



BEST PRACTICE GUIDE FOR

Relations with Public Officials and Politically Exposed Persons

 **saam**
TERMINALS

INTRODUCTION

This document provides guidelines for relations with Politically Exposed Persons (“PEP”) and Public Officials (“PO”) as part of SAAM Terminals’ Compliance Program or Crime Prevention Model for Corporate Criminal Liability, and to complement the company’s policy in its Code of Ethics.

SAAM Terminals’ operations play a strategic role in the economic development of the countries where they are located. The company maintains ongoing interactions with government entities, public officials and state-owned enterprises in accordance with the institutional and legal framework in force in each country and the highest ethical standards for the achievement of business objectives.

The company has developed this best practice guide to assist employees and executives who, because of their jobs, interact with Public Officials or Politically Exposed Persons and to guarantee that relations with these individuals meet integrity standards and strictly comply with the Compliance Program and the Code of Ethics.

SCOPE

The behavior guidelines in this document are applicable to SAAM Terminals and all subsidiaries, and associates are also encouraged to apply them. Furthermore, regardless of the regulations applicable in each country where we operate, this best practice guide will set forth the minimum required desired practices for relations with Public Officials and Politically Exposed Persons.

CONCEPTS

Public officials may be national or foreign, depending on the country for which they work (regardless of their nationality). The term ‘public official’ includes all individuals that perform a ‘public duty,’ (i.e. perform an activity in their role as part of the State Administration), as part of their duties. The term “Politically Exposed Persons” includes Chileans or foreigners that serve or have served as high-level public officials in a country for up to at least a year after having left the position. This category includes heads of state or a government; high-ranking politicians; high-ranking government, court or military officials; senior executives in state-owned enterprises, as well as their spouses, blood relatives to the second degree and individuals with whom they have signed a joint-action agreement that grants voting power sufficient to influence companies established in any of the countries where SAAM Terminals and its related companies do or plan to do business.

RELATIONS WITH PUBLIC OFFICIALS AND POLITICALLY EXPOSED PERSONS

Relations between a Public Official and/or Politically Exposed Person and an employee of SAAM Terminals or its subsidiaries and associates can take place under diverse circumstances. The most common are:

- Processing permits
- Inspections
- Diplomatic or official acts
- Concession and/or operating agreements

To interact with these individuals, we must ALWAYS follow the best practices listed below:

- **Declare any kinship or relationship with a Public Official or PEP**, under the terms requested by the company and using the means set forth by it (which will depend on their position and/or the duties they perform); keep that declaration up to date and also inform your direct supervisor and Crime Prevention Officer (CPO - SAAM Terminals Compliance Officer and/or the VP Legal) of any situation that could create a conflict or expose the company to the risk of violations because of that kinship or relationship.
- **Meetings with public officials must take place**, to the extent possible, **on the premises of the Company and/or the public institution** to which the officials belong. Furthermore, they must be on business days during business hours.
- **You must always inform your direct supervisor of the existence of the meeting/inspection with the national or foreign public official**, detailing the issues to be addressed and the location set for the meeting.
- **You must determine the framework, scope and need for the meeting in advance.**
- All meetings scheduled by public agenda must **adhere to the Lobby Law and its application guide** (applicable to companies in Chile, Law No. 20,730, dated March 8, 2014, which regulates lobbying and efforts representing private interests before public authorities and officials).
- **Treat the Public Official or PEP with respect and courtesy**, given the dignity of their position, collaborating with their activity.
- **Asking for favors is prohibited. You must provide objective, substantiated information that is also, as feasible, backed by hard, traceable data**, that enables the counterparty to better understand the situation and make an informed decision. The PO or PEP shall decide how to process that information.
- **You are prohibited from offering or giving economic or other benefits**, in benefit of either the public official or a third party, for them to perform some act within their jurisdiction or refrain from performing any of their obligations, in favor of the Company. You are also not permitted to make any type of payment to a public official in view of their position, even when no consideration is provided in exchange.

- If the PO or PEP requests any benefit or payment, it **must be immediately rejected and the incident must be communicated** to your supervisor or boss and the Crime Prevention Officer (CPO - SAAM Terminals Compliance Officer and/or the VP Legal). Not doing so could imply committing the crime of bribery.
- It is irrelevant whether the bribery takes place **before, during or after the event originating it** (e.g. in a bidding process it does not matter whether it occurs before it is awarded, during the process or once the bid has been awarded). Likewise, **it is irrelevant whether or not consideration is provided in exchange**.
- **Each company must maintain a PO/PEP interaction log**, indicating at least: the date and place of the meeting, the participants from the Company (name and position); participating POs or PEPs (name and position, including third parties and/or advisors), reason for the meeting and agreements reached (if any). As the matters discussed are often confidential and/or strategic, **control of this log must be restricted to the fullest extent possible**.
- **Every quarter, each company must report its meeting log** to the SAAM Terminals Compliance Officer.
- **Each company must also have a PO/PEP Engagement Matrix** for identifying, in general terms, the main processes involved in PO/PEP engagement. It must identify the Public Official or Politically Exposed Person (position), the institution or agency they represent, the name and position of the employee leading the relationship within the company, the reason for the relationship and the frequency of interactions.
- **This Best Practice Guide is also applicable to all meetings or activities that must be recorded according to Law No. 20,730** (regulating lobbying and efforts representing private interests before public authorities and officials).
- **Both the PO/PEP interaction log and the Engagement Matrix**, will be subject to periodic reviews and audits, including reviews of the Crime Prevention Model.

REPORTING OBLIGATIONS

- If any SAAM Terminals employee observes or learns of an attitude or action that goes against the principles described in this document, they have a duty to report it through their direct supervisor, the Office of the VP Legal or the reporting channels established, so it may be promptly evaluated.

Employees and executives may direct any questions to their direct supervisor or the SAAM Terminals Compliance Department. Questions can also be sent by email to: compliance@saamterminals.com

REMEMBER: SAAM Terminals completely rejects all advantages or privileges arising from an illicit act or illegal violation.

APPENDIX – DEFINITIONS

- A. National Public Official:** Article 260 of the Chilean Penal Code, with respect to bribery, defines Public Official as any individual that holds a public position or carries out a public duty, either in the Central Administration or semi-government, municipal or autonomous institutions or enterprises or agencies created by the State or dependent on it, even though they are not appointed by the President of the Republic and do not receive their salary from the State. The fact that the position is popularly elected does not change this classification.
- B. Foreign Public Official / Foreign Public Servant:** According to the OECD's "CONVENTION ON COMBATING BRIBERY OF FOREIGN PUBLIC OFFICIALS IN INTERNATIONAL BUSINESS TRANSACTIONS," the term 'foreign public official' includes any person holding a legislative, administrative or judicial office of a foreign country, whether appointed or elected; any person exercising a public function for a foreign country, including for a public agency or public enterprise and/or public international organization. It also includes any official or agent of a public international organization.
- C. Politically Exposed Person (PEP):** Pursuant to the provisions of number IV of Circular 049/2012 of the Financial Analysis Unit ("FAU"), for the purposes of this section, Chileans or foreigners who hold or have held noteworthy public offices in a country will be considered politically exposed persons ("PEP") during their term and for at least one year following the end of their exercise. Regarding the aforementioned, it is understood that in Chile at least the following should be classified as PEP, without this statement being restrictive:
1. President of Chile.
 2. Senators, Congressional Representatives and Mayors.
 3. Ministers of the Supreme Court and the Courts of Appeals.
 4. Ministers of State, Undersecretaries, Intendants, Governors, Regional Ministerial Secretaries, Ambassadors, Superior Service Chiefs, both centralized and decentralized and the immediate supervisor who steps in for each of them.
 5. Commanders-in-Chief of the Armed Forces, the General Director of Carabineros Police, the General Director of Investigations Police, and the immediate superior officer who steps in for each of them.
 6. National District Attorney of the Public Ministry and Regional District Attorneys.
 7. Comptroller General of the Republic.
 8. Councilors of the Chilean Central Bank.
 9. Councilors of the State Defense Council.
 10. Ministers of the Constitutional Court.
 11. Ministers of the Antitrust Court.
 12. Primary and alternate members of the Public Procurement Court.
 13. Councilors of the High Public Management Council.

14. Directors and senior executives of public companies, as defined by Law 18.045.
15. Directors of public limited corporations appointed by the State or its agencies.
16. Members of the Governing Boards of political parties.

This category includes spouses, blood relatives to the second degree, and individuals with whom PEPs have entered into a joint-action agreement through which they have sufficient voting power to influence companies incorporated in Chile.