

DONATION POLICY

1. OBJECTIVE:

To determine the guidelines for managing (planning, executing and controlling) donations, the same that must respond to the Social Responsibility policy.

2. SCOPE:

Applies to Corporación Aceros Arequipa S.A. (CAASA) and its subsidiaries. In the case of donations of waste and SPI that have no value in the inventory or relevant value for its commercialization will be executed through the Environment area according to the sub-process MAOP05 Management of waste and SPI donations.

Includes donations that are part of social responsibility programs.

Expenses associated with sponsorships are not considered as donations.

3. REGULATORY OR REFERENCE FRAMEWORK:

DL 774 - Peruvian Income Tax Law.

Law 30424 - Law that regulates the Administrative Responsibility of the Legal Entity

4. DEFINITIONS:

4.1 Donation: agreement by which the donor transfers the ownership of an asset free of charge to the recipient of the donation. Donations may be of own property, purchased goods or services, money, waste and industrial by-products.

TYPE	SUBTYPE	DESCRIPTION
Own property	Commercial product	Products that are part of the portfolio for sale.
	Non-commercial product	Fixed assets, supplies, raw materials, minor assets.
Purchased good or service		Good or service that is purchased from a third party and that is not part of the portfolio for sale.
Money		Monetary amounts.
Solid waste		Defined in sub-process MAOP05 Waste Donation Management and SPI.
Industrial by-product		

4.2 Social Donations Balance Sheet: Detailed report of all donations made by the Company. It has the following minimum information: the beneficiary, the amount donated, the donation modality (money, goods or services), reason for the donation and source (annual plan, new request/opportunity), among other details established in the format: RSGP06-E001

4.3 Entities Receiving Donations: These are entities and agencies of the Public Sector, international organizations or agencies and non-profit entities, whose corporate purpose includes one of the following: (i) charitable; (ii) social assistance or welfare; (iii) education; (iv) cultural; (v) scientific; (vi) artistic; (vii) literary; (viii) sports; (ix) health; (x) indigenous historical and cultural heritage; and others with similar purposes. Entities and agencies must be previously qualified by SUNAT in order to be considered as entities receiving donations.¹

4.4 Sponsorship: It is that advertising contract in which the sponsor delivers money or money in exchange for carrying out an activity in which its brand is advertised.

5 GUIDELINES:

5.1 Donations must comply with the guidelines and axes defined in the Corporate Social Responsibility Policy (RS-P001).

5.2 Priority will be given to donations to entities registered as recipients of donations, which have a resolution or equivalent document in force as stipulated in DL 774 Income Tax Law. They shall comply with the documentation requirements indicated in said regulation.

5.3 We do not make donations to:

5.3.1 Entities whose activities are not within the framework of the law of the country, or whose actions could negatively impact the image of CAASA and its subsidiaries. For example, agencies or private entities, and / or whose representatives, register complaints and / or processes for the commission of crimes of corruption, money laundering and / or terrorist financing; or that are presumed to be involved.

5.3.2 Public institutions when a judicial or similar administrative process is pending before the public entity whenever it implies a risk of non-compliance with CAASA's ethical principles.

5.3.3 Political parties and campaigns.

5.4 The donations plan and budget shall be approved annually by the Board of Directors as part of the budget process. It will have a general amount and specific amounts assigned to some institutions proposed by the Social Responsibility Sub-Management.

5.5 Donations related to social responsibility programs will not be part of the donations budget since they are part of the budget of such programs.

5.6 The Social Responsibility Sub-Management executes the budget for specific donations approved by the Board of Directors and executes the rest of the budget with prior validation by the General Manager.

5.7 Any new donation request shall be channeled to the Social Responsibility Sub-Management for evaluation and attention.

5.8 A budgetary control of the donations will be kept according to the standards of CAASA's budget management. As well as an accounting control to comply with the requirements of the tax implications.

5.9 The Social Responsibility Sub-Management will keep track of the donations executed with respect to the plan and/or social responsibility programs, and will report annually to the Sustainability Committee the Social Balance of Donations (RSGP06-E001).

5.10 Any exception to the guidelines of this document must be authorized by the General Manager and/or Executive Presidency.

¹Extracted from Articles 37 and 49 of the United Text of the Peruvian Income Tax Law.