

Corporate Governance Guidelines

The Company is a controlled company as defined by the rules of the New York Stock Exchange. The Company has taken advantage of the exceptions to comply with the corporate governance rules of the New York Stock Exchange requiring a majority of independent directors and independent compensation and nomination/corporate governance committees.

1. INTRODUCTION.

Southern Copper Corporation's Board of Directors and management remain committed to conducting business consistent with good corporate governance practices. These guidelines have been published in order to inform stockholders of the Board's current thinking with respect to selected corporate governance issues. The Board will continue to assess the appropriateness and effectiveness of the guidelines, and it is likely that changes to the guidelines will be considered from time to time.

2. BOARD OBJECTIVES.

The Company's primary objective is to maximize stockholder value while adhering to the laws of the jurisdictions wherein it operates and at all times observing ethical standards.

2.1. Corporate Authority and Responsibility:

The Board of Directors, which is elected by the shareholders, is the ultimate decision making body of the Company except with respect to those matters reserved to the shareholders. The Board of Directors has the ultimate power and responsibility to conduct the business affairs of the Company. It selects the senior management team, which is charged with the conduct of the Company's business. Having selected the senior management team, the Board of Directors acts as an advisor and counselor to senior management and ultimately monitors its performance. In performing its general oversight function, the Board reviews and assesses the Company's strategic and business planning as well as management's approach to addressing significant risks and challenges facing the Company. As part of this function, the Board reviews and discusses reports regularly submitted to the Board by management with respect to the Company's performance, as well as significant events, issues and risks that may affect the Company's business or financial performance. In performing its oversight function, the Board and its members will maintain frequent, active and open communication and discussions with the Chief Executive Officer or "CEO" and management. The Board of Directors has the ultimate oversight role to monitor how senior management manages the material risks associated with the Company's operations, including risks related to compensation policies and practices.

2.2. Delegation of Authority:

The Board of Directors delegates to management the authority to implement the Company's mission. Such delegated authority includes the authorization of spending limits and the authority to hire employees and terminate their services.

2.3. Annual Self Evaluation:

The Board will conduct a self evaluation at least annually to determine whether it and its committees are functioning effectively. As part of this annual self-evaluation, the Board should evaluate whether the Board's current policy on diversity continues to be optimal for the Company and its stockholders.

2.4. CEO Evaluation:

The non-management directors, meeting separately in executive session, will annually conduct an evaluation of the CEO, which will be promptly communicated to the CEO. The evaluation is based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management and, when appropriate, subjective factors.

3. DIRECTORS.

3.1. Personal Characteristics and Core Competencies of Directors:

Individual directors should possess all of the following personal characteristics:

- a) **Integrity and Accountability** - Character is the primary consideration in evaluating any Board member. Directors should demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on and remain accountable for their boardroom decisions.
- b) **Financial Literacy** - One of the important roles of the Board is to monitor the Company's financial performance. Board members serving on the Audit Committee should be financially literate. Directors serving on the Audit Committee should know how to read a balance sheet, income statement and, cash flow statement, and understand the use of financial ratios and other indices for evaluating company performance. At least one member of the Audit Committee should be a "financial expert" as such term is defined by the Securities and Exchange Commission.
- c) **High Performance Standards** - In today's highly competitive world, only companies capable of performing at the highest levels are likely to prosper. Board members should have a history of achievements that reflect high standards for themselves and others.
- d) **Informed Judgment** - Board members should have the ability to provide wise, thoughtful counsel on a broad range of issues. Directors should possess high intelligence and wisdom and apply it in decision making.
- e) **Mature Confidence** - The Board functions best when directors value board and team performance over individual performance. Openness to other opinions and the willingness to listen should rank as highly as the ability to communicate persuasively. Board members should approach others assertively, responsibly and supportively and raise tough questions in a manner that encourages open discussion.
- f) **Engaged** - Directors should be focused on the performance of the Company over the short and long term, both in absolute terms and relative to its peers. This focus should manifest itself in engaged debate about the future of the Company and an esprit de corps among the Board that both challenges and inspires the Company's employees.
- g) **Open Minded** - Success in the mining business will ultimately go to the participants who adapt to changing environments and implement creative solutions to the significant challenges faced by mining industry participants. Board members should possess the talents needed to augment those of management.
- h) **Dedication** - Directors should be able to devote the time needed to perform their duties diligently.

3.2. Core Competencies of the Board as a Whole:

To adequately fulfill the Board's complex roles, from overseeing the audit and monitoring managerial performance to responding to rapidly changing market conditions, a host of core competencies need to be represented on the Board. The Board as a whole should possess the

following core competencies, with each member contributing knowledge, experience and skills in one or more domains. The Board should also consider diversity in identifying candidates to fill positions on the Board. The Board should include differences of viewpoint, professional experience, education, skill, and other individual qualities and attributes to augment the talents of management to operate the business of the Company and accomplish its goals and objectives.

- a) **Accounting and Finance** - Among the most important missions of the Board is ensuring that stockholder value is both enhanced through corporate performance and protected through adequate internal financial controls. The Board should have one or more directors with specific expertise in financial accounting and corporate finance, especially with respect to trends in debt and equity markets.
- b) **Management** - To monitor corporate management, the Board needs to understand management trends in general and industry trends in particular. The Board should have one or more directors who understand and stay current on general management "best practices" and their application in complex, rapidly evolving business environments.
- c) **Business Judgment** - Stockholders rely on directors to make sensible choices on their behalf. The majority of directors should have a record of making good business decisions in the corporate sector.
- d) **Industry Knowledge** - Companies continually face new opportunities and threats that are unique to their industries. The Board should have one or more members with appropriate and relevant industry-specific knowledge.
- e) **International Markets** - To succeed in an increasingly global economy, the Board should have one or more directors who appreciate the importance of global business trends and who have first-hand knowledge of international business experience in those markets.
- f) **Leadership** - Ultimately, the directors will determine a company's performance and CEO's ability to attract, motivate, and energize a high performance leadership team. The Board should have one or more directors who understand and possess empowerment skills and have a history of motivating high-performing talent.
- g) **Strategy and Vision** - A key Board role is to approve and monitor Company strategy to ensure the Company's continued high performance. The Board should have one or more directors with the skills and capacity to provide strategic insight and direction by encouraging innovation, conceptualizing key trends, evaluating strategic decisions, and continuously challenging the organization to sharpen its vision.
- h) **Crisis Response** - Organizations inevitably experience both short and long-term crises. The ability to deal with crises can minimize ramifications and limit negative impact on Company performance. The Board should have one or more directors who have the ability and time to perform during periods of both short-term and prolonged crises.

3.3. Changes in Professional Responsibility:

The Board should consider whether a change in an individual's professional responsibilities, directly or indirectly, impacts that person's ability to fulfill directorship obligations. To facilitate the Board's consideration, the Board requires that the COO, if a member of the Board, and other management directors submit a resignation as a matter of course upon retirement, resignation, or other significant change in professional roles and responsibilities. All directors should submit a resignation as a matter of course upon retirement from their professional roles or occupation, a change in employer, or other significant change in their professional roles and responsibilities. If the Board believes that a director will continue to make a contribution to the organization, the continued membership of that director may be supported.

3.4. Identification and Recruitment of Board Members:

The Board considers and recruits candidates from all sources, including nominations recommended by stockholders, to fill the positions on the Board taking into account the Board's current composition and core competencies and the needs of the Board as a whole. The composition, skills and needs of the Board change over time and will be considered in establishing the profile of desirable candidates for any specific opening on the Board. The Board applies the same selection criteria for the evaluation of candidates from all sources.

One of the tasks of the Special Nominating Committee is to identify and recruit candidates to serve on the Board of Directors as special independent directors. The Special Nominating Committee has the exclusive power and authority to nominate special independent directors, evaluate candidates for such nominations, and fill any special independent directors vacancies. The Committee may at its discretion seek third-party resources to assist in the process. The Committee will recommend the special independent director nominees for approval by the Board and the shareholders.

3.5. Independent Directors:

At least, three (3) of the members of the Board of Directors should be independent. No director qualifies as "independent" unless the Board of Directors affirmatively determines that the director has no material relationship with the Company. The Board follows the requirements of the Securities and Exchange Commission and the New York Stock Exchange to make a determination, in its business judgment, that a director is independent. In accordance with a Charter amendment, the Company has established a Special Nominating Committee with the exclusive power and authority to nominate special independent directors. The number of special independent directors on the Board of Directors at any given time shall equal (a) the total number of directors on the Board of Directors multiplied by (b) the percentage of Common Stock owned by all of the stockholders (other than Grupo México, S.A.B. de C.V., the indirect majority stockholder of the Company, and its affiliates), rounded up to the next whole number. Notwithstanding the foregoing, the total number of persons nominated, as special independent directors, cannot be less than two or greater than six.

3.6. Compensation of Directors:

In order to align the interests of directors and stockholders, directors will be compensated in the form of cash and Company stock only. The Corporate Governance and Disclosure Committee reviews the compensation of directors. This review can include providing additional directors' fee for members of the audit committee to compensate for significant time and effort to fulfill their duties as audit committee members.

4. BOARD ORGANIZATION.

4.1. Annual Election of Directors:

In order to create greater alignment between the Board's and the Company's stockholders' interests and to promote greater accountability to the stockholders directors shall be elected annually.

4.2. Committee Structure and Charters:

It is the general policy of the Company that all major decisions will be considered by the Board as a whole. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to or required for the operation of the Company as a publicly owned entity.



Standing committees shall include:

- a) Executive Committee,
- b) Audit Committee,
- c) Compensation Committee,
- d) Corporate Governance and Disclosure Committee, and
- e) Special Nominating Committee.

The Board may form other committees as it determines appropriate.

4.3. Chairman and CEO Positions:

The Board believes that the Company is best served by separating the positions of Chairman and CEO. The President of the Company is the CEO. This structure provides two leaders for the Company and results in a more effective organization.

5. BOARD OPERATIONS.

5.1. Board Access to Senior Management:

Board members have full access to management and to information about all of the Company's operations in Peru, Mexico, and elsewhere in the world.

5.2. Board Ability to Retain Advisors:

The Board shall retain independent advisors as it believes to be appropriate. If management is retaining advisors to assist the Board, such decision must be ratified by the Board. In addition, the Audit Committee shall have the sole authority to hire and fire the independent auditors and to approve any audit and non-audit relationships with the independent auditors.

5.3. Notice and Material in Advance of Meetings:

The Board must be given sufficient notice and information to fully exercise its governance functions. This information comes from a variety of sources, including management reports, a comparison of performance to plans, security analysts' reports, articles in various business publications, etc. Generally, Board members will receive information prior to Board meetings so they will have an opportunity to reflect properly on the items to be considered at the meeting. The Board will ensure that adequate time is provided for full discussion of important items and that management presentations are scheduled in a manner that permits a substantial proportion of Board meeting time to be available for open discussion.

5.4. Executive Session:

In accordance with Section 303A.03 of the corporate governance rules of the New York Stock Exchange, an executive session of non-management directors is scheduled on the occasion of each of the Company's regularly scheduled Board meetings. Special executive sessions of non-management directors will be scheduled if requested by any of said directors. The non-management directors shall designate on the occasion of each session the director who will preside at each of the executive sessions. Only independent directors attend the executive sessions.

5.5. Code of Business Conduct and Ethics:

The Board of Directors has already adopted and disclosed a Code of Business Conduct and Ethics for directors, officers, and employees. The Company will promptly disclose as required



by applicable law and regulation any waivers of the Code of Business Conduct and Ethics for directors, officers and employees.

5.6. Director Orientation and Continuing Education:

The members of the Board of Directors are encouraged to seek director orientation and continuing education by joining specialized organizations, taking courses, participating in conferences, attending programs from organizations such as the New York Stock Exchange, SEC or otherwise.

5.7. Management Succession:

The Board should develop a plan for CEO succession in the event of emergency or retirement of the CEO or otherwise. Likewise, the Board will develop a plan for the succession of key members of management.

6. DEFINITIONS.

6.1. Special Independent Directors:

A special independent director is a person who (i) satisfies the independence standards of the New York Stock Exchange (or any other exchange or association on which the Common Stock is listed) and (ii) is nominated by the Special Nominating Committee.

6.2. Independent Directors:

No director qualifies as "independent" unless the Board of Directors affirmatively determines that the director has no material relationship with the Company. The Board follows the standards of the New York Stock Exchange to make a determination, in its business judgment, that a director is independent.

6.3. Management Directors:

Directors, other than Special Independent Directors and independent directors, appointed by controlling stockholders of the Company.

Approved by the Board of Directors
on February 3, 2004; Amended on July
14, 2005; Amended on January 26,
2006; Amended on January 27, 2011.