



**CORPORATE PRACTICES
MANUAL**

**MANAGEMENT BOARD LATAM
AIRLINES GROUP S.A.**

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GOAL OF THE MANUAL

The Corporate Practices Manual of the LATAM Airlines Group S.A. Board (the “Manual”) seeks to establish the principles of corporate governance that rule its Board and make them known to the market, as well as set the bases for the procedures implemented to constantly adopt the best practices on the matter.

Henceforth, LATAM Airlines Group S.A. will be referred to equally as “LATAM” or the “Company”.

RELEASE

This Manual was released on March 29, 2019, and is kept at the disposal of LATAM employees on the Company’s internal website, and of the market, shareholders, and any other third party at LATAM’s corporate website (<https://www.latamairlinesgroup.net/governance-guidelines>).

APPLICABLE REGULATION

The LATAM Board’s Corporate Governance practices follow the main laws and regulations that rule this issue both in Chile and in the US.

Thus, they adhere to the provisions of Law N° 18,045 of the Securities Market Law (“LMV” for its Spanish acronym), Law N° 18,046 on Public Limited Companies (“LSA” for its Spanish acronym) and its Rules, and to the standards of the Financial Market Commission (“CMF” for its Spanish acronym).

Likewise, they follow the laws and regulations of the United States of America and its Securities and Exchange Commission (“SEC”), insofar as ADR issuances are concerned.

CHAPTER I: ON LATAM

LATAM Airlines Group S.A. is a public limited company established in Chile, registered before the CMF under N° 306, whose shares are traded on the Santiago Stock Exchange and on the Chilean Electronic Exchange. Moreover, its stocks are traded on the Over-the-Counter market (“OTC”) as American Depositary Receipts (“ADRs”).

Given that it is a public limited company whose shares are traded on the stock exchange, the principles of a Corporate governance are an essential part of LATAM’s performance, striving for a positive interaction among the various persons and stakeholders that relate to the Company.

The main bodies of LATAM Airlines Group’s Corporate Governance are the Management Board and the Board Committee (which also acts as Audit Committee for purposes of the US Sarbanes-Oxley Act of the USA), together with the Board’s Subcommittees created after the combination of LAN and TAM in 2012, which deal with specific matters and are divided into Finance, Strategy & Sustainability, Leadership, and Clients.

1.1. THE MANAGEMENT BOARD

LATAM is managed by the Board chosen by the Company’s Shareholders’ Meeting, and it is a body that analyzes and sets LATAM’s strategic vision, thus carrying out a key role in the Company’s corporate governance.

a) Board composition, election, and renewal.

Pursuant to LATAM’s bylaws, the Board is made up of nine permanent members; there are no alternate members, and every two years, the whole of its members is renewed, yet they may be reelected indefinitely to their position.

In case of a vacancy, the whole Board must be renewed in the next ordinary shareholders’ meeting to be held by the Company and, in the meantime, the Board may appoint a replacement.

The Board appoints a Chairperson and Vice-chairperson from among its members. The Vice-chairperson acts as Chairperson whenever the latter is absent or unable to attend. In case of the Chairperson’s and Vice-chairperson’s absence or impediment, the Board may appoint a

temporary Chairperson. With regard to the replacements mentioned, the absences or impediments behind them need not be justified before third parties.

b) Election of the Board

According to LATAM's bylaws, the Board Members are elected by the Shareholders' Meeting through cumulative voting. Each shareholder has a vote for every share held, and they may cast all their votes in favor of a single candidate, or spread their votes among any number of candidates. These rules allow any shareholder who owns over 10% of the float to choose at least one representative on the board. A Board Member is not required to be a shareholder.

c) Board Members' Compensation.

LATAM's Board Members are compensated for their office. The awarding of compensation and the sum of it is determined annually by the Shareholders' Meeting.

d) Functioning of the Management Board

LATAM's Board holds ordinary monthly meetings and extraordinary meetings whenever the company's needs demand it.

The Board's meetings are established with the attendance of most of the Board Members. The Board's agreements are taken by an absolute majority of the attending Members, except for agreements where the law requires a larger majority. In case of a tie, the deciding vote shall be cast by the person presiding the meeting.

The Company's CEO or the person expressly appointed by the Board to serve shall act as Secretary.

1.2. DIRECTORS' COMMITTEE

As a public limited company, and pursuant to the Chilean legislation applicable to the issue, LATAM is obliged to establish a Directors' Committee.

a) Composition

Of the nine members of the Board, three are part of the Directors' Committee, which fulfills the role defined in the LSA, as well as the functions of the Audit Committee required by the US Sarbanes-Oxley Act and the corresponding SEC regulation.

b) Operation and Functions

The Directors' Committee normally meets on a monthly basis and its functions are set forth in Article 50 bis of the LSA and other applicable regulation, wherein we can highlight the following issues:

- (1) Examine the reports by the external auditors, the balance sheets, and other financial statements that management or the company's liquidators may submit to the shareholders, as well as issue an opinion regarding said reports prior to presenting them to the shareholders for approval.
- (2) Propose to the Board the names of external auditors and private risk rating agencies, if applicable, that will be suggested to the corresponding shareholders' meeting. In case of disagreement, the Board will make its own suggestion, submitting both to consideration by the shareholders' meeting.
- (3) Examine the background pertaining to the transactions discussed in Section XVI and issue a report regarding said transactions. A copy of the report shall be submitted to the Board, which must read it in the abovementioned meeting for the corresponding transaction to be approved or rejected.
- (4) Examine the remuneration systems and compensation plans for the company's management, top executives, and workers.
- (5) Draft an annual report of their administration, including their main recommendations to shareholders.
- (6) Inform the Board regarding the convenience or lack thereof of hiring the external auditor to render services other than those of external auditing, when they are not banned from doing so by Article 242 of the LMV, considering whether the nature of said services could pose a risk of loss of independence.
- (7) Any other issues that the bylaws mention or that are assigned by a shareholders' meeting or the Board, as may be the case.

c) Requirement of Independence

In general terms, a Board Member is considered independent when he or she has no links, or interests of any relevant nature or volume in LATAM, the other LATAM subsidiaries, the parent company, or the main executives, nor any family relation with the latter, nor any other links as stated in the LSA.

Specifically, anyone who has at any time within the last eighteen months been in any of the following situations shall not be considered independent:

- 1) Had any link, interest, economic, professional, credit, or commercial dependence of a relevant nature or volume to the Company, the other companies in the group of which it is a member, the parent company, or the main executives of any of the above, or who have been board members, managers, administrators, top executives, or advisors of any of them.
- 2) Are related up to the second degree of kinship with the persons mentioned in the item above.
- 3) Have been board members, managers, administrators, or main executives of non-profit organizations who have received relevant contributions or donations from the persons stated in item 1).
- 4) Have been partners or shareholders who have held or controlled, directly or indirectly, 10% or more of the equity; board members, managers, administrators, or main executives of companies that have rendered legal or counseling services, for relevant sums, or external audit services to the persons mentioned in item 1).
- 5) Have been partners or shareholders who have held or controlled, directly or indirectly, 10% or more of the equity; board members, managers, administrators, or main executives of the Company's main competitors, suppliers, or customers.

In order to be chosen as independent board members, candidates must be proposed by shareholders representing 1% or more of the company's stocks, at least ten days in advance of the date scheduled for the Shareholders' Meeting convened to elect the board members.

US regulation requires an Audit Committee comprised of at least three Board members,

adapting to the requirements of independence set forth in Rule 10A of the Exchange Act.

1.3. DIRECTORS' SUBCOMMITTEES

In an ordinary Board meeting held on August 3, 2012, the following four subcommittees of the Board were set up to review, discuss, and make recommendations to the Company's Board regarding the issues concerning each one. Thereby,

(i) Finance Committee;

The Financial Committee focuses on the Company's financial policies and strategy, capital structure, compliance policy control, tax optimization strategy, and quality and reliability of financial information.

(ii) Strategy & Sustainability Committee;

The Strategy Committee will focus on corporate strategy, current matters, and 3-year plans and budgets for the main business units and functional areas, as well as strategies for top level reviews. Likewise, this Committee reviews Sustainability matters on a quarterly basis, in order to keep the Company's strategic vision on the subject up to date.

(iii) Leadership Committee;

The Leadership Committee focuses, among other things, on defining LATAM Group's culture, top level organizational structure, appointment of the Company's executive vice-president or Chief Executive Officer ("LATAM CEO") and of the persons who report to him or her; define the corporate compensation philosophy, compensation structures and levels, and goals for the LATAM CEO and other key executives, succession or contingency plan for the LATAM CEO, and performance evaluation of the LATAM CEO.

(iv) Customer Committee.

Last, the Customer Committee will focus on aligning the competitive strategies focusing on Sales, Marketing, Organizational Chart and Fleet, Customer Experience, and Revenue Management initiatives.

CHAPTER II: PRINCIPLES BEHIND THE LATAM BOARD'S CORPORATE GOVERNANCE

Corporate Governance is a key guideline that rules the daily work of LATAM's management bodies, supported by high standards of transparency and professionalism, all of which has a bearing on LATAM's efficiency and breeds trust among the securities markets—two main values for the Company. LATAM is constantly searching for a positive interaction among the various people and stakeholders that relate with the Company.

While compliance with the highest of ethical and regulatory standards set by the Board of LATAM must be observed by all its employees, initially, the ones responsible for a good Corporate Governance are the Board, the Board Committee, and the Top Executives of LATAM Airlines Group, adhering to the following principles:

1. Setting ethics codes and standards of conduct for LATAM

a) Code of Conduct

The grounds for the business decisions and activities that LATAM carries out are its ethical principles, which are stated within the LATAM Code of Conduct—a single one for all collaborators—whose goal is to ensure all employees' compliance with ethical, transparency, and regulatory standards required by LATAM.

This Code of Conduct was approved by the Board and is permanently under review by said body. Likewise, any change to said Code must be approved by the Board.

b) Code of Conduct for Senior Financial Executives

In addition to the Code of Conduct that applies to all LATAM workers, the Board deemed it necessary to implement a Code of Ethics for Top Financial Executives, that fosters honest and ethical conducts for publishing financial information, complying with regulations, and avoiding conflicts.

This Code applies only to those of LATAM's employees that are considered Top Financial Executives, such as the LATAM Senior Vice-President of Finance and those who report to him or her directly, directors below those who report directly to the LATAM Senior Vice-President of Finance, including the Chief Financial Officers or CFOs of the companies that

are part of LATAM, and all executives who are part of the Investor Relations Department.

c) Reports Channel

Likewise, LATAM Group has a Channel to Report Ethical Breaches (https://www.canalconfidencial.com.br/grupo_latam/) where workers can file their concerns directly via electronic media or by phone, in a private way, and certain that their concerns will be duly dealt with and investigated, guaranteeing that there will be no retaliation against the person who filed the report.

Periodic reports regarding the reports filed are delivered to the Board and the Board Committee within the biannual tally that Compliance carries out, whereby the latter is obliged to bring to the Board Members' attention any serious reports that may compromise the ethical standards set by LATAM.

d) Compliance program.

The Compliance Program or LATAM Compliance, whereby the Compliance Management, which is part of LATAM's Legal Vice-Presidency, in coordination with the Board and its Committee and supervised by them, confirming our CEO's tone/conduct at the top commitment, with attitudes, examples and campaigns, as shown in the internally videos available to all employees, ensures compliance with the laws and regulations applicable to the Company's businesses and activities in the various countries where it operates. To ensure usual monitoring of the compliance program, Compliance Department has a control map, regularly updated.

e) Model for the Prevention of Crimes and Compliance with Good Corporate Practices

In order to comply with the provisions of Law N° 20,393 regarding the Criminal Liability of Legal Entities, LATAM has implemented a Model for the Prevention of Crimes and for Compliance with Good Corporate Practices.

The main goal of the current model is to prevent the perpetration of crimes such as money-laundering, financing of terrorist activities, and bribery of national or international public officials. Currently, it is being updated, given the recent reforms made to the law regarding the common crimes that could result in liabilities to the legal entities.

2. Setting and periodically reviewing strategies and general internal policies

The LATAM Board has considered it essential to draft and approve internal policies that apply to the Company on certain specific matters, such as Corporate Governance, Finance, Human Resources, Information Security, Procurement/Supply Chain, and Compliance.

These internal policies are reviewed and approved by the Board Committee and the Board in observance of the key role to establish principles that must rule these matters and be followed by all LATAM employees and any third parties who establish commercial, contractual, or any other type of relation with the Company.

The goal of the standardization of LATAM's corporate documents is to define the types and structure of the Internal Documents and their Appendices, establishing standardization rules, concepts, and criteria that are essential to foster their adequate management, in addition to provide the necessary support in the case of any judiciary proceedings, and internal or external audits.

Thus, LATAM Compliance created the LATAM Group Procedure on Policy and Standards Management, which has a Document Structure System.

The Board is constantly reviewing LATAM's internal policies, and permanently analyzing the need to implement new policies that may be required, whereby the most relevant to date are the following, available to all workers at the LATAM website:

Corporate Governance

- LATAM Group Code of Conduct_
[https://drive.google.com/file/d/14qBFnvvJSnrJUPgZMuQpYi2NDILHqrBl/vi
ew?usp](https://drive.google.com/file/d/14qBFnvvJSnrJUPgZMuQpYi2NDILHqrBl/vi
ew?usp)
 - Consequence Matrix for failure to take the Training on the Code of Conduct
 - Guidelines regarding the LATAM Group Code of Conduct
- LATAM Group Crime Prevention Manual
[https://drive.google.com/file/d/1MYiwr99Xhi3f20WkoMrJE4S6q2KGog0
y/view?usp](https://drive.google.com/file/d/1MYiwr99Xhi3f20WkoMrJE4S6q2KGog0
y/view?usp)
 - LATAM Group Procedure to Broadcast the Crime Prevention Manual Model
- Policy for the Orientation of New LATAM Group Board Members_
https://drive.google.com/file/d/1oUJ7uDN0jj_tL36PXaz4ACnSONhH3k4E/view?u

[sp](#)

- LATAM Group’s Policy for Monitoring Related-Party Transactions
<https://drive.google.com/file/d/1SsSRkVgqaQHH86tMeEUR-2XuBN2h7HT9/view?usp>
 - Appendix 1: Form on Related-Party Information
- LATAM Group Tax Policy
<https://drive.google.com/file/d/1FSP9CFonpD9JKMMuiAIw62jGHrBEYp3i/view?usp>
- LATAM Group Sustainability Policy
https://drive.google.com/file/d/19csf30XiTYTyM4eCN_cs5wcr9DBsMcZ/view?usp
 - Appendix 1: Procedure for the approval and ongoing improvement of the Sustainability Policy and its release to the public
- Policy for the Approval of Additional Services Rendered by External Auditors of LATAM Group-
https://drive.google.com/file/d/1RRBF3q_T0ucPU_enMNEg2CuK_ykIXxbE/vie w?usp
 - Appendix 1: List of Banned Services
 - Appendix 2: List of Allowed Services
- LATAM Group Mergers and Acquisitions Policy
<https://drive.google.com/file/d/1MqeKX31xpDW-7SZ5749MDUvynoKZC-4NI/view?usp>
 - Appendix 1: Mandatory Clauses in the Representations and Warranties
 - Appendix 2: Due Diligence FCPA Verification Listing
- LATAM Group’s Political Contributions Policy
<https://drive.google.com/file/d/1QTwwqxObUEqvuTbu6jhrdq9iGTQsJb5/view?usp=>
Appendix 1: Form for the Approval of Political Contributions
- LATAM Group Donations Policy
<https://drive.google.com/file/d/1QpLcv7ocv47lThJucGE0B7OsOoxKWVQd/view?usp=>
 - Appendix 1: Form for Requesting Donations
 - Appendix 2: Form for Requesting Catastrophe

Compliance

- LATAM Group Global Anticorruption Compliance Policy
<https://drive.google.com/file/d/17KoxN89oEja22Q85jgd71S4c-pw9G9rs/view?usp>
 - Appendix A: Audit Questionnaire Procedure for Third-Party

- Intermediaries (TPIs)
 - Appendix B: Standard Questionnaire on the Audit Procedure to be filled in by the Third-Party Intermediary (TPI)
 - Appendix C: Risk Assessment for Third-Party Intermediaries (TPIs)
 - Appendix D: Model for Third-Party Contractual Provisions
 - Appendix E: Infringement and Severity Matrix
 - Appendix F: Third-Party Intermediary (TPI) Due Diligence Guide
 - Appendix G: Form for Meetings with Public Officials or Competitors
- LATAM group Gifts, Entertainment, Travel and Preferential Services Policy
https://drive.google.com/file/d/1r1x1_05Niuchp-NrcaUCbHMLxvmpJbH0/view?usp
 - Appendix A: Approval and Registration Form for Gifts, Entertainment, and Trips
- LATAM Group Procedure on Code of Conduct Administration Committees
- Authorized Listing of Positions for Favored Public Officials
- Compliance Control Standard for LATAM Group's Internal Policies
- Code of Conduct for LATAM Group's Top Executives_
<https://drive.google.com/file/d/11FVRWJ5s5tvpXyzGZ5U0pQNgIxflikGv/view?usp>
- LATAM Group Compliance Committee Procedure

Human Resources

- LATAM Group In-House Recruitment Policy_
<https://drive.google.com/file/d/1RCIYjgYioLaRYmmKHQ7C8QTAA9tpkJyn/view?usp>
 - Appendix 1: Rules of Behavior in Recruitment Interviews
 - Appendix 2: Declaration of Interests
- LATAM Group External Recruitment Policy
- LATAM Group Rules of Behavior in Interviews and Recruitment
- LATAM Group Service Commissioning Policy
 Appendix 1: Exclusive for Maintenance
- LATAM Group Staff Travel Standard
 - Brazil Appendix
 - Appendix 1: US Officers
 - Summary chart of Staff Travel Benefits
- LATAM Group Transitory Service Engagement Policy
- Social Media Policy

Information security

- LATAM Group Information Security Policy_
<https://drive.google.com/file/d/1ckefKxAreSKt8sp9yZ3d4L-glRotE8vt/view>
 - Statement of Responsibility
 - Policy Approval Workflow
- LATAM Group Information Classification Policy
- PCI LATAM Security Standards
- LATAM Grupo Backup & Restore Standard
- LATAM Group Internet Access and WI-Fi Security Standard
- LATAM Group Standard on Rules for Corporate E-Mail Use
- LATAM Group Security Standard for Service, E-Mail, and Department Accounts
- LATAM Group Corporate Mobile Device Security Standard
 - LATAM Group Letter of Commitment regarding Corporate Mobile Devices
- LATAM Group FileShare Security Standard
- LATAM Group Standard on Antivirus Configuration Rules
- LATAM Group Clean Desk Standard
- LATAM Group Standard on Logical Information Access Control
- LATAM Group IT Service Continuity Standard
- LATAM Group Information Security Incident Management Standard
 - Appendix A: Category of Information Security Incidents
- LATAM Group Standard on IT Service Continuity Methodology
- LATAM Group Vulnerability Management Standard

Finance

- Credit and Credit Risk Policy
https://drive.google.com/file/d/1F3inm6sSWgCw3LqtXjTBmdlWqb58_BAs/view
- LATAM Group Corporate Treasury Policy
- LATAM Group Provisions for Lawsuits Policy
- LATAM Group Supplier Payment Policy_
<https://drive.google.com/file/d/1RHYkhP8AkCEKyjyHLh3TB0qjVgfOXx1r/view?usp>
- LATAM Group Policy on Funds to be Accounted
 - Appendix 1: Exceptions for Allowed Expenses
 - Appendix 2: Brazil Exceptions
 - Appendix 3: Process Flow
 - Appendix 4: Advance Payments Request Form

- LATAM Group Fixed Funds Policy
 - Appendix 1: Fixed Fund Cash Count Form
 - Appendix 2: Fixed Fund/Petty Cash Request Form
 - Appendix 3: Brazil Application Form for Fixed Fund Pre-Paid Card
 - Appendix 4: Fixed Fund Account Provisions Form
 - Appendix 5: Brazil Imprest Account Expense Report
 - Appendix 6: Representation Expense Report Form
 - Appendix 7: Brazil Use of Prepaid Card for Fixed Funds
 - Appendix 8: Colombia Use of Prepaid Card for Fixed Funds
 - Appendix 9: Liability Agreement and Prepax Acceptance
 - Appendix 10: Temporary Cancellation and Transfer Agreement
- LATAM Group General Payments Policy_
 - <https://drive.google.com/file/d/1RfStsi1LBXp1CvuO84OXEBXOLX4iATJ3/view?usp>
- LATAM Group Credit Card Policy
 - Appendix 1 – Charges to Credit Card for emergencies
 - Appendix 2 – Corporate Credit Card Application Form
 - Appendix 3 – Credit Card Assignment Flow Chart
 - Appendix 4 – Credit Card Expense Report Form
 - Appendix 5 – Credit Card Expense Report Flow
 - Appendix 6 – Brazil Exceptions

Procurement

- LATAM Group Procurement Policy
 - <https://drive.google.com/file/d/1S1vhNvqkRBJrhvviK3Xa03Y79-LR8PHh/view?usp>
 - Appendix 1: List of Technical Purchases Categories
 - Appendix 2: List of Non-Technical Purchases Categories

3. Professionalization of the Board

a) Contribution of knowledge, experience, and diversity by the Board Members

The Board comprises nine members with various profiles and careers who contribute different views to the Board.

Likewise, given that, under Chilean legislation, there is only one case where Board Members have influence in choosing a Member—which is only in the case of vacancy—the Board agreed that, should such a case arise, in order to appoint the interim replacement until the

following Shareholders' Meeting where the whole Board must be renewed, the Board will consider, in addition to the factors of capacity and suitability to occupy a position on the Board, factors that will allow for greater diversity, such as the candidate's nationality, age, and gender.

b) Orientation of new Board Members

The Board has a process to orientate each new member, the goal of which is to make it easier for said member to become familiar with and understand LATAM, its businesses, and its operation.

Specifically, this orientation considers delivering relevant information for the role of each Board Member, meetings with the Company's main executives, and an orientation process that will allow the new Member to gain information and understand the Company's businesses, risks, applicable regulation, principles and rules of Compliance, corporate values, and main policies.

4. Implementation of measures to assist in effective decision-making and in delivering truthful, sufficient, and timely information to the market.

a) Annual Planning and Review of the Ongoing Improvement Plan.

The Board has agreed to plan its agenda on an annual basis during the last quarter of the year. Thus, it has defined that the Board Committee shall hold an annual planning meeting including relevant information that the Board believes should be reviewed in the following annual period. In addition, and simultaneously, the Board Members also review:

- The organization, functions, and composition of the Board, in order to detect and implement any improvements in the organization and operation and in any departments where the members can gain strength and continue perfecting themselves. Thus, they meet with the Board Secretary and the Senior Director of Planning;
- The process to submit information to the market in order to detect and implement any improvements in the processes for drafting and publishing the disclosures made by the company to the market, so they will be timely and easily understood by the public. To comply with the above, they meet annually with Investor Relations in order to

review the process of submitting information to the market.

b) Manual for Handling Relevant Information

The LATAM Manual for Handling Relevant Information is a requirement of the CMF and, based on the contents of Law N° 20,382 on Corporate Governments, a requirement of the Chilean law regarding the Securities Market as well. Aside from the standards, LATAM regulates the criteria for the disclosure of transactions, voluntary blackout periods for the purchase and sale of LATAM stocks, the mechanisms for the ongoing distribution of relevant information to the market, and the mechanisms for safekeeping confidential information by LATAM employees and executives.

c) Hiring experts to advise them on specific matters.

The Board Members can require the hiring of an expert to advise them on specific matters, such as accounting, tax, finance, legal, or any other subject, whereby they adhere to the following rules:

- a) The Board Member or Members who request the hiring of an expert must justify in a Board meeting the need for said engagement and the relevance to justify it.
- b) The engagement of the advisor must follow the Company's policies for hiring suppliers, conflicts of interests, and market conditions.
- c) Management will propose a list of names for the Board Members to choose from.
- d) It will be possible for one or more Board Members to veto the hiring of a specific advisor.

5. *Supervision by top management in complying with its functions and risk detection*

The Board is constantly supervising top management's compliance with its functions, as well as detecting risks and the adequate implementation of the policies defined through the following actions:

a) Meetings with critical departments of the Company

The Board has defined the following meetings as relevant in the following periods:

- Biannually with the external auditing firm, charged with auditing the financial

statements;

- Annually with the Risk Management Unit;
- Annually with Internal Auditing;
- Biannually with Compliance.
- Annually with Investor Relations in order to review the process of submitting information to the market.
- Annually with the Board Secretary and the Senior Director of Planning to detect and implement any improvements in the organization and operation.

b) Financial Statement Analysis

The Board Committee and the Board review the precision and veracity in the drafting of the Company's financial statements, the suitable application of the corresponding accounting principles, and their proper release to the market.

c) Direct relationship between the Board and Board Committee and the Company's Internal and External Auditors

The external auditing firm participates in the Board Committee twice a year, both in the presentation of the annual financial statements, and in the presentation of the biannual financial statements, which are subject to a limited review. In said meetings, the external auditing firm informs the Board Committee of the reviews made, any deficiencies found, its assessment of internal control, the results of its audit and, if applicable, an account of any other services rendered to the company or group, as allowed by applicable regulation. Usually, in the Board Committees where quarterly and annual financial statements are presented including the external auditors, some or all the members of the Board who are not part of the Committee also attend. Likewise, the summons to the Board Committee and the Board meeting where they must make a statement regarding quarterly or annual financial statements, which is submitted to every Board Member, also includes a presentation by the external auditing firm, with their auditor's opinion, the relevant aspects of the audit, and the conclusions drawn from the review of the internal controls.

The Company has an Internal Auditing department that reports directly to the Board through the Board Committee. The Company's Senior Director of Auditing usually meets with the Board Committee to review the development and results of the internal auditing plans, including the main findings, defined action plans, and monitoring of the latter. Likewise, the Senior Manager of Compliance reports periodically and, at least twice a

year, both to the Board Committee and to the Board regarding the progress achieved on the Company's compliance plan, including the main initiatives, such as training, broadcasting plans, operation, and statistics of the Company's ethical reports channel. It is noted that the subjects discussed by the Board Committee are reported to the Board in each of its sessions, by the Chairperson of said Committee or by the secretary.

d) Review the internal models and behavior in assumption of risks. Constant review of the internal control systems that the Company has implemented, with special emphasis on SOX standards and risk-taking behavior.

The Company's Senior Vice-President of Finance and the LATAM Director of Risks and Internal Controls meet at least annually with the Board Committee, reporting on the progress in risk management. Likewise, the information reported to the Board Committee is then shared with the Board.

The Company has a Corporate Risk Management Policy, whose goal is to identify, assess, and manage the Company's risks through the creation and monitoring and management of a corporate risk matrix, particularly including those that may significantly affect the achievement of the Company's strategic and sustainability goals. All this, in compliance with the Risk Management and Resilience policy approved by the Board in 2015 (https://drive.google.com/file/d/1S6Fk-OmlsLx4u5qCEulv2tbL_0UsFn0s/view?usp).

Appendix 1 of this Manual includes a chart representing the structure established to carry out the risk management, which includes the setting of three lines of management.

e) Related-Party Transactions Policy

<https://drive.google.com/file/d/1SsSRkVgqaQHH86tMeEUR-2XuBN2h7HT9/view?usp>

The Board implemented a LATAM Policy to Control Related-Party Transactions whose goal is to define LATAM's internal procedures to comply with Section XVI of the LSA, which regulates the related-party transactions of public limited companies and their affiliates.

This Policy includes LATAM's definition of the criteria that must be gauged to inform the Board Committee and the Board for their approval, such being the case, of certain related-party transactions, regardless of their disclosure in LATAM's financial statements, as well as basic conditions that must be met by all related-party transactions.

In addition to the above, the Directors and Top Executives must inform the Secretary of the Board of any transaction, negotiation, or contract that may interest them, and that concerns the Company or any of its affiliates. This is also materialized through directors' and top executives' obligation to periodically deliver to the Company a Related-Parties Form, which they must update as they become aware of any changes in the contents.

6. Setting adequate remuneration and compensation policies for LATAM top management and employees.

In order to focus specifically on this matter, the Board Subcommittee known as “Leadership” was created, comprising four board members and meeting on a monthly basis, and whose main goal is to review the salary structures and compensation policies for the main executives. Thus, among other matters, this Subcommittee focuses on reviewing the compensations, remuneration, and benefits structure for all the Company’s employees, paying special attention to the salary review of Top Management and the LATAM CEO.

The Leadership Committee is in charge of reviewing the Company’s Top-Level organizational structure, as well as the corporate compensation policy, which is always to be aligned with the Company’s interests and thus prevent encouraging conflicts of interest. This analysis considers the structuring of a compensations policy that will prevent generating in the Main Executives any incentives that could go against the Company’s interests, the existing policies or guidelines, or the existing regulation, and includes a review and assessment of models and best practices available on the market (Benchmarking). Likewise, the Company’s compensations policy and the remuneration systems are presented to the Board Committee by the Company’s Senior Vice-President of Human Resources annually and whenever there is a modification to them.

CHAPTER III: PROCESS FOR REVIEWING CORPORATE GOVERNANCE PRACTICES

LATAM's Corporate Governance practices are constantly under review by the Board so that its internal self-regulation processes may be fully in line with existing regulation and LATAM's values.

Specifically, LATAM holds ordinary monthly meetings both of the Board Committee and of the Subcommittees in order to cover the various topics that must be analyzed, with extraordinary meetings held when the company's interests require them.

APPENDIX 1 Risk Management Structure

The following chart represents the structure established to carry out the risk management, which includes the setting of three lines of management.

