident. With respect to this Code, any suspected violation of this Code must be reported promptly to the area Supervisor, Superintendent, Manager or Vice President.

**Art. 36. - Actions**

If a Supervisor, Superintendent, Manager or Vice President of the Company receives information about an alleged violation of these Regulations, they shall, directly or through others under their supervision, including members of management and outside advisors:

- a) Evaluate the severity and veracity of the information;
- b) If necessary, initiate an informal inquiry or a formal investigation in this regard;
- c) If appropriate, prepare a written report on the results of such inquiry or investigation, including recommendations on the treatment of such matter;
- d) Communicate the results of such inquiry or investigation (including disciplinary action, which shall be channeled through the formal channels available at MSC, after review of the legal and labor aspects by Human Resources) to their superior. Any Manager, or Vice President of the Company, shall communicate the results of such inquiry or investigation to his or her superior.
- e) If appropriate, recommend such changes to these Rules and Regulations, as they consider necessary or desirable to prevent similar violations of these Rules and Regulations.

**Art. 37. - Responsibility for Disciplinary Actions**

Management shall enforce this Code through appropriate disciplinary actions to be evaluated by Human Resources. It shall assist in the necessary investigations to determine if violations of this Code have occurred and if so, shall facilitate the execution of appropriate disciplinary actions against any personnel who have violated this Code.

#### **Art. 38.- Disciplinary Actions**

Disciplinary actions, depending on the seriousness of the facts, may include guidance actions, oral or written reprimands, warnings or reminders, suspension, pecuniary sanctions, initiation of legal actions or termination of employment, all within the framework of the legal system in force and appropriate to the case, to be evaluated by Human Resources.

#### **Art. 39 - Non-Retaliation**

The Company shall not allow retaliation for reports made in good faith of possible violations of this Code; shall ensure that no disciplinary action shall be taken against any employee or contractor who reports acts against safety, violation of the code of ethics or any act or action that may be perceived as an act of corruption; unless, such disclosure indicates beyond reasonable doubt, that an unlawful act, gross negligence, or willful or deliberate non-compliance on the part of the reporting person has been committed (**1.01.PT01** MSC Management Policy).

#### **Art. 40. - Reports of alleged violations of these Rules and Regulations**

Reports on alleged violations or concerns shall:

- a) Be objective, instead of speculative or conclusive,
- b) Contain as much as possible specific details to allow an appropriate evaluation.
- c) Clearly state all information known to the employee about the alleged violation.
- d) Be truthful and present all information known to the employee regarding the allegation or concern.

#### **Art. 41. - Initiation of Investigation**

The Company may, at its reasonable discretion determine not to initiate an investigation if the complaint contains only non-specific or general allegations of fails without appropriate factual support.

#### **Art. 42. - Involvement**

For the avoidance of doubt, the jurisdiction of the Management shall include, in addition to the personnel who violated this Code, any other personnel involved in the misconduct such as:

- a) persons who failed to exercise due care in detecting a significant violation; and
- b) persons who withheld important information about a suspected violation of these Code when requested to disclose such information.

#### **Art. 43. - Clarifications on Violations of this Code**

Situations that may involve a violation of this Code may not always be clear. Personnel should discuss their questions or concerns about violations of laws, rules or regulations with the Company's supervisor, Superintendent, Manager or Area Vice President.

## **CHAPTER XI. AMENDMENTS AND EXCEPTIONS**

### **Art. 44. - Amendment and Exception Responsibilities**

This Code and any amendment or implied exception thereto may only be amended and approved by the Executive President.

### **Art. 45. - Disclosure of Amendments and Exceptions**

All amendments and exceptions to the Code for a director or executive officer must be disclosed to the President of the Company.

## ANNEX

- **Active Bribery:** Consists of the delivery or promise, directly or through an intermediary, made by a private person to a public official or authority, as well as gifts or any other advantage, to do or refrain from doing something related to their functions.
- **Illicit Enrichment of Private Individuals Affecting the State:** Consists of the disproportionate increase of the assets of a natural person with respect to its legitimate income, affecting the State's assets without being able to disprove such situation. Also applicable in the event that the representatives or former legal representatives of the Company, through private activity, have increased the patrimony of the same, affecting the patrimony of the State and that they cannot demonstrate that they come from a lawful activity. In this case, the Company may be obliged to retribute to the State the assets that have been affected.
- **Facilitation of Illicit Enrichment:** Consists of concealing, dissimulating or legitimizing the increase in assets referred to in the preceding paragraph, as well as facilitating the name or participating in economic, financial and commercial activities.
- **Transnational Active Bribery:** Consists of promising, offering or granting, directly or indirectly, to a foreign public official or a public international organization, benefits such as gifts, favors or advantages, that result in their own benefit or that of another person or entity, in order that such official acts or refrains from acting in the exercise of their functions to obtain or maintain an undue advantage in connection with the conduct of international business activities.
- **Receipt from Corruption Offenses:** Consists of the act performed after a corruption offense has been committed by assisting the perpetrator in securing the benefit or result of the offense or knowingly receiving, concealing, selling or purchasing the proceeds resulting from the offense.
- **Illegitimate Contributions and Advantages:** Consists of the abuse of the status of leader or the simulation of functions, representations, instructions or superior orders, by oneself or through an intermediary, to demand or obtain money or other economic advantage for one's own benefit or that of a third party.