



**CSAV**  
**CRIME PREVENTION MODEL**  
**LAW NO. 20.393**



Compañía Sud Americana de Vapores S. A.  
**LEGAL COMPLIANCE**

## I. PRESENTATION AND PURPOSE

Law 20.393 (the “Law”), dated December 2, 2009, establishes and regulates the criminal liability of legal entities with respect to the crimes of **money laundering** (“ML”), **financing of terrorism** (“FT”), **bribery** (“BR”) and **reception of stolen property** (“R”).

Legal entities will be held liable for such crimes when the following circumstances occur (Article 3):

1. When these are committed directly and immediately in the interest or for the benefit of the legal entity. Subsequently, legal entities will not be held liable if the crime (ML, FT, BR or R) is committed exclusively for the personal benefit of its author (accomplice or accessory), or in favor of a third party other than Compañía Sud Americana de Vapores S.A. (“CSAV” or the “Company”).
2. When such crimes are committed by its owners, controllers, managers, chief executives, representatives or those who perform administrative activities, or by individuals under the direct supervision of any of the above, and
3. When the crime is committed as a consequence of a breach by the company in management and supervisory duties. Regarding this point, this article (paragraph 3) considers that management and supervisory duties have been met when, prior to the commission of the crime, the legal entity has adopted and implemented *organizational, management and supervision* models to prevent such crimes. Article 4 of the Law establishes that for the purposes of subsection 3 of article 3 above, legal entities may adopt the prevention model cited therein, which must contain the mentions indicated later in this document.

Subsequently, the present Crime Prevention Model (“CPM”) adopted by CSAV and approved by its Board of Directors, is designed to comply with the aforementioned provisions. As a result of this, CSAV will only be criminally liable, by Law, if the people for whom it responds commit any of the crimes of ML, FT, BR or R, for the exclusive benefit of CSAV, and if it fails in its duties to supervise and control the actions of its personnel.

CSAV declares that it has the functions, systems, applications, processes, policies, procedures, instructions (dictated by different Company units or organisms), protocols, manuals, regulations (specifically, its Internal Order, Hygiene and Safety Regulation), under the guidance of the CEO.

CSAV also has a Controller's Office and a Legal Compliance Officer (“LCO”), responsible for internal control, audit, and compliance within CSAV, whose functions go beyond the prevention of the crimes established by Law, namely: ML, FT, BR and R, covering the entire spectrum of the shipping line. The Controller and Legal Compliance fall under Management, but they are also control units of Management.

Both the Controller and the LCO report to the Directors' Committee. The LCO may make general or specific recommendations to Management and to any Company organism, including the Board of Directors and to shareholders at a Shareholders' Meeting.

It is important to note that CSAV's policy has been to develop its shipping business in full adherence of the law, seeking ongoing improvement of its commercial and operational systems and processes, thus ensuring a permanent improvement of the quality and reliability of its services, together with ongoing supervision and control of its activities, orientation and training of its personnel, and the rational use of state-of-the-art technology applied to the shipping industry. This is laid out in the Quality and Environmental Policy, through which it commits to meet the requirements and expectations of its customers, providing a secure cargo shipping service to and from primary global locations. As part of CSAV's own activities, this commitment incorporates unlimited compliance with current laws and regulations related to the shipping business and the environment, including the prevention of pollution. Rev. N°3 – 02/ May / 2012. Quality Management System, ISO 9001: 2008 and Environmental Management System, ISO 14.001: 2004, both revised and certified by Lloyd's Register Quality Assurance.

## **II. SCOPE OF APPLICATION**

### **2.1. Regarding individuals:**

This CPM will apply to all people who participate in CSAV, understood as those who maintain an employment relationship with CSAV, including its Directors, Managers, as well as those who provide consulting (albeit sporadic or occasional) under service provision contracts (employment or otherwise), contractors, suppliers, sub-contractors, advisors, etc., within the scope of their relationship with CSAV.

### **2.2. Regarding other laws and regulations:**

This CPM is complementary and will be mandatory in conjunction with local laws and regulations. If there is any concern regarding the compatibility between the former and the latter, the respective individual defined in number 2.1. above must report this to the LCO of CSAV.

This CPM contains references to general policies and regulations, and therefore each person will have the duty to be informed about the specific obligations and procedures that are applicable to the place and activity concerned.

Even so, given the complexity and dynamics of the maritime shipping business, there are aspects and situations that may not be described in this CPM or in any other document. In these cases, the individual must inform her/himself and consult with the LCO regarding any concerns she/he may have in reference to this CPM.

### **2.3. Regarding territory:**

In keeping with the provisions of articles 5 and 6 of the Chilean Penal Code, Chilean criminal law is only applicable on national territory (including the territorial sea), and crimes committed outside Chile will not be punishable in Chile (except in specific cases determined by law). Therefore, Law 20.393 only applies to national territory (principle of territoriality of criminal law). However, each time a ship leaves a port, it begins an international voyage, crossing territories corresponding to different legislations and jurisdictions. Therefore, this CPM, as well as the control and compliance mechanisms, are essentially international and global, and include operations that take place within and outside Chile.

### **III. CSAV COMPLIANCE PLAN**

CSAV has adopted a Comprehensive Risk Management Policy, approved by its Board of Directors, which contains, among others, the following elements:

- (i) Risk management procedure
- (ii) Risk profile
- (iii) High-level risk inventory
- (iv) Process map, with its relevant operational risk matrices
- (v) For purposes of this CPM, and in compliance with the Law, legal compliance risks are an integral part of the Comprehensive Risk Management Policy and are grouped into a special category called “compliance risk matrix”.

In terms of control, the following operating mechanisms and control tools are applicable to the CPM and are understood to be part of it as annexed documents:

- (i) Compliance Risk Matrix
- (ii) ISO System
- (iii) Know Your Customer (KYC)
- (iv) Operational Compliance Model
- (v) Administration and Financial Management Policies and Procedures
- (vi) Informatics (IT) Security Procedure
- (vii) Gift and Courtesy Procedure
- (viii) Internal and External Audit
- (ix) Ethics Channel
- (x) Manual for Handling Information of Interest to the Market (MHIIM).
- (xi) Internal Order, Hygiene and Safety Regulations
- (xii) Know Your Supplier/Vendor (KYS)

### **IV. CONTENTS OF THE CPM**

This CPM contains:

1. The crime prevention policy for ML, FT, BR and R;
2. The appointment of an autonomous prevention manager, equipped with the resources and the means to act, known as the Legal Compliance Officer or LCO;
3. The establishment of a CSAV system for prevention of the aforementioned crimes (i.e.: ML, FT, BR and R); and
4. Explanations regarding the supervision and certification of the crime prevention system.

Specific content:

#### **1. The crime prevention policy for ML, FT, BR and R.**

The policy for preventing these crimes, as well as other legal infractions and irregularities, is derived from the Principle of Legality, which CSAV has adopted. This principle consists of the following:

*“CSAV has decided to develop its business in keeping with the prevailing legality in the areas where it operates.*

*Consequently, each individual must observe the laws and regulations applicable to CSAV, as well as those provisions dictated by the Company’s higher organisms, designed for compliance with the current legality.*

*CSAV does not expect, nor does it require, that its workers and personnel perform their duties in violation of the law, even under the pretext of efficiency and good service.”*

Notwithstanding the fact that criminal law only refers to the financing of terrorism, money laundering, bribery and reception of stolen goods, any act that is intended, related or that contributes to such activities, violates CSAV’s Principle of Legality in an essential and serious way.

#### **2. The appointment of an autonomous prevention manager, equipped with the resources and the means to act, known as the Legal Compliance Officer or LCO.**

Article 4, No. 1 of the Law establishes that the model for the prevention of crimes penalized by it must include the designation of a prevention officer, who is equipped with the necessary operating mechanisms and tools, on behalf of the highest administrative authority of the legal entity, in order to perform such a duty, and who will remain in his/her position for up to three years and extendable.

At its meeting held on December 18, 2009 (Minutes No. 5579), the CSAV Board of Directors, following the recommendation of the CEO, appointed the CSAV Controller as Prevention Officer, in compliance with this provision, for the purpose of establishing, supervising and certifying a system for the prevention of these crimes, with the support of the other Company Management Areas and Departments, a task that the Controller's Office carried out until March 2013.

Subsequently, in its Session N°5639, on January 29, 2013, the CSAV Board of Directors approved the creation of the position of Legal Compliance Officer (LCO) and proceeded to appoint this position. The bylaws of this session are contained in Minutes No. 131 of the Company Directors' Committee, dated January 30, 2013, according to which, the LCO will be the Prevention Officer ("PO"), for the purposes of Article 4, No. 1, letter a) of Law 20.393 on the Criminal Liability of Legal Entities.

#### LCO Autonomy:

The LCO is appointed by the CSAV Board of Directors for a three-year term, which can be extended for equal three-year periods. The Prevention Officer has an office in the Company building and has both email and telephone communications in line with CSAV employees. The PO is not required to work exclusively in this position.

The LCO is autonomous with respect to the Chief Executive Officer and other Company management. Company management and employees must give the LCO their maximum collaboration in the performance of their duties.

#### LCO resources, means to act and access to Management:

Regarding material resources and means, the LCO has a permanent budget, personnel, systems and procedures established for carrying out duties. If, upon implementation of this CPM, additional material resources and means are necessary, the CSAV Board of Directors has arranged for these to be requested from Company Management.

The LCO can access any information and documentation from Management, which should collaborate and provide whatever is within its power. In addition, the LCO is authorized to make general or specific recommendations to Management and other CSAV organisms.

In practice, the LCO reports on matters pertaining to his/her position and management, directly to the Directors' Committee, whose sessions he/she attends on a regular basis (as a general rule s/he attends all ordinary sessions), and is accountable for initiatives implemented in terms of compliance, developments, any infractions or irregularities detected, as well as the matters themselves and those relating to the legal risks on the matrix, controls and training on these matters. The LCO reports to the Directors' Committee and this report is recorded in the respective meeting minutes.

In addition, the LCO reports on all activities to the Company's Board of Directors at least twice a year. This report will include all activities, any risk situations detected and complaints received.

### **3. The establishment of a CSAV system for prevention of the crimes of money laundering, financing of terrorism, bribery and reception of stolen goods.**

Explanation of crimes cited by Law:

The Law penalizes the crimes of ML, FT, BR and R committed by legal entities:

Money laundering consists of hiding or disguising the illicit origin of certain assets or goods, with the knowledge that they come, directly or indirectly, from the perpetration of events that constitute crimes, such as the illicit traffic of narcotic drugs and psychotropic substances; terrorist behavior, arms trafficking, etc. (definition originates from article 27, letter a) of Law 19.913 that creates the Financial Analysis Unit ("FAU") and amends various provisions on money laundering and asset laundering).

Terrorist crimes include homicides, injuries, kidnapping, imprisonment, detention, child abduction, setting explosives, fire and wreaking havoc, attacks on public health, derailment, seizure or attack of a ship, aircraft, train, bus or other means of public transport in service, or performing acts that endanger the life, physical integrity or health of its passengers or crew, attempts to assassinate or harm the Head of State or other political, judicial, military, police or religious authority, or of internationally protected persons, through the use of their positions, planting, throwing or firing bombs or explosive or incendiary devices of any kind, that affect or may affect the physical integrity of people or cause harm, committed for the purpose of producing in the population, or in a part of it, a justified fear of being a victim of crimes of this type (Articles 1 and 2 of Law 18.314, as amended by Law 19.027 of 1991, which Determines Terrorist Behaviors).

In keeping with this, article 8 of the same law penalizes those who, by any means, directly or indirectly, request, collect or provide funds for the purpose of being used in committing any such terrorist crime, which is called financing of terrorism. As a legal concept, the financing of terrorism is limited to raising or providing funds to be used in terrorist acts or activities.

Bribery is a crime committed by a national or foreign public official by abusing his/her position in exchange for a donation or promise (*cohecho impropio* in Spanish). It is also considered to be bribery when such an official engages in an activity that is required of his/her position but not subject to pay, in exchange for a gift or promise (*cohecho propio por acción* in Spanish).

It is also considered to be bribery when a national or foreign public official omits an act that is required of his/her position, in exchange for a gift or promise (*cohecho propio por omisión* in Spanish).

Both the national or foreign public official (bribery of an official), and the briber who pays or promises payment for the bribe (*cohecho de particular* in Spanish) are charged with bribery.

Attempted bribery and thwarted bribery are also penalized, even if the promised act is not carried out.

The gift or promise may be offered directly to the national or foreign official or through another person, and may consist of money, gifts in kind, services or other benefits.

The term public official includes judges, experts, representatives of the judiciary, officials of the executive or legislative branch, municipal, district and fiscal authorities of the State, of the autonomous administration (Comptroller General of the Republic, Central Bank, etc.) of the Armed Forces, Ambassadors, Consuls and accredited agents of state entities, governments, international or supranational organizations, non-governmental organizations (NGOs) and of any state entity, as well as foreign public officials or those who work for the aforementioned authorities and agencies.

Reception of stolen goods is a crime, committed by someone with stolen items in his/her possession, who knows or should know their origin, or who purchases, sells or markets stolen goods.

Law 20.931, which was published on July 5, 2016, modifies the Law, incorporating the crime of reception of stolen goods, typified in article 456 bis A of the Penal Code, into the already known crimes of bribery of a national or foreign public official, money laundering and financing of terrorism.

Identification of CSAV activities or processes which may generate or increase the risk of committing these crimes.

CSAV has identified all its activities through a macro-process map. This includes detailed process flows for the most relevant activities.

Regardless of whether or not detailed flows of a particular process are found, compliance risks of the processes are surveyed, and compliance control points (CCPs) are identified, at the very least for those activities that present a risk of non-compliance with a severity greater than the “significant” category, based on the risk profile. These CCPs explain the controls in place to mitigate the risk of non-compliance with the Law, as part of the CPM.

This is joined by all the CPM mechanisms and procedures mentioned above.



CSAV system of joint powers and dual signature:

The Company's Board has bestowed powers of representation, organized based on a matrix structure, assigned to different proxies at a management and sub-management level, who can only act jointly with another proxy of the same or another group, depending on the act in question and its amount, which is set in the principle of dual signature. Only in exceptional cases may an individual act alone.

This is notwithstanding the legal and conventional faculties of the CEO of CSAV.

Penalties:

Legal or regulatory infractions, or behavior that violates the integrity or business ethics or this CPM, will be penalized with some of the following penalties:

- (i) Verbal warning;
- (ii) Written warning, with no copy sent to the worker's records;
- (ii) Written warning, with a copy sent to the worker's records;
- (iv) A fine of up to 50% of the worker's monthly remuneration;
- (v) Suspension from position, if convicted, for up to three months, without pay;
- (vi) Termination of work contract, where relevant as per labor law or applicable standards;
- (vii) Penalties established in the Company's Internal Order, Hygiene and Safety Regulation and in the applicable labor law, which are considered compatible and cumulative with those established in this CPM; and,
- (viii) Other administrative, criminal or civil sanctions established in the law or laws that are applicable to the infraction in question, including compensation for damages.

The disciplinary power, and the resulting imposition of a penalty, corresponds to the CEO of CSAV (notwithstanding the role of the Board of Directors), and does not exclude the exercise of compensatory actions and rights and others on behalf of the Company, or its personnel, workers, agencies and officials, taken against the responsible party(ies).

**4. Explanations regarding the supervision and certification of the crime prevention system.**

The LCO, in conjunction with CSAV Management, must disseminate this CPM among Company personnel, instruct and train personnel in these matters, and in general in matters of Compliance; ensure (in conjunction with the Comptroller's Office and the respective management or unit of CSAV, regional office or agency) the efficient application of control mechanisms; detect and correct their failures and adapt them to the needs, risks and vicissitudes that affect maritime business and the line of business of CSAV, especially those in reference to its legal environment.

## V. WHISTLEBLOWING PROCEDURE

There will be a procedure in place to ensure that all people to whom this CPM applies can report infractions or suspicious activities that may imply the commission of the crimes. Complaints may be made anonymously or a whistleblower may choose to identify him/herself. However, the whistleblower may ask that the LCO withhold his/her name from parties other than the courts of justice.

The whistleblowing procedure will be substantiated through the following email: [canal.etico-csav@csav.com](mailto:canal.etico-csav@csav.com), which is the Ethical Channel or Whistleblowing Channel of CSAV. Its information is published on the Company website and in writing. Both the LCO and the Controller will have a technological mechanism for permanent and instantaneous access to the cited complaint email.

Complaints with the identification of the whistleblower will be made in the presence of the LCO or in writing to the attention of the LCO, with the signature and name of the whistleblower. When the complaint is made in the presence of the LCO, this party may request the presence of the Controller or a Company executive to receive the complaint. Anonymous complaints must be sent via regular mail to the attention of the LCO of Compañía Sud Americana de Vapores S.A., to the Company address.

There will be no formalities for the complaints and priority will be given to ensuring that these can be delivered quickly and are serious. To ensure they are delivered quickly, they will be sent by email or in writing to the LCO office, at any time during open hours of the Company's offices. To ensure their seriousness, complaints must include a brief description of the activities and events reported and suspected, the date and place of occurrence, the name of the possible parties involved, and any other information held by the whistleblower that is useful for the LCO. The LCO may not consider complaints that are not serious.

The LCO must receive any person who reports a complaint about suspicious activities of the commission of the crimes as soon as possible and in no more than 48 working hours. The LCO must arbitrate the measures to receive complaints as soon as possible and, if outside the city of Santiago, within a period not exceeding 48 working hours, will grant the facilities to the whistleblower to contact him/her by phone or in any way that makes it possible to receive the complaint. If the LCO is outside Chile, or in a place without permanent access to telephone, the time frame indicated above will extend to 72 hours. The LCO, wherever possible, and when identification is provided, will notify the whistleblower of activities carried out and the evolution of the complaint.

The LCO, in his/her biannual report to the Board of Directors, must report all complaints lodged and actions carried out as a result of complaints received in the preceding period. Notwithstanding the aforementioned, in the case of complaints made withholding the identity of the whistleblower, this confidentiality will be maintained in these reports. If no complaints have been filed, this must also be reported.

## **VI. HIRING OF POLITICALLY EXPOSED PERSONS (PEP)**

Pursuant to the provisions of numeral 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, 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 superior manager who subrogates 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 subrogates 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 Anti-Monopoly 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, relatives through blood or marriage 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.

In all contracts signed with suppliers, advisors or clients and the Company, whose annual amount is equal to or greater than UF 2,000, the contracting party or its legal representative, in the case of legal entities, will be requested to sign a Declaration to determine PEP status or the existence of a family relationship with such person, and CSAV reserves the right to also demand such a Declaration from any third party with which it engages.

All contracts with PEP or related to such people, under the terms of this Section, must be reported to the Board and the LCO.

## **VII. PUBLICATION, DISTRIBUTION AND TRAINING**

This CPM must be published on the CSAV intranet for the knowledge of and distribution to all its personnel, and the obligation to know and comply with it must be incorporated into employment contracts. Likewise, this must be considered among the contractual conditions with advisors, suppliers, contractors and subcontractors during the processes of contracting, review and renewal of current contracts.

Additionally, it must be distributed, via the means determined for this purpose, to regional offices and CSAV agencies, for its implementation, in whole or in part, always in accordance with and in keeping with labor regulations and other applicable local legal regulations. However, this will not give rise to a conventional extension of the extraterritorial application of the Law outside of Chile, nor will it imply an acknowledgment by any of the companies that make up CSAV (whether expressly or tacitly) of the extraterritorial validity of this Law.

Trainings will be periodic and will be carried out as follows:

- (i) New worker orientation, which may be in person or online.
- (ii) Periodic training for other workers, whether relevant or not, with a frequency of no less than one year.
- (iii) Trainings will be coordinated by the General Counsel's Office, with the assistance of the Human Resources area. The General Counsel's Office will determine the minimum content of the orientation and training sessions.

## **VIII. EFFECTIVE PERIOD OF CRIME PREVENTION MODEL**

The CPM, formerly MOAS, of CSAV was re-certified on February 16, 2017, for a 2-year period, by the company BH Compliance Limitada.

This document contains the consolidated text of the CPM, approved by the CSAV Board of Directors at its ordinary session No. 5718, held on January 26, 2018, at which time, for example, sections V. and VI were incorporated.

Santiago, January 26, 2018.