

POLICIES FOR RELATED-PARTY TRANSACTIONS

The following measures are intended to govern the review, approval and ratification of transactions between affiliated companies. The Corporate Governance Committee shall be responsible for overseeing and modifying these policies, if necessary.

1. Definitions

1.1. The term “5% shareholder” indicates a body or natural person known to be beneficiary of over 5% of any share with voting rights in the company.

1.2. The term “company executive” refers to any area or unit manager (such as sales, administration, finance) or any person entrusted with managerial tasks in the company and/or its subsidiaries.

1.3. The term “immediate relative” refers to any child or stepchild, father or stepfather, mother or stepmother, spouse, brother or sister, father-in-law or mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law of the person of interest or any other individual with whom this person shares a home.

1.4. The term “related person” refers to any individual that:

- Is or was an executive officer of the company during the last fiscal year or was appointed or nominated for an executive position;
- Is a 5% shareholder;
- Is an immediate relative of the people mentioned in the sections above.

1.5. A “related-party transaction” refers to:

- Any transaction currently proposed or carried out at any time during the fiscal year, where the company is or has been involved, and where a related person has or will have a direct or indirect economic interest, and in which the amount of the operation exceeds US\$ 500,000.
- Any economic correction or amendment to an operation as the foregoing, regardless of such operation being already approved according to the policy herein stated.

2. Policy

The company policy establishes that all transactions between related parties shall be approved or ratified by the General Manager or the Corporate Governance Committee according to the guidelines herein.

Such transaction between related parties which has not been approved by the General Manager nor the Corporate Governance Committee shall not necessarily be declared void or contrary to this rule, as long as such transaction has been properly approved, as soon as possible.

3. Application

The procedures established herein are complementary and not intended to ignore or replace any other company policy or procedure requiring the review and approval of any executive officer of the company.

Additionally, these procedures are complementary and do not intend to ignore or replace the rest of the company's policies and procedures applicable to transactions between related people, including the code of conduct, as well as the ethics and good corporate governance practices. It is understood that directors, managers, and executive officers shall continue to abide to these other policies.

The transactions subject to the policy described herein stated must be reported by the directors to alternate and executive directors, according to section 4, regardless if such transactions comply with other company policies and procedures.

The approval or ratification of transactions between affiliated companies according to the guidelines herein do not constitute a final approval of the company participation in such transaction in the event that, under the corporate governance practices, the approval of the Board of Directors, any of its committees or any executive officer is required. The approval of such transaction by the General Manager or the Corporate Governance committee does not prevent the related people from providing to the Board of Directors, the committee or corresponding executive officer, according to the case, all the information required and related to the transaction and the interests of the related person.

4. Communication of a Transaction between Potentially Related Parties

Every executive officer or company director is obliged to notify the general management, as soon as possible, of any transaction between potentially related parties. Whereas this policy determines that all transactions between potentially related people must be reported, the company's executive officers and directors must pay attention to such events apart from company regular business areas, as the involvement of immediate relatives, transactions considered as unusual for one or both parties, as well as transactions that might benefit any party in relation to the general public.

5. Identification of Transactions between Related Parties

The general management jointly with an external consultant, if necessary, shall determine if a transaction or occurrence is a transaction between related people as herein stated or those stated by the Superintendence of Securities Market. Appendix 1 includes a list of transactions not considered to be between related parties.

If the general management determines that the transaction or occurrence is a transaction between related parties, such transaction shall be reported to the legal advisor or Corporate Governance Committee, according to Section 6 of this document.

6. Review and Approval, or Ratification, of Transactions between Related Parties

Transactions between related parties involving company executives and/or immediate relatives who are not the general manager nor the legal advisor shall be referred to them for approval.

Transactions between related parties involving the legal advisor and/or immediate relatives shall be referred to the general manager for approval.

Transactions between related parties involving 5% shareholders, directors, applicants to director or general manager and/or their immediate relatives shall be referred to the Corporate Governance Committee for approval

All the General Manager and legal advisor decisions on this matter shall be referred to the Corporate Governance Committee on its next scheduled session.

For the review of transactions between related parties, the general manager and legal advisor or the Corporate Governance Committee must have available all details related to such transaction, including:

- i. the terms of the transaction.
- ii. the transaction's the commercial purpose.
- iii. the benefits for the company and the related person
- iv. the possibility for the transaction assessment to be performed within the framework of the company's code of ethics.

To determine the approval of a transaction between related parties, the general manager and the Corporate Governance Committee must consider, among other things, the following factors:

- i. If the transaction terms are fair for the company and if such terms shall be set in the same conditions if the transaction would not involve a related person.
- ii. If there are trade reasons for the company to perform the transaction with the related person.
- iii. If the transaction violates the independence of an external director.
- iv. If the transaction poses an inadequate conflict of interests for any company director or executive officer, considering: (a) the amount of the transaction, (b) the financial position of the director or executive officer, (c) the direct or indirect nature of the director's or executive officer's interests involved in the transaction, (d) the nature of any proposed occurrence and other material event.
- v. The economic nature of the transaction considering: the relevance of the interests of such related party, the relation between the related person to the transaction or to the other related people, the amount of money involved and the relevance of the transaction for the company and shareholders considering all the factors. Any member of the Corporate Governance Committee who has any interest in such transaction shall not vote in the approval of such transaction, but is allowed to participate in the committee discussions on this regard, if requested so by the Chairperson of the Corporate Governance Committee.

7. Non-Ratified Transactions

If the general manager or the Corporate Governance committee decides not to ratify a transaction between related parties that was started without approval, such initiators shall consider, working jointly with the corresponding consultant, actions including but not limited to the end of the transaction at the moment, annulment of transaction, or amendments of such transaction in order to be ratified by the general manager or Corporate Governance Committee, as applicable.

Appendix 1.

Transactions That Are Not Considered as Transactions between Related Parties

1. Compensation of executive officers and bonuses (including the exercise of any right or sale of resources received within such bonuses) and investment opportunities supported at a corporate level, by the Board of Directors or the Nominating and Compensation Committee.
2. Agreements of Directors compensation approved by the Board of Directors or the Corporate Governance Committee.
3. Travel expenses related with the business, advance payments, and reimbursements.
4. Indemnification payments and payments related to insurance policies for directors and executive officers indemnification. Any transaction between the company and a firm where the related person has a sole connection as director, 5% shareholder or employee (non-executive), or all of the above. The financial products and services provided to related people in the natural course of the company business and essentially, in the same terms than those applicable to services for third parties or company employees.