

SOUTHERN PERU COPPER CORP/
Form DEF 14A
July 16, 2002

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

SOUTHERN PERU COPPER CORPORATION

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

July 12, 2002

Dear Common Stockholder:

You are cordially invited to attend the annual meeting of stockholders, which will be held in the offices of Grupo Mexico, S.A. de C.V., Baja California 200, Fifth Floor, Colonia Roma Sur, Mexico City, Mexico, on Monday, August 12, 2002, at 2:00 p.m., Mexico City time. We hope you can be with us.

At the meeting, you will be asked to elect two directors and to ratify the selection of Deloitte & Touche LLP as independent accountants as approved by the Board of Directors.

The meeting also provides an opportunity to review the activities of the Company and its plans and prospects for the future.

It is important that your shares be represented at the meeting whether or not you are able to attend in person. Therefore, you are asked to vote, sign, date and mail the enclosed proxy card. Please do so today. In Peru, you may deliver your signed proxy card to our offices in Lima.

Sincerely,

Germán Larrea Mota-Velasco
Chairman of the Board and
Chief Executive Officer

Oscar González Rocha
President

2575 E. Camelback Road, Suite 500, Phoenix, Arizona 85016 (602) 977-6500
Avenida Caminos del Inca No. 171, Chacarilla del Estanque,
Santiago de Surco, Lima 33, Peru
(511) 372-1414, ext. 3312 (Spanish), ext. 3325 (English)

2575 E. Camelback Rd. Suite 500
Phoenix, AZ 85016, USA

Avenida Caminos del Inca No. 171
Chacarilla del Estanque, Santiago de Surco, Lima 33, Peru

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on August 12, 2002

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To the Common Stockholders:

The annual meeting of stockholders of Southern Peru Copper Corporation will be held at the offices of Grupo México, S.A. de C.V., Baja California 200, Fifth Floor, Colonia Roma Sur, Mexico City, Mexico, on Monday, August 12, 2002, at 2:00 p.m., Mexico City time, for the following purposes:

- (1) To elect two directors of the Company by the holders of Common Stock, voting as a separate class, such directors to serve until the 2003 annual meeting.
- (2) To ratify the proposal of the Board of Directors to appoint Deloitte & Touche LLP as independent accountants of the Company for the calendar year 2002.
- (3) To transact such other business as may properly come before the meeting.

In addition, the holders of Class A Common Stock, voting as a separate class, will elect thirteen directors, such directors to serve until the 2003 annual meeting. The holders of Class A Common Stock will vote together with the holders of Common Stock, as a single class, to ratify the proposal of the Board of Directors to appoint Deloitte & Touche LLP as independent accountants of the Company for the calendar year 2002.

Stockholders of record at the close of business on July 9, 2002 ("the record date") will be entitled to vote at the annual meeting. Stockholders of record who attend the annual meeting in person may withdraw their proxies and vote in person if they wish.

By order of the Board of Directors,

Hans A. Flury,
Assistant Secretary

Phoenix, Arizona, July 12, 2002

Your Vote is Important
Please mark, sign, date and return your attached proxy card.

PROXY STATEMENT

This proxy statement is furnished as part of the solicitation by the Board of Directors of Southern Peru Copper Corporation (SPCC), 2575 E. Camelback Road, Suite 500, Phoenix, Arizona 85016, USA, and Avenida Caminos del Inca No.171, Chacarilla del Estanque, Santiago de Surco, Lima 33, Peru, of the proxies of all holders of common stock, par value \$0.01 per share (the "Common Stock") entitled to vote at the annual meeting to be held on August 12, 2002, and at any adjournment thereof. This proxy statement is not soliciting proxies from holders of Class A Common Stock whose proxies are being solicited separately. This proxy statement and the enclosed form of proxy are being mailed commencing on or about July 12, 2002, to holders of Common Stock of record on July 9, 2002. Additional copies will be available at the Company's offices in United States, Lima and other locations in Peru.

Any proxy in the enclosed form given pursuant to this solicitation and received in time for the annual meeting will be voted with respect to all shares represented by it and in accordance with the instructions, if any, given in such proxy. If the Company receives a signed proxy with no voting instructions given, such shares will be voted for the proposal to elect directors and for the proposal to ratify the proposal of the Board of Directors to appoint Deloitte & Touche LLP as independent accountants of the Company for the calendar year 2002. Any proxy may be revoked at any time prior to the exercise thereof by notice from the stockholder, received in writing by the Secretary, or by written ballot voted at the meeting.

The outstanding shares of the Company consist of Common Stock and Class A Common Stock, par value \$0.01 per share (the "Class A Common Stock"). At the close of business June 30, 2002 the Company had outstanding 14,103,157 shares of Common Stock. Each share of Common Stock outstanding on July 9, 2002, the record date for the annual meeting and each of the 65,900,833 shares of Class A Common Stock outstanding as of such date, is entitled to one vote at the meeting, and each such share of Class A Common Stock is entitled to five votes, except

with respect to the election of directors, as described below under "Voting Securities" or as required by law.

VOTING SECURITIES

The Company's Restated Certificate of Incorporation (the "Certificate") provides for a Board of Directors composed of fifteen directors. Two directors are elected by the holders of Common Stock (the "Common Stockholders") voting as a separate class, with each share of Common Stock outstanding at July 9, 2002, the record date entitled to one vote at the annual meeting. Thirteen directors, one of whom is the Chairman, are nominated and elected by the holders of Class A Common Stock, voting as a separate class and in accordance with the terms of an agreement (the "Stockholders' Agreement") among Asarco Incorporated ("Asarco"), Cerro Trading Company, Inc. ("Cerro") and Phelps Dodge Overseas Capital Corporation ("Phelps Dodge"). The Stockholders' Agreement was amended on June 11, 2001 to substitute Grupo Mexico, S. A. de C. V. ("Grupo México") for Asarco in the definition of "Founding Stockholder." Grupo Mexico, Asarco and Southern Peru Holdings Corporation, a wholly owned subsidiary of Asarco ("SPHC"), Cerro and Phelps Dodge are hereinafter referred to collectively as the "Class A Common Stockholders." On November 15, 1999, Asarco transferred all of its holdings of SPCC to SPHC. On November 17, 1999, Grupo Mexico acquired all the holdings of Asarco following a tender offer and purchase of all outstanding common stock of Asarco.

In accordance with the Company's Certificate, except with respect to the election of directors or as required by law, the Common Stockholders and Class A Common Stockholders vote together as a single class. Each share of Common Stock is entitled to one vote per share and each share of Class A Common Stock is entitled to five votes per share on matters submitted to the vote of stockholders voting as one class.

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The Company's By-laws provide that the presence in person or by proxy of the Common Stockholders of record of a majority of the shares of Common Stock entitled to vote at the meeting shall constitute a quorum for the purpose of electing two directors to represent the holders of Common Stock. Abstentions, votes withheld and broker non-votes are counted for quorum purposes but are not counted either as votes cast "For" or "Against". A majority of the votes cast by Common Stockholders is required for the election of the two Common Stock directors. The presence in person or by proxy of the holders of record of a majority of the combined outstanding shares of Common Stock and Class A Common Stock entitled to vote at the meeting shall constitute a quorum for purposes of voting on proposals other than the election of directors. The affirmative vote of a majority of the votes cast at the meeting by the holders of shares of Common Stock and holders of shares of Class A Common Stock entitled to vote thereon, voting as a single class, is required to approve the independent accountant proposal described in this proxy statement.

When a Common Stockholder participates in the Dividend Reinvestment Plan applicable to the Company's Common Stock, his proxy to vote shares of Common Stock will include the number of shares held for him by The Bank of New York, the agent under the plan. If the Common Stockholder does not send any proxy, the shares held for his account in the Dividend Reinvestment Plan will not be voted. Shares of Common Stock, owned under the Company's Savings Plan, will be voted by the trustee under the plan in accordance with the instructions contained in the proxy submitted by the beneficial Common Stockholder. Any shares held by the trustee for which no voting instructions are received will be voted by the trustee in the same proportion as the shares for which voting instructions have been received.

ELECTION OF DIRECTORS

Two nominees are proposed for election by the Common Stockholders at the annual meeting. Messrs. John F. McGillicuddy and Gilberto Perezalonso are the nominees designated to be voted on by the Common Stockholders. Mr. Perezalonso has been nominated to fill the vacancy created by the resignation of Ambassador Everett E. Briggs. On February 17, 2002, Ambassador Everett E. Briggs resigned from the Board of Directors because he felt that he could not devote the amount of time and attention needed to carry out his responsibilities to the Company and to the Common Stockholders whom he represented since 1996.

The nominees to be voted on by the Class A Common Stockholders are Manuel Calderón Cárdenas, Jaime Claro, Héctor García de Quevedo Topete, Xavier García de Quevedo Topete, Oscar González Rocha, Harold S. Handelsman, Germán Larrea Mota-Velasco, Genaro Larrea Mota-Velasco, Armando Ortega Gómez, Ramiro G. Peru, Jaime Serra Puche, Daniel Tellechea Salido, and J. Steven Whisler.

All of the nominees are currently serving as directors, with the exceptions of Messrs. Harold S. Handelsman and Armando Ortega, who have been selected for election as nominees of the Class A Common Stockholders.

Proxies in the enclosed form will be voted, unless authority is withheld, for the election of the two nominees named below. If any person should be unavailable for election, proxies will be voted for another individual chosen by the Board of Directors as a substitute for the

unavailable nominee.

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NOMINEES FOR ELECTION AS DIRECTORS REPRESENTING COMMON STOCK

As a Common Stockholder, you will be asked to elect two directors at the annual meeting. The following two individuals have been nominated for election to the Board of Directors to represent you until the next annual meeting of stockholders.

For Common Stock Director		Age	Director Since
John F. McGillicuddy	Director of the Company since 1996. Director of United Steel Company and Empire Health Choice, Inc., from December 1991 until December 1993, Mr. McGillicuddy was Chairman of the Board and Chief Executive Officer of the Chemical Banking Corporation and Chemical Bank. Mr. McGillicuddy was Chairman of the Board and Chief Executive Officer of Manufacturer Hannover Trust Company from 1979 to 1991.	71	1996
Gilberto Perezalonso Cifuentes	<p>Director of the Company since June 2002. From 1980 until February 1998, held various positions within Grupo Cifra S.A. de C.V., the last position being Administrative General Director. From 1998 until 2000, he was Administrative and Finance Executive Vice President of Grupo Televisa S.A. He is currently Treasurer of the Asociación Vamos México A.C., counselor to the President and member of the Board and the Executive Committee of the Grupo Televisa S.A. He is also member of the Investment Committee of IBM de Mexico. He is member of the Consejo Consultivo of Banco Nacional de Mexico S.A. de C.V. and counselor of Afore Banamex Aegon, Siefore Banamex No. 1, Gigante S.A. de C.V., Centro Internacional para el Desarrollo Humano, Costa Rica y Masnegocio Co. S. de R.L. de C.V.</p> <p>Mr. Perezalonso has a law degree from the Iberoamerican University and a Master's Degree in Business Administration from the Business Administration Graduate School for Central America (INCAE). Mr. Perezalonso majored in finance and marketing at INCAE; he has also attended the Corporate Finance program of Harvard University.</p>	59	2002

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NOMINEES FOR ELECTION AS DIRECTORS REPRESENTING CLASS A COMMON STOCK

The following thirteen individuals have been nominated for election to the Board of Directors by the Class A Common Stockholders voting in accordance with the terms of a Stockholders' Agreement in effect among them. This information is being provided to Common Stockholders for informational purposes only, as they will not be asked to vote with respect to these individuals.

Class A Common Stock Director	Age	Position
Germán Larrea Mota-Velasco	48	Chairman of the Board, Chief Executive Officer and

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Class A Common Stock Director	Age	Position
		Director
Oscar González Rocha	64	President and Director
Manuel Calderón Cárdenas	70	Director
Jaime Claro	66	Director
Héctor García de Quevedo Topete	51	Director
Xavier García de Quevedo Topete	55	Director
Harold S. Handelsman.	55	Nominee
Genaro Larrea Mota-Velasco	42	Director
Armando Ortega Gómez	41	Nominee
Ramiro G. Peru	46	Director
Jaime Serra Puche	51	Director
Daniel Tellechea Salido	56	Director
J. Steven Whisler	47	Director

Germán Larrea Mota-Velasco, Director. Mr. Larrea has been Chairman of the Board and Chief Executive Officer of the Company since December 1999 and Director since November 1999. He has been Chairman of the Board of Directors, President and Chief Executive Officer of Grupo Mexico (holding) since 1994. Mr. Larrea has been Chairman of the Board and Chief Executive Officer of Grupo Minero México (mining division) since 1994 and of Grupo Ferroviario Mexicano (railroad division) since 1997. Mr. Larrea was previously Executive Vice Chairman of Grupo Mexico and has been member of the Board of Directors since 1981. He is also Chairman of the Board of Directors and Chief Executive Officer of Empresarios Industriales de México (holding); Perforadora México (drilling company), México Compañía Constructora (construction company), Fondo Inmobiliario (real estate company), since 1992. He founded Grupo Impresa, a printing and publishing company in 1978, remaining as the Chairman and Chief Executive Officer until 1989 when the Company was sold. He has been Chairman and Chief Executive Officer of Asarco from November 1999 to present, and its President from November 1999 to January 2000. He is also a director of Grupo Comercial America, S.A., Grupo Bursatil Mexicano S.A., Bolsa Mexicana de Valores, Grupo Televisa, S.A. de C.V. and Banco Nacional de México, S.A. He and Mr. Genaro Larrea Mota-Velasco are brothers.

Oscar González Rocha, Director. Mr. González has been President of the Company since December 1999 and Director since November 1999. He was Managing Director for Mexicana de Cobre, S.A. de C.V. from 1986 to 1999 and of Mexicana de Cananea, S.A. de C.V. from 1990 to 1999. He has been an alternate director of Grupo Mexico since 1988 and a director of Asarco since November 1999.

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Manuel Calderón Cárdenas, Director. Mr. Calderón has been a Director of the Company since November 1999. He has been the Director of Mine Planning and Control of Grupo Mexico, S.A. de C.V. since 1994 and a director of Asarco since November 1999.

Jaime Claro, Director. Mr. Claro has been a Director of the Company since September 1996. Mr. Claro has been an advisor to The Marmon Group since October 1997, and he is also Chairman and a director of ME Global Inc, Vice Chairman of Compañía. Electro Metalúrgica S.A. and Quemchi S.A., Chairman of Chilean Line Inc., a director of Compañía Sud Americana de Vapores, S.A., Cristalería de Chile S.A. and Navarino S.A., and advisor to the Board of Compañía Libra de Navegação.

Héctor García de Quevedo Topete, Director. Mr. García de Quevedo has been a Treasurer and Director since May 9, 2000. He has also been Managing Director for Grupo Mexico, S.A. de C.V. since 1999. He was Advisor to the Chairman and Chief Executive Officer of Grupo Mexico from 1994 to 1998. He and Mr. Xavier García de Quevedo Topete are brothers.

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Xavier García de Quevedo Topete, Director. Mr. García de Quevedo has been a Director of the Company since November 1999. He has been the President of Minera México, S. A. de C. V. since September 1, 2001. He was Managing Director of Grupo Ferroviario Mexicano, S.A. de C.V. and of Ferrocarril Mexicano, S.A. de C.V. from December 1997 to December 1999, and acted as Managing Director of Exploration and Development of Grupo Mexico, S.A. de C.V. from 1994 to 1997. He has been an alternate director of Grupo Mexico since 1998. He has been a director of Asarco since November 1999 and its President from January 2000 to September 1, 2001. He and Mr. Héctor García de Quevedo Topete are brothers.

Harold S. Handelsman, Nominee. Mr. Handelsman is Executive Vice President and General Counsel of The Pritzker Organization LLC, a private investment firm, since 1998. Mr. Handelsman has also been a senior executive officer of the Hyatt Corporation since 1978, currently serving as Senior Vice President, Secretary and General Counsel, and is a director of First Health Group Corp. (a managed care organization) and a number of private corporations. He received a B. A. degree from Amherst College in 1968 and a J. D. degree from Columbia University in 1973.

Genaro Larrea Mota-Velasco, Director. Mr. Larrea has been Vice President, Commercial of the Company since December 1999 until April 25, 2002 and Director since November 1999. He was Managing Director Commercial of Grupo Mexico from 1994 to August 31, 2001 and has been a director of Grupo Mexico from 1994 to date. He has been Director and President of Asarco from September 1, 2001 to present. Previously he was a Director and Vice President and Chief Commercial Officer of Asarco from November 1999 to September 1, 2001. He and Mr. Germán Larrea Mota-Velasco are brothers.

Ramiro G. Peru, Director. Mr. Peru has been Senior Vice President and Chief Financial Officer of Phelps Dodge Corp. since May 1999. He has been a member of the senior management team since 1997, when he was appointed to the position of senior vice president of Organization, Development and Information Technology of Phelps Dodge Corp. Previously, he was Phelps Dodge Corp.'s Vice President and Treasurer from 1995 to 1997 and Assistant Comptroller of the corporation as well as Comptroller of Phelps Dodge Mining Co., a subsidiary of Phelps Dodge Corp., from 1987 to 1993.

Jaime Serra Puche, Director. Mr. Serra has been senior partner of Serra Associates International a Mexican consulting firm for legal and economic matters for the last five years. He served as Mexico's Undersecretary of Revenue, Secretary of Trade and Secretary of Finance. Mr. Serra led the negotiation and implementation of the Uruguay Ronda and the creation of the WTO. He headed the negotiation of free trade agreements with Chile, Colombia, Venezuela, Bolivia and Costa Rica, and with the United States and Canada for the NAFTA Agreement and founded the Mexican Investment Board and the Federal Competition Commission of Mexico. He serves on the Board of Directors of Mexico

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Fund, Inc., Grupo Ferroviario Mexicano S.A de C.V., Bardahl, PVI, Tamsa, Vitro and Regional Markey Makers. He was also a trustee of the Yale Corporation, and currently co-chairs The President's Council on International Activities of Yale University. He is also a member of the Trilateral Commission and the U.S.-Mexico Bilateral Counsel.

Armando Ortega Gómez, Nominee. Mr. Ortega has been Vice President-Legal and Secretary of the Company since April 25, 2002. Previously, he was Assistant Secretary of the Company from July 25, 2001 to April 25, 2002. He has been General Counsel of Grupo Mexico since May 2001. He is also an Assistant Secretary of Grupo Mexico and Asarco. Previously, he headed the Unit on International Trade Practices of the Ministry of Economy of Mexico with the rank of Deputy Vice Minister from 1997 to May 2001, and was negotiator for international matters for said Ministry from 1989 to May 2001.

Daniel Tellechea Salido, Director. Mr. Tellechea has been Vice President, Finance of the Company since December 1999 and Director since November 1999. He has been Managing Director for Administration and Finance of Grupo Mexico since 1994 and an Alternate Director since 1998. He was Managing Director of Mexicana de Cobre, S.A. de C.V. from 1986 to 1993 and has been Director, Vice President and Chief Financial Officer of Asarco since November 1999.

J. Steven Whisler, Director. Mr. Whisler has been a Director of the Company since June 1995. He has been Chairman of Phelps Dodge Corporation since May 2000 and has been Chief Executive Officer since January 2000. He has been President since December 1997 and was also Chief Operating Officer from December 1997 until January 2000. He was President of Phelps Dodge Mining Company, a division of Phelps Dodge Corporation, from 1991 to 1998. He is a Director of Phelps Dodge Corporation, Burlington Northern Santa Fe Corporation, America West Holdings Corporation, and its principal subsidiary, America West Airlines, Inc.

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Security Ownership of Certain Beneficial Owners

Set forth below is certain information with respect to those persons who are known by the Company to have been, as of December 31, 2001, the beneficial owners of more than five percent of the Company's outstanding Common Stock or Class A Common Stock.

	Common Stock		Class A Common Stock			
	Shares of Common Stock Beneficially Owned	Percent of Outstanding Common Stock	Shares of Class A Common Stock Beneficially Owned	Percent Outstanding Class A Common Stock	Percent of Outstanding Capital Stock	Voting Percentage (a)
Southern Peru Holdings Corporation (b) 2575 E. Camelback Road, Suite 500, Phoenix, AZ 85016.			43,348,949	65.8%	54.2%	63.1%
Cerro Trading Company, Inc. (c) 225 West Washington Street Suite 1900 Chicago, IL 60606			11,378,088	17.3	14.2	16.6
Phelps Dodge Overseas Capital Corporation (d) 2600 North Central Avenue Phoenix, AZ 85004			11,173,796	16.9	14.0	16.3
The Pritzker Family Philanthropic Fund 200 West Madison Street Chicago, IL 60606 (e)	2,850,000	20.2%			3.6	0.8

- (a) The Company's Certificate provides that, except with respect to the election of directors or as required by law, the Common Stock and the Class A Common Stock vote together as a single class, with each share of Common Stock entitled to one vote and each share of Class A Common Stock entitled to five votes.
- (b) A subsidiary of Asarco Inc., an indirect wholly-owned subsidiary of Grupo México, S.A. de C.V. On November 17, 1999 Grupo Mexico acquired the outstanding common stock of Asarco following a tender offer. The stock of Southern Peru Holdings Corporation was pledged by Asarco to a syndicate of banks in connection with the financing of the tender offer. Asarco is contemplating a transaction in which Southern Peru Holdings Corporation would sell all its SPCC stock to Asarco's immediate parent corporation, Americas Mining Corporation. As of December 31, 2001, Asarco had acquired 185,600 shares of Common Stock of the Company.
- (c) A subsidiary of The Marmon Corporation.
- (d) A subsidiary of Phelps Dodge Corporation.
- (e) The Pritzker Foundation on a schedule 13D/A, dated March 27, 2002, reported that it has disposed of all of the shares of Common Stock of the Company in open market transactions, commencing on January 25, 2002 and that by March 7, 2002 it had ceased to own any shares of Common Stock of the Company (one million shares on January 25, one million shares on February 22 and 850,000 on March 7, 2002).

The Class A Common Stockholders have entered into the Stockholders' Agreement, which contemplates, among other things, a Board of Directors composed of 15 members, one of whom is the Chairman.

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- (a) Information with respect to beneficial ownership is based upon information furnished by each nominee, director or officer. Except as noted below, all nominees, directors and officers have sole voting and investment power over the shares beneficially owned by them.
- (b) See also the information below on Common Stock Equivalents.
- (c) Less than 0.5%.
- (d) Mr. Larrea disclaims beneficial ownership over the shares of the Company owned by Asarco Inc., which in turn is controlled by Grupo Mexico.
- (e) Mr. Flury has the right to acquire 18,300 shares of the Company's Common Stock through the exercise of options granted under the Company's Stock Incentive Plan.

Common Stock Equivalents

The following table sets forth the per share number of Common Stock Equivalents credited as of December 31, 2001, to the accounts of the Company's directors under the Company's Deferred Fee Plan for Directors. Under the Plan, payments are made in cash following retirement depending on the market value of the Common Stock at that time. Amounts shown reflect the number of share equivalents credited under the Plan plus dividends credited. For additional information regarding the Plan, see "Compensation of Directors" below.

Director	Deferred Fee Plan Common Stock Equivalents
Jaime Claro	9,026
J. Steven Whisler	3,623
Total	12,649

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In addition, the following information is provided in satisfaction of applicable rules of the Securities and Exchange Commission (SEC). Grupo Mexico, S.A. de C.V. is a Mexican corporation with its principal executive offices located at Baja California 200, Colonia Roma Sur, 06760 Mexico City, Mexico. Grupo Mexico's principal business is to act as a holding company for shares of other corporations engaged in the mining, processing, purchase and sale of minerals and other products and railway services. Grupo Mexico S.A de C.V. shares are listed on the Mexican Stock Exchange.

The largest shareholder of Grupo Mexico is Empresarios Industriales de México, S.A. de C.V., a Mexican corporation ("EIM"). The principal business of EIM is to act as a holding company for shares of other corporations engaged in a variety of businesses including mining, construction, real estate and drilling. The family of the late Mr. Jorge Larrea Ortega, including Mr. Germán Larrea, directly controls the majority of the capital stock of EIM and directly and indirectly controls a majority of the votes of the capital stock of Grupo Mexico S.A de C.V. Mr. Larrea disclaims beneficial ownership of such shares other than the following shares held directly by him and certain directors and officers (comprising approximately 3.06% of the outstanding shares of Grupo Mexico):

Director/Officer	Beneficial Ownership
Xavier García de Quevedo Topete	58,887
Germán Larrea Mota-Velasco	37,650,000
Genaro Larrea Mota-Velasco	2,652,681
Oscar González Rocha	203,203
Armando Ortega Gómez	6,604
Daniel Tellechea Salido	52,395
Total	40,623,770

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Except as set forth above, and to the knowledge of the Company, none of the nominees, directors and executive officers named in the Summary Compensation Table beneficially own any equity security of Grupo Mexico S.A. de C.V.

Committee Reports on Executive Compensation

Compensation Committee

The Compensation Committee of the Board of Directors of the Company furnished the following report on compensation of executive officers in 2001. Since December 17, 1999, this Committee is composed of the entire Board of Directors. The Committee did not meet in 2001.

In 2001, the only executive officers compensated by the Company were Mr. Oscar González Rocha, the President of the Company and Mr. Hans A. Flury, Director Legal and then Secretary of the Company. The base salary of Mr. González was determined by the Company and is reflected in an employee agreement mandated by Peruvian law. The Compensation Committee determined the base salary of Mr. Hans A. Flury a long-term employee of the Company. Mr. Flury is a Peruvian national and is not covered by a written employment agreement. The base salaries of the executives follow the guidelines of salaries of other key employees of the Company in Peru. The other items of the compensation paid in 2001 to the executives are consistent with compensation paid to other key employees of the Company in Peru or are mandated by Peruvian law. For the year 2000 the Company approved an incentive cash payment to these officers in recognition to their performance. The incentive cash payments to these officers are reflected in the Summary Compensation Table.

The Compensation Committee did not award cash incentive compensation to be paid to each of the Company's executive officers with respect to 2001 performance. The Compensation Committee under the Southern Peru Copper Corporation Incentive Compensation Plan determines annual cash incentive payments to key salaried employees of the Company. A target level of annual incentive

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compensation is established for each eligible employee based on the level of responsibility attached to such employee's position. For executive officers these targets are set at competitive median levels. The Compensation Committee determines the officers' levels of responsibility after review of substantially equivalent positions among the Company's peers.

Under the Incentive Compensation Plan, awards to employees are established from a predetermined target level, based upon performance measured in the areas of production, safety and environmental at two levels: individual and Company-wide.

Under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), the Company may not deduct, with certain exceptions, compensation in excess of \$1 million to the Chief Executive Officer and the four other highest paid executive officers as required to be reported in the Company's proxy statement. The Compensation Committee does not believe that Section 162(m) will have any immediate material impact on the Company because, among other things, its principal taxing jurisdiction is Peru. The Compensation Committee will, however, continue to monitor the Company's executive compensation programs to ensure their effectiveness and efficiency in light of the Company's needs, including Section 162(m).

The Board of Directors:

Manuel Calderón Cárdenas	John F. McGillicuddy
Jaime Claro	Gilberto Perezalonso Cifuentes
Héctor García de Quevedo Topete	Ramiro G. Peru
Xavier García de Quevedo Topete	Robert A. Pritzker
Oscar González Rocha	Jaime Serra Puche
Germán Larrea Mota-Velasco	Daniel Tellechea Salido
Genaro Larrea Mota-Velasco	J. Steven Whisler

Stock Incentive Plan Committee

The Stock Incentive Plan Committee of the Board of Directors of the Company administers the Company's Stock Incentive Plan. The members of the Committee were Amb. Everett E. Briggs (who resigned in February 17, 2002) and Mr. John F. McGillicuddy. The Committee did not meet in 2001.

The Committee selects officers and other employees for participation in this plan and decides upon the timing, pricing and amount of awards and benefits granted under the Stock Incentive Plan. The members of the Stock Incentive Plan Committee are non-employee directors

who satisfy the requirements of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

No long-term incentive compensation was awarded in 2001. Long-term incentive compensation consists of awards of restricted stock and/or stock options and are designed to link the interests of executive officers and selected employees with those of stockholders by providing an incentive to manage the business of the Company as an owner with an equity stake. Awards generally are made to selected officers and employees, and are made within long-term incentive targets based upon analyses by the Company and consideration of each executive's and employee's performance. In the case of the Chief Executive Officer, the Committee also considers his performance and responsibility in directing the Company's performance.

*The Stock Incentive Plan
Committee:*
John F. McGillicuddy
Jaime Serra Puche

Audit Committee Report

The Southern Peru Copper Corporation Audit Committee ("Audit Committee") consists of three independent directors, Messrs. John F. McGillicuddy, Gilberto Perezalonso and Jaime Serra Puche.

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None of the members has a relationship to the Company that may have interfered with the exercise of his independence from management and the Company. None of the Audit Committee members is a former employee of the Company or has a business relationship with the Company, or is a partner, controlling shareholder or executive officer of an entity that had a business relationship with the Company. In addition, there is no Audit Committee member who is employed as an executive of another company where any of the Company's executives served on that company's compensation committee. No member of the Audit Committee is an immediate family member of an individual who is an executive officer of the Company or any of its affiliates.

At the recommendation of the Nominating Committee of the Board of Directors, Mr. Gilberto Perezalonso Cifuentes was elected, effective June 18, 2002 to fill the vacancy created on the Board of Directors by the resignation of Ambassador Everett E. Briggs, and has been appointed as the third independent member of the Audit Committee. Mr. Perezalonso was also nominated to represent the Common Stockholders at the 2002 Annual Meeting of Stockholders of the Company

The Board of Directors of the Company was able to conclude that Mr. Perezalonso can exercise independent judgment as a Board member representing the Common Stockholders and as member of the Audit Committee.

The Board at its April 25, 2002 meeting reelected Mr. Serra as member of the Audit Committee and appointed him as Chairman of the Committee. Mr. Serra's consulting company, Serra Associates International, has rendered consulting services from time to time to Grupo México and he serves as an independent Director of Grupo Ferroviario Mexicano, S.A. de C.V., a subsidiary of Grupo México. The Board of Directors of the Company was able to conclude that Mr. Serra does not have a relationship with the Company that may interfere with his independence from management and the Company.

Each member of the Audit Committee is financially literate, in accordance with the qualifications of the SEC., and as such qualification is interpreted by the Company's Board of Directors in its business judgment. In addition, at least one member of the Audit Committee has accounting or related financial management expertise, as the Board of Directors interprets this qualification in its business judgment. The Audit Committee met six times in 2001, with 100% attendance by the members of the Committee.

The Board of Directors has adopted a written Charter for the Audit Committee. The Charter for the Audit Committee sets forth the authority and responsibilities of the Audit Committee. The functions of the Committee include recommending the engagement of independent accountants, reviewing the fees, scope and timing of their other services, and reviewing the audit plan and results of the audit. The Committee also reviews the Company's policies and procedures on internal auditing, accounting and financial controls. The implementation and maintenance of internal controls are understood to be primarily the responsibility of management.

In connection with those responsibilities, the Audit Committee has taken the following actions:

(1)

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reviewed and discussed the consolidated audited financial statements with management and the independent accountants;

- (2) discussed with the independent accountants, Arthur Andersen LLP ("AA"), the matters required to be discussed by Statements on Auditing Standards Nos. 61 and 90 (Audit Committee Communications);
- (3) received the written disclosures and the letters from AA required by the Independence Standards Board Standard No. 1, (Independence Discussions with Audit Committees) and has discussed with AA its independence from the Company and its management;
- (4) discussed with the Company's internal and independent accountants, AA, the overall scope and plans of their respective audits. The Committee meets with the internal and

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independent auditors, with and without management present, to discuss the results of their examinations, the evaluations of the Company's internal controls and the overall quality of the Company's financial reporting;

- (5) recommended, based on the reviews and discussions referred to above, to the Board of directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001, for filing with the Securities and Exchange Commission.
- (6) recommended to the Board to hire Deloitte & Touche LLP as independent accountants for year 2002. Such recommendation has been approved by the Board, and is submitted to ratification by the Stockholders in this Annual Meeting.

Audit Fees

AA, the Company's independent accountant, billed \$245,000 to the Company for professional services rendered for the audit of the Company's annual financial statements for 2001 and the reviews of the financial statements included in its quarterly Forms 10-Q for 2001.

Financial Information Systems Design and Implementation Fees

AA did not render any professional services to the Company for financial information systems design and implementation in 2001.

All Other Fees

The aggregate fees billed for services rendered in 2001 by AA to the Company, other than the services covered in the two preceding paragraphs ("non-audit services"), were \$48,000, which included services related to taxes and other matters in the amount of \$37,000. The Audit Committee considered the non-audit services provided by AA to the Company and determined that the provision of those services is compatible with AA maintaining its independence as the Company's principal accountant.

The Audit Committee:
John F. McGillicuddy
Gilberto Perezalonso Cifuentes
Jaime Serra Puche

Executive Compensation

Set forth below is certain information concerning the compensation for services in all capacities to the Company for fiscal year 2001 of Mr. Oscar González Rocha, the Company's President and General Director, and Mr. Hans A. Flury, the Director Legal and former Secretary of the Company. Mr. Germán Larrea, the Company's Chairman and Chief Executive Officer received no compensation from the Company in 2001 for services other than as a director. In addition, during 2001 the Company paid no compensation to any other executive officer other than

director fee's to those executive officers also serving as directors of the Company.

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Summary Compensation Table

Name and Principal Position	Annual Compensation				
	Year	Salary	Bonus	Other Annual Compensation (a)	All Other Compensation (b)
Oscar González Rocha	2001	\$ 304,532	\$ 72,209	\$ 78,398	\$ 56,563
Hans A. Flury	2001	\$ 155,019	\$ 24,970	\$ 101,901	\$ 50,873

- (a) Other Annual Compensation consists mainly of Company sponsored programs and compensation mandated by Peruvian law. Compensation amounts exceeding 25% of the named officer's total Annual Compensation in 2001 were as follows: Mr. Oscar González Rocha, as a Peruvian mandated vacation bonus \$24,603 and \$51,922 as bonus for national holidays and Christmas, also mandated by Peruvian law; and to Mr. Hans A. Flury, \$38,755 related to a Peruvian mandated benefit that provides for the payment of five percent of the monthly salary for each period of five years of service and \$35,736 as bonus for national holidays and Christmas, and \$14,267 as Vacation Bonus, as required by Peruvian law.
- (b) Amounts shown reflect (1) maintenance fee for a corporate residence of the President in Lima, Peru, (2) profit participation mandated by Peruvian law in the earnings of the Peruvian Branch of the Company, (3) severance benefits and other compensation mandated by Peruvian law, and (4) Others. Peruvian law requires the payment of a profit participation in the pre-tax earnings of the Peruvian Branch of the Company. Under this program, Mr. Oscar González Rocha received \$12,664 and Mr. Flury received \$8,869. Additionally, as a Severance benefit, Peruvian law requires a deposit of one twelfth of an employee's annual salary, vacation, travel, national holidays, Christmas, dependents and service award bonus, each year, for each employee (whether Peruvian or expatriate) working in Peru, as applicable, in a bank account of the employee's choosing, which accrues interest paid by the bank, until the employee terminates employment, at which time the employee is eligible to receive the funds. Under this program, \$37,955 and \$24,925 in severance benefits were deposited on behalf of Mr. Oscar González Rocha and Mr. Hans A. Flury respectively. As other payments, the Company paid \$17,079 to Mr. Hans A. Flury pursuant to the requirements of the Peruvian private pension system (AFP). Mr. Flury had as of December 31, 2001, 570 shares of Restricted Stock issued in prior years pursuant to the Stock Incentive Plan of the Company valued as of December 31, 2001 at \$6,811. Restrictions on these shares lapse in equal installments over five years from the date of grant. Cash dividends paid on the shares are not subject to restrictions.

Option Grants, Exercises, and Fiscal Year-End Values

No options were granted in 2001.

Option Exercises and Fiscal Year-End Values

No options were exercised in 2001.

Retirement Plans

None of the executive officers of the Company is covered by the Company's pension plans.

Severance Benefit

As described in Note (b) to the Summary Compensation Table above, the Company provides severance benefits as required by Peruvian law.

Employee Agreements

Pursuant to Peruvian laws concerning expatriate employees, Mr. Oscar González Rocha has entered into an employment agreement. These contracts are for terms of one year and may be extended for additional periods. In accordance with the terms of the contracts, the Company agrees to provide expatriate employees with benefits as required by Peruvian law. The contracts provide that the Company may dismiss expatriate employees for serious offenses as established by Peruvian law. Terminated employees are also entitled to receive severance benefits as required by Peruvian law. Under the contracts, employees may resign at any time by providing the Company with 30 days' notice.

Shareholder Return Performance Presentation

Set forth below is a line graph comparing the yearly percentage change in the cumulative total return on the Company's Common Stock against the cumulative total return on the S&P Composite 500 Stock Index and the S&P Metals Miscellaneous Group Index for the five-year period ending December 31, 2001. The Company's Common Stock commenced trading on the New York Stock Exchange on January 5, 1996. The chart below analyzes the total return on SPCC's Common Stock for the period commencing December 31, 1996 and ending December 31, 2001, compared to the total return of the S&P 500 and the S&P Metals Miscellaneous Group for the five-year period commencing December 31, 1996 and ending December 31, 2001. In 1997, SPCC's stock declined 1.48% compared to a positive return of 33.38% for the S&P 500 and a negative return of 32.80% for the S&P Metals Miscellaneous Group. In 1998, SPCC's Stock provided a negative return of 26.23% compared to a positive return of 28.57% for the S&P 500 and a negative return of 27.99% for the S&P Metals Miscellaneous Group. In 1999, SPCC's Stock provided a positive return of 65.57% compared to a positive return of 21.03% and 90.07% for the S&P 500 and the S&P Metals Miscellaneous Group, respectively. In 2000, SPCC's stock fell 14.42% compared to a negative return of 9.09% for the S&P 500 and a decline of 30.37% for the S&P Metals Group. In 2001 SPCC's stock declined 4.55% compared to a negative return of 13.04% for the S&P 500 and a negative return of 21.76% for the S&P Metals Miscellaneous Group.

Comparison of Five Year Cumulative Total Return*
SPCC, S&P 500 Index & S&P Metals Misc. Group Index**

* Total return assumes reinvestment of dividends

** Assumes \$100 invested on 12/31/96 in SPCC Common Stock, S&P 500 Index and S&P Metals Group Index

Certain Transactions

Grupo Mexico and its affiliates provide various support services to the Company. In 2001, these activities were principally related to accounting, legal, tax, treasury, price risk assessment and hedging and administrative support services. Grupo Mexico is reimbursed for these support services. The total amount paid by the Company to Grupo Mexico for such services in 2001 was \$7 million.

The Class A Common Stockholders and/or their affiliates purchase copper products from the Company from time to time at prices determined on an arm's-length basis by reference to the LME and COMEX market price for copper at such time. Management believes these transactions to be on terms as favorable as could be obtained from unaffiliated parties. The Company expects that its policy of determining prices for related party transactions on an arm's-length basis by reference to the LME or COMEX market prices for copper at the time of any such transaction will be continued. Sales of copper to the Class A Common Stockholders and/or their affiliates amounted to \$28.2 million in 2001.

Minera México Internacional, Inc. ("MMI") and Asarco, subsidiaries of Grupo Mexico, purchased copper products from SPCC during 2001 in the amount of \$10.4 million. Germán Larrea Mota Velasco, Manuel Calderón Cárdenas, Héctor García de Quevedo Topete, Xavier García de Quevedo Topete, Genaro Larrea Mota-Velasco, Armando Ortega Gómez, and Daniel Tellechea Salido are executive officers of Grupo Mexico and/or of Asarco. Mr. Armando Ortega Gómez is nominee for election selected to represent Grupo Mexico and Asarco. The directors are also members of the Compensation Committee of the Company.

Phelps Dodge Refining Corporation, an affiliate of Phelps Dodge and Phelps Dodge Corporation, affiliated companies of a shareholders of the Company, purchased copper products from the Company in the amount of \$(0.3) million in 2001. J. Steven Whisler is Chairman of the Board, President and Chief Executive Officer of Phelps Dodge Corporation. Ramiro G. Peru is senior vice president and chief financial officer of Phelps Dodge Corporation. Messrs. Whisler and Peru are directors of the Company and members of the Compensation Committee.

Cerro Wire & Cable Co. and other affiliated companies of The Marmon Group, Inc., an affiliated company of one of the shareholders of SPCC, purchased copper products from the Company during 2001 in the amount of \$18.1 million. Mr. Robert A. Pritzker was President and Chief Executive Officer of The Marmon Group, Inc. until January 2002, and had served in that position for over forty-seven years. Mr. Jaime Claro has been an advisor to The Marmon Group since October 1997. Messrs. Pritzker and Claro are directors of the Company and members of the Compensation Committee.

Additionally, in 2001, the Company purchased from Asarco ten used 200-ton Le Torneau haulage trucks for the Toquepala mine for a total purchase price of \$5.2 million, including spare parts. In compliance with Peruvian regulations related to the importation of used vehicles, the trucks were independently appraised at market value at the time of the purchase.

As of December 31, 2001, the Company had receivables of \$8.7 million and \$8.6 million related to sales of copper in the years 2000 and 2001 to Asarco and MMI, respectively. Also as of such date, the Company had receivables of \$0.8 million related to the purchase of concentrates in the year 2001 made from Mexicana de Cobre, S. A. de C. V. ("MC"), resulting from the final liquidation of the sale. Of those amounts, receivables of \$8.0 million, \$5.9 million and \$0.8 million from Asarco, MMI and MC, respectively, were due on December 31, 2001.

As of March 8, 2002, the Company had collected \$5.2 million, \$3.6 million and \$0.8 million from Asarco, MMI and MC, respectively. Asarco and MMI each have agreed with the Company that they will pay the outstanding balances of \$3.5 million and \$5.0 million before June 30, 2002. As of

December 31, 2001, the Company had a payable to Asarco of \$2.0 million related to the purchase of the used haulage trucks, amount that was part of the collection of March 8, 2002.

During 2001, the Company contracted an aggregate of approximately \$2.2 million for shipping services to and from Peru by Compañía Sud Americana de Vapores, S.A. ("CSAV"), and a subsidiary company. CSAV is a company indirectly controlled by Quemchi, S.A. Mr. Jaime Claro is Vice Chairman of Electro and Quemchi, S.A., and his direct and indirect family interests in both companies exceed 10%. Mr. Claro is also Chairman of Chilean Line Inc., which is the agent for and is owned by CSAV. Mr. Claro is a Director of the Company and a member of the Compensation Committee.

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The Company believes that the foregoing transactions were entered into on arm's-length basis on terms as favorable as could be obtained from other third parties. It is anticipated that in the future the Company will enter into similar transactions with the same parties.

Additional Information

The functions of the Compensation Committee include making recommendations to the Board with respect to election of and title changes for all corporate executive officers and is composed of members of the entire Board.

The Nominating Committee, composed of Messrs. Germán Larrea Mota-Velasco, Genaro Larrea Mota-Velasco, Xavier García de Quevedo Topete, and John F. McGillicuddy, did not meet in 2001. The Nominating Committee considers and makes recommendations to the Board of Directors with respect to the nominations, tenure policy and committee assignments for directors representing the Common Stockholders. The Committee considers recommendations for nominees to the Board of Directors from all sources. Recommendations for nominees to represent the Common Stockholders should be sent in writing to the Secretary of the Company. Common Stockholders are entitled to elect two directors, voting as a separate class. The Company's By-laws define notice procedures to be followed by Common Stockholders seeking to nominate directors for election. Under the By-laws, a Common Stockholder seeking to nominate a director for election by Common Stockholders must give written notice to the Secretary of the Company at least 90 days in advance of the anniversary date of the immediately preceding annual meeting, or within 10 days of the giving of notice of a special meeting. The notice must provide specific biographical data with respect to each nominee, including such information as is required to be included in the Company's proxy statement, and a representation by the Common Stockholder that he or she is a holder of record entitled to vote at the meeting and that he or she intends to appear in person or by proxy to make the nomination. Nominations for the Company's 2003 annual meeting of stockholders must be received by April 28, 2003.

The Board of Directors met four times in 2001, with 100% attendance by Messrs. Briggs and McGillicuddy, the two directors representing holders of Common Stock. Of the 13 directors representing Class A Common Stock, all of the directors standing for reelection by the holders of Class A Common Stock attended at least 83% of the aggregate number of meetings of the Board and of the committees on which they served, with the exception of Mr. Robert Pritzker, who attended 25% of the meetings, and Mr. Whisler who attended 75% of such meetings.

Compensation of Directors

During 2001, directors who were not compensated as employees of the Company were paid a basic fee of \$15,000 plus \$1,000 for attendance at each meeting of the Company's Board and of any Committee of the Board. The Company has a Directors' Stock Award Plan pursuant to which directors who are not compensated as employees of the Company are entitled to an award of 200 shares of Common Stock upon election to the Board and 200 additional shares of Common Stock following each annual meeting of stockholders thereafter.

Under the Deferred Fee Plan for Directors, a director may elect to defer payment of 50% or 100% of the compensation payable to such director for Board and Committee service for the calendar

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year for which deferral is elected. Deferred amounts will be credited to a cash sub-account, a company common stock sub-account or a combination thereof. Compensation deferred to the cash sub-account will earn interest based on U.S. Treasury debt obligations with a 10-year maturity. Compensation deferred to the stock sub-account will be credited as whole shares of Common Stock based on the stock's fair market value on the date of such credit. Dividends and fractional share amounts will be aggregated until at least one share of Common Stock may be credited at the then fair market value. Payments will be made in cash in a lump sum upon retirement as a director on January 15 of the calendar year following normal retirement, or promptly following the date of termination if the termination of service occurs at a date prior to his normal retirement date. The Plan permits early withdrawal or further deferral of participant accounts, subject to financial hardship, prior notice or penalty requirements.

PROPOSALS TO STOCKHOLDERS

In accordance with the above the Board of Directors request your vote to approve the following proposals:

PROPOSAL TO ELECT TWO DIRECTORS OF THE COMPANY BY THE HOLDERS OF COMMON STOCK

To vote in favor of the election of Messrs. John F. McGillicuddy and Gilberto Perezalonso as directors of the Company to represent the common stockholders.

PROPOSAL TO RATIFY THE SELECTION OF INDEPENDENT ACCOUNTANTS

To ratify the election made by the Board of Directors to select Deloitte & Touche LLP as independent accountants for the Company for the calendar year 2002.

The Board of Directors recommends that you vote FOR the proposals.

PROPOSALS OF STOCKHOLDERS

Proposals of stockholders intended to be presented at the Company's 2002 annual meeting of stockholders must be received by the Company at its principal executive office (2575 E. Camelback Rd. Suite 500, Phoenix, AZ 85016, USA) by February 26, 2003 in order to be considered for inclusion in the Company's proxy statement and form of proxy.

OTHER INFORMATION

The Company is not aware of any other matters to be considered at the meeting. If any other matters properly come before the meeting, the persons named in the enclosed form of proxy are ratified to and will vote said proxy in accordance with their judgment on such matters.

The cost of soliciting proxies in the accompanying form will be borne by the Company. Georgeson Shareholder Communications Inc. has been employed to solicit proxies by mail, telephone or personal solicitation for fees to be paid by the Company of \$12,000, plus reasonable out-of-pocket expenses. A number of regular employees of the Company, without additional compensation, may solicit proxies personally or by mail or telephone.

Southern Peru Copper Corporation

Hans A. Flury,
Assistant Secretary

Phoenix, AZ, July 12, 2002

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**SOUTHERN PERU COPPER CORPORATION
PROXY**

Proxy Solicited by Board of Directors for Annual Meeting of Stockholders to be held August 12, 2002

The undersigned hereby appoints OSCAR GONZALEZ ROCHA, DANIEL TELLECHEA SALIDO and DOUGLAS E. McALLISTER, and each of them, with power of substitution, the proxies of the undersigned to vote all the shares the undersigned may be entitled to vote at the annual meeting of stockholders of Southern Peru Copper Corporation, to be held at the offices of Grupo México, S.A. de C.V., Baja California 200, Fifth Floor, Col. Roma Sur, México City, México, on Monday, August 12, 2002, at 2:00 PM, México City time, and at any adjournment thereof upon all matters specified in the notice of said meeting as set forth on the reverse hereof, and upon such other business as may lawfully come before the meeting.

Holders of Common Stock, voting as a separate class, are entitled to elect two directors at the meeting. Please refer to the Proxy Statement for details.

PLEASE VOTE ON ALL PROPOSALS, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

The shares represented by this proxy will be voted as directed by the stockholder. If a signed proxy is returned to the Company with no voting instructions given, such shares will be voted FOR both nominees for election as directors and FOR proposal No. 2.

(Continued on the other side.)

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New York, N.Y. 10203-0179

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DETACH PROXY CARD HERE

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Votes *MUST* be indicated
in *Black or Blue ink*.

Directors of SPCC recommend a vote "For" Proposals 1 and 2.

1. Election of Directors

FOR both nominees listed below	<input type="radio"/>	WITHHOLD AUTHORITY to vote for both nominees listed below	<input type="radio"/>	*EXCEPTIONS	<input type="radio"/>	2. Ratify the Board of Directors' selection of Deloitte & Touche LLP as independent accountants for 2002.	FOR	<input type="radio"/>	AGAINST	<input type="radio"/>	ABSTAIN	<input type="radio"/>
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Common Stock Director Nominees: John F. McGillicuddy and Gilberto Perezalonso Cifuentes (INSTRUCTIONS: To withhold authority to vote for either individual nominee, mark the "Exception" box and write that nominee's name in the space provided below.)
*Exception:

3. In their discretion, the proxies are authorized to vote upon such other matters as may properly come before the meeting.

Comments

Address Change

If you have any Comments on the reverse side of this card, mark here.

If you have an Address Change, mark here.

Please sign exactly as name or names appear on this proxy. If stock is held jointly, each holder should sign. If signing as attorney, trustee, executor, administrator, custodian, guardian or corporate officer, please give full title.
Date Share Owner sign here Co-Owner sign here

QuickLinks

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