



## **Corporate Governance Procedures**

**AntarChile S.A.**

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## Director Induction Procedure

### Introduction

This document sets out the induction process for new directors joining the Company.

The aim of the induction process for a new director is for him or her to get to know and understand the Company, its business, risks, including sustainability, policies, procedures, main accounting principles and the most important current legal framework applicable to the Company and Board of Directors

This process, as a minimum, entails delivering an Informative Company Dossier, conducting induction talks, interviews and possibly visits to facilities.

The Company CEO is the person in charge of the induction process. For this, he must coordinate with staff under his direct supervision the delivery of information on the important specific aspects mentioned in this Procedure.

### Informative Company Dossier

As part of the induction process and so the new Director knows the legal framework applicable to the Company and Board, and how its organization is structured, the director will receive the Informative Company Dossier from the CEO, which shall at least contain the following:

#### *Regulations:*

- Law N°18.045 – Law on the Securities Market
- Law N°18.046 – Law on Corporations
- Regulation of the Law on Corporations
- Law N°20.393 – Law that establishes the criminal liability of corporations
- Decree-Law N°211 – Antitrust Promotion and Defense
- SVS-NCG N°30: Regulations for the registry of issues and securities of public offering in the Securities Registry, their dissemination, placement and reporting obligations. This also includes regulations on material facts and of market interest and their disclosure.
- SVS-NCG N°270: Disclosure of policies and procedures on the purchase or sale of securities of the entity and the handling and disclosure of information for the market.
- SVS-NCG N°385: Disclosure of information on the corporate governance standards adopted by publicly traded corporations.
- SVS-NCG N°386: This adds the requirement of information on corporate social responsibility and sustainable development in the annual report of publicly traded corporations.

*Corporate Documents:*

- Bylaws
- Code of Ethics
- Offense Prevention Model and Policy
- Manual on Handling Information of Market Interest
- Annual Report of the last three years, the most important items of the quarterly and annual financial statements of last year and their respective explanatory notes, along with the accounting policies applied to draw up such financial statements.
- Risk Management Policy
- Updated Risk Matrix
- Internal Control Policy
- Board Advisory Service Policy
- Housekeeping, Hygiene and Safety Regulation
- Whistleblowing facility – “Hotline”
- Any other procedure, policy or manual related to NCG N°385.

The new Director, through the secretary to the Board of Directors, shall have access to the minutes of the Shareholders’ Meetings, the Board Meetings and the Meetings of the Directors’ Committee held before his or her appointment.

**Induction Talks**

The CEO, eventually with the support of senior managers, must make a presentation to the new Director, which at least addresses the following issues:

- Company history/description.
- Mission/vision and strategic objectives.
- Ownership structure.
- Company organization chart, including descriptions of the key functions.
- Code of Ethics.
- Conflicts of interest and how to resolve them.
- Business environment: markets, competition, trends, etc.
- Important stakeholders and mechanisms for getting to know their expectations.
- Review of the balance sheet, statements of income and cash flows.
- Main investment projects.
- Main accounting principles.
- Internal control model.
- Risk management.
- Applicable legal and regulatory framework, including the duties of care, confidentiality, loyalty, diligence and reporting that under current legislation apply to each member of the board, with examples of the most important verdicts, penalties or rulings that occurred last year in Chile on those duties.



### **Interviews**

The CEO shall, upon the request of a new Director, arrange interviews with the senior managers indicated by him.

### **Visits**

Likewise, the CEO may arrange visits to facilities deemed fit for a suitable understanding of the business.

### **Approval and Modifications**

This procedure was approved by the Company Board in a board meeting held on January 8, 2016. Should any modifications be made, the date of the Company Board meeting approving such modification shall be stated in this section.

### **Validity**

This document shall be valid as of the date indicated above and shall have indefinite duration unless the Company Board reaches another decision about it.

### **Disclosure Mechanisms**

The full and updated text of this procedure shall be made and kept available for Directors.

### **Custody**

The Secretary to the Board shall be responsible for the custody of the Director Induction Procedure.

## **Board Training Procedure**

### **Introduction**

The aim of this document is to establish the general guidelines based on which the Company will give its directors information and knowledge of the best practices of Corporate Governance and other issues of interest to improve the operation of the Board of Directors, and the activities inherent to its members.

### **Means of providing information**

Two mechanisms are considered to achieve the objective proposed:

#### **In-person talks**

These shall consist of presentations by some national or international expert of renowned prestige on the topic on which he will develop the proposed issue in a personalized way and according to director interest. These presentations must consider the possibility of questions and answers.

#### **Documents of interest**

Publications on issues of director interest shall be carefully selected. Special care shall be taken so the issues dealt with are current and conceptually address the latest trends on Corporate Governance and/or the regulation on corporations.

### **Content**

The director training shall, in any case, include those issues referred to in letter b) of N°1 of the Annex of General Regulation N°385, dated June 8, 2015, of the Superintendency of Securities and Insurance, in other words the following:

- The best corporate governance practice adopted by other Chilean and international entities.
- Main progress in Chile and internationally last year on inclusion, diversity and sustainability reports.
- The main risk management tools, including those for sustainability, put in place last year in Chile and abroad.
- The most important court verdicts, penalties or judgments that occurred last year in Chile and abroad on duties of care, confidentiality, loyalty, diligence and reporting, and

- Review of examples of situations that constitute a conflict of interest on the Board and how they can be prevented or resolved in the best corporate interest.

## **Procedure**

### **Responsibility**

The CEO shall be responsible for the right operation of the training sessions, and he shall also make sure the activities envisaged therein are carried out. He shall propose issues, find out the training interests of directors, arrange the training sessions and oversee them.

### **Annual program**

A training plan shall be established in each calendar year, which at least considers the development of four topics, either in person or using written means.

The CEO shall draw up a list of training issues or topics to be covered, which includes the interest expressed by directors and those issues he deems pertinent considering international trends and the current regulation.

The Board shall select those issues it considers to be the most relevant for its work. With this definition by the Board, the CEO shall prepare the annual training plan, which shall indicate the date when the in-person talks will be held. Facilities shall always be provided so directors can attend. This complementary activity shall be undertaken outside Board meetings. The issues to be covered shall also be established by means of informative documents that can be complementary to the talks.

### **Compliance with the training program**

With the Annual Program defined by the directors, the CEO shall organize the holding of the talks and the selection of the informative documents.

For the in-person talks, he shall select speakers of renowned prestige on the topics to be developed, and before the talks shall inform the speakers of the objectives and interests of the directors on this issue to optimize the time.

Directors shall be invited at least one month in advance, indicating the date, time, place, speaker's name and a brief description of his track record and details of the agenda.

These training sessions may be held in coordination with other related companies.



The training activities shall be of voluntary attendance by directors. The information given by the speaker shall be made available to distribute it to those directors who could not attend.

The informative documents must be selected carefully so they are not biased or lack grounds. Priority must be given to documents of an academic nature that are based on methodologies, facts and true data rather than on opinions or value judgments.

These documents shall be distributed through the channel usually used to provide information to directors, according to the date established in the training program.

### **Approval and Modifications**

This procedure was approved by the Company Board in a board meeting held on January 8, 2016. Should any modifications be made, the date of the Company Board meeting approving such modification shall be stated in this section.

### **Validity**

This document shall be valid as of the date indicated above and shall have indefinite duration unless the Company Board reaches another decision about it.

### **Disclosure Mechanisms**

The full and updated text of this procedure shall be made and kept available for Directors.

## **Policy on Hiring Board Advisory Services**

### **Scope**

The Board may hire consultants for accounting, tax, financial, and legal issues, or for those it deems it is necessary to get the opinion of an expert. The fact that the Company Management already has an advisory service for this does not limit this faculty of the Board.

In any case, the Board shall have the expertise and experience of its members, striving so the specific competencies that its own members may have make a contribution to the development of corporate activities.

Notwithstanding the foregoing, it should be recalled that it is the company managers who, as part of their faculties, usually request advisory services on specific issues when they ask for the opinion of an expert. The result of such advisory services shall be made available to Directors, if they so require.

### **Policy**

It is the Company's policy that consultants are selected from specialist entities or experts with renowned prestige and experience on the issues to be consulted to get a top-rate service.

Consultants must be independent when giving their opinion. The Company will therefore give preference to hiring consultants with no conflict of interest and who have suitable independence enabling them to give their opinion autonomously.

When selecting the advisory service provider, the Company will give preference to technical aspects and suitability rather than economic factors.

The cost of the advisory service commissioned must be in line with market values and the work deliverables requested must be documented suitably.

### **Advisory Service Hiring Procedure**

To agree on the hiring of advisory services, any director is entitled to propose this in a Board meeting. The Board shall assess the merits of the request and the estimated cost. The agreement or rejection reached, which shall be stated in the Board meeting minutes, shall be by simple majority

### **Budget**

The Board shall always have a sufficient and suitable budget to hire advisory services.



### **Approval and Modifications**

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### **Validity**

This document shall be valid as of the date indicated above and shall have indefinite duration unless the Company Board reaches another decision about it.

### **Disclosure Mechanisms**

The full and updated text of this document shall be made and kept available for Directors.

## **Policy and Procedure for Applying to be a Director**

### **Policy**

Any natural person who is the free administrator of his or her goods and is not included in any of the cases expressly indicated in articles N°35 and N°36 of Law N°18.046 can be elected a director. To be an independent director, the conditions set forth in article 50 bis of Law N°18.046 must also be met.

Shareholders who wish to promote an application by anyone to be a Director, or who wish to apply directly, can send their personal information or that of the person they are proposing to the Company CEO at least two business days before the Shareholders' Meeting is held, be this by means of electronic mail to the email address of [contacto@antarchile.cl](mailto:contacto@antarchile.cl), or by letter delivered directly in person.

To such effect, applicants shall provide the following information:

- Candidate's experience and professional profile.
- Declaration by the candidate stating acceptance of his or her appointment and meeting the requirements to fill the position laid down by law and its regulation.

The Company shall not be responsible for the truth of the information provided but shall be limited to receiving it and making it available to shareholders on the website.

It is the Company's policy not to influence its shareholders by indicating the skills, conditions, experience and vision candidates must have to be a director. It is understood that shareholders have the knowledge and criteria to define the profile of a director.

### **Procedure**

The CEO shall make available the information received about the experience and professional profile of candidates to shareholders on the Company's website at least two business days before the Shareholders' Meeting.

### **Approval and Modifications**

This document was approved by the Company Board in a board meeting held on January 8, 2016. Should any modifications be made, the date of the Company Board meeting approving such modification shall be stated in this section.



**Validity**

This document shall be valid as of the date indicated above and shall have indefinite duration unless the Company Board reaches another decision about it.

**Disclosure Mechanisms**

The full and updated text of this procedure shall be made and kept available for Directors, and shall be posted on the website.

## Manual on the Analysis and Assessment of Information of Market Interest

### 1. DEFINITIONS

**1.1** For the effects and purposes of this document, the terms and abbreviations indicated below are defined and shall be construed as follows:

Stock Markets or Stock Exchanges: these are the stock markets in which the company operates or is registered.

Company: AntarChile S.A.

Board of Directors: the Company Board of Directors.

Information: essential information, information of market interest, that which is for shareholders, and that delivered to the Superintendency of Securities and Insurance (SVS, according to the Spanish acronym), insider information and confidential information, as such terms are defined in the Manual on Handling Information.

LMV: Law N°18.045 on the Securities Market.

LSA: Law N°18.046 on Corporations.

Manual or Manual on Analyzing and Assessing Information: This manual approved by the Board on this date, issued pursuant to section 2.f) of NCG N°385.

Manual on Handling Information: the manual approved by the Board in a board meeting held on March 30, 2010, issued pursuant to NCG 270 of the SVS.

NCG: General Regulation.

SVS: Superintendency of Securities and Insurance.

**1.2** Other terms not defined in this section shall, for the effects and purposes of this Manual, have the meanings given them in the Manual on Handling Information, the LMV, LSA, SVS and other applicable laws and regulations.

### 2. PURPOSE

The purpose of this manual is to create mechanisms that facilitate the analysis, detection and assessment of there being sufficient, timely, pertinent and easiness of knowledge of the various disclosures the Company makes to the market so the Board can eventually determine the need of improving the information provided.

### 3. APPLICATION AND IMPLEMENTATION SCOPE

**3.1** The provisions of this manual apply to any disclosure of information to the market made in accordance with the Company's Manual on Handling Information of Market Interest.

**3.2** The provisions of this Manual shall be mandatory for directors, the CEO, senior managers, administrators, employees and consultants with access to insider information, and the Company's internal and external auditors.

**3.3** The CEO, and replacing him the CFO, shall be in charge of disseminating, enforcing and safeguarding the execution of the regulations and procedures of this Manual. Notwithstanding this, and only in qualified and extraordinary cases, such senior managers may delegate one or more of their functions under this Manual to other senior managers of the company, but they are always responsible for such delegation to the Board and must inform it of the or those delegations in the next Board meeting closest to the date of the delegation.

**3.4** The content of this Manual shall be construed notwithstanding the legal obligations and responsibilities applicable to the Company, its directors, senior managers and managers.

**3.5** The provisions of this Manual shall come into force when it has been approved by the Board.

### 4. PROCEDURE

**4.1** The analysis and assessment of whether there is sufficient, timely, and pertinent information shall be undertaken according to the following procedure:

The CEO shall maintain a physical or virtual chronological record of any disclosure of information to the market made by the company, which shall contain (i) the date and time of the disclosure and its publication, if this is different from the former<sup>1</sup>; (ii) medium or media in which the disclosure is made; and (iii) the person that made the disclosure.

Likewise, the CEO shall maintain a physical or virtual chronological record of all communications received from the SVS, Stock Markets or similar public bodies concerning information that has been disclosed, which shall contain (i) the date and time of the communication; (ii) media in which the communication was received; and (iii) the person that made the communication.

The CEO shall inform the Board of the information disclosed by the Company.

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<sup>1</sup> For example, the date and time when the communication is made to a newspaper, and date and time when it is published therein.



The Board may request additional or complementary information from the CEO and shall analyze whether the information disclosed is clear, timely and pertinent.

**4.2** In the January Board meeting of each year, the Board shall review whether the information disclosed to the market is sufficient, timely, and pertinent and, should it deem it necessary, it shall propose improvements of such information.

### **Approval and Modifications**

This document was approved by the Board in a meeting held on January 8, 2016. Should any modifications be made, the date of the Company Board meeting approving such modification shall be stated in this section.

### **Validity**

This document shall be valid as of the date indicated above and shall have indefinite duration unless the Company Board reaches another decision about it.

### **Disclosure Mechanisms**

The full and updated text of this manual shall be made and kept available for Directors.

## CEO and/or Senior Manager Replacement Procedure

### 1. DEFINITIONS

**1.1** For the effects and purposes of this document, the terms and abbreviations indicated below are defined and shall be construed as follows:

**Company:** the publicly traded corporation called AntarChile S.A., registered in the Securities Registry of the SVS.

**Board of Directors:** the company Board of Directors.

**Senior managers:** just for this procedure, the CEO and those managers who report directly to him are the senior managers.

**LMV:** Law N°18.045 on the Securities Market.

**LSA:** Law N°18.046 on Corporations.

**1.2** Other terms not defined in this section shall, for the effects and purposes of this document, have the meanings given them in the LMV, LSA, Code of Trade, the SVS and other applicable laws and regulations, Code of Commerce, the SVS and other applicable laws and regulations.

### 2. PURPOSE

**2.1** The Company Board has approved the following CEO and/or Senior Manager Replacement Procedure.

**2.2** Its aim is to have a mechanism that facilitates the right operation of the Company in the unforeseen absence of the CEO or senior managers.

### 3. APPLICATION AND IMPLEMENTATION SCOPE

The provisions of this manual apply to the CEO and senior managers.

### 4. PROCEDURE

In the case of unforeseen non-appearance, need of replacement, absence, resignation or for any other case or circumstance entailing the absence of the CEO or one or more of the senior managers of the Company, the following procedure shall be applied:

**4.1** The CEO shall propose to the Board in advance a potential replacement for his position and for the senior managers. The person may be other than whoever usually replaces him in temporary situations, like vacations or sick leave.

**4.2** The Board shall issue a decision on the CEO's proposal, and if it rejects the proposal, other alternatives shall be submitted. Notwithstanding this, the CEO or corresponding senior manager shall be responsible for keeping the person who usually replaces him duly trained and informed about his work in usual situations, such as vacations or sickness, and must in any case not breach the confidentiality obligations inherent to the exercise of his position.

**4.3** In cases of non-appearance, absence, resignation or for any other case or circumstance entailing the permanent and unforeseen absence of the CEO or one or more of the senior managers of the company from their functions in the Company, the person appointed for this, as indicated in section 4.2, shall temporarily undertake such functions.

**4.4** For the definitive appointment, and in the case of the CEO, the Board shall ratify the person appointed to act temporarily or will launch a process to find other candidates, be they internal or external, with or without the help of professional headhunting companies.

**4.5** In the case of senior managers, the Board, knowing the opinion of the CEO, shall ratify the person appointed to act temporarily or will ask for a process to be started to find other candidates, be they internal or external, with or without the help of professional headhunting companies.

**4.6** Lastly, and notwithstanding the foregoing, the foreseeable replacement processes, or which can be managed in due advance, shall be undertaken by means of normal job position selection systems, which shall be managed by the Board in the case of the CEO, and by the latter for senior managers.

## **5. VALIDITY AND MODIFICATIONS**

This procedure was approved by the Board in a board meeting held on January 8, 2016. Should any modifications be made, the date of the Company Board meeting approving such modification shall be stated in this section.

### **Validity**

This procedure shall be valid as of the date indicated above and shall have indefinite duration unless the Company Board reaches another decision about it.

### **Disclosure Mechanisms**

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## **Guidelines and Policy on Compensation, Severance Pay and Incentives for Senior Managers and Managers**

### **Objective**

To align, with the right compensation policy, the quality of the management and priorities of the Company's senior managers to the Company's medium- and long-term objectives.

As a result of this, the acts of senior managers that are not in keeping with the Company's interests should be minimized, or which expose the Company to risks that breach its policies, and cases when this occurs should be detected timely.

### **Scope**

These guidelines particularly apply to the CEO and senior managers of the Company.

### **General Policies**

1. The salaries of the CEO and senior managers must essentially be governed by market factors.
2. The salaries of the CEO and senior managers shall have a fixed component and may also have a variable one too. The Company should strive for the variable salary to motivate managers to obtain large achievements that meet the Company's medium- and long-term expectations.

The fixed salaries of the CEO and senior managers should be for performance that leads to reasonably satisfactory achievements of profitability and sustainability of the company in the long term, with the variable salaries related to getting large benefits above the basic performance expected.

3. On determining the salaries of senior managers, the general interests of the Company should be considered, along with the specific targets and incentives for the respective areas.
4. The performance of senior managers shall, whenever possible, be evaluated with measurable performance factors of an objective nature that are related to the board's guidelines.

5. When variable salaries are established, the Company should take special care for this not to lead to managers tending to present inflated profits, or endanger the company's financial health or sustainability.

Due to this, it is the Company's policy not to establish incentives or severance pay based on achieving profits or accrued but unrealized benefits, whose final situation could change in the future. The Company will also strive to avoid establishing incentives based on measuring partial aspects, whose achievement could lead to the deterioration of other aspects that are also necessary for the Company. An illustration of this is the incentive to increase sales without a suitable price policy, or of the credit quality of the portfolio, or achieve project termination dates without considering the quality of their design and construction.

6. The severance pay of senior managers for termination of work contracts shall be subject to market conditions for managers of a similar level in equivalent companies.

### **Approval and Modifications**

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### **Validity**

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### **Disclosure Mechanisms**

The full and updated text of this document shall be made and kept available for Directors.