

Anti-Corruption Compliance Policy & Manual

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Teck

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Statement of the President and CEO

Our Code of Ethics affirms Teck's commitment to uphold high moral and ethical principles and specifies the basic norms of behavior for those conducting business on its behalf. While Teck's business practices must be consistent with the business and social practices of the communities in which we operate, we believe honesty is the essential standard of integrity in any locale. Thus, though local customs may vary, Teck's activities are to be based on honesty, integrity, respect, and compliance with all applicable laws, including those laws which prohibit corruption. This Policy supplements the Code of Ethics and reinforces the Company's commitment that it will work against corruption in all its forms, including corrupt payments to government officials as well as commercial bribery such as kick-backs and bid rigging.

Each Teck executive and manager, and all personnel with direct or indirect contact with governmental officials, is required to be fully familiar with this manual and to adhere strictly to the practices it describes. You are also required to advise the employees under your supervision of these requirements and to monitor their compliance.

This manual also identifies practices which could potentially violate anti-corruption laws. However, it is not intended to equip you to act as your own legal counsel. Instead, it will help you recognize when you need to seek the advice of our Compliance Coordinator. The Board of Directors and I expect each of you to give these requirements your careful attention in carrying out your duties.

Don Lindsay
President and Chief Executive Officer

Statement of the General Counsel

Teck's policy is to comply with the letter and spirit of the anti-corruption laws of Canada and the United States as well as the comparable laws of the other countries in which we do business – often called “Anti-Corruption Laws.” Although Anti-Corruption Laws may vary in their scope and severity, Teck's policy is to comply with the strictest requirements. There is no exception to this policy and it may not be compromised or qualified by anyone acting for or on behalf of Teck or any of its divisions or subsidiaries. No claim of business exigency, increased sales or profits or business opportunity will excuse any violation of Teck's Anti-Corruption Policy. This statement applies regardless of the apparent reasonableness or justification for such arrangements on economic or other grounds.

As a result each of us must be alert to activities which may give rise to corruption concerns including even the appearance of corruption. To this end, this manual has been prepared to explain in more detail the Anti-Corruption Laws and their possible application to Teck. This document is intended only as a guide. It is not a complete compilation of all Anti-Corruption Laws, but points out areas of conduct which must be avoided and alerts you to situations in which you should seek the assistance of the designated Compliance Coordinator.

Whenever a situation arises where a payment or other item of value is requested by a governmental official, either directly or through an agent, those involved are expected to seek the advice and assistance of the Compliance Coordinator to avoid a possible violation of an Anti-Corruption Law. The payment of a bribe to a governmental official, no matter how small, or some other form of inappropriate offering or conduct, can cause major losses to the Company and great embarrassment. The ultimate sanctions may be grossly disproportionate to whatever advantage was sought to be gained.

Violations of Anti-Corruption Laws can result in criminal penalties for the Company and its directors, officers and employees, including imprisonment. If an individual is convicted of an Anti-Corruption Law violation, Teck cannot protect the person from any punishment that the Court may impose. In addition, Teck cannot defend or indemnify any individual who intentionally violates or who orders or who knowingly permits a subordinate to violate an Anti-Corruption Law. Further, any such person will be subject to disciplinary action by Teck, including possible dismissal.

Each of us must ensure that all Anti-Corruption Laws are adhered to in all of our dealings. This manual and statement of Teck's policy should assist you in meeting this obligation. If there are any areas about which you are uncertain, please bring them to my attention or to the attention of the Compliance Coordinator or applicable Regional Compliance Coordinator. The contact information for the Compliance Coordinators is attached to this Policy.

Peter Rozee
Senior Vice President, Commercial &
Legal Affairs

Introduction

The purpose of this Policy and manual is to strengthen Teck's policy of complying with all lawful requirements, both domestic and foreign, applicable to the Company's business, set out in the Code of Ethics. This manual provides additional specific information about the anti-corruption laws in Canada and the United States and provides general guidance to compliance with anti-corruption laws in other jurisdictions in which we carry on business. General descriptive information is provided since it is impossible to anticipate and discuss every situation which you may face. You are not required to become an expert on anti-corruption law. You are expected, however, to become familiar with the prohibitions outlined here, to seek advice from the applicable Compliance Coordinator whenever you encounter a situation in which an anti-corruption problem may exist, and to strictly adhere to Teck's policy of compliance with all laws applicable to its business activities.

Teck Resources Anti-Corruption Policy

The Canadian Corruption of Foreign Public Officials Act (the "CFPOA"), the U.S. Foreign Corrupt Practices Act (the "FCPA"), as well as other anti-corruption laws in the countries in which Teck operates (collectively, "Anti-Corruption Laws") are criminal statutes which prohibit the corrupt payment of money or giving of things of value, i.e., "bribes," to officials of a foreign government¹, foreign state-owned enterprises, public international organizations or foreign political parties, or to candidates for foreign political office, in order to obtain business or secure an improper advantage for Teck. Teck's commitment to the highest ethical standards and to open and fair business conduct worldwide clearly encompasses compliance with all applicable U.S., Canadian, and international laws, including Anti-Corruption Laws². By adhering to this Policy and the guidelines that follow, you will help ensure that you and Teck comply with the provisions of Anti-Corruption Laws, and that we conduct our business in all countries consistent with Teck's ethical standards. Teck trusts in the integrity of its employees and expects each to comply willingly and completely with Anti-Corruption Laws and this Policy.

Anti-Corruption Policy

- The use of Company funds, assets, or personnel for any unlawful, improper, or unethical purpose is strictly prohibited.
- You may not offer or give or promise anything of value to a government official with the intent to obtain or retain any business or any other advantage.
- You may not offer, promise or give directly or indirectly any commercial bribe to any person. Also, you may not receive a commercial bribe from any third party, such as a kick-back or other similar payment. For this purpose, a bribe is a payment or gift of any value (or promise thereof) made to secure or reward the improper performance of an activity or an improper commercial advantage.
- You should not pay for any business entertainment or travel expenses, or give any gifts to government officials unless you follow the Company's Gift/Entertainment Guidelines, or you receive prior approval from the applicable Compliance Coordinator. Payment of per diems is strictly prohibited.
- You may not retain a consultant, agent, or intermediary who has contact with, deals with, or does business with a government official until sufficient due diligence has been performed to enable Teck to conclude with reasonable assurance that the consultant, agent, or intermediary understands and will fully abide by applicable Anti-Corruption Laws and this Policy. Teck must have a written agreement with each of these consultants, agents and intermediaries which contains specific language prescribed by this Policy and must require such party to affirmatively certify compliance with the Teck Anti-Corruption Policy.
- You will not make any payments to government officials, including low-level government employees, to expedite or secure performance of a routine governmental action (sometimes referred to as "facilitation payments").

¹ For the purposes of this Policy, "foreign government officials" refers to all governmental officials in all countries. Because Teck is subject to both Canadian and U.S. anti-corruption laws, both U.S. and Canadian governmental officials are foreign officials (under Canadian and U.S. law, respectively). To avoid confusion in this Policy, "foreign government official" shall be referred to as "government official." As described below, employees of state-owned enterprises are generally foreign government officials for purposes of these laws.

² For compliance purposes, in the event of a conflict between Anti-Corruption Laws, Teck will always follow the strictest requirements. For purpose of this Policy, the requirements of the CFPOA, the U.K. Bribery Act, and FCPA will be detailed.

- As set out in Teck’s Political Contributions Policy, you will not, on behalf of a Teck company, make use of corporate resources, including funds, goods, property, and/or services, for the purpose of contributing to: a political party; a campaign for elected office; a nomination process for a political party; a local political constituency; and/or any individual seeking election at any level of government in any jurisdiction.
- You must make accurate and complete entries in Teck books and records and follow Teck’s accounting procedures and internal controls.

Applicable Laws

As a Canadian Company, Teck is subject to the CFPOA. Because Teck’s shares are listed on the New York Stock Exchange, Teck is also subject to the FCPA. Both of these statutes apply to Teck and its employees and agents within or outside the United States and Canada, as well as to employees and agents of Teck’s subsidiaries located outside the U.S. and Canada. In other words, you are required to comply with the CFPOA and the FCPA regardless of where you are conducting business on behalf of Teck or one of its subsidiaries. Depending on your location, and other factors, other Anti-Corruption Laws may apply under the circumstances. If you are in doubt as to the application of any of these Anti-Corruption Laws, please contact the applicable Compliance Coordinator.

Sanctions

Criminal sanctions under the FCPA for individuals include fines of up to US\$250,000.00 per violation (which cannot be reimbursed by the employer/principal) and five years’ imprisonment.³ Individuals subject to the FCPA and its penalties include:

- employees and agents of U.S. companies, regardless of nationality;
- employees and agents of non-U.S. companies whose stock is listed on a U.S. exchange;
- all U.S. nationals, even those who are employees or agents of foreign subsidiaries; and
- all other persons who, “while in the territory of the U.S.,” make “use of the mails or any means or instrumentality of interstate commerce”(e.g., telephone, fax, e-mail, or bank transfer) or do “any other act” in furtherance of a bribe.

The CFPOA provides for prison terms of up to five years for individuals⁴

Adequate Records; Adequate Controls

The FCPA and CFPOA also impose a statutory duty on public reporting companies such as Teck to maintain accurate books and records, and require companies to maintain an adequate system of internal accounting controls. This duty extends to ensuring that the subsidiaries, domestic and foreign, of public companies such as Teck also comply with these records and control requirements.

³ The U.S. Department of Justice has recently increased its efforts in seeking accountability for individuals involved in any corporate corrupt activity (See Yates Memo dated September 9, 2015).

⁴ The monetary sanctions under the CFPOA have no upper limits.

Teck's general accounting policies and internal audit procedures will generally ensure compliance with these requirements. Nonetheless, employees should follow all applicable standards, principles, laws, and the Company's practices for accounting and financial reporting involving any domestic or international transaction. In particular, employees should be timely and thorough when preparing all reports and records required by management. Finally, employees should not prepare or accept false records or invoices from third-party suppliers of services.

Examples of improper record-keeping include: making records appear to show a payment to one person when, in fact, the payment was made to someone else; creating a "slush fund"; submitting false or inaccurate expense account reports; and creating records that inaccurately characterize the true nature of a transaction or payment.

Compliance and Training

The Compliance Coordinator, together with a representative of the Human Resources Department, have made an assessment and designated certain persons and/or positions ("Affected Parties") to train on this Policy. The assessment criteria included such factors as (i) position within the Company; (ii) being members of departments identified as high risk based on the potential for a violation of Anti-Corruption Laws; (iii) having dealings in high risk jurisdictions; and (iv) potential for direct or indirect contact with a government official. In addition, Affected Parties include third party consultants, suppliers, and service providers⁵ who have direct or indirect contact with government officials.

Affected Parties are required to certify that they have received a copy of this Policy, have read and understand the Policy, and have completed the Company's on-line training. Certain Teck Affected Parties in high-risk departments will periodically receive additional in-person training. All Affected Parties will be required to train on this Policy every two years and complete a new certification on a biennial basis.

Employees who violate this Policy or the procedures under this Policy are subject to disciplinary action up to and including termination. Third parties—including consultants, agents, and intermediaries—who violate this Policy are subject to the termination of all commercial relationships with the Company. Employees or third party consultants, agents, intermediaries who suspect this Policy may have been violated must immediately notify their supervisor, Company contact, the Compliance Coordinator, or contact the Company's confidential, toll-free hotline, which is set out in Appendix A.

Teck is required to take reasonable steps to ensure that this Policy and associated procedures are followed, including monitoring and auditing to detect criminal conduct. The Company must also take reasonable steps to evaluate the effectiveness of its anti-corruption compliance program. Accordingly, this Policy and related procedures will be reviewed annually to ensure the Policy is up to date on all laws, regulations, and internal procedures.

Teck's internal audit group will conduct regular compliance audits designed to prevent and detect violations of Anti-Corruption Laws and Teck policies, practices and procedures. Some of these audits will

⁵ Third Party Consultants, Suppliers and Service Providers who have developed their own anti-corruption policy and provide training under that policy, in each case on a basis substantially equivalent to that contemplated by this Policy, will not be required to take the Teck training. However, they will be required to certify their compliance with the Teck Policy.

be unannounced. In addition to the regular audits, there may be individual instances where Teck wishes to investigate a certain matter. In these events, the Legal Department may obtain the assistance of any Teck employee, and is authorized to retain accounting firms, outside counsel, or others, as deemed necessary, in the discretion of the Legal Department.

Implementation Guidelines

WHAT IS THE BEST WAY TO GET CLARIFICATION ON THE POLICY, ASK A QUESTION, CLEAR A TRANSACTION, OR REPORT A VIOLATION?

The best way to get clarification on the Policy, ask a question, clear a transaction, or report a violation is to directly contact your supervisor or the applicable Compliance Coordinator (contact information is set out in Appendix A) by telephone or e-mail. Please have all available information ready to avoid unnecessary delays in a response.

If you are reporting a possible violation, and are uncomfortable for any reason in reporting a violation to your supervisor and/or a Compliance Coordinator, or wish for anonymity and confidentiality, a toll-free 24-hour hotline and website, administered by an independent company, is maintained for employees to report violations. The website address and hotline number for your location is set out in Appendix A.

WHO IS THE COMPLIANCE COORDINATOR AND HOW CAN I CONTACT HIM/HER?

The Compliance Coordinator as well as the Regional Compliance Coordinators for Teck and its subsidiaries are set out in Appendix A.

If for any reason the Compliance Coordinator or a Regional Compliance Coordinator is not available, you can contact any member of the Company's Legal Department.

WHAT IS THE ROLE OF THE COMPLIANCE COORDINATOR?

The Compliance Coordinator is responsible for implementing and maintaining the Company's compliance program. The Compliance Coordinator will oversee monitoring and auditing of the program. The Compliance Coordinator will also advise on compliance with the Anti-Corruption Laws, work with employees to perform due diligence of third parties, and investigate any reports of potential violations of this Policy. The Compliance Coordinator will regularly report on these efforts to senior management of the Company.

WHICH ANTI-CORRUPTION LAW DO I FOLLOW?

Since most anti-corruption laws apply beyond the jurisdiction of the country that passed the law, a number of anti-corruption laws could apply in any given situation, and the laws can be inconsistent with each other. It can be confusing and you may need guidance from the Compliance Coordinator to help you navigate through these various laws. Just remember that the Company has committed under this Policy to follow the strictest guidelines in the event of a conflict between the various anti-corruption laws.

WHAT IS A GOVERNMENT OFFICIAL ?

Under Anti-Corruption Laws, a government official includes employees or officers of:

- governments (including regional and local departments, councils and agencies);
- enterprises owned or controlled by a government;
- political parties and party officials;
- public international organizations (generally organizations composed of member states, such as the U.N.);
- state-owned utility companies; and
- candidates for foreign office.

In addition, anyone acting on behalf of the individuals or entities mentioned above should be treated as a government official under this Policy. Because Teck is subject to both Canadian and U.S. anti-corruption laws, both U.S. and Canadian government officials are foreign officials (under Canadian and U.S. law, respectively).

Example:

The brother of a government official in X country offers to serve as a consultant to assist you in permitting a new mine in the country. You should contact the Compliance Coordinator before agreeing to hire or to pay anything to the consultant. The Compliance Coordinator will assist you in conducting appropriate due diligence and confirming whether the consultant has the capacity and experience to perform his responsibilities, is acting independently from his brother, and that no payments made by Teck will end up benefiting the government official. In addition, the Compliance Coordinator will assist the Teck Legal Department in developing a consulting agreement with the consultant that provides the necessary protections for Teck. Finally, the payment arrangement with the consultant must be approved in advance by the Compliance Coordinator.

ARE FIRST NATIONS LEADERS CONSIDERED GOVERNMENTAL OFFICIALS?

It is not clear within the Anti-Corruption Laws whether First Nations or other leaders of indigenous groups are considered governmental officials. However, due to the fact that these leaders may exercise rights and powers similar to governmental officials, for purposes of this Policy, you should treat these leaders as governmental officials.

It is common practice for indigenous groups to request payments for the participation of representatives of the indigenous community in meetings with Teck or participating in Teck-related activities. Indigenous groups may describe these payments in different ways: honorariums; per diems and/or reimbursement for travel expenses; fee-for-service in recognition of acts or professional services; lost wages; or customary gifts. In all cases, payments to indigenous representatives must comply with this Policy and the Indigenous Participation Funding Guidelines which are attached to this Policy.

DOES THIS POLICY APPLY WITH REGARD TO PAYMENTS MADE TO NON-GOVERNMENTAL OFFICIALS?

Teck's Code of Ethics prohibits the payment of any form of bribe to any party, and includes guidelines regarding gifts and business entertainment. The Teck Anti-Corruption Policy specifically deals with all payments to governmental officials and in order to stay compliant with the Policy, all payments to governmental officials must be reviewed by the Compliance Coordinator. Recent developments in some jurisdictions, however, have made it illegal to pay any commercial bribe. For example, the U.K. Bribery Act, which came into effect in July 2011, outlaws "commercial" bribery between two private individuals. If you have any questions regarding whether a payment to be made to a non-governmental official that is not in the ordinary course of business raises any question of compliance with the Code of Ethics or this Policy, that payment should be reviewed by the Compliance Coordinator before it is made.

WHAT IS A CONSULTANT, AGENT, OR INTERMEDIARY?

As used in this Policy, a "consultant, agent, or intermediary" includes the following parties:

- a person or entity that markets Teck's services or otherwise assists Teck in obtaining business and/or negotiating contracts in a foreign country;
- a person or entity, including a law firm, that provides advice or assistance regarding taxes, licenses, permits, freight-forwarding, or customs, environmental, or immigration issues in a foreign country;
- a person or entity that lobbies a foreign government on behalf of Teck;
- a person or entity that assists Teck in preparing bids for new projects in foreign countries;
- a person or entity that transmits payments to customers in a foreign country; and
- any other person or entity that interacts with foreign governments on behalf of Teck.

If you have any questions about whether a particular entity is a consultant, agent, or intermediary under this Policy, you should consult with the Compliance Coordinator.

WHAT PAYMENTS VIOLATE THE POLICY?

Improper payments or things of value are not always obvious. They can include:

- excessive entertainment or entertainment not connected to a legitimate business purpose
- lavish gifts
- trips not connected to a legitimate business purpose
- personal loans
- kickbacks
- unexplained fees or commissions
- charitable donations or political contributions with strings attached
- contingent or "success" fees
- cash payments to expedite services
- providing employment or other benefits to relatives of government officials

A request for a payment that exceeds the normal or customary fee charged for a service is a "red flag" or warning sign that such payment might violate the Policy. If you become aware of an arrangement that

indicates excessive fees have been or will be paid, you must inform the Compliance Coordinator immediately.

The most likely scenario is that you are asked to make a payment to a government official to get something done for the Company. You should never make an improper payment even if it benefits the Company. The following are examples of payments which should never be made because they violate the law and are not consistent the Company's values or this Policy:

- a payment to improperly avoid a fine or tax
- a payment to corruptly influence an official's decision to issue a license or permit
- a payment to improperly secure a favourable zoning ruling
- a payment to improperly influence the award of a government contract
- a payment to a legislator to support preferential legislation
- a payment to a government inspector to ignore safety regulations.

Example:

You are responsible for operations at a mine in X country. Local regulations require that a permit be obtained to discharge processed water into the local sewer system and within certain limitations as described in the permit. The local inspector informs you that in return for a small payment to him he will make sure that your mine is never out of compliance with the permit. You may not make this payment and should immediately report the incident to the Compliance Coordinator. Even if the mine discharged processed water within the limits outlined in the permit, the payment of money to the inspector to insure the appearance of compliance is improper and a violation of the law and this Policy.

ARE ANY PAYMENTS ALLOWED UNDER THE POLICY?

As described below, you can make certain payments to government officials in certain circumstances, if they do not violate this Policy or applicable local law. These situations are very limited and may depend on the laws of the country where you are doing business. In order to ensure your and the Company's continued compliance with the Anti-Corruption Laws, you should consult with the Compliance Coordinator before making any payment to a government official or government political party, or to anyone whom you know may forward the payment to a government official.

- ***Facilitating or "Grease Payments"***

Some Anti-Corruption Laws do not prohibit nominal payments made to government officials to secure "routine governmental action". For example, provided such payments are not inconsistent with applicable law or regulation, U.S. law permits you to make small facilitating or "grease payments" to foreign officials to encourage the prompt performance of common, routine, non-discretionary, governmental tasks. However, the UK Bribery Act prohibits facilitating payments and recently the CFPOA was amended to prohibit facilitating payments.

Teck's policy prohibits facilitating payments. We do this for a number of reasons: It is our policy to follow the strictest Anti-Corruption Laws; in addition, experience indicates that when employees can say

that the Company has a strict policy against such payments demands for such payments may be reduced or eliminated.

The following are examples of payments that may be permitted under the Policy:

- ***Health and Safety***

You are allowed to make a payment to a governmental official in instances where your health or safety is in peril. If you need to make a payment immediately for health or safety reasons, you should accurately reflect the payment in the Company's records and report the circumstances of the payment to a Compliance Coordinator as soon as possible.

Example:

You are traveling in X country working on an exploration project. You are stopped by the local police in a remote area of the country for no apparent reason. The police officer tells you that if you don't pay him \$100 in cash, he is going to put you in jail until you pay. By the way, there are no telephones at the police station. It is not a violation of the Policy to pay the \$100 so long as you immediately report the incident to your supervisor and the Compliance Coordinator. The payment of the \$100 must also be accurately reported in any expense report. The Compliance Coordinator can assist you in classifying the nature of the expense.

- ***Gifts, Travel and Entertainment Expenses for Government Officials***

In some foreign countries, it may be customary to make small gifts or offer reasonable entertainment related to the conduct of business. Under the Anti-Corruption Laws, such payments are not illegal so long as the payment is not made corruptly to assist the Company in obtaining or retaining business and the payment is legal in the government official's country. You should be careful when considering such gifts and entertainment for government officials. Some foreign governments have specific laws governing gifts to, and entertainment of, government officials. These laws may be even stricter than the Anti-Corruption Laws. To facilitate the legitimate provision of gifts or entertainment to government officials, the Company has developed Gift/Entertainment Guidelines, which are attached to this Policy⁶. If your proposed gift or entertainment does not fall within these guidelines, you must contact your Compliance Coordinator for approval before making a gift or providing entertainment to a government official. Even if a gift or entertainment is consistent with the Gift/Entertainment Guidelines, if you entertain or provide a gift to a government official, you must also accurately record the expense in the Company's records.

The Company may also pay for the reasonable cost of a government official's meals, lodging, or travel if the expenses are directly related to the promotion, demonstration, or explanation of the Company's products or services, or the execution of a contract with the government.

Such promotional or marketing expenses must be legitimate and reasonable in light of routine business travel and entertainment. The Compliance Coordinator will assist you in assessing the

⁶ Acceptance of gifts/entertainment offered to Teck employees should be cleared through the compliance coordinator for the Company's Code of Ethics.

legitimacy and reasonableness of these expenses. If you make a payment related to legitimate business and entertainment expenses, you must also accurately record the expense in the Company's records. The payment of per diems or any lump sum travel payment is strictly prohibited.

The Company's expense report form contains a box to be checked if the expense report includes government official gift/entertainment or travel expenses.

Examples:

Scenario #1: You are traveling to X country to meet with a government official in advance of opening a mine in the country. You understand that it is the custom in X country to exchange gifts representing the local cultures when visitors meet a government official for the first time. After confirming compliance with the Gift/Entertainment Guidelines you may bring a small gift, such as a Company promotional item, to give to the government official.

Scenario #2: You are responsible for developing new joint venture partners for exploration purposes in X country. In X country, the potential joint venture partners are owned or controlled by the local government. You would like to bring one or two local officials to Canada to tour the Company's mines and other facilities and meet with senior management to show them the Company's capabilities. After consulting with the Compliance Coordinator, this will likely be determined to be an appropriate business expense. The Compliance Coordinator will work with you to arrange for payment of reasonable travel, lodging and related expenses of the government officials of X country. The Compliance Coordinator will also advise you whether spouses of the government officials may be invited (the Company cannot pay any expenses of the spouses) and what levels of entertainment and related expenses are appropriate. The payment of specific dollar amounts and per diems are strictly prohibited.

- **Corporate Political Contributions**

As set out in Teck's Political Contributions Policy, Teck does not make use of corporate resources, including funds, goods, property, and/or services, for the purpose of contributing to: a political party; a campaign for elected office; a nomination process for a political party; a local political constituency and/or any individual candidate seeking election at any level of government. This includes a prohibition on providing sponsorships, prize donations or purchasing tickets for events such as dinners, speaking engagements or golf tournaments where such funds constitute in full, or part, a political donation. This policy applies to all jurisdictions.

Example:

You have been invited to attend a fundraising dinner for a particular political party in X country. You understand that many mining companies will be attending the event and making donations to the political party. Pursuant to the Corporate Political Contributions Policy at Teck, donating any corporate resources for the purpose of contributing to a political party is prohibited.

- **Personal Political Contributions**

Any Teck Officer or any Teck employee expected to have contact with Canadian (Federal) government officials in the course of their duties must refrain from making political donations to federal political parties in a personal capacity regardless of whether they are considered a lobbyist or not.

With respect to Canadian provinces, any Teck employee who is expected to have contact with Provincial government officials in the course of their duties must get approval from the Senior Vice President, Sustainability & External Affairs prior to making any personal political donation.

Similarly, in all other jurisdictions, any Teck employee who is expected to have contact with federal, state or regional government officials in the course of their duties must get approval from the Senior Vice President, Sustainability & External Affairs prior to making any personal political donation.

- ***Charitable Donations***

The Company believes in contributing to the communities in which it does business. You may make reasonable donations to foreign charities on behalf of the Company, but you should make sure that the donation is neither benefiting a government official nor violating this Policy. Therefore, all donations should follow Teck's charitable donations and community investment guidelines, which prohibit donations that would improperly benefit a government official.

Examples:

Scenario #1: You have identified a worthwhile local charity in X country that you would like the Company to assist with funding. You should refer to the Company's charitable donations and community investment guidelines and confirm that the charity is not inappropriately tied to a government official or otherwise serving as a conduit for payment to a government official. In all likelihood, after an appropriate investigation, you will be permitted to make this charitable contribution on behalf of the Company, subject to appropriate internal approvals.

Scenario #2: The local mayor suggests that the Company consider a donation to a specific local charity. You should consult with the Compliance Coordinator, who will assist you in assessing the request.

- ***Third Party Payments***

You cannot make a payment to a third party representative or intermediary (such as an agent or consultant) which you believe might be forwarded to a government official or used to benefit or bribe a government official. The acts of your agent will be considered your acts and, as well, the acts of the Company. To help ensure that the Company's agents understand and follow this Policy, you must follow the compliance procedures established by the Company for retaining third parties (see below).

Example:

You are in charge of expanding a mine in X country and you need to obtain the necessary permits to allow such an expansion. You have been informed that a particular local consultant is

the best person to accomplish this task. In order to ensure that the local consultant is best suited for this task and to ensure that no payments will be made to local government officials, you will perform the necessary steps under the Company's guidelines for retaining such expertise. Under these guidelines, you will perform certain due diligence into the background of the local consultant; have a retention agreement prepared that contains certain prescribed anti-corruption clauses, as well as representations and warranties of compliance with Anti-Corruption Laws; and make sure the local consultant is trained on this Policy and has made the necessary certifications concerning compliance with this Policy. The Compliance Coordinator can assist with all these things.

WHAT PROCEDURES NEED TO BE TAKEN TO CLEAR A PAYMENT OR RETAIN A THIRD PARTY AGENT UNDER THIS POLICY?

- ***Payments***

Any payments to government officials not specifically allowed by this Policy must be cleared through the Compliance Coordinator. In order to facilitate the process, you need to provide sufficient information about the proposed payment to aid the Compliance Coordinator with evaluating the nature of the payment, the recipient of the payment, the reason for the payment, and any relationship between the recipient of the payment and any government officials, including an indirect relationship. The Compliance Coordinator will then investigate the payment, confer, if necessary, with anti-corruption counsel, and render a decision whether such payment can be properly made. The Compliance Coordinator will then prepare a memo for the file to record the transaction for future reference. You should not make the payment until you have received written consent from the Compliance Coordinator.

Example:

The Company is a sponsor of a major sporting event in Canada. As a result, the Company has been given a number of tickets to the event and the seats are in preferable locations and are selling for \$1,000 per seat in the open market. The Company intends to use these tickets for entertaining a delegation of regulators who will be in Canada during this sporting event. The Compliance Coordinator should be consulted before gifting the tickets. In considering the clearance for the gift, the Compliance Coordinator will determine if the Company has any business pending before any of the regulators in question or will have business in the immediate future. The gifting of the tickets may be proper under this Policy so long as there is no improper purpose for gifting the tickets and the proper clearance procedures have been followed.

HOW DO WE DEAL WITH THIRD PARTY AGENTS?

Before any third party consultant, agent, or intermediary, as defined in this Policy, is retained, certain designated procedures for selecting and appointing such third party will need to be taken to ensure the third party will comply with the Anti-Corruption Laws and to minimize the Company's exposure to potential corruption liability. First, certain due diligence needs to be performed to assemble information about the third party. In addition to the references required to be provided by the third party, you should check with independent sources to verify the information provided. Second, once the due diligence process has been completed, the local legal department will assist you in drafting an appropriate contract with the third

party. The contract will contain anti-corruption representations and warranties that will obligate the third party to comply with Anti-Corruption Laws, and in certain circumstances with this Policy, and to report any instances of violations of Anti-Corruption Laws. The contract should include audit rights by the Company, to ensure that the third party is complying with the Anti-Corruption Laws, and this Policy. The contract will also contain a termination right by the Company if the third party breaches the representations and warranties.

The Company has identified certain third parties as a higher risk under this Policy. This higher risk designation is given to a third party based on a number of factors including the nature of the services provided to the Company, the potential for contact by the third party with a government official on behalf of the Company, and the country in which they provide their services. Once a third party has been identified in the higher risk category, they will be required to undergo additional due diligence. The due diligence starts with the third party filling out a questionnaire, which is reviewed by the Compliance Coordinator for “red flags” that would suggest the third party may have engaged in corrupt activities. The Compliance Coordinator will continue to investigate any red flags until all concerns are resolved. If it is determined any third party has or may have contact with governmental officials, the third party will be required to review the Company’s Anti-Corruption Policy and certify to the Company its duty to comply with the Anti-Corruption Laws and this Policy.

IF I DO NOT MAKE A PAYMENT, DO I STILL NEED TO BE CONCERNED WITH MY INTERACTION WITH GOVERNMENT OFFICIALS?

Yes. Although the Anti-Corruption Laws focus on payments to government officials, you can commit a violation even without providing a cash payment to a government official. Enforcement authorities interpret the Anti-Corruption Laws broadly and might construe many aspects of your interactions with a government official as an offer or promise of a current or future benefit provided to induce the government official to give the Company an improper advantage. We must take care to ensure that in all of our dealings with government officials that we are not seeking or accepting an improper advantage, as doing so is not consistent with this Policy or the Company’s values and could place both you and the Company at risk of violating the Anti-Corruption Laws.

Example:

The Company is seeking to secure certain mining rights from the government in X country. You are an acquaintance of a government official of X country and have become family friends with the official and his family. Local law requires that mining rights in X country be awarded through a sealed public tender process. Over dinner, the government official offers to provide you confidential inside information about your competitors’ bids, which would enable you to design the Company’s bid to undercut the other bidders. He does not immediately ask for anything in return. You should not agree to the government official’s offer and should report the incident to the Compliance Coordinator. Accepting the government official’s offer is a bad idea for several reasons. First, even though you did not provide anything to the government official at the time of his offer, enforcement authorities might construe anything of value that you or the Company provided to the government official in the past or might provide in the future as part of a corrupt exchange with the government official. Second, accepting the government official’s offer could put you in a position in which you may feel pressure to accept a future request by the government official, for example, to donate to a charity or hire a relative of the government official. Third, the

government official's proposed actions are likely illegal under local law and if you were to accept his offer, your actions could implicate the Company in a violation of local law.

ARE THERE ANY SPECIAL CONCERNS UNDER THIS POLICY WITH RESPECT TO JOINT VENTURES AND OTHER BUSINESS COMBINATIONS?

Teck's risks under Anti-Corruption Laws with respect to joint ventures and other business combinations will vary by location and whether or not Teck will be the operating partner or is acquiring an existing operation. Where Teck will be the operating partner, this Policy and its procedures will be put in place. Where Teck is acquiring an existing operation, Teck must perform appropriate due diligence on the existing operation and its compliance with applicable anti-corruption laws. This due diligence includes history and compliance representations and warranties in the purchase documents. Where Teck is not the operator, or when there is a risk that a non-operating partner may represent the joint company, the operating agreement between Teck and its venture partners must, to the extent feasible, include appropriate language obligating the business partners to comply with this Policy and all applicable Anti-Corruption Laws. The operating agreement should also, to the extent feasible, give Teck the right to audit anti-corruption compliance and designate specific consequences in the event of non-compliance.

A joint venture, which is the most common form of business combination, can implicate Anti-Corruption Laws in a number of ways. Because mining and utility companies are nationalized in many countries, the Company may have the opportunity to enter into a joint venture with a company that is at least partially government-owned or controlled. In such a case, you must make sure that any benefits, such as travel expenses, provided to government officials within the context of the joint venture do not violate the Anti-Corruption Laws.

Alternatively, a joint venture partner may have a favoured agent or other intermediary in its country of operation and may specify that the joint venture work with this intermediary. You must make sure that proper due diligence is conducted on all intermediaries hired to assist a joint venture, even if an intermediary is recommended by a joint venture partner. Finally, the Company can be held liable for violations of the Anti-Corruption Laws in connection with actions taken by that joint venture partner.

Examples:

Scenario #1: The Company's joint venture partner in X country proposes hiring a specific agent to assist with permit issues. The joint venture partner has worked with this agent on similar issues for several years. Under the Teck Anti-Corruption Policy you will perform certain due diligence investigations into the background of the agent; have a retention agreement prepared that contains representations and warranties of compliance with Anti-Corruption Laws, audit rights for the Company, and a termination right; and make sure the agent is trained on Teck's Policy and has made the necessary certifications concerning compliance with the Policy.

Scenario #2: The Company and a local company form a joint venture in X country. As part of the joint venture, the Company has entered into a management agreement with the local company to provide certain expertise with regard to the local culture and regulatory structure. You received an invoice pursuant to the management agreement and notice a number of expense entries that are vaguely described. When you contact the local company about the invoice, they promise to follow up with an explanation, but never do. You should immediately contact the Compliance Coordinator who will work

with the Company's local Legal Department to conduct an appropriate review or investigation of the subject invoice and will take whatever action is necessary.

Scenario #3: You have proposed that the Company enter into a joint venture in X country. You think that the Company's proposed joint venture partner might be at least partially owned by the government of X country. You should consult with the Compliance Coordinator to determine the precise nature and amount of government ownership and control of the proposed joint venture partner. If the proposed joint venture partner is majority-owned by the government of X country and the Company decides to proceed with the joint venture, you should work with the Compliance Coordinator to develop procedures for Company employees working on the joint venture to ensure that they do not provide any improper benefits to foreign officials of X country during the course of the joint venture.

Summary of Applicable Laws

The Corruption of Foreign Public Officials Act (“CFPOA”) (Canada) (S.C. 1998, c. 34)

The *Corruption of Foreign Public Officials Act* features three offences: bribing a foreign public official, laundering property and proceeds, and possession of property and proceeds. In addition, the Act makes it possible to prosecute, for example, a conspiracy or an attempt to commit the offences. It also covers aiding and abetting the commission of these offences, an intention in common to commit them, and counseling others to commit the offences. For purposes of this Policy, the Department of Justice Canada summary below concentrates solely on the bribing of foreign public officials.

Bribing a Foreign Public Official

THE OFFENCE

The offence of bribing a foreign public official is the centerpiece of the Act and represents Canada's legislative contribution to the international effort to criminalize this conduct.

No particular mental element is expressly set out in the offence since it is intended that the offence will be interpreted in accordance with common law principles of criminal culpability. The courts will be expected to read in intention and knowledge.

The offence reads as follows:

Every person commits an offence who, in order to obtain or retain an advantage in the course of business, directly or indirectly gives, offers or agrees to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official:

- (a) as consideration for an act or omission by the official in connection with the performance of the official's duties or functions; or
- (b) to induce the official to use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions.

Some of the specific wording used here deserves more detailed explanation.

“every person commits an offence who”

This offence is intended to apply to every person, whether Canadian or not, and within the full meaning of "person" as defined in the Canadian Criminal Code. Therefore, for the purposes of the offences under this Act, the potential accused are not limited to individuals, but may also include corporations; and under common law, corporations can be prosecuted for offences. The use of the Canadian Criminal Code definition of "person" means that the same principles of corporate criminal liability will apply under the revised Act as apply to Criminal Code offences.

“in order to obtain or retain an advantage in the course of business”

By using the broad words "in order to obtain or retain an advantage in the course of business," the Act seeks to prohibit payments made to obtain or retain business or other improper advantage.

This wording is intended to cover bribes to secure business or improper advantages in the course of business.

The word "business" is defined as "any business, profession, trade, calling, manufacture or undertaking of any kind, whether for profit or not."

Although the offence of bribery of foreign public officials in the Organisation for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials ("OECD Convention") refers to the conduct of "international" business, Canada's Act speaks of bribing a foreign public official "in the course of business." The offence therefore need not in every instance involve crossing actual borders. For example, it would be illegal to bribe a foreign public official in Canada to obtain a business contract to build a new wing on an embassy in Canada.

“directly or indirectly gives, offers, or agrees to give or offer a loan, reward, advantage or benefit of any kind”

This offence would cover bribes given directly or indirectly, including bribes that were given through a third party (e.g. agents).

“to a foreign public official”

The term "foreign public official," would include, for example, an elected representative or a government official of a foreign state, as well as an official or agent of a public international organization, such as the United Nations. The definition of "foreign state" makes it clear that the official may work for all levels and subdivisions of government, from national to local.

“or to any person for the benefit of a foreign public official”

This wording is intended to cover the situation where a foreign public official might not receive the benefit himself or herself, but instead direct that the benefit be given to a family member, to a political party association, or to any other person for the benefit of the official.

“as consideration for an act or omission by the official in connection with the performance of the official's duties or functions”

These words address the OECD Convention, which requires Member States (and other States Party to the Convention) to make it a criminal offence to bribe a foreign public official "in order that the official act or refrain from acting in relation to the performance of official duties."

“or to induce the official to use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions.”

These words reflect the sense of the OECD Convention, which indicates that to act or refrain from acting in relation to the performance of official duties "includes any use of the public official's position, whether or not within the official's authorised competence."

AMENDMENT

On June 19, 2013, the CFPOA was significantly amended as follows:

- Elimination of the facilitating payment exception (effective 10/31/2017);
- Creation of a books and records offense;
- Broader definition of "business" to include non-profit and charitable organizations;
- Elimination of the territorial link to Canada to prosecute an offense;
- Increased maximum sentence to 14 years; and
- Exclusive jurisdiction given to the RCMP.

PENALTIES

The fourteen-year maximum term of imprisonment for the offence of bribing a foreign public official ensures that this is an extraditable offence. Corporations, of course, cannot be subject to imprisonment, but they can be fined. The amount of any fine would be at the discretion of the judge, and there is no maximum. Moreover, because this is an indictable offence, no limitation period would apply.

Foreign Corrupt Practices Act (“FCPA”) (United States) (15 U.S.C. §§ 78dd-1, et seq.)

The FCPA is divided into the anti-bribery provisions and the accounting provisions. The accounting provisions include provisions relating to books and records and internal controls.

ANTI-BRIBERY PROVISIONS

The anti-bribery provisions make it illegal for U.S. issuers and companies, non-U.S. companies whose shares are traded on a U.S. exchange (also “issuers”) and U.S. citizens and residents (and foreign nationals working for U.S. corporations) to corruptly make, or offer or promise to make, payments to foreign officials or foreign political parties for the purpose of influencing such official or securing an improper advantage in order to obtain or retain business. Foreign companies, including foreign subsidiaries of U.S. companies and employees and agents of foreign subsidiaries, also are subject to this prohibition if they make a corrupt payment in the United States or perform any act in furtherance of the making of a corrupt payment within the United States, including the use of any U.S. interstate facilities (e.g., telephone, fax or e-mail). The FCPA prohibits the direct or indirect payment or gift of money or anything of value (or even the offer, promise or authorization of a payment or gift) with corrupt intent to a foreign official, foreign political party or to any intermediary knowing or having reason to know that any portion of the payment or gift will be used to bribe a foreign official or political party.

In the context of the FCPA, “foreign official” means:

- any employee or officer of a foreign government (*i.e.*, a country other than the United States of America) including any federal, regional or local department, agency, instrumentality, or enterprise owned or controlled by the foreign government and including, for example, a legislator, a municipal council member, a customs or other governmental agency inspector, a tax official, or an employee of a government-owned utility company;
- any official of a foreign political party;
- any official or employee of a public international organization, such as the World Bank, United Nations, or World Health Organization;
- any person acting in an official capacity for or on behalf of any such entity; or
- any candidate for foreign political office.

The prohibition of a payment to a foreign official applies to direct and indirect payments.

Therefore, U.S. companies and persons and, in certain circumstances, foreign subsidiaries and foreign persons can face FCPA liability based on improper payments made by their agents or other business partners.

Examples of prohibited payments to foreign officials include payments:

- to influence the award of a government contract;
- to prevent a proper governmental action, such as the imposition of a tax or fine or the cancellation of an existing government contract;
- to obtain a license or other authorization from a government where the issuance involves the official’s or his/her government’s discretion;

- to obtain confidential information about business opportunities or about the activities of competitors;
- to draft bid specifications for government projects in a way that would favor certain bidders;
- to obtain the right to open a mine or to secure a zoning ruling;
- to influence the rate of taxes which would be levied on a company's business;
- to obtain relief from government controls;
- to resolve governmental disputes, *e.g.*, resolution of tax deficiencies or a dispute over duties payable; or
- to affect the nature of foreign regulations or the application of regulatory provisions.

U.S. law permits certain benefits to foreign officials if the payments are related to the promotion or demonstration of products or services or to the execution or performance of an existing contract with a foreign government. Typically, promotional expenses consist of meals, lodging and travel expenses. The law also permits the payment of normal and customary expenses incurred during promotional activities, such as participation in seminars or educational programs and tours of U.S. facilities.

The giving of political contributions is a very difficult subject under both U.S. and foreign law. For example, in some foreign countries, U.S. companies and other foreign nationals may make political contributions. However, numerous countries prohibit political contributions by foreign companies or their subsidiaries. Thus, whether a foreign political contribution is permissible will depend on the specific facts of the situation and the country involved. Making donations to local charities may be permissible under the FCPA only if the charity is not inappropriately linked to a foreign official, such that the donation would directly or indirectly benefit the official.

ACCOUNTING PROVISIONS

The books and records provisions of the FCPA require publicly held companies to keep their books, records and accounts in reasonable detail to accurately and fairly reflect all transactions and disposition of assets. Thus, the FCPA prohibits the mischaracterization or omission of any transaction on a company's books. Keeping detailed, accurate descriptions of all payments and expenses is crucial for this component of the FCPA.

Likewise, the internal controls provisions of the FCPA require publicly-held companies to create and maintain a system of internal accounting controls sufficient to provide reasonable assurances that its transactions are properly carried out and recorded and that the company's assets are protected. These provisions complement the books and records provisions by attempting to ensure that a company's day-to-day compliance with the books and records requirements takes place within a broader management framework.

Accordingly, employees should follow all applicable standards, principles, laws and the Company's practices for accounting and financial reporting involving any domestic or international transaction. In particular, employees should be timely and thorough when preparing all reports and records required by management. Finally, employees should not prepare or accept false records or invoices from third-party suppliers of services.

PENALTIES

Criminal penalties under the FCPA can be severe. The Securities and Exchange Commission (the "SEC") and the Department of Justice (the "DOJ") of the United States of America share enforcement responsibility for the FCPA. The DOJ is responsible for FCPA criminal prosecutions and for civil enforcement against privately held companies. The SEC has civil jurisdiction over publicly-held companies. The penalties for each violation of the anti-bribery provisions of the FCPA include: imprisonment of individuals for up to five years; criminal fines of up to US\$250,000.00 per violation for individuals and US\$2,000,000.00 per violation for corporations; or criminal fines of as much as twice the benefit or loss resulting from the improper payment, whichever is greater, for both companies and individuals. In addition, civil fines up to US\$10,000.00 per violation of the FCPA may be imposed. Furthermore, the FCPA expressly prohibits a company from reimbursing any employee or agent against whom a fine or penalty has been imposed.

Any individual who knowingly violates the books and records or accounting provisions of the FCPA faces civil penalties up to US\$100,000.00. Corporations that knowingly violate these provisions will face civil penalties up to US\$500,000.00. Both individuals and corporations may also have to disgorge the profits earned through illegal activity. With respect to criminal penalties, individuals convicted on violating the accounting provisions face up to US\$5,000,000.00 in fines and 20 years imprisonment. Corporations face fines up to US\$25,000,000.00. Alternatively, an individual or corporation may be sentenced to pay a criminal fine of as much as twice the amount of any monetary gain or loss resulting from the violation, whichever is greater.

Numerous non-monetary consequences may also result from FCPA violations, including debarment from both U.S. government and foreign government contracts and harm to the company's reputation in the market.

Bribery Act 2010 (“Bribery Act”) (United Kingdom) (Bribery Act 2010 CHAPTER 23)

On April 8, 2011, the long-awaited UK Bribery Act became law. Most provisions in the Bribery Act came into force in July 2011. The Bribery Act accomplishes three objectives:

- (1) The Bribery Act creates a new bribery offence imposing strict liability on organisations whose employees or representatives engage in bribery in the UK or abroad. The new corporate offence contains, however, an affirmative defence that will allow an organisation to avoid prosecution if it can demonstrate that it had in place “adequate” anti- corruption compliance procedures at the time the bribery occurred;
- (2) The Bribery Act comprehensively redefines the criminal elements of bribery, including a new general offence that covers domestic and foreign bribery, and a separate, stand-alone offence of bribery of a foreign public official that introduces standards similar in scope to the OECD Anti-Bribery Convention and the U.S. Foreign Corrupt Practices Act ; and
- (3) The Bribery Act broadens the jurisdictional reach of the UK anti-bribery laws, to cover bribery worldwide by individuals who are UK nationals or are ordinarily resident in the UK, and organisations that conduct some portion of their business in the UK.

The principal features of the Bribery Act, as described by the law firm of Willkie, Farr & Gallagher, are discussed below.

OFFENSES

The Bribery Act creates two general bribery offenses:

- bribery of another person; and
- receiving or accepting a bribe

as well as two specific bribery offenses:

- bribery of a foreign public official; and
- failure of a commercial organization to prevent bribery.

GENERAL BRIBERY PROVISIONS

Under the general bribery provisions, a person is guilty of bribing another person where he or she offers, promises or gives, directly or indirectly, a financial or other advantage intending to induce or reward “improper performance” of a “relevant function or activity” or knowing or believing that “the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.”

According to the Bribery Act, a relevant function or activity is performed “improperly” if it is performed in breach of an expectation that it will be carried out in good faith, impartially or in keeping with a position of trust. The Bribery Act criminalizes not only the payment of bribes under these circumstances, but the

receipt or acceptance of bribes as well. Thus, both the person who pays the bribe and the person who receives the bribe can be criminally liable under the Bribery Act. Further, the general bribery provisions apply to instances of both public and private, or commercial, bribery. Therefore, there is no need for a government official to be involved for a violation of this provision.

BRIBERY OF FOREIGN PUBLIC OFFICIALS

In addition, the Bribery Act creates a new, specific offense for the bribery of foreign public officials. This new, specific offense may significantly overlap with the general bribery offenses, but is distinguishable in that it does not require enforcement officials to show that the financial or other advantage was intended to induce or reward “improper conduct.” Rather, a person can be convicted of the offense of bribery of a foreign public official if he or she offers, promises or gives, directly or indirectly, a financial or other advantage to a foreign public official, or to any other person at the request or with the assent of a foreign public official, with the intent to influence that foreign public official in his or her official capacity and to obtain or retain business or a business advantage. In this case, only the payment, and not the receipt, of the bribe is criminalized.

The Bribery Act defines “foreign public official” to include any individual who holds a governmental position of any kind outside of the United Kingdom, exercises a public function, or is an official or agent of a public international organization.

JURISDICTION

U.K. enforcement authorities have jurisdiction over offenses committed under the general bribery provisions or the bribery of foreign public officials provision of the Act where (1) any act or omission which formed part of the offense took place in the United Kingdom, or (2) the offense was committed by a U.K. citizen or resident or an entity incorporated under the laws of any part of the United Kingdom.

FAILURE TO PREVENT BRIBERY

The Bribery Act includes a new strict liability offense for the failure of a commercial organization to prevent bribery. The offense is applicable to “commercial organizations” that are (a) corporations or partnerships incorporated or formed under the laws of any part of the United Kingdom, or (b) corporations or partnerships incorporated or formed outside of the United Kingdom which carry on a business, or part of a business, in any part of the United Kingdom.

A commercial organization is guilty of failure to prevent bribery where a person “associated with” the organization bribes another person intending to obtain or retain business or a business advantage for the organization. Because it is a strict liability offense, the U.K. enforcement authorities will not have to demonstrate any knowledge or intent on the part of the management of the commercial organization. Under the Bribery Act, an “associated person” means a person who performs services for or on behalf of the commercial organization, including, but not limited to, employees, agents, and subsidiaries. The commercial organization can avoid liability only where it can show that it had in place “adequate procedures” designed to prevent such conduct at the time the bribery occurred.

In March 2011, the U.K. Ministry of Justice issued final Bribery Act Guidance to guide organizations in developing “adequate procedures” to prevent bribery. The six core principles are: (1) proportionate procedures (procedures should be developed in light of relative risk); (2) top-level commitment; (3) periodic risk assessment; (4) due diligence on third parties; (5) communication and training; and (6) monitoring and review of procedures.

PENALTIES

The Bribery Act increases potential penalties for bribery, authorizing unlimited fines for entities on criminal indictment and a maximum 10-year prison sentence for individuals.

Other Anti-Corruption Laws

In addition to the anti-corruption laws of Canada, the U.S. and the United Kingdom detailed above, there are other laws and regulations that may be applicable in countries where the Company or its affiliates hold assets and/or operations. These other anti-corruption laws and regulations may also prohibit and penalize corrupt acts within the relevant country (domestic acts of corruption), and in some cases (such as Chile) abroad (foreign acts of corruption). Therefore, the same act involving a “foreign” public official that is penalized by the CFPOA or the FCPA may also be penalized under one or more of the local laws of such official’s country.

As a result, in light of the fact that one or more anti-corruption laws may apply in a given situation and due to the complexities of each of these laws, the Compliance Coordinator or Regional Compliance Coordinator should be consulted to assist in the analysis of any given situation.

Gift/Entertainment Guidelines

Under the Company's Anti-Corruption Policy, which refers to Anti-Corruption Laws, it is not illegal for a company to provide gifts and entertainment to governmental officials so long as (i) the provision of such gifts or entertainment is not made corruptly to assist the Company in obtaining or retaining business, and (ii) the provision of such gifts or entertainment is not prohibited by the applicable country or local laws. In order to ease the administrative burden of the Compliance Coordinator clearing each and every instance where a gift or entertainment is provided to a governmental official under the above guidelines, the Company has developed the following gift/entertainment guidelines.

If the gift or entertainment has a value less than C\$100	No reporting or pre-clearance is needed
If the gift or entertainment has a value greater than C\$100 and less than C\$200	No pre-clearance is needed, but you need to report the details of the gift or entertainment to the Compliance Coordinator within thirty days of the event.
Or	
The entertainment, regardless of value, consists of participation in a public industry, charitable, or community event in which the Company is participating as a participant, host, or sponsor, and a governmental official attends as the Company's guest.	
If the gift or entertainment has a value greater than C\$200 and does not fall within any of the exemptions listed above	You must contact the Compliance Coordinator for approval before providing a gift or entertainment.

Notes:

1. Regardless of the reporting requirement, if you entertain or provide a gift to a foreign official, you must accurately record the expense in the Company's records.
2. Value is determined on a per-person basis.
3. Reporting will be by e-mail to the Compliance Coordinator at anti.corruption@teck.com.

Indigenous Participation Funding Guidelines

Under the Company’s Anti-Corruption Policy, Indigenous Representatives are considered government officials. It is common practice for Indigenous Peoples to request payments (“Payments”) for the participation of representatives in meetings with Teck or participating in Teck- related activities. These Payments may be described in different ways: honorariums; per diems and/or reimbursement for travel expenses; fee-for-service in recognition of acts or professional services; lost wages; or customary gifts.

It is not illegal for the Company to provide these types of Payments to Indigenous Peoples so long as (i) the provision of the Payments is not made corruptly to assist the Company in obtaining or retaining business, and (ii) the provision of the Payments is not prohibited by the applicable country or local laws.

In order to ease the administrative burden of the Compliance Coordinator clearing each and every instance where a Payment is provided to Indigenous Representatives the Company has developed the following guidelines.

In consideration of the qualifications above, the following Payments are acceptable and do not require clearance from the Compliance Coordinator:

Honourariums below C\$400	Payments made to a representative of Indigenous Peoples in recognition of their attendance and participation at a Teck- organized meeting.
Per Diems at reasonable approximation of travel costs per day	Generally, per diems are prohibited by Teck’s Anti-Corruption Policy. Teck strongly prefers to reimburse travel expenses based on receipts and invoices. However, for purposes of these guidelines only, a per diem is only acceptable if it is reasonably calculated to reimburse the Indigenous Representative for their travel costs associated with a Teck-organized meeting, including air, bus or rail fares, mileage reimbursement, accommodations, meals, and rentals. A per diem will not be paid where Teck also pays invoiced travel expenses. Notwithstanding, any per diem in excess of C\$400 will need to be cleared through the compliance coordinator for Teck’s Anti- Corruption Policy.
Reimbursement of Lost Wages	This is not a common form of Payment and should be avoided where possible. This Payment will only be paid if the representative is not being compensated by their employer as part of their allowable personal leave and should be supported by documents memorializing the rate of pay.
Fee For Service	Only allowed for Indigenous Representatives who perform professional or consulting services for the Indigenous Peoples and is supported by an executed retention or service agreement, or letter from the Indigenous group confirming their retention of the person and associated fees.
Gifts or Entertainment	Follow the Gift/Entertainment Guidelines of Teck’s Anti-Corruption Policy

ALL OTHER PAYMENTS MUST BE CLEARED THROUGH THE COMPLIANCE COORDINATOR FOR TECK'S ANTI-CORRUPTION POLICY.

Payment Process:

1. Understand and Share Expectations

- Upon meeting with Indigenous Peoples, confirm their expectations regarding funding expectations of Teck and payments to their representatives for participating in meetings or events.
- Request details regarding any policies the Indigenous Organization may have with regard to such payments.
- Inform the Indigenous Representatives of the existence of Teck's Anti-Corruption Policy and these Guidelines, and the process you will have to follow before making any payments. Make it clear you will need to get approval from the Manager of Indigenous Affairs before finalizing.

2. Preliminary Discussion and Agreement on Payments

- Only agree to make payments which are reasonable and in keeping with any policies of the Indigenous Organization and the type generally sought by Indigenous Peoples in the region.
- Only make payments to an Indigenous Representative where it is clear the payments will not unduly influence the Indigenous Representative. If there is uncertainty in this regard, clarify with the Indigenous Organization and Indigenous Representatives that all payments provided are not to gain any favour or advantage for Teck.

3. Confirm Payments Internally

- Set out the amount and type of payments which will be made to the Indigenous Representatives in a memorandum to the Manager of Indigenous Affairs.
- Obtain the approval of the Manager of Indigenous Affairs prior to confirming the amount and type of payments which will be made to any Indigenous Representatives.

4. Formalize in Writing

- Confirm in writing (typically a letter) with the governing body of the Indigenous Peoples the amount and type of payments which will be made to the Indigenous Representatives.

5. Ongoing Reporting

- Ongoing payments to Indigenous Representatives made under a payment structure previously approved by the Manager of Indigenous Affairs do not need to be further approved.

Notes:

1. Regardless of the reporting requirement, if you make a payment to a representative of Indigenous Peoples, you must accurately record the expense in the Company's records.
2. If approval is needed by the Compliance Coordinator, send the request with details to the Compliance Coordinator at anti.corruption@teck.com.

Appendix A – Contact Information

Ethics Hotline Numbers:

Australia - Telstra 1-800-881-011

Australia Optus 1-800-551-155

Canada – 1-888-873-3745

Chile - AT&T Node 800-225-288

Chile ENTEL 800-360-311

Chile ENTEL - Spanish 800-360-312

Chile Telefonica 800-800-288

Chile AT&T Chile 171 00 311

Chile AT&T Chile - Spanish 171 00 312

China, PRC - South, Shanghai - 800-570-4462, Access Code 10-811

China North, Beijing 800-570-4462, Access Code 108-888

China Telecom 800-570-4462, Access Code 108-10

China North, Beijing CNGC –800-570-4462, Access Code 2 108-710

Ireland 1-800-550-000

Mexico - New 01-800 288-2872

Mexico Por Cobrar 01-800-112-2020

Mexico - Alternate (English) 001-800-462-4240

Mexico - Alternate (Spanish) 001-800-658-5454

Namibia – 0-800-377-380

Peru - Telefonica 0-800-50-288

Peru Americatel 0-800-70-088

Peru - Telefonica Spanish 0-800-50-000

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United States – 1-888-873-3745

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