



Compañía Electro Metalúrgica SA

General Policy of Traditional Business Operations with Related Parties

Introduction

In compliance with the provisions of Law No. 18,046 to Law No. 20,382, of Public Limited Companies ("LSA"), Compañía Electro Metalúrgica SA (the "Company"), in its capacity as a limited public company, conforms to such in establishing the following general policy of traditional ongoing business operations, with respect to those operations that are the norm in consideration of the Company's business, so that, in accordance with the provisions of paragraph 2 of article 147 of the LSA, the Company can execute such operations with related parties, without the need to comply with the requirements and procedures established in numbers 1) to 7) of subsection 1 of said article.

This Policy was approved at the Company's board of directors meeting held on January 31, 2019, and is published on the Company's website (www.elecmetal.cl) and available to those interested in our offices located at Avenida Andrés Bello No. 2,233, 11th floor, Providencia, Santiago.

Object

- A. To be included in this policy, an operation not only has to be habitual, but its traditional business has to be functional to the operations of the company, that is:
- a) Industrial and commercial activities in the metallurgy industry;
 - b) Investment and/or exploitation, direct and indirect, in activities related to the glass and packaging industry in general, mining, industrial chemicals, shipping, forestry, agro-industrial, the construction of fisheries, tourism, means of transport, processing and marketing of mass consumer goods and the media;
 - c) Carry out health and real estate activities, especially those that consist of leasing, renting and/or renting out and, generally speaking, any other form of transfer of use, or temporary use, of furnished or unfurnished buildings;
 - d) Import, export and, in general, commercialization of goods, products, raw or semi-finished materials that are related to the activities that, as indicated above, are included in the corporate purpose; and

- e) Provision of administration and advisory services to third parties, whether these are related, or not.
- B. In consideration of the foregoing, the Board of Directors of Compañía Electro Metalúrgica SA establishes that the following operations are habitual and common in consideration of the business line:
- 1. The acquisition of scrap metal, unused and used steel parts and all kinds of parts, supplies and materials that are required to manufacture the products included in the business line;
 - 2. The acquisition of new steel parts to carry out the activities included in the business line;
 - 3. The sale of steel spare parts, as well as all kinds of steels, whether such products are finished or not;
 - 4. The contracting of electrical energy and all kinds of hydrocarbons and fuels, and of all the domiciliary services that may be required for the proper functioning of its industrial, commercial and office establishments;
 - 5. The contracting of all kinds of services related to the business line, such as unloading and storage services; research services in the field of metallurgy and foundry; import, export, sale and distribution services for steel and other metals; computer, computing and telecommunications services, among others;
 - 6. The signing of land, air and sea, and chartering transport contracts;
 - 7. The contracting of advertisements in social media;
 - 8. Renting and/or renting out real estate;
 - 9. The financing of operations, including mutual contracts, commercial checking accounts and any other modality that allows the company to have the resources it requires, or to make its cash surpluses available to related entities; and
 - 10. The usual and normal operations of its non-metallurgical subsidiaries and business partners.
- C. In accordance with what is stated in the preceding paragraph, normal operations with related parties are the (merely as an example):
- 1. Purchase and sale of parts, services and materials with Fundición Talleres Ltda.;
 - 2. Purchase and sale of parts, as well as services with ME Global Inc. .;

3. Purchase and sale of parts and services with ME Elecmetal (China) Co., Ltd.;
4. Purchase and sale of parts and materials with Esco Elecmetal Fundición Ltda.;
5. Purchase and sale of parts and services with ME Hong Kong Trading Co., Ltd.;
6. Purchase and sale of services with ME Australia;
7. Purchase and sale of services with ME Mongolia;
8. Purchase and sale of parts and services with ME Zambia;
9. Purchase and sale of parts and services with ME Peru;
10. Purchase and sale of parts and services with ME Mexico;
11. Purchase and sale of parts and services with ME Brasil;
12. Purchase and sale of products and services with Sociedad Anónima Viña Santa Rita;
13. Purchase and sale of products and services with Cristalerías de Chile SA;
14. Contracting of maritime freight with Compañía Sud Americana de Vapores SA;
15. Contracting of unloading and storage services with Sud Americana Agencias Marítimas SA;
16. Interest on loans to Minera Las Vegas and Inversiones Elecmetal SA;
17. Donations (Museo Fundación Claro Vial, Amigos del Patrimonio Cultural de Chile, Sociedad Protectora de la Infancia and others);
18. Contracting of services to Estudio Juan Agustín Figueroa Y.;
19. Advertising contracting with Ediciones Financieras SA;
20. Contracting of services with Servicios y Consultorias Hendaya SA;
21. Contracting of services with Shared Services Ticel Ltda.

D. In all cases, the normal operations defined in this policy that the company has with related parties will not, in any case, be exempt from the material requirements demanded by article 147 of Law 18,046, that is:

- i. To have as its purpose to contribute to the business interest; and
- ii. To be able to adjust prices, terms and conditions to those that prevail in the market at the time of approval.