



## DOCUMENTS RELATED TO THE MATTERS OF THE ORDINARY SHAREHOLDERS MEETING OF APRIL 25<sup>TH</sup>

In relation to the matters that will be submitted to the knowledge and approval of the shareholders at the next Ordinary Shareholders Meetings of LATAM Airlines Group S.A. ("LATAM", the "Society" or the "Company"), to be held next Thursday, April 25<sup>th</sup>, 2019, at 10:00 am, at the Marriot Santiago Hotel, Torres del Paine D-E-F room, located at Av. Presidente Kennedy 5741, Las Condes, Santiago, in accordance with the agreement of the Board of LATAM at its meeting of April 9, 2019, the following is recorded:

### **1. Annual report, Balance sheet and Financial statements for the year 2018; the Company situation; and respective report of the External Audit Company.**

The full documents of the Annual report, Balance sheet and Financial Statements and the report of the External Audit Company for the year 2018 are published on the website [www.latamairlinesgroup.net](http://www.latamairlinesgroup.net), under the section "Earnings and releases"; and available to shareholders in LATAM offices located in Av. Presidente Riesco 5711, floor 20th, Las Condes, Santiago, and at the offices of DCV Registros S.A. located in Huérfanos 770, floor 22<sup>nd</sup>, Santiago.

### **2. Distribution of a final dividend charged to earnings for the year 2017.**

The Board of Directors resolved to propose to the Ordinary Shareholders Meeting the distribution of a Dividend No. 50, definitive, the minimum mandatory, up to complete 30% of the net income for the year 2018, that is, the equivalent amount in Chilean pesos of US \$54,580,443.06, which means to distribute a dividend of US \$0.090006185096 per share, to be paid on Thursday, May 16, 2019, in Chilean pesos equivalent at the "observed" exchange rate published in the Official Gazette on the fifth business day prior to the day of the distribution, that is to say, on May 10, 2019. In the event that the dividend is approved in the terms proposed by the Board of Directors, will be entitled to receive the dividend the shareholders registered in the Shareholders' Registry at midnight on May 10, 2019.

**Basis:** This proposal allows complying with the provisions of article 79 of the Law on Public Limited Companies and the Company's bylaws, according to which it is appropriate to distribute as a Final Dividend at least 30% of the net profits of each year

### **3. Board of Directors election**



The candidate list for the LATAM director position, whom accepts their nomination and declares no inabilities to perform as such, will be published in the internet website [www.latamairlinesgroup.net](http://www.latamairlinesgroup.net) as soon as the Company receives the information regarding and, at least, two days before the Ordinary Shareholders Meeting, in the terms stated in the 73rd article of the Reglamento de Sociedades Anónimas. Along with the list, the Company will also publish information related with the experience and professional profile of the candidates that to the moment had presented such information to LATAM, which will be updated the day previous to the Meeting.

#### **4. Remuneration of the Board of Directors for the year 2019.**

It will be proposed, for the year 2019, to assign as compensation to each member of the Board of Directors an amount equivalent to 60 *Unidades de Fomento* per monthly diet for attending sessions, without considering the number of sessions, corresponding to the President a remuneration equal to twice that of any other Director. Likewise, it will be proposed to allocate to each Director the equivalent of 48 *Unidades de Fomento* per monthly diet for attendance at subcommittee sessions of the Board of Directors, regardless of the number of sessions.

**Basis:** This proposal means maintaining the remuneration that has been approved for the previous year. It has been estimated that this proposal is reasonable, since the remuneration of the Directors of the Company, although it is still low, is in part approaching those that normally prevail in the market of the Directors' diets for public companies of the characteristics of LATAM.

#### **5. Remuneration and budget of the Board of Committees for the year 2019.**

It will be proposed, for the year 2019, to allocate as compensation for each member of the Board of Committees an amount equivalent to 80 *Unidades de Fomento* per monthly diet for attendance at sessions of the Committee, without considering the number of sessions.

**Basis:** This proposal means maintaining the remuneration that has been approved for the previous year. It has been estimated that this proposal is reasonable, since the remuneration of the Directors of the Company, although it is still low, is in part approaching those that normally prevail in the market of the Directors' diets for public companies of the characteristics of LATAM.

#### **6. Designation of the External Audit Company.**

The Board of Directors of LATAM, in accordance with the recommendation of the Board of Committees, in accordance with the provisions of the Circular Letters of the Securities and Insurance Commission, agreed to propose to the Ordinary Shareholders' Meeting, as the Society's Audit Company, the firms PriceWaterhouseCoopers Consultores Auditores SpA ("PwC") and Ernst & Young Professional Audit and Advisory Services Limited ("EY"), in the same order of priority, but without prejudice to recommend the maintenance of PwC as the External Audit Company for the year 2019.



The recommendation of the LATAM's Board to maintain PWC, in accordance with the recommendation of the Board of Committees, is based on the following reasons:

(i) The quality of the service of PWC towards LATAM does not present any observation or repair on the part of the administration of the Company or its Board of Directors.

(ii) It has been estimated positive the interaction and coordination between the two external audit firms, PWC, as the external audit firm of LATAM for the year 2018, and EY, as the external audit firm of TAM S.A. for the same year.

(iii) Finally, although PWC has been the external auditor of LATAM for the last 27 years, the level of independence of this audit firm is guaranteed through the internal control systems that it has implemented and the policy that PwC observes at international level to rotate the partner in charge of the client every 5 years, which is in accordance with the provisions of letter f) of article 243 of the Securities Market Law. Precisely, for the audit of LATAM corresponding to the year 2017, Mr. Renzo Corona was appointed as the new partner, since the previous partner had been performing this function for 5 years.

## **7. Designation of Risk Rating Agencies.**

In the case of risk rating agencies, the Board of Directors of LATAM, in accordance with the recommendation of the Board of Committees, agreed to propose to the Ordinary Shareholders' Meeting, regarding the local risk classification, the designation of the local risk agencies firms Fitch Chile Clasificadora de Riesgo Limitada, Feller-Rate Clasificadora de Riesgo Limitada and International Credit Rating (ICR) Compañía Clasificadora de Riesgo Limitada; and in international risk classification, the designation of international firms Fitch Ratings Inc., Moody's Investors Service and Standard & Poor's Ratings Services.

**Basis:** This proposal aims to expand the list of risk rating agencies, with the purpose of including agencies not only in the local scope but also international, that allow to deliver more information to the market.

## **8. Determination of the newspaper for publications to be made by the Company.**

The Board of Directors of LATAM agreed to propose to the Shareholders Meeting the designation of "La Tercera" newspaper of Santiago as a newspaper in which, pursuant to Article 59 of the Law on Public Limited Companies, notice of citation to Shareholders' Meetings will be published.

This proposition basically maintains the newspaper that has been approved for previous years.

## **9. Cuenta de las operaciones con partes relacionadas.**

At the Ordinary Shareholders' Meeting, the Company will report on the transactions carried out by the Company with related parties.



All these transactions, which are adjusted to equivalent conditions similar to those prevailing in the market, are contained in the Annual Report, which is available to shareholders as indicated in item 1 above.

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Santiago, April 10, 2019.