

CORPORATE POLICY



COMPLIANCE POLICY

November 2020



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Approval and Revision History

Aproved by		
Version	Name / title	Date
1.0	Audit Committee	November , 04 th , 2020
0	Audit Committee / Board	November , 13 th , 2018



Compliance Policy

1. PURPOSE

The purpose of this policy is to provide Jaguar's Compliance Program guidelines with a focus on ensuring compliance with legal requirements, Code of Conduct and Ethics, policies and procedures. It also aims to fight against corruption and bribery, encouraging a compliance culture, based on values, conformity and ethics as well as influencing stakeholders to adopt programs and / or actions for integrity.

2. APPLICABILITY / SCOPE

This policy applies to all employees, third parties, and Jaguar's representatives, its subsidiaries, in addition to all companies that make up the business units.

3. DEFINITIONS

CEIS: Brazilian Register of Incident and Suspended Companies.

CEPIM: Brazilian Registration of non-profit Entities prevented.

CFPOA: Canadian Corruption of Foreign Public Officials Act. Applies to persons and companies and makes it a criminal offence for persons or companies to bribe foreign public officials to obtain or retain a business advantage.

CNEP: Brazilian National Register of Punished Companies.

Compliance: It consists of compliance with laws, code of conduct and ethics, internal policies and procedures, as well as the constant aims for compliance with company principles, achieving ethics, morals, honesty and transparency.

Compliance Culture: Values, ethics and beliefs that exist throughout the company, interact with the organization's structures, and control systems, to produce standards behavior that improve Compliance results.

Compliance Program: It is a specific program for the prevention, detection and remediation of harmful acts established by laws like Brazilian Anticorruption Law nº12.846 / 2013, FCPA and CFPOA which are focuses, in addition to prevent occurrence of bribery, fraud in the bidding processes and execution of contracts with the public sector.

Employees: Directors, officers, employees and contract workers of Jaguar.

FCPA: The Foreign Corrupt Practices Act is a United States law that prohibits U.S. firms and individuals from paying bribes to foreign officials to further business deals. The FCPA contains two main articles: 1) the anti-bribery provisions, and 2) the books, records, and internal control provisions, which speaks to accounting practices. The FCPA applies to prohibited conduct anywhere in the world and extends to U.S. publicly traded companies.



Jaguar Mining: Jaguar Mining INC., and subsidiaries, in addition to all companies that make up business units.

Law 12.846: Brazilian anti-corruption law that establishes the rules that discipline the civil and administrative liability of legal entities that carry out acts against national or foreign governments.

Representative: Individual or legal entity, with or without employment relationship, who can legally act on behalf of Jaguar Mining.

Third parties: Specialized hired companies to provide services of any nature in Jaguar Mining's area(s) like suppliers, service providers, partners, competitors and others. All contractors, partners, agents, suppliers, consultants and service providers on behalf of Jaguar.

4. POLICY REQUIREMENTS

This policy complements the Jaguar Compliance Program, the guidelines of the company's Code of Conduct and Ethics, policies, procedures and all applicable laws.

It establishes a set of procedures that must be followed in order to prevent, detect, correct and control Compliance risks, while also promoting the best integrity practices applicable to the company's operations.

5. ROLES AND RESPONSIBILITIES

Board of Directors: Responsible for defining the guidelines to be followed in Jaguar Mining, subsidiaries and in all relationships with the external public, be it third parties, representatives or agents of government. Commitment to the implementation, development, maintenance and continuous improvement of the Jaguar Compliance Program.

Audit Committee: Evaluate and opine on compliance risks, misconduct, and noncompliance with Jaguar guidelines. In addition, it recommends the actions and disciplinary measures that may be applied; clarifies possible doubts regarding the interpretation of the internal guidelines, recommending their revision, including the Code of Conduct and Ethics; among others.

Compliance Area: Responsible for implementing and ensuring the maintenance of the Compliance Program at Jaguar, fostering an integral and ethical corporate culture in all relationships.

Jaguar's employees, third parties and representatives: Comply with the guidelines established by the company and be a facilitator in maintaining the Jaguar compliance culture.

6. JAGUAR'S COMPLIANCE PROGRAM

Jaguar's Compliance Program takes into account the mission, vision, values and policies, and aims to ensure the highest standards of ethics and transparency in the company's relationships, whether internal or external, with a focus on fighting against

corruption and anti-bribery practices, promoting an integral and ethical work environment.

For this purpose, it establishes a set of procedures and controls that aim to prevent, detect, correct and control divergences of conduct that are not following the rules, whether the laws, the Code of Conduct and Ethics, internal policies, or procedures.

Jaguar prohibits acts of fraud, corruption, bribery or tax evasion, directly or indirectly, money laundering, and repudiates any activity, agreement or partnership that may involve illegal practices. It is mandatory to maintain awareness of the legislation applicable to the business, especially 12.846 / 2013 Law, known as the Brazilian Anti-Corruption Law or the Clean Corrupt Practices Act, FCPA and the CFPOA, used as a basis for the definition of the Jaguar Compliance Program.

Jaguar’s Compliance Program and its pillars are represented in the image below:



It is the responsibility of all employees, third parties and representatives to comply with the guidelines established by the company and be a facilitator in maintaining Jaguar’s compliance culture.

6.1. Tone at the Top

Jaguar abides by corporate governance best practices and believes that compliance and responsibility are central components of the company’s culture.



Having **Dignity and Respect** and **Collaboration** as values, Jaguar understands that integrity and ethics are increasingly important within the business environment, cherishing transparency in its activities and decision-making.

For this reason, the Board of Directors is committed to the implementation, development, maintenance and continuous improvement of Jaguar's Compliance Program, focused on:

- Fighting against corruption and bribery,
- Strengthening and disseminating integrity and ethical relationships,
- Collaborating with a growing and more just society.

Also, the Board of Directors has an elementary function in encouraging everyone to maintain Compliance culture, non-compliance and non-retaliation practices.

The Board of Directors must ensure that Compliance is incorporated into the company's culture, identifying and acting on the correction of deviations.

The actions for implementing and monitoring the Compliance Program are monitored quarterly at Audit Committee meetings.

6.2. Risks

The risk management pillar defines the methodology for the identification, control and mitigation of risks at Jaguar. It is realized at the strategic level and the final rating is a weighted average of the impact and likelihood of the risk. Compliance risks must be related to activities, products, services and relationships that Jaguar is exposed to, internally and externally, in order to identify possible non-compliance situations.

The risks are monitored through the risk matrix and mitigation actions are defined with those responsible. Risk mitigation actions are reported quarterly to the Audit Committee by the Audit, Risk and Compliance area.

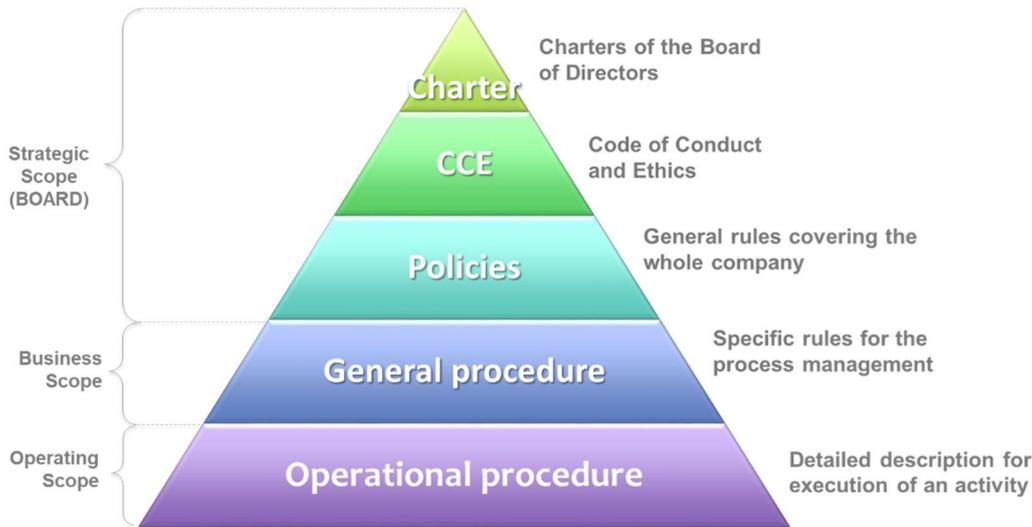
6.3. Laws and Regulations

Jaguar abides by all applicable company legislation, especially 12.846 / 2013 Law, known as the Brazilian Anti-Corruption Law or the Clean Corrupt Practices Act, FCPA and the CFPOA, and extends this obligation to all stakeholders with executes activities on or on behalf of Jaguar.

Jaguar is also in compliance with the Canadian Extractive Sector Transparency Measures Act (ESTMA), which seeks to contribute to global efforts to increase transparency and prevent corruption in the industry.

Also, it has a Code of Conduct and Ethics, internal policies and procedures that determine the guidelines and behaviors expected of all employees and stakeholders.

The standardized procedures are communicated and available to all those involved in the processes, following the structure below:



6.4. Internal Controls

Jaguar's Management maintains a system of internal controls to facilitate compliance with the Code of Conduct and Ethics, laws, policies and procedures, as well as to foster a culture of integrity, maintaining ethical standards throughout Jaguar. In addition, internal controls seek to minimize operational and compliance risks, ensuring that accounting and financial records reflect the company's performance and are traceable.

The formal structure of internal controls is composed of:

6.4.1. Corporate Governance Committee

The Committee shall establish and review periodically the Company's corporate governance philosophy and strategies. Specific plans and policies are adopted to implement and to ensure strategic and practices are aligned with the Jaguar's shareholders' interests.

It has responsibility and authority to develop and make recommendations to the Board concerning the Company's corporate governance systems, monitoring and reviewing its effectiveness, including legal and regulatory issues.

6.4.2. Audit Committee

Composed of three or more independents directors of the company, the Audit Committee meets at least once each quarter, to oversee the Compliance Program, the actions performed, follow-up and deliberate on whistleblower reports and Company's continuous improvement.

Besides cooperating and supporting the compliance function, as well as encouraging employees to do the same, the primary purpose of the Audit Committee is oversight support of:

- Integrity of Jaguar's financial statements.
- Qualifications and independence of the Company's external auditor and audit committee.



- The performance of both the Company's internal audit function and the independent auditor.
 - Overseeing matters related to compliance with ethical and anti-corruption legislation.

6.4.3. Compliance Area

The Compliance area is responsible for implementing and monitoring the Compliance Program, disseminating best behavioral practices and promoting adherence to regulations in the company.

Compliance reports to the CFO, with unrestricted access to the Board and managers. This area has independence in conducting actions to guarantee impartiality in all its operations and controls.

To preserve its independence, the reports are presented, at least, once a quarter to Audit Committee and through periodic meetings with VPs and managers.

Compliance responsibilities:

- Implementing and monitoring the Compliance Program.
- Map, evaluate and mitigate compliance risks.
- Promote behaviors guided by the company's Code of Conduct and Ethics.
- Integrate Compliance obligations into existing policies, procedures and processes.
- Monitor the performance of due diligence in suppliers, third parties and partners, issuing recommendations regarding hiring when necessary.
- Monitor identified conflict of interest situations, such as receiving present, gifts and hospitality.
- Supporting Jaguar in corruption and reputation risk prevention in relationship with external public, whether suppliers, service providers, partners, government agents and / or communities.
- Support creation and / or processes improvement and regulations that ensure adherence to ethical and integrity guidelines.
- Promote permanent communication for all those involved in the Jaguar Compliance Program, including Senior Management.
- Provide or organize ongoing training for employees, ensuring that relevant employees are trained regularly.
- Monitor and improve the internal control structure of compliance risks.
- Clarify doubts and support in the Code of Conduct and Ethics application, policies, procedures and regulations related to ethics and compliance.
- Determine the reports in the whistleblower hotline, recommending actions in proven cases of deviations in behavior and / or non-compliance with company guidelines.
- Foster the fight against corruption and promote ethical behavior, encouraging Compliance Programs implementation in third parties.
- Promote the continuous improvement of Jaguar's Compliance Program.

6.4.4. Internal Audit



The company reviews and audits the formal structure of Internal Controls, always seeking transparency in the publication of financial statements.

Internal Audit defines the scope of the projects to be audited, analyzes the processes, policies and procedures, submits the final report with the tests and monitoring actions proposed to ensure proper implementation.

6.5. Communication and training

The Communication and training pillar comprises a set of actions aimed at disseminating and preparing employees, through proactive communication raising awareness on the importance of a culture of integrity and ethics.

All compliance's trainings are periodically conducted and adapted to the reality and activities of participants. One of the training objectives is to ensure that all employees are aware of Compliance Program and are competent to fulfill their role at work in a manner consistent with the Compliance culture.

6.6. Due diligence

Jaguar will conduct due diligence suppliers, third party and charity institution to ensure transparency in the company's business relationships and to mitigate the risks of corruption, fraud, bribery or image.

The history of corruption and bribery of companies is analyzed as well as partners and shareholders in relation to reputation for bribery, fraud, dishonesty or similar misconduct. Included whether they have been investigated, convicted, sanctioned or prevented for bribery or similar criminal conduct, through data and information researches in public and private databases legally available (open sources), Brazilian government blacklists, like CEIS, CNEP and CEPIM, among others lists.

In addition, it is verified the existence of relationships between company employees, suppliers or government agents in order to identify potential conflicts of interest.

All agreements with Third Parties shall include a provision that they must at all times abide by the Code of Conduct and Ethics, laws, policies and procedures, anticorruption and anti-bribery laws.

6.7. Whistleblower Hotline and Penalties

6.7.1. Whistleblower Hotline

Jaguar Mining has a Whistleblower Hotline (Ethics Point), available to the internal and external public, which allows the reporting of incidents, suspicions or questions about real or potential situations in non-conformance with the Code of Ethics and Conduct, policies and procedures, anti-corruption laws, fraud or any other types of non-compliance issues.

Available 24 hours a day, seven days a week by web (Intranet and Jaguar's website - www.jaguarmining.com.br/denuncia) and by telephone 0800 891-1667 Brazil or 1-



888-279-5268 Canada and USA, the Whistleblower Channel receives reports of deviations anonymously and confidentially.

6.7.2. Penalties

Non-compliance with the Code of Conduct and Ethics, policies and procedures, anti-corruption laws, fraud or any other types of non-compliance issues are not acceptable and can result in disciplinary measures for the immediate interruption of irregular acts and / or infractions. These measures can be:

Employee: Verbal warning, written warning, Suspension and Dismissal.

Third party: Suspension, a termination of a contract without notice, or such other measures that are available at law.

In both cases, depending on the severity of the noncompliance, Jaguar Mining gives itself the right to communicate to the public authorities for proper investigation.

6.8. Monitoring

To measure and verify the effectiveness and maturity of the Compliance Program, Jaguar has defined a constant evaluation process that aims to identify whether the pillars of the program are working as planned, if the awareness actions are materializing in employees' actions and if Compliance risks are being controlled.

Periodic tests are carried out by the Internal Audit team and reported to the Audit Committee.

7. COMMUNICATION OF THE POLICY

All employees and contractors shall be informed of this Policy and should have easy access to the updated versions of it. It must be available on the company's intranet and on Jaguar's website.

All employees and contractors will be informed whenever significant changes are made.

8. EXCEPTIONS AND VIOLATIONS

Exceptions to this policy are not acceptable.

9. REFERENCES

Code of Conduct and Ethics.

ISO 19600:2014 Compliance Management Systems.

ISO 37001:2017 Certification of Anti-Bribery Management Systems.



10. MAINTENANCE AND REVIEW

The Compliance Policy should be reviewed at least every two years.