



FOREIGN CORRUPT PRACTICES ACT COMPLIANCE POLICY

As Amended May 24, 2012

1.0 Policy

Golden Minerals Company (“Golden Minerals”) will conduct every international business transaction with integrity, regardless of differing local manners and traditions, and will comply with:

- a. The laws and regulations of the United States, particularly the provisions of the Foreign Corrupt Practices Act (“FCPA”);
- b. The laws and regulations of each foreign country in which Golden Minerals operates (except to the extent inconsistent with U.S. law); and
- c. The Code of Business Conduct and Ethics.

If there is a real or apparent inconsistency between the requirements of U.S. and foreign law, the matter will be resolved by the Compliance Officer.

2.0 General

This policy applies to all officers and employees of Golden Minerals and its subsidiaries. This policy also applies to consultants, agents, representatives, regional affiliates or other persons or firms of the U.S. or any nationality as set forth in the Special Consultants Policy.

3.0 Implementation

- 3.1 A brief description of the FCPA is set forth in Exhibit A, Description of the Foreign Corrupt Practices Act. Instructions designed to ensure that Golden Minerals and its personnel comply fully with both the spirit and the letter of the FCPA are provided in Exhibit B, Operational Directions. Exhibit C, Financial and Accounting Directions, is designed to ensure compliance with the accounting provisions of the FCPA. Exhibit D, Internal Certification to the Chief Executive Officer – Compliance with the Foreign Corrupt Practices Act, provides a certification to be signed annually by the employees listed on Annex A.
- 3.2 It is the responsibility of each officer, employee, consultant, agent, representative and joint venture partner of Golden Minerals, by action and supervision as well as continuous review, to ensure strict compliance with this policy. Golden Minerals may take disciplinary action, up to and including dismissal, or termination of contract, against any officer, employee, consultant, agent, representative or joint venture partner who violates this directive.

- 3.3 Any officer or employee who suspects or becomes aware of any violation of this policy must report the violation to the Compliance Officer (anonymously, if desired), who will cause an appropriate, internal investigation of the reported matter to be conducted. A consultant, agent, representative or joint venture partner who suspects or becomes aware of any violation of this policy must report the violation to the party responsible for the consultant, agent, representative or joint venture partner's activities, who will immediately advise the Compliance Officer, who will cause an appropriate, internal investigation of the reported matter to be conducted.
- 3.4 The Compliance Officer is responsible for furnishing advice with respect to the interpretation and application of the FCPA and of this policy. He or she also will assist each business area manager in ensuring that affected personnel are fully informed of the prohibitions of the FCPA and the requirements of this policy.
- 3.5 Each Golden Minerals corporate officer is responsible for ensuring that all affected personnel in his or her area of responsibility are fully informed of the prohibitions of the FCPA and the requirements of this policy. In addition, he or she is responsible, in his or her area of responsibility, for adopting and enforcing appropriate controls and taking the steps necessary to effect compliance with this policy by all officers, employees and consultants of Golden Minerals.
- 3.6 Exceptions to this policy must have prior written approval of the Compliance Officer. Exceptions will not be granted unless legal opinions have been obtained from outside FCPA counsel that the conduct for which approval is sought does not violate applicable U.S. or foreign law.
- 3.7 The Compliance Officer is Bob Vogels, Senior Vice President and Chief Financial Officer of Golden Minerals. The Compliance Officer may be contacted as follows:

In writing: Anil Jiwani
Chief Financial Officer
Golden Minerals Company
1312 17th St, Unit 2136
Denver, Colorado 80202

By e-mail: anil@avisareveryday.com

EXHIBIT A

DESCRIPTION OF THE FOREIGN CORRUPT PRACTICES ACT

INTRODUCTION

The FCPA has two components: the anti-bribery prohibition and the recordkeeping and internal control provisions. Violations of either provision may constitute a criminal offense. Further, liability may be imposed for “willful blindness”-- the failure to follow-up on FCPA “red flags.” The law carries harsh penalties and administrative consequences, including: criminal and civil fines, imprisonment, disgorgement of the profits secured through improper payments, termination of government licenses, and exclusion from U.S. Government programs and contracting.

1.1 Anti-Bribery Provisions (Prohibitions)

The FCPA, as amended in 1998, prohibits US persons (and non-US persons while in the United States) from corruptly offering or giving money or anything of value, directly or indirectly through agents or intermediaries, to foreign officials to assist the US (or non-US) person in “obtaining or retaining business.” Specifically, the FCPA prohibits any act corruptly done in furtherance of an offer, payment, promise to pay, gift, promise to give, or authorization of the giving of “anything of value” to:

- a. Any foreign official, which means (1) any officer or employee of a foreign government or member of its armed forces or any department, agency, or instrumentality thereof (including a regional governmental body or a government-owned business); (2) any person acting in an official capacity for or on behalf of any such government or department, agency or instrumentality; (3) any official of a public international organization (e.g., International Monetary Fund, The World Bank, the Red Cross); (4) any person holding a legislative, administrative or judicial office, whether appointed or elected; or (5) a nominee of any person described above.
- b. Any foreign political party or official thereof or any candidate for foreign political office; or
- c. Any person (including any consultant, agent, representative or joint venture partner), while knowing (or being aware of a high probability) (see paragraph 6.2 for the FCPA’s knowledge standard) that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, any foreign political party or official thereof, or any candidate for foreign political office.

In each case for purposes of:

- i. Influencing any act or decision of such party, official, or candidate in its official capacity inducing such party, official, or candidate to do or omit to do any act in violation of the lawful duty of such party, official, or candidate; or
- ii. Inducing such party, official, or candidate to use its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government and instrumentality; or

- iii. Securing any improper advantage (e.g., obtaining a special tax exemption or operating permit for a facility which otherwise would not qualify);

in order to assist in obtaining or retaining business for or with, or directing business to, any person.

2.0 Accounting and Recordkeeping Controls Requirements

The FCPA requires certain U.S. companies, including Golden Minerals, to establish accounting and record keeping controls that will prevent the use of "slush funds" and "off-the-book" accounts which have been used in the past by some companies as a means of facilitating and concealing questionable foreign payments. In particular, the FCPA requires companies to establish and keep books, records, accounts and controls that accurately and fairly reflect their transactions and disposition of their assets. This requirement applies to all original documents (including invoices, receipts, and expense reports). Regardless of the dollar amount involved in a particular transaction, it must be accurately recorded. The FCPA also requires Golden Minerals to maintain a system of internal controls that provides reasonable assurance that: (1) transactions are recorded with management's authorization; (2) management provides specific authorization for any access to assets; (3) records are reviewed at reasonable intervals and discrepancies are dealt with in a timely manner.

The books and records provisions apply to all aspects of the Company's business activities and are not limited to bribes or other improper payments. As a result, if the Company's books and records are not accurate, the Department of Justice ("DOJ") and Securities and Exchange Commission ("SEC") may prosecute a company, even in the absence of a separate violation of law.

3.0 Limited Exceptions and Affirmative Defenses

The FCPA contains certain limited exceptions and affirmative defenses to the prohibitions set forth in the Anti-Bribery provisions described in Section 1.0. These limited exceptions and affirmative defenses may *not* be used or relied upon except in accordance with the Operational Directions set forth in Exhibit B of this policy.

3.1 Facilitating Payments

3.1.1 The FCPA provides that the prohibitions referred to in section 1.0 above do not apply to any facilitating or expediting payment ("grease payments") to any foreign official, political party, or party official, "the purpose of which is to expedite or secure performance of a routine governmental action."

3.1.2 Examples of such "routine governmental action(s)" include actions ordinarily and commonly performed by a foreign official in:

- a. Obtaining permits, licenses, or other official documents to qualify a person to do business in a foreign country;
- b. Processing governmental papers such as visas and work orders;
- c. Providing police protection, mail pickup and delivery, or scheduling inspections associated with contract performance or inspections related to transit of goods across country;
- d. Providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products or commodities from deterioration; or
- e. Actions of a similar nature.

3.1.3 The term “routine governmental action” does not include any decision by a foreign official on whether, or on what terms, to award new business to or continue business with a particular party, or any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or to continue business with a particular party.

3.1.4 Hospitality, entertainment, or gifts will never constitute “facilitating payments.” The courts and DOJ construe “facilitating payments” narrowly, permitting (1) small amounts; (2) to mid- or low-level foreign functionaries; (3) involving only routine, nondiscretionary, ministerial activities. That is, those which require no discretion or judgment in deciding to take the action required.

3.1.5 The FCPA does not specify a dollar limit for facilitating payments. Consequently, even a small payment could be viewed by the Department of Justice as a bribe. Further, failure to accurately record a permissible facilitating payment may result in a violation of the FCPA’s books and records provisions. As a result, the payment must be properly recorded in company books and records as a facilitating payment.

3.2 *Affirmative Defenses.* The FCPA also contains two affirmative defenses for: (a) “reasonable and bona fide” expenditures, such as travel and lodging expenses, incurred by or on behalf of a foreign official, party, party official, or candidate that are *directly related* to the promotion, demonstration, or explanation of products or services or the execution or performance of a contract with a foreign government or agency thereof; or (b) payments to foreign officials that are lawful under the written laws and regulations of the foreign official’s country.

4.0 Penalties - Fines and Imprisonment

The FCPA’s penalties for violation of the anti-bribery provisions include fines of up to \$2,000,000 per violation for companies and fines of up to \$100,000 and/or imprisonment for up to five years per violation for individuals. The FCPA prohibits a company from reimbursing a director, officer, employee, or consultant for the amount of the fine involved. Individuals are subject to criminal liability under the FCPA regardless of whether the company has been found guilty or prosecuted for a violation.

Violations of the anti-bribery provisions may also result in additional civil penalties imposed by the SEC, including: injunctive relief, severe civil fines, and disgorgement of ill-gotten gains. Further, the penalties for violating the record-keeping provisions of the FCPA include up to 20 years imprisonment and/or \$5 million in fines for individuals and up to \$25 million in fines for companies.

5.0 Applicability

5.1 As amended in 1998, the jurisdictional reach of the FCPA extends to “any person,” including any foreign person or firm, that commits a prohibited act in the United States. Thus, the FCPA applies to foreign nationals, foreign corporations (including foreign subsidiaries of US companies), and other foreign entities whose directors, officers, employees, or agents commit a corrupt act while in the United States.

5.2 The FCPA, as amended, also applies to U.S. nationals and U.S. companies that commit prohibited acts outside the United States, regardless of the use of any instrumentality of interstate commerce. Thus, a U.S. company may be held liable for the acts of its directors, officers, employees or agents (including its foreign subsidiaries) outside the United States, regardless of the nationality of the person taking the action and regardless of the use of any instrumentality of interstate commerce.

5.3 A U.S. company may be held vicariously liable under the FCPA for the corrupt conduct of its foreign

subsidiaries outside the United States if the U.S. company authorized or participated in the conduct. Any U.S. national who is a director, officer, employee or agent of a foreign subsidiary may also be held liable under the FCPA for acts in furtherance of the bribery of a foreign official, whether or not such acts are performed within or outside the territory of the United States.

5.4 Because recent FCPA enforcement actions have demonstrated the SEC and DOJ's willingness to impute liability to a U.S. Company for the illegal activities of unaffiliated third parties and representatives, Golden Minerals employees must take extra precautions when working with third parties and strictly comply with its policies.

6.0 Key Terms

6.1 The prohibition against payments to foreign officials extends to offering or giving *anything of value* where the requisite criminal intent and business purpose are present. The *thing of value* given can be of any kind, not just money, and there is no minimum amount or threshold of value that must be exceeded before the gift becomes illegal.

6.2 The FCPA specifically defines the degree of knowledge necessary for a violation. Under the FCPA, "knowing" conduct requires an awareness or a firm belief that the agent, representative, or other third party is making a corrupt payment, or a substantial certainty that this will occur. The FCPA knowledge standard is also met where there is awareness of a high probability that the corrupt payment will be made, unless there is actual belief to the contrary. Willful ignorance (sticking one's head in the sand) is not excused. There may be circumstances in which a director, officer, employee, or consultant of the Company becomes aware of facts which, while in and of themselves do not cause the individual either to know or believe that a foreign official will be the ultimate recipient of a bribe, should cause suspicion. In these circumstances, if the individual fails to take steps to allay that suspicion, he or she may risk prosecution under the FCPA, as the director, officer, employee or consultant may be accused of having had the requisite knowledge for a violation.

6.3 Although the FCPA does not define "instrumentality" of a foreign government, the term should be construed to include entities which are wholly or partially owned by a foreign government, such as certain airlines, or specially chartered private corporations entrusted with quasi-governmental functions because the majority of the membership of those organizations is composed of foreign governments and quasi-governmental entities, as well as public international organizations, such as INTELSAAT, ARABSAT, the International Monetary Fund, The World Bank, and the Red Cross. An entity partially-owned by a foreign government will be deemed to be an "instrumentality" for FCPA purposes under this policy when the foreign government holds the majority of the entity's subscribed capital, controls the majority of the vote attached to the shares issued by the entity, or can appoint the majority of the entity's administrative or managerial body or supervisory board. An entity also will be deemed to be an "instrumentality" under this policy where the foreign government has a significant ownership interest representing less than a majority but is the single largest shareholder, has the power to appoint board members (less than a majority), combined with negative veto powers, and has the power to exercise effective or de facto control.

6.4 "Obtaining or retaining business" has been construed broadly by both the courts and DOJ. It covers more than the renewal or award of a contract. Specifically, it may also include the reduction of customs duties, favorable tax treatment, forgiveness of outstanding debt, or securing any other improper advantage, that could improve a company's opportunities to do business in a foreign country.

6.5 The FCPA prohibits both direct *and indirect* improper activities. This means that Golden Minerals may be held liable for the acts of third parties (including distributors, consultants, contractors, joint venture

partners) if Golden Minerals knew or should have known of the third party's prohibited actions. Actual knowledge of an unlawful transaction is not necessary to hold a company liable for the actions of the third party. Golden Minerals employees have a duty to inquire and report any suspicious transactions (including future transactions). Golden Minerals should closely monitor the activities of third-party representatives and promptly notify the Compliance Officer of any potential illegal or questionable transactions.

7.1 FCPA "Red Flags"

Certain activities and transactions should alert the employees of this Company to a potential FCPA violation, including:

- Suspicious or unnecessary representatives and intermediaries
- Conducting business in bribery-prone countries
- Requests for cash payments
- Excessive consulting fees or commissions
- Reimbursement requests for inadequately documented expenses
- Use of a non-affiliated local sales representative
- Sales to government-sponsored companies

EXHIBIT B

Operational Directions

1.0 Application

1.1 These Operational Directions apply to Golden Minerals and its consultants, agents, representatives and joint venture partners, both within and outside of the U.S. These Directions will control even though local law or custom may permit business standards that are less exacting.

1.2 At times, observance of these Directions may place Golden Minerals in noncompetitive position. However, strict compliance with these Directions and their underlying policies and goals is of greater value to Golden Minerals than any business which may be lost.

2.0 Specific Prohibitions and Requirements

2.1 Except as provided herein, no offer, payment, promise to pay, or authorization to pay or provide any money, gifts, or anything of value will be made by or on behalf of Golden Minerals to:

- a. Any foreign official, including any member of the armed forces, and including any official, employee, or person acting on behalf of a public international organization.
- b. Any foreign political party or official thereof or any candidate for foreign political office.
- c. Any person, while knowing or being aware of a high probability that all or a portion of any payment will be offered, given or promised, directly or indirectly, to any of the above.

2.2 Foreign officials as set forth in Section 2.1(a) and (b) above shall not be engaged to provide services for, or in any other business relationship with, Golden Minerals without the prior approval of the Compliance Officer. Any such transaction approved by the Compliance Officer shall be reported to the Golden Minerals Board at its next meeting.

2.3 Except in exigent circumstances that make it impractical to seek prior approval, and subject to the conditions set forth in paragraph 2.3, no facilitating or expediting payment will be made without the prior approval of the Compliance Officer or the head of the relevant business unit.

2.4 In exigent circumstances that make it impractical to seek prior approval, a facilitating or expediting payment may be made without the prior approval required under paragraph 2.2 provided that all of the following conditions are satisfied:

- a. The payment does not exceed US \$100.00;
- b. The payment is for a "routine governmental action" as described by the following list:
 - i. Obtaining permits, licenses, or other official documents that qualify a person to do business in a foreign country;
 - ii. Processing governmental papers such as visas and work orders;
 - iii. Providing police protection, mail pickup and delivery, or scheduling inspections associated with contract performance or inspections related to the transit of goods;

- iv. Providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products or commodities from deterioration; or
 - v. Actions of a similar nature.
- c. The payment is not for any decision by a foreign official whether, or on what terms, to award new business to or continue business with a particular party, or for any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or to continue business with a particular party, or to provide an improper advantage, and
- d. Within seven days, the payment is reported in writing to the Compliance Officer or the head of the relevant business unit and on an expense report to reflect accurately the amount paid, the recipient, the purpose of the payment, and the exigent or urgent nature of the circumstances.

2.5 Except for hospitality provided in accordance with paragraph 2.7, no officer, employee, consultant, agent, representative or joint venture partner of Golden Minerals may rely on either of the FCPA's affirmative defenses, as described in Exhibit A, Description of the Foreign Corrupt Practices Act, without the prior written approval of the Compliance Officer or the head of the relevant business unit.

2.6 The above prohibitions apply to payments or gifts on behalf of Golden Minerals, without regard to whether they involve the use of corporate resources.

2.7 No action in furtherance of any of the activities prohibited in paragraphs 2.1 through 2.3 above will be taken by or on behalf of Golden Minerals. If an employee receives a demand for a gift or payment, the demand must be reported immediately to the Compliance Officer or the head of the relevant business unit. Under no circumstances should an employee make a payment to a foreign official without the *written, prior approval* of the Compliance Officer or the head of the relevant business unit.

2.8 Provision of hospitality, transportation, meals, models, or mementos must meet Golden Minerals' Hospitality Guidelines and comply with the principles set forth below. Where the hospitality to be given by Golden Minerals is *clearly* within the Guidelines, no prior written approval is required. Otherwise, the prior written approval of the Compliance Officer or the head of the relevant business unit must be obtained.

- No director, officer or employee may give, directly or indirectly, any gift or other favor that may influence the exercise of function, performance of duty or judgment of the recipient.
- Gifts or benefits to a Foreign Official must be consistent with generally accepted standards of professional courtesy in the United States and be given without expectation of reciprocity.
- Small gifts bearing the company logo or otherwise of small dollar value (less than U.S. \$75) that are distributed for advertising or commemorative purposes are permitted. Whenever appropriate, gifts should be made to the organization, and not to an individual. Gifts exceeding \$75 should not be given without prior written approval from the Compliance Officer or the head of the relevant business unit.
- Gifts of cash, extensions of credit, and the forgiveness of debt are never permissible.

2.9 Questions as to whether government-owned or controlled commercial entities are government instrumentalities for purposes of this policy will be referred to the Compliance Officer or the head of the relevant business unit for resolution.

EXHIBIT C

Financial and Accounting Directions

The Chief Financial Officer ensures that the accounting and recordkeeping activities of Golden Minerals adhere to the highest standards and conform to this policy. Each officer and employee involved with financial and accounting functions has an obligation to be alert to possible violation of the following financial and accounting requirements and will report suspected violations to the Chief Financial Officer, the Compliance Officer, or the head of the relevant business unit. The employees and officers charged with these duties shall maintain a system of internal financial and accounting controls sufficient to provide Golden Minerals with a reasonable assurance that (1) all transactions are authorized by the appropriate "responsible official," (2) all transactions are recorded in a manner that allows the proper preparation of financial statements and maintains accountability for assets, (3) access to assets is limited and permitted only with the appropriate authorization, and (4) existing assets are compared with recorded accountability, and appropriate action is taken with respect to any differences. Further, employees involved with financial and accounting functions must adhere to the following guidelines:

1.0 All cash, bank accounts, investments, and other assets of Golden Minerals must always be recorded accurately on the official books of the company. Personnel responsible for the company's financial books, records, and internal accounting controls will periodically review such books, records, and controls to ensure their compliance with the requirements of the FCPA. Bank accounts should be opened or closed only upon the prior written approval of the Chief Financial Officer of Golden Minerals. Anonymous ("numbered") accounts are not allowed.

2.0 Payments will not be made into anonymous bank accounts or other accounts not in the name of the payee or of an entity known to be controlled by the payee.

3.0 Except for regular, approved cash payroll payments and normal disbursements from petty cash supported by signed receipts or other appropriate documentation, payments will not be made in cash. Checks will not be drawn in the order of "cash," "bearer," or similar designations.

4.0 Fictitious invoices, over-invoices, or other misleading documentation will not be used.

5.0 Fictitious entities, sales, purchases, services, loans, or financial arrangements will not be used.

6.0 Check requests will be in writing and contain a complete explanation of the purpose *and* authority for the payment. The explanation will accompany all documents submitted in the course of the issuing process. The explanation must be kept on file at the paying location.

7.0 No expenses relating to foreign business will be reimbursed to persons or companies assisting Golden Minerals in obtaining or retaining such business unless such expenses are supported by reasonable written documentation.

8.0 No payment to any consultant, agent, representative or joint venture partner will be made outside of either the country where the substantial portion of the related services are performed or the country from which the person performing such services normally conducts business, except where specifically approved in writing by the Compliance Officer or the head of the relevant business unit.

9.0 Payments for any services rendered to Golden Minerals by a foreign official or an officer or official of a foreign government-owned entity, including honorarium payments and reimbursements of expenses, will be made solely to the foreign government agency or instrumentality employing the individual. Such payments will be made by check directly to the foreign government agency or instrumentality, or by wire to its named bank account within the foreign government agency's or instrumentality's country, or by wire to its duly authorized correspondent bank within the U.S. No such payment shall be made without prior written approval of the Compliance Officer or the head of the relevant business unit.

10.0 Receipts, whether in cash or checks, will be deposited promptly in a bank account of Golden Minerals. Any officer or employee who suspects the possibility that a bribe, kickback, or over-invoice is associated with a particular receipt or that an understanding exists that all or a portion of a receipt will be rebated, refunded or otherwise paid in contravention of the laws of any jurisdiction, will immediately report that suspicion to the Chief Financial Officer, Compliance Officer or the head of the relevant business unit. Consultants, agents, representatives and joint venture partners will report such suspicions to the Chief Financial Officer, Compliance Officer or the head of the relevant business unit.

EXHIBIT D
Internal Certification – Compliance with Foreign Corrupt Practices Act

I, _____, hereby acknowledge and certify and undertake that I:

- 10.1. Have read the Golden Minerals Foreign Corrupt Act Compliance Policy (“FCPA Policy”).
- 10.2. Understand my responsibilities and obligations under the FCPA Policy.
- 10.3. Will fully comply with the FCPA Policy and all applicable laws and regulations.
- 10.4. Have not violated the FCPA Policy or applicable laws and regulations during my employment.
- 10.5. Have no knowledge of any violations of this FCPA Policy, any previous codes or applicable laws and regulations.
- 10.6. Will seek answers or clarifications from the Compliance Officer in the event I have any questions or concerns regarding my actions, duties, responsibilities, and obligations under this FCPA Policy.
- 10.7. Will report any actual or suspected violations of the FCPA Policy or applicable laws and regulations, including illegal, improper, unethical or questionable conduct, to the Compliance Officer.
- 10.8. Have not, and will not, either directly or indirectly, offer, make, promise, approve or authorize the making of any improper or illegal payment.
- 10.9. Have not, and will not, either directly or indirectly, offer, make, promise, approve or authorize payment of money or anything of value to a consultant, agent, representative or joint venture partner or any third party knowing that some or all of that payment would be used to make an improper or illegal payment.
- 10.10. Have not, and will not, either directly or indirectly, engage in any improper or illegal transactions.
- 10.11. Am not a Government Official, nor is any family member or close business associate a Government Official. If I am or any family member or close business associate is, or has ever been, a Government Official, I will fully disclose such information to the Compliance Officer.
- 10.12. Understand that violations of the FCPA Policy or applicable laws and regulations may result in disciplinary action, including termination from employment.

Name	Position/Title
Signature	Date