

**MANUAL FOR THE HANDLING OF INFORMATION OF INTEREST TO THE MARKET  
LATAM AIRLINES GROUP S.A.  
NOVEMBER 2012**

LATAM Airlines Group S.A. (or the “Company”) hereby updates and approves the recast text of its Manual for the Handling of Information of Interest to the Market (“Manual”), in compliance with General Regulation 270 of 2010, which replaces General Regulation 211 of 2008, and both of which regulations were issued by the *Superintendencia de Valores y Seguros* (Superintendency of Securities and Insurance; “SVS”).

This revision of the Manual was approved at a meeting of the Company’s Board of Directors held on January 26, 2010, and is published on the Company website ([www.latamairlinesgroup.net](http://www.latamairlinesgroup.net)) and available at the offices of the company, and from the SVS.

**1. Corporate Body Responsible for the Manual**

The Board of Directors of LATAM Airlines Group S.A. shall be the body with authority to establish the provisions of the Manual, and from time to time to establish and agree modifications and amendments hereto.

**2. Compliance**

The Vice-President of Legal Affairs shall be responsible for overseeing compliance with the stipulations contained herein.

**3. Policy on Transactions**

Notwithstanding the restrictions, limitations, and prohibitions set forth in sections 4 and 5 hereof, in SVS regulations, and in Law 18045 on the Securities Market, the principal executives, managers, and directors of LATAM Airlines Group S.A. may freely acquire and dispose of securities issued by the company, or securities the value of which wholly or to a significant extent depends on or is connected to variations in the price of said securities; so long as such transactions are undertaken in full compliance with (i) applicable laws and regulations, particularly Law 18045 on the Securities Market, and (ii) the stipulations set forth herein.

For the purposes of the provisions contained in Article 20 of the Stock Market Law, as soon as the aforementioned securities are acquired or disposed of, and in advance of or at the same time as reporting to the SVS, said persons, as well as legal entities controlled directly by them or on their behalf by third parties, must report such transactions to the Company.

**4. Criteria for the Disclosure of Operations with Securities issued by LATAM Airlines Group S.A., or with contracts or securities the price of which depends on or is connected to price variations in Securities issued by LATAM Airlines Group S.A.**

Any acquisition or disposal of shares issued by LATAM Airlines Group S.A., or of American Depositary Shares (“ADSs”) or Brazilian Depositary Receipts (“BDRs”) representing shares issued by the Company; and any acquisition or disposal of contracts or securities the price or outcome of which wholly or to a significant extent depends on or is connected to variations in the price of such shares, shall be reported to the SVS in accordance with the provisions of SVS General Regulation 269 of 2010 (“NCG 269”), the provisions of which are expressly reiterated herein. The purchase or sale of stock, or the exercise of pre-emptive subscription rights, shall be reported as established in SVS Circular 670 of 1986 (“Circular 670”), the provisions of which are also expressly reiterated herein.

For the purposes of determining which persons are subject to the reporting obligations set forth in NCG 269 and Circular 670, the Company’s Vice-President of Legal Affairs shall maintain

an up to date list of shareholders and management personnel subject to reporting obligations, as defined in NCG 269 (the “List of Persons Subject to Reporting Obligations”). During the first fifteen (15) working days of March in each year, the Vice-President of Legal Affairs shall issue a memorandum (the “Memorandum”) by email to all persons included on the List of Persons Subject to Reporting Obligations, informing them of the reporting requirements that affect LATAM Airlines Group S.A. and each of the persons included on that list, in accordance with NCG 269 and Circular 670, as well as Article 12 of Law 18045, the Securities Market Law (“LMV”). Notwithstanding the above, when a person is first listed on the List of Persons Subject to Reporting Obligations, that person will be informed of his or her obligations hereunder in a timely manner.

For the purposes of the Memorandum, an informative document stated in terms substantially similar to those set forth in Annex I hereof shall be used.

It is hereby stated that the Shareholder Registry of LATAM Airlines Group S.A. is managed by the company DCV Registros S.A., which, on behalf of LATAM Airlines Group S.A., must remit the information indicated in Paragraph III of NCG 269 to the SVS and to stock exchanges.

Persons listed on the List of Persons Subject to Reporting Obligations shall be obligated to inform related third parties of the provisions of NCG 269 that may be applicable to them.

## **5. Close Periods (Blackout Periods) and Related Procedures**

### **(a) Close Periods:**

*(i) General Close Periods:* In order to prevent the use of privileged information, a close period or blackout period (the “Close Period”) will apply, during which persons included on the List of Executives (as defined in paragraph (b), below) may not trade, or enter into agreements to trade, or grant, accept, dispose of, exercise, or discharge options or other derivative instruments (“Transactions”) in securities issued by LATAM Airlines Group S.A. and/or securities the price of which is dependent or wholly or partly related to variations in the price of the aforementioned instruments (“Securities”). Such periods will be in force during the time period between (1) the meeting of the Board of Directors (and/or the Directors’ Committees, as applicable) called in order to approve (i) the quarterly or annual financial statements, or (ii) an Interim Report, together with the corresponding reporting of an essential fact, and (2) the time at which such financial statements or interim report, as applicable, become known to the public and to the SVS. If a meeting of the Board of Directors or Directors’ Committees is called, and information on quarterly or annual financial statements is included in the information dispatched calling that meeting, the Close Period shall begin on the date of the call for the meeting.

*Special Close Period:* Additionally, the persons (1) who hold a position as a Senior Financial Executive, as defined in section 6(a) below, and (2) who participate in the preparation of the quarterly and annual financial statements, must refrain from conducting Transactions with Securities between the end of each calendar quarter and the date on which the quarterly or annual financial statements are made known to the public and to the SVS.

**Exception:** Exceptions are made to the Close Periods in the following cases:

- a) The exercise of pre-emptive subscription rights over shares in LATAM Airlines Group S.A. by the holder thereof during said periods, whether said rights emanate from one preferential option period or from two or more consecutive periods.

b) The exercise of options over shares in LATAM Airlines Group S.A. by the holder thereof, when said options emanate from employee compensation packages implemented in accordance with the stipulations set forth for such purposes in Title III of Law 18046 on Corporations, as well as the sale or disposal of shares subscribed in accordance with such compensation packages.

(i) General Principle: The aforementioned provisions are established without prejudice to compliance with the duty to refrain, as set forth in Article 165 of the LMV, whereby all persons who, as a result of their role, position, activity, or relationship with LATAM Airlines Group S.A. or with such persons as are presumed to hold privileged information, do themselves possess privileged information, taken to be information regarding LATAM Airlines Group S.A., its business activities, or one or more securities issued by it, that has not been disclosed to the public and the nature of which is such that knowledge of it could influence the value of securities issued, must keep such information confidential and may not use it for personal benefit or for the benefit of others, and may not, acting on their own behalf or on behalf of third parties, directly or acting through other persons, acquire or dispose of securities with regard to which they possess privileged information.

(b) Related Procedures: In addition to the reporting obligations set forth in the aforementioned NCG 269 and Circular 670, LATAM Airlines Group S.A. is under an obligation to report a list of its directors, general manager, senior managers, managers, and in general all persons who, as a result of their role or position, the regulatory authority considers to have access to information regarding the company or its business activities (“List of Executives”) on January 15 of each year, in accordance with the provisions set forth in SVS Circular 1003 of 1991 (“Circular 1003”). With the aim of enhancing compliance by such persons with the obligations set forth in Title XXI of the LMV, regarding Privileged Information, within 15 days of the dispatch of the personnel list stipulated in Circular 1003, the company’s Vice-President of Legal Affairs will send a memorandum to the persons included on the List of Executives, stated in terms substantially similar to those set forth in Annex II hereof.

## **6. Mechanisms for the continuous dissemination of information of interest**

The principal mechanism used by LATAM Airlines Group S.A. for the continuous dissemination of all information of interest, as defined in part C of Paragraph 2.2 of Section II of SVS General Regulation 30 (“NCG 30”), is its website ([www.latamairlinesgroup.net](http://www.latamairlinesgroup.net)).

## **7. Mechanisms for Safeguarding Confidential Information**

(a) Code of Ethics for Senior Financial Executives (the “Code”): LATAM Airlines Group S.A. has a Code of Ethics for Senior Financial Executives, whereby in addition to other duties, such personnel are obligated to protect the confidentiality of confidential information acquired through the discharge of their roles and functions. It is hereby stated that this Code of Ethics forms part of the employment contracts of said executives. For the purposes of this Manual, the term “Senior Financial Executive” is taken to include the Executive Vice-President, the Vice-President of Corporate Finance, the Corporate Comptroller Manager, the Manager for Taxation, the Audit Manager, the Vice-Manager for Accounting, the Investor Relations Manager, the Vice-Manager for Financial Planning, the Vice-President of Legal Affairs, the managers for legal affairs, and all other persons performing similar roles.

(b) Code of Conduct: In accordance with the LATAM Airlines Group S.A. Code of Conduct, all of the Company's personnel must comply with duties of confidentiality and the safeguarding of information not classed as public.

(c) Non-Disclosure Agreement for Executives: All executives listed on the List of Executives set forth in part 5(b) hereof must sign a non-disclosure agreement stated in terms substantially similar to the model provided in Annex III hereof. In conformity with said Non-Disclosure Agreement, such executives are subject to a permanent duty of confidentiality regarding information to which they may have access as a result of or in the discharge of the business activities and operations of LATAM Airlines Group S.A. and the companies that form part of this business group.

(d) Protection of Non-Public Information: In accordance with part B of paragraph 2.2 of Section II of NCG 30, when information is declared by the Board to be non-public, (i) a list of the persons with access to such information will be prepared (the "List of Persons with Access") and (ii) persons included on the List of Persons with Access who have yet to sign the Non-Disclosure Agreement described in paragraph (c) above will be required to sign said Non-Disclosure Agreement. The Vice-President of Legal Affairs shall be responsible for preparing said list, keeping it up to date, and requiring the signing of the aforementioned Non-Disclosure Agreement by persons included on the list, when applicable.

## **8. Spokespersons**

The official spokespersons of LATAM Airlines Group S.A. shall be the following individuals:

- (i) With regard to supervisory and regulatory authorities, the official spokespersons of LATAM Airlines Group S.A. shall be the Chairperson of the Board, the Executive Vice-President, and/or the General Manager.
- (ii) In communications with investors, the official spokesperson shall be the Vice-President of Financial Affairs.
- (iii) In communications with the media, the official spokesperson shall be the Director of Corporate Relations. It is hereby stated that LATAM Airlines Group S.A. shall refrain from releasing comments, clarifications, or further details on information relating to its business activities and operations published or disclosed in the foreign or domestic communications media. This embargo does not apply when the Company is required by the SVS to release such information, or when the Board of Directors of LATAM Airlines Group S.A. resolves to release such information.

## **9. Internal Disclosure Rules**

This manual shall be available on the website of LATAM Airlines Group S.A. ([www.latamairlinesgroup.net](http://www.latamairlinesgroup.net)) and on its intranet for personnel. The Vice-President of Legal affairs shall be obligated to remit the instructions and memoranda set forth in sections 4 and 5 hereof, in a timely manner. The Vice-President of Legal Affairs shall be responsible for keeping up to date lists of persons to whom said instructions and memoranda are applicable, including their email addresses for the purposes of dissemination and/or delivery of such communications. The provision set forth above does not affect other dissemination activities, such as presentations at general meetings and similar events, and the delivery of a copy of this Manual to every new employee joining LATAM Airlines Group S.A.

## **10. Sanctions and Conflict Resolution**

Any breach of the rules and regulations set forth herein, or of the policies and regulations applicable in each unit of the company, may give rise to the application of disciplinary

measures, including immediate termination of employment and/or the reporting of the infraction to the corresponding authorities. Furthermore, any infringement of these rules and regulations, or of the provisions set forth in the Securities Market Law and in the Corporations Law, or of the regulations imposed by the *Superintendencia de Valores y Seguros* or the Securities and Exchange Commission, as applicable, may be considered to be a violation of the law, which may lead to the application of administrative, civil, and/or criminal sanctions.

Any doubt or difficulty arising from the application, implementation, or interpretation of this Manual, or in any other way related hereto, should be reported to the Vice-President of Legal Affairs, who in turn shall inform the Board of the Directors of Company at its next meeting after the date on which the doubt or difficulty arises, such that the board may adopt applicable measures in order to resolve said doubt or difficulty.

#### **11. Effective date**

This recast text of the Manual shall enter into effect on June 22, 2012, from which date all recipients shall be understood to be aware of it.

Santiago, November 27, 2012.

## ANNEX I

### INSTRUCTIONS

Under the Securities Market Law, certain persons are subject to reporting obligations as a result of their equity position, responsibilities, or corporate position relating to a body subject to regulation by the *Superintendencia de Valores y Seguros* (SVS).

**The directors, liquidators, principal executives, administrators, and managers of LATAM Airlines Group S.A., regardless of their stock holdings,** held directly or on their behalf by other persons or legal entities, must inform the SVS and the stock exchange of each country in which LATAM Airlines Group S.A. has issued securities registered for listing<sup>1</sup> (the Exchanges), no later than the day following the day on which the operation is completed, of the following transactions:

- a) Any acquisition or disposal of shares in LATAM Airlines Group S.A. carried out.
- b) Any acquisition or disposal carried out relating to contracts or securities the price or results of which depend or are wholly or partly connected to variations in the price of shares in LATAM Airlines Group S.A.

This information must be remitted to the SVS by means of the technological methods indicated in SVS General Regulation 269.

Notwithstanding the above, it must be remembered that LATAM Airlines Group S.A. personnel and all other persons who, as a result of their duties, position, activity, or relationship with LATAM Airlines Group S.A. or with persons presumed to hold privileged information, **do themselves possess privileged information (regarding such events as may affect the value of shares, and are not of public knowledge), must refrain** from selling or acquiring shares in LATAM Airlines Group S.A., on their own behalf or on behalf of third parties, directly or indirectly, until such information is made public.

Finally, in the event that any recipient of these instructions conducts any transaction as described above, he or she must report this fact to the Vice-President of Legal Affairs, by way of communication to Attorney Ignacio Bunster ([ignacio.bunster@lan.com](mailto:ignacio.bunster@lan.com) – 5653966).

<sup>1</sup> *Bolsa de Comercio de Santiago, Bolsa de Comercio de Valparaíso, Bolsa Electrónica de Chile.*

## ANNEX II

### MEMORANDUM ON OBLIGATIONS RELATING TO PRIVILEGED INFORMATION

This memorandum is addressed to persons included on the List of Executives, who LATAM Airlines Group S.A. (including subsidiaries, the “LATAM Airlines Group”) considers to have access to information regarding the company or its business activities, as a result of their activities or position. It is hereby stated that the List of Executives is reported by LATAM Airlines Group S.A. within the first fifteen (15) days of each calendar year, in compliance with the provisions set forth in SVS Circular 1003 of 1991 (“Circular 1003”).

For these effects, it must be highlighted that in accordance with the stipulations set forth in Article 165 of Law 18045 on the Securities Market, all persons who, as a result of their role, position, activity, or relationship with LATAM Airlines Group S.A. or with such persons as are presumed to hold privileged information, do themselves possess privileged information, taken to be information regarding LATAM Airlines Group S.A., its business activities, or one or more securities issued by it, that has not been disclosed to the public and the nature of which is such that knowledge of it could influence the value of securities issued, **must keep such information strictly confidential and may not use it for personal benefit or for the benefit of others, and may not, acting on their own behalf or on behalf of third parties, directly or indirectly, acquire securities regarding which they possess privileged information.**

It is hereby stated that the violation of this duty to refrain may result in the application of custodial sentences, in addition to civil and administrative sanctions applicable under legislation in force.

Finally, if you have any doubts or comments regarding compliance with these legal duties, you are requested to consult with any of the lawyers in the LATAM Airlines Group S.A. legal department.

Santiago, November 27, 2012.

**Office of the Vice-President of Legal Affairs**

**ANNEX III**

**EXECUTIVE NON-DISCLOSURE AGREEMENT**

1. In consideration of my employment relationship with LATAM Airlines Group S.A. (the “Company”), I hereby agree to keep any confidential, secret, or non-public information that relates or refers to the Company, its business activities, employees, products, services, processes, systems, business plans, strategies, or costs, or any other information of a confidential, secret or non-public nature strictly, confidential, and not to disclose such information to any third party, or to use such information for my own benefit or the benefit of any third party.
2. Furthermore, I hereby agree to keep all confidential, secret or non-public information relating to employees, clients, suppliers or any other person or legal entity with which the Company has any relationship that involves confidentiality, strictly confidential, and not to use such information for my own benefit or the benefit of any third party.
3. I shall disclose the aforementioned information only to employees or advisors of the Company whose functions absolutely require them to be aware of such information in order properly to perform the services that they provide to the Company, and exclusively in its interests.
4. The non-disclosure obligations set forth above shall remain in force for as long as the information concerned remains confidential, secret, or non-public, even after the termination of my employment relationship with the Company.
5. The disclosure of information referred to in paragraphs 1 and 2 above undertaken in compliance with an order from a competent public authority and founded on any applicable legal provision shall not be considered to be a breach of these obligations. However, under such circumstances I agree to notify the Company immediately of the requirement by the applicable authority, in advance of disclosing any information, except where such notice is prohibited by law (and while such a prohibition remains in force). Furthermore, in the event of mandatory disclosure, I shall disclose only such information as is absolutely required in order to comply duly with the order issued by the competent authority, clearly and expressly indicating the confidential, secret, or non-public nature of the information in question.
6. Additionally, I hereby agree to deliver all hard copy, electronic, magnetic, or other media that may contain confidential, secret, or non-public information as defined in Paragraphs 1 and 2 above, including but not limited to papers, diskettes, compact discs (CDs), digital video discs (DVD), server access keys, pen drives, hard drives, etc, to the Company immediately on the termination of my employment.

Name  
ID #  
Date  
Signature

ACCEPTED ON BEHALF OF LATAM AIRLINES GROUP S.A.

Name  
ID #  
Position  
Date  
Signature