

# INTERNAL POLICY



## Whistleblower Policy May 2018

Distribution List	
Prepared by	Internal Audit
For	Jaguar Employees And Related Parties



## Summary

Approval and revision history	3
<b>Whistleblower Policy</b>	<b>4</b>
1. INTRODUCTION	4
2. PURPOSE	4
3. APPLICABILITY/SCOPE	4
4. DEFINITIONS	4
5. POLICY REQUIREMENTS	5
5.1 Whistleblower Incidents	5
5.2 COMMUNICATION	6
5.2.1 Whistleblower – Ethics Point	6
5.2.2 Fala Aí (Open Communication at Headoffice and sites)	6
5.2.3 CSR (Corporate and Social Relations)	6
6. NON-RETALIATION POLICY	6
7. ETHICS POINT: REGISTRATION, ATTENDING AND MONITORING	7
8. ROLES AND RESPONSIBILITIES	7
9. EXCEPTIONS	7
10. MAINTENANCE AND REVIEW	7
<b>Appendix I - Whistleblower Procedures</b>	<b>8</b>
Process for Communicating a Whistleblower Incident	8
<b>APPENDIX II - RECORD, ATTENDANCE AND ACCOMPANIMENT</b>	<b>9</b>



## Approval and revision history

Approved by		
Version	Name / Title	Date
2.1	Audit Committee	08-05-2018
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# Whistleblower Policy

## 1. INTRODUCTION

In order for possible situations of fraud, corruption or any other type of nonconformities to be known and immediately discontinued, Jaguar Mining Inc. has a whistleblower hotline (Ethics Point), which is available to the internal and external public. The contact with the whistleblower hotline can be made through telephone contact (at no cost to the complainant) and / or website.

## 2. PURPOSE

The purpose of the Jaguar Mining Inc. (the "Company") Whistleblower Policy is to establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters and the confidential submission by employees of concerns regarding questionable accounting, internal controls and auditing matters.

The Whistleblower Policy also aims to clarify the information on the procedures for recording, attending and monitoring of complaints.

## 3. APPLICABILITY/SCOPE

The Whistleblower Policy is applicable to all directors, officers, employees, contractors, subcontractors and agents of the company, for *whistleblower incidents* only, as defined on item 3 below.

## 4. DEFINITIONS

### The Company

For the purpose of this policy, the "Company" is meant to include Jaguar Mining Inc., including sites, Belo Horizonte and Toronto offices.

### Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes (IPPF - International Professional Practices Framework).

### GAAP

"GAAP" is an abbreviation to "Generally Accepted Accounting Principle".



## 5. POLICY REQUIREMENTS

### 5.1 Whistleblower Incidents

A whistleblower incident is defined as a concern related to the Company's accounting, internal controls or auditing matters. For greater clarity, whistleblower incidents are intended to include, but are not limited to, the following:

- **Accounting, Auditing, Finance and Internal Controls:** Concern about questionable practices related to accounting, auditing, finance or internal controls. (Examples include, but are not limited to: inaccurate statements of revenues and revenue-related documents, inaccurate statements of expenses, inaccurate statements of assets or inaccurate applications of GAAP principles.
- **Embezzlement, theft and misappropriation of property:** Theft by employee or other, through unauthorized removal or taking of supplies, equipment, products, money or tangible property, unauthorized possession of property belonging to third parties.
- **Falsification of Contracts, Reports or Records:** Falsification of Contracts, Reports or Records: Falsification of records consists of changes, elaborate, falsifying or forging all or part of a document, contract or record for the purpose of gain with the document violation, contract or recorded value.
- **Insider Trading or Other Securities Violations:** Infraction, transgression; specifically: an infringement of the regulations defined in the securities acts.
- **Others:** If the above definitions do not describe the event, action, or situation that you want to report, use this category.

As outlined in the above definition, *whistleblower incidents* relate only to matters regarding the Company's accounting, internal controls or auditing. As such, whistleblower incidents are not intended to include such matters as:

- "Routine" grievances on operational matters of the Company;
- Moral harassment and / or sexual harassment;
- Unsafe working conditions; and
- Discrimination.

For such incidents, please refer to other appropriate Company policies, procedures and the Human Resources department for guidance or assistance in addressing your concern.

If any person is not satisfied with the response from the company through the Fala Aí system, with respect to matters pertaining to health, safety, or environment, they should use the Ethics Point system to communicate directly with the Board of Directors.



## **5.2 COMMUNICATION**

### **5.2.1 Whistleblower – Ethics Point**

The Ethics Point is an independent, outsourced partner, who hosts Jaguar's Whistleblower website and hotline.

It is the policy of the Company that a director, officer, employee, contractor, subcontractor and agent of the company must immediately communicate *whistleblower incidents* as soon as the employee, contractor, subcontractor and agent of the company becomes aware of such situations.

*Whistleblower incidents* shall be communicated using the Company's prescribed procedures for the submission of *whistleblower incidents* (Appendix I).

The Company shall make available to all directors, officers, employees, contractors, subcontractors and agents procedures to enable the communication of *whistleblower incidents*.

It is the policy of the Company to treat all *whistleblower incidents* in a confidential and sensitive manner. In addition, the individual submitting a *whistleblower incident* shall be provided the opportunity to remain anonymous.

### **5.2.2 Fala Aí (Open Communication at Headoffice and sites)**

Fala Aí is a tool used at the Headoffice and mine sites for internal reporting of Almost Accidents, unsafe acts and inadequate conditions of labor, environmental impact, suggestions, complaints and compliments.

### **5.2.3 CSR (Corporate and Social Relations)**

The CSR (Corporate Social Responsibility) Department, has a communication hotline. The purpose of this is the record and monitoring of the manifestations received at the sites. Examples of these manifestations are: complaints, occurrences, requests for support, press materials and positions favorable or contrary to the company's performance, considering the various stakeholders.

## **6. NON-RETALIATION POLICY**

An employee cannot be retaliated against for reporting concerns. Jaguar is committed to protecting the rights of those individuals who report issues and will not retaliate or allow retaliation against a person who in good faith:

- Reports what he or she believes is a violation of our values, our Code, our policies, or the law;
- Raises a compliance question or seeks advice about a particular business practice, decision or action;
- Cooperates in an investigation of a potential violation



Retaliation against an employee for reporting an issue in good faith is itself a violation of our Code. Any person, regardless of position, who engages in retaliatory behavior will be subject to the disciplinary action. Provided that reports are made in good faith, no action will be taken against an employee raising a concern that eventually proves to be inaccurate. Jaguar expects every employee to support this Code and if you know or suspect that retaliation has occurred or is occurring, you should report it.

## **7. ETHICS POINT: REGISTRATION, ATTENDING AND MONITORING**

When you see or obtain knowledge of an unethical act or situation of fraud, the Whistleblower Hotline (Ethics Point) must be contacted. It is available both on the web (Intranet and Jaguar website) and via telephone service. During this contact, the reporter receives a password and a key number to track the handling of the report.

The report is received by a specialized company, sent by e-mail to the Chairman of the Audit Committee and the Internal Audit and Process Management.

The Chairman of the Audit Committee and Audit Manager defines the plan (scope) and approach of investigation, that will be conducted by trained professionals. Based on the information provided, the team will conduct an investigation report their final.

Recommendations and opportunities for improvement can be issued by Internal Audit whenever necessary.

Even if you are not sure about, but have a suspicion, do not attempt to investigate it on your own, always contact the Ethics Point.

The step-by-step process of attendance, registration and follow-up can be found in Appendix II – Whistleblower Hotline – RECORD, ATTENDING and ACCOMPANIMENT.

## **8. ROLES AND RESPONSIBILITIES**

The Audit Committee is the owner of this policy. Audit and Process Manager is responsible for ensuring that the policy is implemented effectively. Employees, contractors, subcontractors, and agents of the Company are responsible for communicating any identified whistleblower incidents via the Whistleblower hotline.

## **9. EXCEPTIONS**

No exceptions to this policy are expected.

## **10. MAINTENANCE AND REVIEW**

The Whistleblower Policy should be reviewed whenever there are changes in the process or at least every two years.



## Appendix I - Whistleblower Procedures

### Process for Communicating a Whistleblower Incident

Anyone who identifies a *whistleblower incident* as defined in this Policy should communicate their concern. A *whistleblower incident* should be reported using the:

- Jaguar's Hotline, managed by Ethics Point: 0-800-891-1667 for Brazil
- Website ([www.jaguarmining.com](http://www.jaguarmining.com)) Click: About us/ Corporate Governance/ "To communicate an incident on Ethics Point click here." (on Portuguese and English versions).
- Intranet: link under "A Empresa" called Canal de Denúncias

The hotline and website records are anonymous and are in place to provide persons with flexibility in communicating further information with respect to the whistleblower incident. On the website, the whistleblower incident can be recorded in Portuguese or English languages. On hotline, in following languages English, Portuguese, Spanish and / or French.

In reporting a concern, an officer, employee, contractor, sub-contractor or agent of the company can choose to remain anonymous or disclose his/her name to help facilitate further follow-up if necessary.

The Company is committed to treating each *whistleblower incident* received from officers, employees, contractors, sub-contractors and agents of the Company with the appropriate confidentiality and due care in performing the necessary incident investigation. All whistleblower complaints will be forwarded to the Audit Committee Chair and Legal Counsel.

Due to the varied nature of *whistleblower incidents*, it is not possible to specify the exact timelines for the investigative process; however, the individuals assigned to this activity will ensure that investigations are undertaken as quickly as possible without adversely impacting the quality of the review. You can be assured that the investigations will be conducted appropriately to protect identities.



## APPENDIX II - RECORD, ATTENDANCE AND ACCOMPANIMENT

