

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

(Rule 13d-101)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED
PURSUANT TO § 240.13d-2(a)**

**Under the Securities Exchange Act of 1934
(Amendment No. 1)***

Lan Airlines S.A.
(Name of Issuer)

Shares of Common Stock without par value
(Title of Class of Securities)

N/A
(CUSIP Number)

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(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 18, 2011
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: ☐

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAMES OF REPORTING PERSONS Costa Verde Aeronáutica S.A.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inversiones Mineras del Cantábrico S.A.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inversiones Costa Verde Limitada y Compañía en Comandita por Acciones	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inversiones Costa Verde Limitada	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inversiones Costa Verde Aeronáutica Limitada	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inmobiliaria e Inversiones La Espasa Limitada	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inmobiliaria e Inversiones Caravia Limitada	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inmobiliaria e Inversiones Puerto Claro S.A.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inmobiliaria e Inversiones Priesca Limitada	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Inmobiliaria e Inversiones El Fano Limitada	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS South Andean Investments (Chile) S.A.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Isidora Cueto Cazes y Compañía Limitada	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON CO	

1	NAMES OF REPORTING PERSONS Juan José Cueto Plaza	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Ignacio Javier Cueto Plaza	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Enrique Miguel Cueto Plaza	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS María Esperanza Cueto Plaza	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Isidora Cueto Cazes	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Felipe Jaime Cueto Ruiz-Tagle	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS María Emilia Cueto Ruiz-Tagle	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Andrea Raquel Cueto Ventura	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Daniela Esperanza Cueto Ventura	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Valentina Sara Cueto Ventura	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Alejandra Sonia Cueto Ventura	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Francisca María Cueto Ventura	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Juan José Cueto Ventura	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Pedro Cueto Sarquis	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Juan Cueto Sarquis	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Antonia Cueto Sarquis	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Manuela Cueto Sarquis	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Fernanda Cueto Délano	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Ignacio Cueto Délano	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> o (b) <input checked="" type="radio"/> x	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/> o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/> o	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Javier Cueto Délano	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Pablo Cueto Délano	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS José Cueto Délano	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS Nieves Isabel Alcaíno Cueto	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS María Elisa Alcaíno Cueto	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

1	NAMES OF REPORTING PERSONS María Esperanza Alcaíno Cueto	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> o (b) <input checked="" type="radio"/> x	
3	SEC USE ONLY	
4	SOURCE OF FUNDS PF; OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/> o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Republic of Chile	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 115,399,502
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 115,399,502
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 115,399,502	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/> o	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 34.1%	
14	TYPE OF REPORTING PERSON IN	

This Amendment No. 1 amends and supplements the information set forth in the Schedule 13D filed by the Reporting Persons (as defined below) with the United States Securities and Exchange Commission on March 19, 2010 (the "Schedule 13D"). All capitalized terms contained herein but not otherwise defined shall have the meanings given to such terms in the Schedule 13D.

Item 1. Security and Issuer.

Item 1 of the Schedule 13D is hereby amended and restated in its entirety as follows:

This Schedule 13D relates to the shares of common stock, without par value ("LAN common stock"), of Lan Airlines S.A. ("LAN"). The address of the principal executive offices of LAN is Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile.

Item 2. Identity and Background.

Item 2 of the Schedule 13D is hereby amended and restated in its entirety as follows:

(a) This Schedule 13D is being filed by Juan José Cueto Plaza, Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza, María Esperanza Cueto Plaza, Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz-Tagle, Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura, Juan José Cueto Ventura, Manuela Cueto Sarquis, Pedro Cueto Sarquis, Juan Cueto Sarquis, Antonia Cueto Sarquis, Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano, Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto and María Esperanza Alcaíno Cueto (such individuals collectively, the "Cueto Family"), Costa Verde Aeronáutica S.A. ("Costa Verde Aeronáutica"), Inversiones Mineras del Cantábrico S.A. ("Mineras del Cantábrico"), Inversiones Costa Verde Limitada y Compañía en Comandita por Acciones ("Costa Verde Ltda. CPA"), Inversiones Costa Verde Limitada ("Costa Verde Ltda."), Inversiones Costa Verde Aeronáutica Limitada ("Inversiones CVA"), Inmobiliaria e Inversiones La Espasa Limitada ("La Espasa"), Inmobiliaria e Inversiones Caravia Limitada ("Caravia"), Inmobiliaria e Inversiones Puerto Claro S.A. ("Puerto Claro"), Inmobiliaria e Inversiones Priesca Limitada ("Priesca"), Inmobiliaria e Inversiones El Fano Limitada ("El Fano"), South Andean Investments (Chile) S.A. ("South Andean"), and Isidora Cueto Cazes y Compañía Limitada ("Isidora Cueto Cazes y Cía Ltda.", and collectively with Costa Verde Ltda. CPA, Costa Verde Ltda., Inversiones CVA, Mineras del Cantábrico, Costa Verde Aeronáutica, La Espasa, Caravia, Puerto Claro, Priesca, El Fano and South Andean, the "Holding Affiliates" and together with the Cueto Family, the "Reporting Persons"). The members of the Cueto Family, collectively, directly and indirectly beneficially own a majority of the outstanding voting and equity securities of the Holding Affiliates. The Reporting Persons are making this single joint filing because, under the facts and circumstances described in Items 2, 4, 5 and 6, they may be deemed to constitute a "group" within the meaning of Section 13(d)(3) of the Act. As a result, each member of the Cueto Family may be deemed to share beneficial ownership of all of the shares of LAN common stock beneficially owned by the Reporting Persons. The agreement among the Reporting Persons to file this Schedule 13D jointly in accordance with Rule 13d-1(k) of the Act is attached hereto as Exhibit 99.1. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that any Reporting Person or any of its affiliates is the beneficial owner of any Shares beneficially owned by any other Reporting Persons for purposes of Section 13(d) of the Act or for any other purpose.

(b) The principal business and principal office address for the Holding Affiliates is: Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile. The principal business address for each member of the Cueto Family is: Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile.

(c) The principal business of the Holding Affiliates is to make investments in various entities. The principal occupation or employment of each of the members of the Cueto Family is set forth in Schedule I attached hereto.

(d) The executive officers and directors of the Holding Affiliates are set forth in Schedule II-1 through Schedule II-11 (collectively, "Schedule II") attached hereto. None of the Reporting Persons, nor, to the best of their knowledge, any of the directors or executive officers listed in Schedule II attached hereto has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Except as described below, none of the Reporting Persons, nor, to the best of their knowledge, any of the directors or executive officers listed in Schedule II attached hereto has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

On July 6, 2007, the *Superintendencia de Valores y Seguros* ("SVS") fined Juan José Cueto Plaza 1,620 UF (approximately US\$58,000) in connection with the purchase of shares of LAN common stock that he carried out through Mineras del Cantábrico on July 24, 2006. The SVS considered that such purchase had breached an obligation not to acquire shares of LAN common stock until the financial statements of the company became publicly available, in alleged violation of Article 165, paragraph 1 of Law No.18,045 of October 22, 1981. The SVS ruled that, although Mr. Cueto Plaza had not used any privileged information, LAN's financial statements should be considered to be privileged information *per se*, and thus, created a duty to abstain from trading the securities prior to the disclosure of the financial statements. Juan José Cueto Plaza filed a claim challenging the fine levied by the SVS before the 27° Civil Court of Santiago, which in turn rejected his claim on January 8, 2009. Subsequently, Juan José Cueto Plaza filed an appeal of this judgment before the Santiago Court of Appeals, which was rejected on March 8, 2010. Finally, on March 19, 2010, Juan José Cueto Plaza filed a *Recurso de Casación en la Forma and a Recurso de Casación en el Fondo* against the judgment before the Chilean Supreme Court. A final decision is pending.

(f) Each member of the Cueto Family is a Chilean citizen.

Costa Verde Aeronáutica, is a *sociedad anónima* organized under the laws of the Republic of Chile ("Chile"). Inversiones CVA and Mineras del Cantábrico, collectively, have a majority interest in Costa Verde Aeronáutica.

Mineras del Cantábrico, is a *sociedad anónima* organized under the laws of Chile. Its shareholders are Juan José Cueto Plaza, Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza, María Esperanza Cueto Plaza, Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz-Tagle, Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura, Juan José Cueto Ventura, Manuela Cueto Sarquis, Pedro Cueto Sarquis, Juan Cueto Sarquis, Antonia Cueto Sarquis, Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano, Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto and María Esperanza Alcaíno Cueto.

Costa Verde Ltda. CPA, is a *sociedad de responsabilidad limitada y comandita por acciones* organized under the laws of Chile. La Espasa, Caravia, Puerto Claro, Priesca, El Fano and South Andean have a majority interest in Costa Verde Ltda. CPA and its general partner is Costa Verde Ltda. Juan José Cueto Plaza, Ignacio Javier Cueto Plaza and Enrique Miguel Cueto Plaza, collectively, have control of Costa Verde Ltda. CPA through their respective ownership of interests in Caravia, Priesca, El Fano and Costa Verde Ltda, as applicable.

Costa Verde Ltda. is a *sociedad de responsabilidad limitada* organized under the laws of Chile. Juan José Cueto Plaza, Ignacio Javier Cueto Plaza and Enrique Miguel Cueto Plaza have a majority interest in Costa Verde Ltda.

Inversiones CVA is a *sociedad de responsabilidad limitada* organized under the laws of Chile. Caravia, Priesca and El Fano, collectively, have a majority interest in Inversiones CVA.

La Espasa is a *sociedad de responsabilidad limitada* organized under the laws of Chile. María Esperanza Cueto Plaza has a majority interest in La Espasa.

Caravia is a *sociedad de responsabilidad limitada* organized under the laws of Chile. Juan José Cueto Plaza has a majority interest in Caravia.

Puerto Claro is a *sociedad anónima* organized under the laws of Chile. Isidora Cueto Cazes y Cia. Ltda. has a majority interest in Puerto Claro.

Priesca is a *sociedad de responsabilidad limitada* organized under the laws of Chile. Ignacio Javier Cueto Plaza has a majority interest in Priesca.

El Fano is a *sociedad de responsabilidad limitada* organized under the laws of Chile. Enrique Miguel Cueto Plaza has a majority interest in El Fano.

South Andean is a *sociedad anónima* organized under the laws of Chile. Its shareholders are Juan José Cueto Plaza, Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza, María Esperanza Cueto Plaza, Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz-Tagle, Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura, Juan José Cueto Ventura, Pedro Cueto Sarquis, Juan Cueto Sarquis, Antonia Cueto Sarquis, Manuela Cueto Sarquis, Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano, Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto and María Esperanza Alcaíno Cueto.

Isidora Cueto Cazes y Cía Ltda. is a *sociedad de responsabilidad limitada* organized under the laws of Chile. Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle and María Emilia Cueto Ruiz-Tagle have a majority interest in Isidora Cueto Cazes y Cía Ltda.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 of the Schedule 13D is hereby supplemented by adding the following:

As further described in Item 6 below, on December 24, 2010 Costa Verde Ltda. CPA sold 770,342,208 shares of common stock of Costa Verde Aeronáutica, representing approximately 99.73% of Costa Verde Aeronáutica's outstanding shares (collectively, the "CVA Shares"), to Inversiones CVA for a purchase price of CLP\$1,300 per CVA Share and a total purchase price of CLP\$1,001,444,864,000. Inversiones CVA funded the purchase price for the CVA Shares in part using intercompany loans in the amount of CLP\$291,468,687,304 from each of its shareholders Priesca, Caravia and El Fano, and funded the remainder of the purchase price using capital contributions in equal amounts from each of Priesca, Caravia and El Fano. The sale of the CVA Shares was conducted through an auction under the rules of the Bolsa de Comercio de Santiago (the "Santiago Stock Exchange").

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby supplemented by adding the following:

On January 18, 2011, Costa Verde Aeronáutica and Mineras del Cantábrico (collectively, the "LAN Controlling Shareholders") and LAN entered into an Implementation Agreement and Exchange Offer Agreement (collectively, the "Transaction Agreements") with TAM S.A. ("TAM"), TAM Empreendimentos e Participações S.A. ("TEP") and Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro (collectively, the "Amaro Family"), which set forth the terms and conditions of a proposed business combination of LAN and TAM.

On the terms and subject to the conditions set forth in the Transaction Agreements, all or substantially all of the outstanding voting common shares of TAM will be acquired by a new Chilean corporation ("Holdco 1") and substantially all of the outstanding non-voting preferred shares of TAM will be acquired by LAN through a series of transactions and corporate restructurings described below. If these transactions and corporate restructurings are successfully completed:

- The Amaro Family will create and wholly own a new Chilean corporation ("TEP Chile");
- TEP Chile will acquire and hold at least 80% of the voting stock of Holdco 1 (which voting stock will have no economic rights in Holdco 1 other than nominal dividend rights);
- LAN will acquire no more than 20% of the voting stock of Holdco 1;
- LAN will acquire and hold 100% of the non-voting stock of Holdco 1 (which non-voting stock will have substantially all of the economic rights in Holdco 1);
- Holdco 1 will acquire and hold all or substantially all of the voting common shares of TAM;
- LAN will acquire and hold all or substantially all of the non-voting preferred shares of TAM; and
- LAN, TAM, TEP Chile, Holdco 1 and the LAN Controlling Shareholders will enter into the various shareholder agreements referred to below relating to the holding of shares in, and the governance of, and relationships between, LAN, Holdco 1, TAM and their respective subsidiaries.

Pursuant to the Transaction Agreements, the parties will form a new Chilean corporation ("Holdco 2") that will launch a delisting exchange offer pursuant to which all holders of voting common shares of TAM and non-voting preferred shares of TAM (in each case other than the Amaro Family) may tender such shares of TAM in exchange for shares of LAN common stock (the "Exchange Offer"). The exchange ratio will be 0.9 shares of LAN common stock per TAM share (whether voting common shares or non-voting preferred shares).

Simultaneously with the consummation of the Exchange Offer:

- The Amaro Family will contribute to TEP Chile all of the voting common shares of TAM and non-voting preferred shares of TAM beneficially owned collectively by the Amaro Family;
- TEP Chile will contribute all of the voting ordinary shares of TAM it receives from the Amaro Family to Holdco 1 in exchange for voting and non-voting shares of Holdco 1;
- TEP Chile will contribute (i) all of the non-voting shares of Holdco 1, up to 20% of the voting shares of Holdco 1, and all of the non-voting preferred shares of TAM to a new Chilean corporation ("Sister Holdco") in exchange for all of the shares of Sister Holdco (other than one share held by a nominee of TEP Chile); and
- Holdco 2 and Sister Holdco will merge with and into LAN (collectively, the "Mergers").

Following the consummation of these transactions and the Mergers, both the Amaro Family and the shareholders of TAM that tender their TAM shares in the Exchange Offer will receive shares of LAN common stock (in the form of such shares or Brazilian Depositary Receipts ("BDRs") or American Depositary Receipts ("ADRs") representing such shares) at the exchange ratio of 0.9 of a share of LAN common stock per TAM share (whether voting common shares or non-voting preferred shares).

The commencement of the Exchange Offer is subject to certain conditions set forth in the Transaction Agreements, including regulatory approvals, approval by the shareholders of LAN and the condition that no more than 2.5% of the holders of shares of LAN common stock shall have exercised their appraisal rights under Chilean law. The consummation of the Exchange Offer is also subject to certain conditions set forth in the Transaction Agreements, including minimum tender conditions sufficient under Brazilian law to permit (i) the delisting of TAM stock from the BM&FBovespa ("Bovespa"), and (ii) a statutory squeeze-out under Brazilian law of all TAM shares that do not accept the Exchange Offer, in each case after consummation of the Mergers. In general, the delisting condition requires the tender of at least 66 2/3% of the outstanding shares not owned by the Amaro Family and certain other insiders and the squeeze out condition requires that LAN acquire an aggregate of more than 95% of the outstanding TAM shares from the Amaro Family and pursuant to the Exchange Offer. The Exchange Offer will be registered under the U.S. Securities Act of 1933, as amended, and holders of ADRs representing TAM shares are expected to be able to cause the ADR depositary to tender their underlying TAM shares into the Exchange Offer.

Following the consummation of the Mergers:

- the shares of LAN common stock will be listed in Brazil on the Bovespa in the form of BDRs;
- the shares of LAN common stock will continue to be listed in Chile on the Santiago Stock Exchange and in the United States on the New York Stock Exchange ("NYSE") in the form of ADRs;
- subject to satisfaction of the delisting condition described above, all TAM shares (whether voting common shares or non-voting preferred shares) will no longer be listed in Brazil on the Bovespa or in the United States on the NYSE in the form of ADRs; and
- LAN's name will be changed to "LATAM Airlines Group S.A."

As an inducement to the other parties to enter into the Transaction Agreements, the LAN Controlling Shareholders agreed, until the earlier of termination of the Transaction Agreements and the effective time of the Mergers, to vote their shares of LAN common stock in favor of the approval of the Mergers, the proposed change of LAN's name and the other transactions contemplated by the Transaction Agreements and against any alternative transaction proposal relating to LAN and any transaction that would reasonably be expected to result in a breach by LAN of the Transaction Agreements. The Transaction Agreements also restrict transfers of the shares of LAN common stock beneficially owned by the Reporting Persons, except for certain permitted transfers to affiliates as long as the transferor continues to be, and the transferee agrees to become, bound by the terms of the Transaction Agreements.

As a condition to the commencement of the Exchange Offer, the Transaction Agreements also require the parties to enter into shareholders agreements that will govern relations among LAN, TAM, TEP Chile, Holdco 1, their respective subsidiaries and the LAN Controlling Shareholders, including with respect to board representation, and voting and disposition of shares of, LAN and Holdco 1, TAM and its subsidiaries. These shareholder agreements will become effective only upon consummation of the Mergers.

The shareholders agreement to be entered into among the LAN Controlling Shareholders and TEP Chile (the “Control Group Shareholders Agreement”) provides, among other things, the following:

- Until such time as TEP Chile sells any of its shares of LAN common stock, the LAN Controlling Shareholders agree to vote their shares of LAN common stock to elect to the LAN board of directors (the “LAN Board”) any individual designated by TEP Chile unless TEP Chile beneficially owns enough shares of LAN common stock to elect two directors to the LAN Board;
- The parties agree to vote their shares of LAN common stock to assist the other parties in removing and replacing the directors such other parties elected to the LAN Board;
- The parties agree to consult with one another and use their good faith efforts to reach an agreement and act jointly on all actions (other than actions requiring supermajority approval under Chilean law) to be taken by the LAN Board or the LAN shareholders; and
- If, after good faith efforts to reach an agreement with respect to any action that requires supermajority approval under Chilean law and a mediation period, the parties do not reach such an agreement then TEP Chile agrees to vote its shares on such supermajority matter as directed by the LAN Controlling Shareholders (each, a “Directed Vote”).

The shareholders agreement to be entered into between LAN and TEP Chile (the “LAN-TEP Shareholders Agreement”) provides, among other things, as follows:

- Mauricio Rolim Amaro will be the Chairman of the LAN Board for the two years following the Effective Time;
- Enrique Miguel Cueto Plaza will remain as chief executive officer, and Ignacio Javier Cueto Plaza will remain as the president and chief operating officer, of LAN; and
- the LAN Board will establish a strategy committee, a leadership committee, a finance committee and a brand, product and frequent flyer program committee to review, discuss and make recommendations to the LAN Board and at least one director selected by TEP Chile will serve on each committee of the LAN Board.

If the holders of all of the outstanding TAM shares (other than the Amaro Family) tender their shares in the Exchange Offer and there are no new issuances of shares of LAN or TAM other than pursuant to the Transaction Agreements, then after consummation of the Mergers the issued and outstanding shares of LAN will be distributed approximately as follows (which is reflected in the structure chart attached as Exhibit 99.9 hereto):

- LAN Controlling Shareholders – 24.07%
- Other existing shareholders of LAN – 46.60%;
- TEP Chile – 13.67%; and
- Other existing holders of TAM shares – 15.65%.

LAN, TEP Chile and Holdco 1 will also enter into a shareholders agreement (the “Holdco 1 Shareholders Agreement”) and LAN, TEP Chile, Holdco 1 and TAM will enter into a shareholders agreement (the “TAM Shareholders Agreement”) relating to the governance of Holdco 1 and TAM, respectively. These shareholder agreements generally provide for identical boards of directors and the same chief executive officer (“CEO”) at Holdco 1 and TAM, with LAN appointing two directors and TEP Chile appointing four directors (including the chairman of the board of directors). The Control Group Shareholders Agreements provides that the persons elected by or on behalf of the LAN Controlling Shareholders or TEP to the LAN Board must also serve on the Holdco 1 and TAM Boards. There are certain actions specified in these shareholder agreements that require supermajority approval by the board of directors and/or shareholders of the relevant company, which effectively require the approval of LAN and TEP Chile before the specified actions can be taken. These supermajority actions include, among others, dissolution, liquidation, winding up, transformation, merger, or spin-off of the company, issuance or reduction of capital, change of the company’s purpose, and transactions with related parties or in excess of certain defined thresholds. Marco Bologna, currently the CEO of TAM, will be the initial CEO of Holdco 1 and TAM and any successor CEO will be selected by LAN from three candidates proposed by TEP Chile. The initial chief financial officer (“CFO”) of TAM will be jointly selected by LAN and TEP Chile and any successor CFO will be selected by TEP Chile from three candidates proposed by LAN. The initial chief operating officer and chief commercial officer of TAM will be jointly selected and recommended to the TAM board of directors by the TAM CEO and TAM CFO and approved by such board of directors. These shareholder agreements also regulate the composition of the boards of directors of subsidiaries of TAM.

Copies of the Transaction Agreements, the Control Group Shareholders Agreement, the LAN-TEP Shareholders Agreement, the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement (collectively, the “TAM Agreements”) are attached hereto as Exhibits 99.3 through Exhibit 99.8, and each TAM Agreement is incorporated herein by reference. The summaries of the TAM Agreements contained in this Schedule are qualified in their entirety by reference to the full versions of the TAM Agreements attached as exhibits hereto.

Except as set forth above, none of the Reporting Persons has any plan or proposal which relates to or would result in any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D, although the Reporting Persons reserve the right to do so.

As further described in Item 6 below, on December 24, 2010 the Reporting Persons completed a reorganization of the holding structure of Costa Verde Aeronáutica through the sale of the CVA Shares by Costa Verde Ltda. CPA to Inversiones CVA. No change in control occurred as a result of this restructuring as Enrique Miguel Cueto Plaza, Juan José Cueto Plaza and Ignacio Javier Cueto Plaza continue to jointly control Costa Verde Aeronáutica and LAN indirectly through their indirect ownership of the CVA Shares. The reorganization was intended to simplify the holding structure of Costa Verde Aeronáutica to facilitate the control of Costa Verde Aeronáutica and LAN by Enrique Miguel Cueto Plaza, Juan José Cueto Plaza and Ignacio Javier Cueto Plaza and the relationship between Costa Verde Aeronáutica, Mineras del Cantábrico and TEP Chile in respect of the governance of LAN should the proposed business combination of LAN and TAM contemplated in the Transaction Agreements be completed.

Item 5. Interest in Securities of the Issuer.

Items 5(a) and 5(b) of the Schedule 13D are hereby amended and restated in their entirety as follows:

- (a) The Reporting Persons may be deemed to be a group within the meaning of Section 13(d)(3) of the Act consisting of the Reporting Persons as a result of the facts and circumstances described in Items 2, 4, 5 and 6 of this Schedule 13D. The Reporting Persons as a group may be deemed beneficially to own 115,399,502 shares of LAN common stock, representing approximately 34.1% of the outstanding shares of LAN common stock (based on 338,790,909 shares of LAN common stock outstanding as of December 31, 2009 as set forth in LAN's Report of Results for Year 2009 and Fourth Quarter of 2009). Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that any Reporting Person or any of its affiliates is the beneficial owner of any shares of LAN common stock beneficially owned by any other Reporting Persons for purposes of Section 13(d) of the Act or for any other purpose.
- (b) Decisions with respect to the voting and disposition of the shares of LAN common stock beneficially owned by the Reporting Persons are governed by the organizational documents and other governing documents applicable to the Holding Affiliates (collectively, the "Holdings Instruments"). Pursuant to the Holdings Instruments, the Reporting Persons share the power to vote or to direct the vote and to dispose or to direct the disposition of the 115,399,502 shares of LAN common stock that are directly or indirectly beneficially owned by them.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The first paragraph of Item 6 of the Schedule 13D is hereby amended and restated in its entirety as follows:

Items 2, 4 and 5 disclose certain relationships among the Reporting Persons and between the Reporting Persons and certain other persons with respect to the shares of LAN common stock, which disclosures are hereby incorporated by reference into this Item 6 in their entirety. Other than the TAM Agreements and the Holdings Instruments and as described in Item 4 above, this Item 6 and Item 7 below, there are no contracts, arrangements or understandings among the Reporting Persons and between the Reporting Persons and any other person with respect to securities of LAN. The members of the Cueto Family are related as follows: Messrs. Juan José Cueto Plaza, Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza and Ms. María Esperanza Cueto Plaza are siblings, and Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz-Tagle, being siblings among themselves, are their nieces and nephew. Mr. Enrique Miguel Cueto Plaza is the father of Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura and Juan José Cueto Ventura. Mr. Juan José Cueto Plaza is the father of Manuela Cueto Sarquis, Pedro Cueto Sarquis, Juan Cueto Sarquis and Antonia Cueto Sarquis. Mr. Ignacio Javier Cueto Plaza is the father of Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano. Ms. María Esperanza Cueto Plaza is the mother of Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto and María Esperanza Alcaíno Cueto. The Holding Affiliates are directly and indirectly beneficially owned by the members of the Cueto Family, collectively. As discussed above under Item 5(b), decisions with respect to the voting and disposition of the shares of LAN common stock beneficially owned by the Reporting Persons are governed by the Holdings Instruments. Pursuant to the Holdings Instruments, the Reporting Persons share the power to vote or to direct the vote and to dispose or to direct the disposition of the shares of LAN common stock that are directly or indirectly beneficially owned by them.

The last paragraph of Item 6 of the Schedule 13D is hereby amended and restated in its entirety as follows:

Joint Filing Agreement

Pursuant to Rule 13d-1(k) promulgated under the Act, the Reporting Persons have entered into a Joint Filing Agreement with respect to the joint filing of the Schedule 13D and any amendment or amendments thereto. The Joint Filing Agreement is attached hereto as Exhibit 99.1 and incorporated herein by reference. The foregoing summary of the Joint Filing Agreement is qualified in its entirety by reference to the Joint Filing Agreement.

Item 6 of the Schedule 13D is hereby supplemented by adding the following at the end thereof:

Restructuring

On December 24, 2010, Costa Verde Ltda. CPA sold the CVA Shares to Inversiones CVA for a purchase price of CLP\$1,300 per CVA Share and a total purchase price of CLP\$1,001,444,864,000. The sale of the CVA Shares was conducted through an auction under the rules of the Santiago Stock Exchange. As discussed above under Item 2, each of El Fano, Priesca and Caravia hold shares representing 33% of Inversiones CVA's outstanding shares and the remaining 1% of Inversiones CVA's outstanding shares are owned by Costa Verde Ltda. CPA, which holds .09% of such shares, and Costa Verde Ltda., which holds the remaining 0.1% of such shares. Enrique Miguel Cueto Plaza, Juan José Cueto Plaza and Ignacio Javier Cueto Plaza, collectively, own a majority interest in Inversiones CVA indirectly through their respective ownership of interests in Caravia, Priesca, El Fano and Costa Verde Ltda., as applicable, and will continue to jointly control Costa Verde Aeronáutica and LAN indirectly through their indirect ownership of the CVA Shares. The reorganization was intended to simplify the holding structure of Costa Verde Aeronáutica so as to facilitate the control of Costa Verde Aeronáutica and LAN by Enrique Miguel Cueto Plaza, Juan José Cueto Plaza and Ignacio Javier Cueto Plaza and the relationship between Costa Verde Aeronáutica, Mineras del Cantábrico and TEP in respect of the governance of the LAN should the proposed business combination of LAN and TAM described in Item 4 be consummated. As of the date hereof, Costa Verde Aeronáutica is the owner of 107,575,407 shares of LAN common stock representing approximately 31.75% of the outstanding shares of LAN common stock.

Transaction Agreements

Pursuant to the Transaction Agreements, the parties have agreed not to, and to cause their respective affiliates and representatives not to, directly or indirectly, (i) solicit, initiate or encourage any inquiries or the making or consummation of any proposal or offer that constitutes, or is reasonably likely to lead to, an Alternative Proposal with respect to LAN (in the case of LAN and the LAN Controlling Shareholders) or TAM (in the case of TEP and the Amaro Family), (ii) engage in, continue or otherwise participate in any discussions or negotiations regarding, or provide to any person any non-public information or data in connection with, or otherwise cooperate in any way with, any such Alternative Proposal, (iii) waive, terminate, modify or fail to enforce any provision of any "standstill" or similar obligation of any person, (iv) enter into any binding or non-binding contract with respect to any such Alternative Proposal or (v) otherwise knowingly facilitate any effort or attempt to make any such Alternative Proposal. The term "Alternative Proposal" is generally defined in the Transaction Agreements to mean, with respect to LAN or TAM, as applicable, any of the following actions or any proposal or offer by any person or group relating to, or that could reasonably be expected to lead to, any of the following: (i) any direct or indirect acquisition, lease, license or outsourcing, in one transaction or a series of related transactions, of any assets, services or businesses of such person or any of its subsidiaries collectively representing more than 25% of the fair market value of the total assets of such person or collectively generating or contributing 25% or more of the total consolidated revenues or operating income of such person during the last fiscal year, (ii) any tender offer or exchange offer that, if consummated, would result in any person or group beneficially owning any equity securities of such person, or (iii) any business combination, recapitalization, issuance or amendment of securities, liquidation, dissolution, joint venture, share exchange or similar transaction involving such person or any of its subsidiaries.

Control Group Shareholders Agreement

Pursuant to the Control Group Shareholders Agreement, the LAN Controlling Shareholders and TEP Chile are subject to certain restrictions on sales, transfers and pledges of the shares of LAN common stock and (in the case of TEP Chile only) the voting shares of Holdco 1 beneficially owned by them. Except for a limited amount of shares of LAN common stock, neither the LAN Controlling Shareholders nor TEP Chile may sell any of its shares of LAN common stock and TEP Chile may not sell its voting shares of Holdco 1 until the third anniversary of the consummation of the Mergers. Thereafter, sales of shares of LAN common stock by either party are permitted, subject to (i) certain limitations on the volume and frequency of sales and (ii) in the case of TEP Chile only, certain minimum ownership requirements. After the tenth anniversary of the consummation of the Mergers, TEP Chile may sell all of its shares of LAN common stock and voting shares of Holdco 1 as a block, subject to (x) approval of the transferee by the LAN Board, (y) the condition that the sale not have a material adverse effect on LAN's and Holdco 1's ownership of TAM and its subsidiaries or the ability of TAM and its subsidiaries to operate their airline businesses worldwide (an "Adverse Effect") and (z) a right of first offer in favor of the LAN Controlling Shareholders (collectively, the "Block Sale Provisions"). The LAN Controlling Shareholders have agreed to transfer any voting shares of Holdco 1 acquired pursuant to such right of first offer to LAN for the same consideration paid for such shares. The Block Sale Provisions will also apply to any transfer by TEP Chile of shares of LAN common stock or voting shares of Holdco 1 beneficially owned by it after the third anniversary of the consummation of the Mergers if Release Event (as described below) occurs or if TEP Chile is required to make two or more Directed Votes during any twenty-four month period at two meetings (consecutive or not) of the shareholders of LAN held at least twelve months apart and LAN has not yet fully exercised its conversion option described below. A Release Event will occur if (i) a capital increase of LAN occurs, (ii) TEP Chile does not fully exercise the preemptive rights granted to it under applicable Law in Chile with respect to such capital increase in respect of all of its restricted shares of LAN common stock, and (iii) after such capital increase is completed, the individual designated by TEP Chile for election to the LAN Board with the assistance of the LAN Controlling Shareholders is not elected to the LAN Board. There are exceptions to these restrictions on transfer for certain pledges of LAN common stock made by the parties and for transfers to affiliates, in each case under certain limited circumstances. LAN has the unilateral right to convert its shares of non-voting stock of Holdco 1 into shares of voting stock of Holdco 1 to the maximum extent allowed under law and to increase its representation on the TAM and Holdco 1 boards if and when permitted in accordance with foreign ownership control laws in Brazil and other applicable laws. If on or after the tenth anniversary of the consummation of the Mergers, LAN fully converts all of its shares of non-voting stock of Holdco 1 into shares of voting stock of Holdco 1 as permitted by Brazilian law and other applicable laws, then it has the right to purchase all of the voting shares of Holdco 1 held by the Amaro Family for an amount equal to their then current tax basis in such shares and any costs incurred by them to effect such sale (the "Sale Consideration"). If LAN does not timely exercise its right to purchase these shares or if, after the tenth anniversary of the consummation of the Mergers, LAN has the right under applicable Law in Brazil and other applicable Law to fully convert all the shares of non-voting stock of Holdco 1 beneficially owned by it into shares of voting stock of Holdco 1 and such conversion would not have an Adverse Effect but

LAN has not fully exercised such right within a specified period, then the Amaro Family will have the right to put their shares of voting stock of Holdco 1 to LAN for an amount equal to the Sale Consideration.

Item 7. Material to Be Filed as Exhibits.

Exhibit 99.1.	Joint Filing Agreement, dated January 21, 2011, by and among the Reporting Persons.
Exhibit 99.2.	Power of Attorney, dated January 21, 2011, by Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza, María Esperanza Cueto Plaza, Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz- Tagle, Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura, Juan José Cueto Ventura, Manuela Cueto Sarquis, Pedro Cueto Sarquis, Juan Cueto Sarquis, Antonia Cueto Sarquis, Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano, Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto, María Esperanza Alcaíno Cueto, Inversiones Mineras del Cantábrico S.A., Costa Verde Aeronáutica S.A., Inversiones Costa Verde Limitada y Compañía en Comandita por Acciones, Inversiones Costa Verde Limitada, Inversiones Costa Verde Aeronáutica Limitada, Inmobiliaria e Inversiones La Espasa Limitada, Inmobiliaria e Inversiones Caravia Limitada, Inmobiliaria e Inversiones Puerto Claro S.A., Inmobiliaria e Inversiones Priesca Limitada, Inmobiliaria e Inversiones El Fano Limitada, South Andean Investments (Chile) S.A. and Isidora Cueto Cazes y Compañía Limitada.
Exhibit 99.3	Implementation Agreement, dated as of January 18, 2011, among Lan Airlines S.A., Costa Verde Aeronáutica S.A., Inversiones Mineras del Cantábrico S.A., TAM S.A., TAM Empreendimentos e Participações S.A. and Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro,
Exhibit 99.4	Exchange Offer Agreement, dated as of January 18, 2011, among Lan Airlines S.A., Costa Verde Aeronáutica S.A., Inversiones Mineras del Cantábrico S.A., TAM S.A., TAM Empreendimentos e Participações S.A. and Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro,
Exhibit 99.5	Form of Control Group Shareholders Agreement to be entered into among Costa Verde Aeronáutica S.A., Inversiones Mineras del Cantábrico S.A. and TEP Chile S.A.
Exhibit 99.6	Form of LAN-TEP Shareholders Agreement to be entered into between Lan Airlines S.A. and TEP Chile S.A.
Exhibit 99.7	Form of Holdco 1 Shareholders Agreement to be entered into among Lan Airlines S.A., TEP Chile S.A. and [Holdco 1]
Exhibit 99.8	Form of TAM Shareholders Agreement to be entered into among Lan Airlines S.A., TEP Chile S.A., [Holdco 1] and TAM S.A.
Exhibit 99.9	Organizational Structure Chart

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 21, 2011	JUAN JOSÉ CUETO PLAZA By: /s/ Juan José Cueto Plaza Name: Juan José Cueto Plaza
January 21, 2011	IGNACIO JAVIER CUETO PLAZA By: /s/ Juan José Cueto Plaza Name: Juan José Cueto Plaza Title: Attorney-in-fact
January 21, 2011	ENRIQUE MIGUEL CUETO PLAZA By: /s/ Juan José Cueto Plaza Name: Juan José Cueto Plaza Title: Attorney-in-fact
January 21, 2011	MARÍA ESPERANZA CUETO PLAZA By: /s/ Juan José Cueto Plaza Name: Juan José Cueto Plaza Title: Attorney-in-fact
January 21, 2011	ISIDORA CUETO CAZES By: /s/ Juan José Cueto Plaza Name: Juan José Cueto Plaza Title: Attorney-in-fact
January 21, 2011	FELIPE JAIME CUETO RUIZ-TAGLE By: /s/ Juan José Cueto Plaza Name: Juan José Cueto Plaza Title: Attorney-in-fact
January 21, 2011	MARÍA EMILIA CUETO RUIZ-TAGLE By: /s/ Juan José Cueto Plaza Name: Juan José Cueto Plaza Title: Attorney-in-fact

January 21, 2011

ANDREA RAQUEL CUETO VENTURA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

DANIELA ESPERANZA CUETO VENTURA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

VALENTINA SARA CUETO VENTURA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

ALEJANDRA SONIA CUETO VENTURA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

FRANCISCA MARÍA CUETO VENTURA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

JUAN JOSÉ CUETO VENTURA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

MANUELA CUETO SARQUIS

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

PEDRO CUETO SARQUIS

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

JUAN CUETO SARQUIS

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

ANTONIA CUETO SARQUIS

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

FERNANDA CUETO DÉLANO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

IGNACIO CUETO DÉLANO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

JAVIER CUETO DÉLANO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

PABLO CUETO DÉLANO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

JOSÉ CUETO DÉLANO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

NIEVES ISABEL ALCAÍNO CUETO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

MARÍA ELISA ALCAÍNO CUETO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

MARÍA ESPERANZA ALCAÍNO CUETO

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

INVERSIONES MINERAS DEL CANTABRICO S.A.

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

COSTA VERDE AERONÁUTICA S.A.

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

INVERSIONES COSTA VERDE LIMITADA Y COMPAÑÍA EN
COMANDITA POR ACCIONES

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

INVERSIONES COSTA VERDE LIMITADA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES LA ESPASA LIMITADA

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES CARAVIA LIMITADA

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES PUERTO CLARO S.A.

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES PRIESCA LIMITADA

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES EL FANO LIMITADA

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

January 21, 2011

SOUTH ANDEAN INVESTMENTS (CHILE) S.A.

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

January 21, 2011

ISIDORA CUETO CAZES Y COMPAÑIA LIMITADA

By: /s/ Juan José Cueto Plaza

Name: Juan José Cueto Plaza

Title: Legal Representative

Index of Exhibits

Exhibit 99.1.	Joint Filing Agreement, dated January 21, 2011, by and among the Reporting Persons.
Exhibit 99.2.	Power of Attorney, dated January 21, 2011, by Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza, María Esperanza Cueto Plaza, Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz- Tagle, Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura, Juan José Cueto Ventura, Manuela Cueto Sarquis, Pedro Cueto Sarquis, Juan Cueto Sarquis, Antonia Cueto Sarquis, Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano, Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto, María Esperanza Alcaíno Cueto, Inversiones Mineras del Cantábrico S.A., Costa Verde Aeronáutica S.A., Inversiones Costa Verde Limitada y Compañía en Comandita por Acciones, Inversiones Costa Verde Limitada, Inversiones Costa Verde Aeronáutica Limitada, Inmobiliaria e Inversiones La Espasa Limitada, Inmobiliaria e Inversiones Caravia Limitada, Inmobiliaria e Inversiones Puerto Claro S.A., Inmobiliaria e Inversiones Priesca Limitada, Inmobiliaria e Inversiones El Fano Limitada, South Andean Investments (Chile) S.A. and Isidora Cueto Cazes y Compañía Limitada.
Exhibit 99.3	Implementation Agreement, dated as of January 18, 2011, among Lan Airlines S.A., Costa Verde Aeronáutica S.A., Inversiones Mineras del Cantábrico S.A., TAM S.A., TAM Empreendimentos e Participações S.A. and Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro,
Exhibit 99.4	Exchange Offer Agreement, dated as of January 18, 2011, among Lan Airlines S.A., Costa Verde Aeronáutica S.A., Inversiones Mineras del Cantábrico S.A., TAM S.A., TAM Empreendimentos e Participações S.A. and Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro,
Exhibit 99.5	Form of Control Group Shareholders Agreement to be entered into among Costa Verde Aeronáutica S.A., Inversiones Mineras del Cantábrico S.A. and TEP Chile S.A.
Exhibit 99.6	Form of LAN-TEP Shareholders Agreement proposed to be entered into between Lan Airlines S.A. and TEP Chile S.A.
Exhibit 99.7	Form of Holdco 1 Shareholders Agreement to be entered into among Lan Airlines S.A., TEP Chile S.A. and [Holdco 1]
Exhibit 99.8	Form of TAM Shareholders Agreement to be entered into among Lan Airlines S.A., TEP Chile S.A., [Holdco 1] and TAM S.A.
Exhibit 99.9	Organizational Structure Chart

THE CUETO FAMILY

All of the individuals listed below are citizens of Chile.

Name	Principal Occupation
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
María Esperanza Cueto Plaza	Director of Prodemu President of Comunidad Mujer
Isidora Cueto Cazes	Student
Felipe Jaime Cueto Ruiz- Tagle	Student
María Emilia Cueto Ruiz- Tagle	Student
Andrea Raquel Cueto Ventura	Student
Daniela Esperanza Cueto Ventura	Student
Valentina Sara Cueto Ventura	Student
Alejandra Sonia Cueto Ventura	Student
Francisca María Cueto Ventura	Student
Juan José Cueto Ventura	Student
Manuela Cueto Sarquis	Student
Pedro Cueto Sarquis	Student
Juan Cueto Sarquis	Student
Antonia Cueto Sarquis	Student
Fernanda Cueto Délano	Student
Ignacio Cueto Délano	Student
Javier Cueto Délano	Student
Pablo Cueto Délano	Student
José Cueto Délano	Student
Nieves Isabel Alcaíno Cueto	Student
María Elisa Alcaíno Cueto	Student
María Esperanza Alcaíno Cueto	Student

SCHEDULE II-1

Costa Verde Aeronáutica S.A.

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Directors	
Hernán Morales Valdés	Lawyer and general counsel of Costa Verde Aeronáutica S.A.
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Juan José Cueto Sierra	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A.
Matias Herrera Rahilly	Degree in Business Administration
Luis Alberto Ortega Muñoz	Public Accountant
Executive Officer	
Carlos Vallette Gudenschwager	Chief Executive Officer

SCHEDULE II- 2

Inversiones Mineras del Cantábrico S.A.

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Directors	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Juan José Cueto Sierra	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A.
Matias Herrera Rahilly	Degree in Business Administration
Francisco Javier Ovalle Fuenzalida	Degree in Business Administration.
Hernán Morales Valdés	Lawyer and general counsel of Costa Verde Aeronáutica S.A.
Executive Officer	
Carlos Vallette Gudenschwager	Chief Executive Officer

Inversiones Costa Verde Limitada y Compañía en Comandita por Acciones

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

This is a limited partnership managed by its general partner, Inversiones Costa Verde Limitada.

Inversiones Costa Verde Limitada

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Managers	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.

Inversiones Costa Verde Aeronáutica Limitada

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Managers	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.

Inmobiliaria e Inversiones La Espasa Limitada

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Directors	
María Esperanza Cueto Plaza	Director of Prodemu President of Comunidad Mujer
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.

Inmobiliaria e Inversiones Caravia Limitada

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Managers	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.

SCHEDULE II- 7

Inmobiliaria e Inversiones Puerto Claro S.A.

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Directors	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.
Executive Officer	
Juan José Cueto Plaza	Chief Executive Officer

Inmobiliaria e Inversiones Priesca Limitada

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Managers	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.

SCHEDULE II- 9

Inmobiliaria e Inversiones El Fano Limitada

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Managers	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.

SCHEDULE II- 10

South Andean Investments (Chile) S.A.

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Directors	
José María Eyzaguirre García de la Huerta	Partner at Claro & Cía., a law firm.
José María Eyzaguirre Baeza	Partner at Claro & Cía., a law firm.
Sebastián Eyzaguirre Baeza	Partner at Claro & Cía., a law firm.
Executive Officer	
Sebastián Eyzaguirre Baeza	Chief Executive Officer

Isidora Cueto Cazes y Compañía Limitada

Presidente Riesco 5711, Suite 1604, Las Condes, Santiago, Chile

All of the individuals listed below are citizens of Chile.

Name and Position	Principal Occupation
Managers	
Juan José Cueto Plaza	Director of Lan Airlines S.A. Director of Costa Verde Aeronáutica S.A. Director of Minera Michilla S.A.
Enrique Miguel Cueto Plaza	Executive Vice President of Lan Airlines S.A.
Ignacio Javier Cueto Plaza	Chief Executive Officer of Lan Airlines S.A.

JOINT FILING AGREEMENT

THIS JOINT FILING AGREEMENT (the “Agreement”) is made and entered into as of this 21st day of January, 2011 by and among Juan José Cueto Plaza, Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza, María Esperanza Cueto Plaza, Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz- Tagle, Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura, Juan José Cueto Ventura, Manuela Cueto Sarquis, Pedro Cueto Sarquis, Juan Cueto Sarquis, Antonia Cueto Sarquis, Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano, Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto, María Esperanza Alcaíno Cueto, Inversiones Mineras del Cantábrico S.A., Costa Verde Aeronáutica S.A., Inversiones Costa Verde Limitada y Compañía en Comandita por Acciones, Inversiones Costa Verde Limitada, Inversiones Costa Verde Aeronáutica Limitada, Inmobiliaria e Inversiones La Espasa Limitada, Inmobiliaria e Inversiones Caravia Limitada, Inmobiliaria e Inversiones Puerto Claro S.A., Inmobiliaria e Inversiones Priesca Limitada, Inmobiliaria e Inversiones El Fano Limitada, South Andean Investments (Chile) S.A. and Isidora Cueto Cazes y Compañía Limitada.

The parties to this Agreement hereby agree to prepare jointly and file timely (or otherwise to deliver as appropriate) all filings on schedules 13D and 13G, and any amendments thereto (“13D and 13G Filings”) required to be filed by them pursuant to sections 13(d) and 13(g) under the Securities Exchange Act of 1934, as amended, with respect to their respective ownership of shares of LAN common stock and other securities representing, or convertible into, such shares. Each party to this Agreement further agrees and covenants to the other parties that it will fully cooperate with such other parties in the preparation and timely filing (and other delivery) of all 13D and 13G Filings.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

[Signature pages follow]

January 21, 2011

JUAN JOSÉ CUETO PLAZA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza

January 21, 2011

IGNACIO JAVIER CUETO PLAZA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

ENRIQUE MIGUEL CUETO PLAZA

By: /s/ Juan José Cueto Plaza
Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

MARÍA ESPERANZA CUETO PLAZA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Attorney-in-fact

January 21, 2011

ISIDORA CUETO CAZES

By: /s/ Juan José Cueto Plaza
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January 21, 2011

FELIPE JAIME CUETO RUIZ-TAGLE

By: /s/ Juan José Cueto Plaza
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January 21, 2011

MARÍA EMILIA CUETO RUIZ-TAGLE

By: /s/ Juan José Cueto Plaza
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January 21, 2011

ANDREA RAQUEL CUETO VENTURA

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VALENTINA SARA CUETO VENTURA

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MANUELA CUETO SARQUIS

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January 21, 2011

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Title: Attorney-in-fact

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FERNANDA CUETO DÉLANO

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January 21, 2011

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INVERSIONES MINERAS DEL CANTABRICO S.A.

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

COSTA VERDE AERONÁUTICA S.A.

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
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January 21, 2011

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By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
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January 21, 2011

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LIMITADA

By: /s/ Juan José Cueto Plaza
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Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES PUERTO
CLARO S.A.

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES PRIESCA
LIMITADA

By: /s/ Juan José Cueto Plaza
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Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES EL FANO
LIMITADA

By: /s/ Juan José Cueto Plaza
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January 21, 2011

SOUTH ANDEAN INVESTMENTS (CHILE) S.A.

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

ISIDORA CUETO CAZES Y COMPAÑIA LIMITADA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

POWER OF ATTORNEY

Ignacio Javier Cueto Plaza, Enrique Miguel Cueto Plaza, María Esperanza Cueto Plaza, Isidora Cueto Cazes, Felipe Jaime Cueto Ruiz-Tagle, María Emilia Cueto Ruiz- Tagle, Andrea Raquel Cueto Ventura, Daniela Esperanza Cueto Ventura, Valentina Sara Cueto Ventura, Alejandra Sonia Cueto Ventura, Francisca María Cueto Ventura, Juan José Cueto Ventura, Manuela Cueto Sarquis, Pedro Cueto Sarquis, Juan Cueto Sarquis, Antonia Cueto Sarquis, Fernanda Cueto Délano, Ignacio Cueto Délano, Javier Cueto Délano, Pablo Cueto Délano, José Cueto Délano, Nieves Isabel Alcaíno Cueto, María Elisa Alcaíno Cueto, María Esperanza Alcaíno Cueto, Inversiones Mineras del Cantábrico S.A., Costa Verde Aeronáutica S.A., Inversiones Costa Verde Limitada y Compañía en Comandita por Acciones, Inversiones Costa Verde Limitada, Inversiones Costa Verde Aeronáutica Limitada, Inmobiliaria e Inversiones La Espasa Limitada, Inmobiliaria e Inversiones Caravia Limitada, Inmobiliaria e Inversiones Puerto Claro S.A., Inmobiliaria e Inversiones Priesca Limitada, Inmobiliaria e Inversiones El Fano Limitada, South Andean Investments (Chile) S.A. and Isidora Cueto Cazes y Compañía Limitada (collectively the “Cueto Group”) each hereby constitute and appoint Juan José Cueto Plaza (the “Attorney-in-Fact”) as legal representative to execute for and on behalf of the Cueto Group, all Schedules 13D and 13G under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the United States Securities and Exchange Commission and relevant stock exchanges (individually, each a “Filing”), hereby granting unto said Attorney-in-Fact full power and authority to do and perform any and all acts and things requisite as fully to all intents and purposes as each of the members of the Cueto Group might or could do in person, hereby ratifying and confirming all that said Attorney-in-Fact may lawfully do or cause to be done by virtue hereof.

The undersigned acknowledges that the Attorney-in-Fact, in serving in such capacity at the request of the undersigned, is not assuming any of the undersigned's responsibilities to comply with Section 13 of the Securities Exchange Act of 1934.

The powers hereby conferred upon the Attorney-in-Fact shall continue in force until notice of the revocation of this Power of Attorney has been received by the Attorney-in-Fact.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this Power of Attorney this 21st day of January, 2011.

[Signature pages follow]

January 21, 2011

IGNACIO JAVIER CUETO PLAZA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

ENRIQUE MIGUEL CUETO PLAZA

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Title: Legal Representative

January 21, 2011

INVERSIONES COSTA VERDE LIMITADA Y
COMPAÑÍA EN COMANDITA POR ACCIONES
By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

INVERSIONES COSTA VERDE LIMITADA
By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

INVERSIONES COSTA VERDE AERONÁUTICA
LIMITADA
By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES LA ESPASA
LIMITADA

By: /s/ Juan José Cueto Plaza
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January 21, 2011

INMOBILIARIA E INVERSIONES CARAVIA
LIMITADA

By: /s/ Juan José Cueto Plaza
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Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES PUERTO
CLARO S.A.

By: /s/ Juan José Cueto Plaza
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Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES PRIESCA
LIMITADA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

INMOBILIARIA E INVERSIONES EL FANO
LIMITADA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

SOUTH ANDEAN INVESTMENTS (CHILE) S.A.

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

January 21, 2011

ISIDORA CUETO CAZES Y COMPAÑIA LIMITADA

By: /s/ Juan José Cueto Plaza
Name: Juan José Cueto Plaza
Title: Legal Representative

IMPLEMENTATION AGREEMENT

by and among

LAN AIRLINES S.A.,

TAM S.A.,

COSTA VERDE AERONÁUTICA S.A.,

INVERSIONES MINERAS DEL CANTÁBRICO S.A.,

NOEMY ALMEIDA OLIVEIRA AMARO,

MARIA CLÁUDIA OLIVEIRA AMARO,

MAURÍCIO ROLIM AMARO,

JOÃO FRANCISCO AMARO

and

TAM EMPREENDIMENTOS E PARTICIPAÇÕES S.A.

Dated as of January 18, 2011

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IMPLEMENTATION AGREEMENT

IMPLEMENTATION AGREEMENT, dated as of January 18, 2011 (the “**Agreement**”), among LAN AIRLINES S.A., a Chilean corporation (“**LAN**”), COSTA VERDE AERONÁUTICA S.A. and INVERSIONES MINERAS DEL CANTÁBRICO S.A., Chilean corporations that are the controlling shareholders of LAN under the Law of Chile (collectively, the “**LAN Controlling Shareholders**”), TAM S.A., a Brazilian corporation (“**TAM**”), Noemy Almeida Oliveira Amaro, Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro and João Francisco Amaro, all of whom are Brazilian citizens and residents and who, collectively, are the only shareholders of the TAM Direct Controlling Shareholder under the Law of Brazil (all such individuals, collectively, the “**Amaro Family**”), and TAM EMPREENDIMENTOS E PARTICIPAÇÕES S.A., a Brazilian corporation that is the direct controlling shareholder of TAM under the Law of Brazil (the “**TAM Direct Controlling Shareholder**”).

WHEREAS, the board of directors of each of LAN and TAM has approved the combination of the two companies on and subject to the terms and conditions set forth in this Agreement;

WHEREAS, if (but only if) the Agência Nacional de Aviação Civil of Brazil (“**ANAC**”) has approved without any conditions not acceptable to the parties (i) the direct transfer by the TAM Direct Controlling Shareholder to the Amaro Family of all of the shares of ordinary stock, without par value (“**TAM Ordinary Stock**”), of TAM beneficially owned by the TAM Direct Controlling Shareholder (the “**Ordinary TEP Shares**”) (which represents 85.3457% of the outstanding shares of TAM Ordinary Stock), (ii) the direct transfer by the TAM Direct Controlling Shareholder to the Amaro Family of all of the shares of non-voting preferred stock, without par value (the “**TAM Preferred Stock**” and, collectively with the TAM Ordinary Stock, the “**TAM Stock**”), of TAM beneficially owned by the TAM Direct Controlling Shareholder (the “**Preferred TEP Shares**” and, collectively with the Ordinary TEP Shares, the “**TEP Shares**”) (which represents 25.0873% of the outstanding shares of TAM Preferred Stock), (iii) the direct transfer by the Amaro Family to a new Chilean holding company, TEP Chile S.A. (“**TEP Chile**”) of all of the TEP Shares, (iv) the direct transfers by TEP Chile of the Ordinary TEP Shares to Holdco 1 and the Preferred TEP Shares to Sister Holdco, (v) the direct transfers by the other holders of shares of TAM Ordinary Stock to Holdco 2 pursuant to the Exchange Offer, subsequently to LAN pursuant to the Mergers and finally to Holdco 1 through the contribution by LAN and (vi) the direct transfers by the other holders of shares of TAM Preferred Stock to Holdco 2 pursuant to the Exchange Offer and subsequently to LAN pursuant to the Mergers, which direct transfers will result in the indirect transfers of shares of TAM Linhas Aéreas S.A., Pantanal Linhas Aéreas S.A. and TAM Milor Táxi Aéreo, Representações, Marcas e Patentes S.A., such transfers will be effected as described below;

WHEREAS, after the date of this Agreement and prior to the time at which the TEP Chile Subscription is made and paid pursuant to Section 1.12, the Amaro Family will implement a capital reduction of the TAM Direct Controlling Shareholder, pursuant to which the TAM Direct Controlling Shareholder will transfer all of the TEP Shares to the members of the Amaro Family pro rata in accordance with their relative equity ownership of the TAM Direct Controlling Shareholder (“**TEP Restructuring**”);

WHEREAS, after the TEP Restructuring and after the TEP Chile Subscription is made pursuant to Section 1.12, the Amaro Family will contribute all of the TEP Shares to TEP Chile and TEP Chile will contribute all of the Ordinary TEP Shares to a new Chilean holding company ("**Holdco 1**") in exchange for 100% (other than two shares issued to LAN) of the non-voting stock, no par value (the "**Holdco 1 Non-Voting Stock**"), of Holdco 1, and (ii) Holdco 1 and its nominee will incorporate a new Chilean company ("**Holdco 2**"), and the parties agree that the value of the TEP Shares so contributed shall be the net asset value of such TEP Shares as of the date of their contribution;

WHEREAS, after the consummation of the Mergers, the Amaro Family will collectively own 100% of the outstanding shares of TEP Chile, TEP Chile will own at least 80% of the voting stock, no par value (the "**Holdco 1 Voting Stock**," and collectively with the Holdco 1 Non-Voting Stock, "**Holdco 1 Stock**"), of Holdco 1 and LAN will own 100% of the shares of Holdco 1 Non-Voting Stock and no more than 20% of the shares of Holdco 1 Voting Stock;

WHEREAS, Holdco 2 will make a delisting exchange offer (the "**Exchange Offer**"), pursuant to the terms and conditions of the CVM Instruction 361/2002, as amended from time to time, without taking into consideration the amendments to such instruction brought by CVM Instruction 487/2010 and later amendments (the "**CVM I 361**"), for all of the outstanding shares of TAM Stock other than the TEP Shares;

WHEREAS, as a result of the Exchange Offer and the Mergers, LAN will acquire substantially all of the remaining outstanding shares of TAM Stock from the holders who elect to participate in the Exchange Offer and will issue shares of common stock, no par value (the "**LAN Common Stock**"), of LAN to such holders and TEP Chile at the same time and at the same exchange ratio;

WHEREAS, after consummation of the foregoing transactions and assuming (only for purposes of calculating the ownership percentages shown below) that (i) all holders of shares of TAM Stock (other than the TEP Shares) fully participate in the Exchange Offer, (ii) none of the holders of the outstanding shares of LAN Common Stock exercise their appraisal rights (*derecho a retiro*) under the Law of Chile in respect of the Mergers and (iii) the only shares of LAN Common Stock and TAM Stock that will be outstanding after the consummation of the Mergers are the shares issued in the Mergers and the shares which are subscribed and fully paid for as of the date of the Agreement (which excludes any shares issuable upon future exercises of stock options):

- (a) Holdco 1 will own 100% of the shares of TAM Ordinary Stock;

- (b) the Amaro Family collectively will own 100% of the shares of TEP Chile;
- (c) TEP Chile will own 80% of the shares of Holdco 1 Voting Stock;
- (d) LAN will own 100% of the shares of Holdco 1 Non-Voting Stock, 20% of the shares of Holdco 1 Voting Stock and 100% of the shares of TAM Preferred Stock; and
- (e) the Amaro Family collectively will own 13.67% of the outstanding shares of LAN Common Stock through TEP Chile and the other TAM shareholders will own 15.65% of the outstanding shares of LAN Common Stock;

WHEREAS, in connection with the foregoing transactions, LAN, TEP Chile, Holdco 1 and TAM will enter into a shareholder agreement that will set forth their agreements with respect to the governance of, and relationships between, TAM and its subsidiaries;

WHEREAS, in connection with the foregoing transactions, LAN, TEP Chile and Holdco 1 will enter into a shareholder agreement that will set forth their agreements with respect to the governance of Holdco 1;

WHEREAS, in connection with the foregoing transactions, LAN and TEP Chile will enter into a shareholder agreement that will set forth their agreements with respect to the governance of, and relationships between, LAN, Holdco 1 and their respective Subsidiaries;

WHEREAS, in connection with the foregoing transactions, the LAN Controlling Shareholders, as the continuing controlling shareholders of LAN under the Law of Chile, desire to make certain concessions to TEP Chile and the Amaro Family by entering into a shareholder agreement with TEP Chile that will set forth their agreements with respect to the governance of LAN, the voting, sale and transfer of their shares of LAN Common Stock and TEP Chile's shares of Holdco 1 Voting Stock and certain other matters; and

WHEREAS, the board of directors of each of LAN, TAM, the LAN Controlling Shareholders and the TAM Direct Controlling Shareholder have approved this Agreement and the transactions contemplated hereby upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained in this Agreement, and subject to the conditions set forth herein and those relating to the Exchange Offer, the parties hereto agree as follows:

ARTICLE I

THE TRANSACTION

SECTION 1.01. ANAC. On October 20, 2010, the parties hereto submitted to ANAC an application for ANAC's approval of: (i) the direct transfers by the TAM Direct Controlling Shareholder of the TEP Shares to the Amaro Family, (ii) the direct transfer by the Amaro Family of the TEP Shares to TEP Chile, (iii) the direct transfer by TEP Chile of the Ordinary TEP Shares to Holdco 1 and the Preferred TEP Shares to Sister Holdco, (iv) the direct transfers by the other holders of TAM Ordinary Stock to Holdco 2 pursuant to the Exchange Offer, subsequently to LAN pursuant to the Mergers and finally to Holdco 1 through the contribution by LAN and (v) the direct transfers by the other holders of TAM Preferred Stock to Holdco 2 pursuant to the Exchange Offer and subsequently to LAN pursuant to the Mergers (the "**ANAC Approval**"), together with a Private Instrument of Ratification of Understanding, dated as of October 12, 2010 and as amended as of December 13, 2010, among the parties (the "**Ratification of Understanding**"). Promptly following the date hereof, the parties will amend the Ratification of Understanding to request that ANAC also approve the (i) direct transfers by the TAM Direct Controlling Shareholder of the TEP Shares to the Amaro Family and (ii) the direct transfer by the Amaro Family of the TEP Shares to TEP Chile. The parties acknowledge and agree that they will take no actions to implement any of the transactions contemplated by this Agreement (other than the actions described in Sections 1.03 and 1.04) unless and until the ANAC Approval has been received or ANAC has expressly approved the taking of such actions prior to receipt of the ANAC Approval.

SECTION 1.02. The Transaction. Upon the terms and subject to the conditions set forth in this Agreement and those relating to the Exchange Offer and in accordance with applicable Law, the parties shall take or cause to be taken the following actions (the "**Transaction Steps**") in substantially the order listed below; *provided, however*, that notwithstanding the foregoing none of such steps (other than the actions described in Sections 1.03 and 1.04) shall be taken prior to receipt of the ANAC Approval without the prior consent of ANAC. Upon completion of the Transaction Steps, and assuming (only for purposes of calculating the ownership percentages shown therein) that (i) all holders of shares of TAM Stock (other than the TEP Shares) fully participate in the Exchange Offer, (ii) none of the holders of the outstanding shares of LAN Common Stock exercise their appraisal rights (*derecho a retiro*) under Chilean Law in respect of the Mergers and (iii) the only shares of LAN Common Stock and TAM Stock that will be outstanding after the consummation of the Mergers are the shares issued in the Mergers and the shares which are subscribed and fully paid for as of the date of the Agreement (which excludes any shares issuable upon future exercises of stock options), the ownership of LAN, Holdco 1 and TAM will be as set forth in the ownership structure chart attached as **Exhibit 1** hereto.

- (a) Make and publicly announce the Board Transaction Recommendations
- (b) Incorporate TEP Chile, Holdco 1, Holdco 2 and Sister Holdco
- (c) Implement the TEP Restructuring
- (d) Subscribe for and issue Holdco 1 Stock, Holdco 2 Stock and Sister Holdco Stock
- (e) LAN's board of directors meets to recommend that the LAN shareholders vote to approve the Mergers and change of LAN's name
- (f) TAM's board of directors meets to approve a list of appraisal entities to be submitted to TAM's shareholders
- (g) Prior to the calling of the shareholder meeting of LAN, execute and deliver the Shareholders Agreements
- (h) Shareholder meeting of LAN to approve the Mergers and change LAN's name
- (i) Shareholder meeting of TAM to select the appraisal entity
- (j) Shareholder meetings of Holdco 2 and Sister Holdco to approve the Mergers and related matters
- (k) LAN's board of directors conditionally approves the issuance of the LAN Common Stock issuable in the Mergers
- (l) TAM's board of directors meets to recommend that the TAM shareholders tender their shares into the Exchange Offer
- (m) Commence the Exchange Offer
- (n) Delivery of the LAN Condition Notice, delivery of the TEP Condition Notice, subscribe for, issue and pay for the TEP Chile Stock and pay the Holdco Subscriptions
- (o) Consummate the Exchange Offer by completing the auction (*leilão*) (the "**Leilão**") established in the *edital* relating to the Exchange Offer (the "**Edital**")
- (p) LAN's board of directors approves the issuance of the LAN Common Stock issuable in the Mergers

- (q) Consummate the Mergers
- (r) Settle the purchases made in the Exchange Offer with the Merger Consideration
- (s) Change LAN's name to "LATAM Airlines Group S.A."
- (t) Statutory squeeze out
- (u) Delist TAM Stock and TAM ADRs

SECTION 1.03. Transaction Recommendations. On or prior to the execution and delivery of this Agreement, the board of directors of LAN (the "**LAN Board**") shall have unanimously recommended the transactions contemplated by this Agreement to its shareholders (the "**LAN Board Transaction Recommendation**"). On or prior to the execution and delivery of this Agreement, the board of directors of TAM (the "**TAM Board**") shall have recommended the Exchange Offer to its shareholders (the "**TAM Board Transaction Recommendation**") and, collectively with the LAN Board Transaction Recommendation, the "**Board Transaction Recommendations**"). Promptly after the execution and delivery of this Agreement, each of LAN and TAM shall publicly announce its Board Transaction Recommendation.

SECTION 1.04. Incorporation of TEP Chile, Holdco 1, Holdco 2 and Sister Holdco.

(a) The Amaro Family shall incorporate TEP Chile as a new *sociedad anónima* corporation in Chile, whose only class of capital stock will be ordinary stock, no par value (the "**TEP Chile Stock**"), of TEP Chile.

(b) At the time TEP Chile is incorporated, (i) each of Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro shall subscribe and pay for one share of TEP Chile Stock for nominal consideration, and (ii) the other 72,837,860 authorized shares of TEP Chile Stock shall remain available for subscription and payment.

(c) TEP Chile and LAN shall incorporate Holdco 1 as a new *sociedad anónima* corporation in Chile. Holdco 1 will be authorized to issue only the following two classes of capital stock:

(i) Holdco 1 Voting Stock, which shall have the exclusive right to vote on, approve or consent to all matters that are subject to any vote of, approval by or consent from the shareholders of Holdco 1 under the applicable Law of Chile ("**Chilean Law**") or otherwise (other than the Limited Voting Rights) and which shall have no economic rights other than the right to receive a nominal dividend (collectively, the "**Dividend Rights**"); and

(ii) Holdco 1 Non-Voting Stock, which shall have the exclusive right to receive all dividends, distributions or other amounts payable by Holdco 1 in respect of any shares of its capital stock (including a preference to be repaid in connection with any liquidation, capital reduction, winding up, recapitalization or reorganization) other than the Dividend Rights and which shall have no right to vote on, approve or consent to any matter that is subject to any vote of, approval by or consent from the shareholders of Holdco 1 under Chilean Law or otherwise other than the rights to vote on, approve or consent to matters requiring the approval of the holders of shares of Holdco 1 Non-Voting Stock under Chilean Law or otherwise (collectively, the **“Limited Voting Rights”**).

(d) Holdco 1 and its nominee shall incorporate Holdco 2 as a new *sociedad anónima* corporation in Chile, whose only class of capital stock will be ordinary stock, no par value (the **“Holdco 2 Stock”**), of Holdco 2. Holdco 2 shall be authorized to issue all of the shares potentially issuable pursuant to the Exchange Offer based on an exchange ratio of one share of Holdco 2 Stock for each share of TAM Stock.

(e) TEP Chile and its nominee shall incorporate a new *sociedad anónima* corporation in Chile (**“Sister Holdco”**), whose only class of capital stock shall be ordinary stock, no par value (the **“Sister Holdco Stock”**), of Sister Holdco.

(f) On or prior to the time at which the TEP Chile Subscription is made and paid pursuant to Section 1.12, the TAM Direct Controlling Shareholder and the Amaro Family shall cause the TEP Restructuring to occur.

SECTION 1.05. **Subscription for and Issuance of Holdco 1 Stock, Holdco 2 Stock and Sister Holdco Stock.**

(a) At the time Holdco 1 is incorporated, (i) TEP Chile shall subscribe and pay for 1,000 shares of Holdco 1 Voting Stock (collectively, the **“Holdco 1 Ordinary Shares”**) for nominal consideration, (ii) LAN will subscribe and pay for two shares of Holdco 1 Non-Voting Stock for nominal consideration, and (iii) the other 47,652,705 authorized shares of Holdco 1 Non-Voting Stock shall remain available for subscription and payment.

(b) At the time Holdco 2 is incorporated, (i) Holdco 1 shall subscribe and pay for one share of Holdco 2 Stock for nominal consideration, (ii) a nominee of Holdco 1 shall subscribe and pay for one share of Holdco 2 Stock for nominal consideration, and (iii) the other 85,557,560 authorized shares of Holdco 2 Stock shall remain available for subscription and payment pursuant to the Exchange Offer.

(c) At the time Sister Holdco is incorporated, (i) TEP Chile shall subscribe and pay for one share of Sister Holdco Stock for nominal consideration, (ii) a nominee of TEP Chile shall subscribe and pay for one share of Sister Holdco Stock for nominal consideration, and (iii) the other 72,837,860 authorized shares of Sister Holdco Stock shall remain available for subscription and payment.

(d) Immediately after Holdco 1 and Sister Holdco are incorporated, TEP Chile shall subscribe for (i) 47,652,705 shares of Holdco 1 Non-Voting Stock (the “**TEP Holdco 1 Non-Voting Shares**”) in exchange for all of the Ordinary TEP Shares, (ii) 72,837,860 shares of Sister Holdco Stock in exchange for 62 Holdco 1 Ordinary Shares, all of the TEP Holdco 1 Non-Voting Shares and all of the Preferred TEP Shares (the subscriptions described in this Section 1.05(d) are collectively referred to herein as, the “**Holdco Subscriptions**”); *provided, however*, that notwithstanding the foregoing the Holdco Subscriptions shall be payable only if and when TEP Chile receives the TEP Shares pursuant to Section 1.12 and following such payment TEP Chile will retain 938 Holdco 1 Ordinary Shares.

(e) The shares of Holdco 1 Non-Voting Stock subscribed and paid for by LAN pursuant to Section 1.05(a)(ii) and subscribed for by TEP Chile pursuant to Section 1.05(d)(i) shall collectively represent all of the issued and outstanding shares of Holdco 1 Non-Voting Stock immediately prior to the consummation of the Mergers.

(f) The shares of Sister Holdco Stock subscribed and paid for by TEP Chile and its nominee pursuant to Section 1.05(c)(i) and (ii) and subscribed for by TEP Chile pursuant to Section 1.05(d)(ii) shall be equal in number to the TEP Shares plus two shares and shall collectively represent all of the issued and outstanding shares of Sister Holdco Stock immediately prior to the consummation of the Mergers.

SECTION 1.06. Limitations on Actions. The TAM Direct Controlling Shareholder and the Amaro Family shall take, and shall cause the nominees referred to in this Article I to take, all necessary action to ensure that prior to the consummation of the Mergers none of Holdco 1, Holdco 2 or Sister Holdco will have any assets or liabilities other than those expressly provided for in this Article I and will take no actions other than the actions expressly provided for in this Article I or incidental to such actions or their formation.

SECTION 1.07. LAN and TAM Board Meetings.

(a) Prior to the LAN Shareholders Meeting, LAN shall cause a special meeting of the LAN Board to be called and held in accordance with applicable Law and the By-laws of LAN and at such duly called and held meeting the LAN Board shall, by resolutions duly adopted at such meeting, recommend that the holders of shares of LAN Common Stock vote to approve the Mergers, the change of LAN’s name to “LATAM Airlines Group S.A.” (the “**Name Change**”) and the other transactions contemplated by this Agreement (the “**LAN Board Merger Recommendation**,” and together with the LAN Board Transaction Recommendation, the “**LAN Board Recommendations**”) and LAN shall publicly announce the LAN Board Merger Recommendation.

(b) Prior to the TAM Shareholders Meeting, TAM shall cause a special meeting of the TAM Board to be called and held in accordance with applicable Law and the TAM By-laws and at such duly called and held meeting the TAM Board shall, by resolutions duly adopted at such meeting, approve a list of three independent specialized companies experienced in valuing companies with similar size and operations to TAM (each, an “**Appraiser**,” and such list, the “**Appraiser List**”) to be submitted to holders of the Free Float Shares at the TAM Shareholders Meeting.

SECTION 1.08. Execution and Delivery of Shareholders Agreements. Prior to the calling of the LAN Shareholders Meeting referred to in Section 1.09:

(a) LAN, TEP Chile, Holdco 1 and TAM will enter into a shareholder agreement with respect to the holding of TAM Stock and the governance, management and operations of TAM and its subsidiaries in the form of **Exhibit 2** hereto (the “**TAM Shareholders Agreement**”), which will become effective only upon the consummation of the Mergers.

(b) LAN, TEP Chile and Holdco 1 will enter into a shareholder agreement with respect to the holding of Holdco 1 Stock and the governance, management and operations of Holdco 1 in the form of **Exhibit 3** hereto (the “**Holdco 1 Shareholders Agreement**”), which will become effective only upon the consummation of the Mergers.

(c) LAN and TEP Chile will enter into a shareholder agreement with respect to the governance of LAN, Holdco 1 and their respective Subsidiaries in the form of **Exhibit 4** hereto (the “**LATAM/TEP Shareholders Agreement**”), which will become effective only upon the consummation of the Mergers.

(d) The LAN Controlling Shareholders and TEP Chile will enter into a shareholder agreement with respect to the governance of LAN, the voting, sale and transfer of their shares of LAN Common Stock and TEP Chile’s shares of Holdco 1 Voting Stock and certain other matters in the form of **Exhibit 5** hereto (the “**Control Group Shareholders Agreement**” and, collectively with the TAM Shareholders Agreement, the Holdco 1 Shareholders Agreement and the LATAM/TEP Shareholders Agreement, the “**Shareholders Agreements**”), which will become effective only upon the consummation of the Mergers.

SECTION 1.09. Shareholder Meetings. Prior to the commencement of the Exchange Offer:

(a) LAN shall, acting through the LAN Board and in accordance with applicable Law and LAN’s By-laws, (i) take all action necessary to establish a record date for, duly call, give notice of, convene and hold a meeting of its shareholders for the purpose of voting to approve the Mergers, the Name Change and the other transactions contemplated hereby (the “**LAN Shareholders Meeting**”), (ii) cause such vote to be taken and completed and (iii) include the LAN Board Recommendations in the materials distributed to the holders of LAN Common Stock in connection with the LAN Shareholders Meeting. Under Chilean Law and LAN’s By-laws, the Mergers must be approved by the holders of at least two-thirds of the outstanding shares of LAN Common Stock (the “**Requisite LAN Shareholder Approval**”). The Requisite LAN Shareholder Approval shall be expressly conditioned upon, and will become effective only upon, the consummation of the Mergers.

(b) TAM shall, acting through the TAM Board and in accordance with applicable Law and TAM's By-laws, take all action necessary to establish a record date for, duly call, give notice of, convene and hold a meeting of its shareholders solely for the purpose of voting to select an Appraiser from the Appraiser List to prepare the appraisal report to determine the economic value of TAM and LAN (the "**Appraisal Report**") in accordance with the terms of TAM's By-laws and the rules of the BM&FBovespa (the "**Bovespa**" and, such shareholders meeting and any shareholders meeting called subsequently for the same purpose as provided below, the "**TAM Shareholders Meeting**"); *provided, however*, that the foregoing shall not be deemed to require TAM to cause such vote to select an Appraiser to be completed or to select any particular Appraiser. Under TAM's By-laws and the rules of the Bovespa the quorum for the first calling of the TAM Shareholders Meeting requires the presence in person or by proxy of holders of shares of TAM Stock (other than the TAM Direct Controlling Shareholder, the Amaro Family, their respective Affiliates and TAM and its Subsidiaries) (collectively, the "**Free Float Shares**") representing at least 20% of the outstanding shares of TAM Stock. Under TAM's By-laws and the rules of the Bovespa, the selection of an Appraiser is the exclusive responsibility of the holders of the Free Float Shares, and any Appraiser so selected must be approved by a majority of the votes cast by the holders of the Free Float Shares present in person or by proxy at the TAM Shareholders Meeting at which the requisite quorum is present (the "**Requisite TAM Shareholder Approval**," and any Appraiser so selected, the "**Selected Appraiser**"). If a quorum is not present at the first calling of the TAM Shareholders Meeting, then TAM shall call additional meetings of its shareholders solely for the same purpose until a quorum is established, and under TAM's By-laws and the rules of the Bovespa the quorum for any such subsequently called meeting shall require the presence in person or by proxy of any holder of at least one Free Float Share. If at any duly called and held TAM Shareholders Meeting at which a quorum is present the vote of the holders of the Free Float Shares to select an Appraiser is taken and completed but the Requisite TAM Shareholder Approval is not obtained, then TAM shall call additional meetings of its shareholders solely for the same purpose until the Requisite TAM Shareholder Approval is obtained. Notwithstanding anything in this Agreement to the contrary, in no event shall TAM be required to call more than five shareholder meetings within a period of five months. If after the Selected Appraiser has issued the Appraisal Report the holders of Free Float Shares exercise their right under Brazilian Law to request that TAM call a special meeting of the shareholders of TAM to vote upon whether or not to request a new Appraisal Report and to appoint a new Appraiser to prepare a new Appraisal Report (the "**Appraisal Questioned Meeting**"), then TAM shall, acting through the TAM Board and in accordance with applicable Law and TAM's By-laws, take all action necessary to establish a record date for, duly call, give notice of, convene and hold the Appraisal Questioned Meeting no later than 45 days after such election is made. If the holders of Free Float Shares vote to request a new Appraisal Report and to appoint a new Appraiser at the Appraisal Questioned Meeting, then such new Appraiser shall be deemed to be the Selected Appraiser and its new Appraisal Report shall be deemed to be the Appraisal Report for all purposes of this Agreement other than this sentence and the immediately preceding sentence.

(c) The Amaro Family shall cause Holdco 2, acting through its board of directors and in accordance with applicable Law and Holdco 2's By-laws, to (i) take all action necessary to establish a record date for, duly call, give notice of, convene and hold a special meeting of the shareholders of Holdco 2 (the "**Holdco 2 Shareholders Meeting**") for the purpose of voting to approve (i) the Holdco 2 Merger and the other transactions contemplated hereby, (ii) the relevant audited financial statements and appraisal report and (iii) the By-laws of the surviving corporation of the Holdco 2 Merger (collectively, the "**Holdco 2 Merger Matters**"). Under Chilean Law and Holdco 2's By-laws, the Holdco 2 Merger Matters must be approved by the holders of at least two-thirds of the outstanding shares of Holdco 2 Stock (the "**Requisite Holdco 2 Shareholder Approval**"). The Requisite Holdco 2 Shareholder Approval shall be expressly conditioned upon, and will become effective only upon, the consummation of the Mergers.

(d) The Amaro Family shall cause Sister Holdco, acting through its board of directors and in accordance with applicable Law and Sister Holdco's By-laws, to take all action necessary to establish a record date for, duly call, give notice of, convene and hold a special meeting of the shareholders of Sister Holdco (the "**Sister Holdco Shareholders Meeting**") for the purpose of voting to approve (i) the Sister Holdco Merger and the other transactions contemplated hereby, (ii) the relevant audited financial statements and appraisal report and (iii) the By-laws of the surviving corporation of the Sister Holdco Merger (collectively, the "**Sister Holdco Merger Matters**"). Under Chilean Law and Sister Holdco's By-laws, the Sister Holdco Merger Matters must be approved by the holders of at least two-thirds of the outstanding shares of Sister Holdco Stock (the "**Requisite Sister Holdco Shareholder Approval**") and, collectively with the Requisite LAN Shareholder Approval, the Requisite TAM Shareholder Approval and the Requisite Holdco 2 Shareholder Approval, the "**Requisite Shareholder Approvals**"). The Requisite Sister Holdco Shareholder Approval shall be expressly conditioned upon, and will become effective only upon, the consummation of the Mergers.

(e) Each of the LAN Shareholders Meeting, the Holdco 2 Shareholders Meeting and the Sister Holdco Shareholders Meeting shall occur on the same day.

SECTION 1.10. LAN and TAM Board Meetings.

(a) Prior to the commencement of the Exchange Offer, LAN shall cause a special meeting of the LAN Board to be called and held in accordance with applicable Law and the By-laws of LAN and at such duly called and held meeting the LAN Board shall, by resolutions duly adopted at such meeting, approve the issuance of the shares of LAN Common Stock issuable pursuant to the Mergers, which approval shall be expressly conditioned upon, and will become effective only upon, the consummation of the Exchange Offer.

(b) Prior to the commencement of the Exchange Offer, TAM shall cause a special meeting of the TAM Board to be called and held in accordance with applicable Law and the TAM By-laws and at such duly called and held meeting the TAM Board shall, by resolutions duly adopted at such meeting, recommend that the holders of shares of TAM Stock tender and sell such shares in the Exchange Offer (the “**TAM Board Exchange Offer Recommendation**” and, collectively with the TAM Board Transaction Recommendation, the “**TAM Board Recommendations**”), and promptly after such meeting TAM shall publicly announce the TAM Board Exchange Offer Recommendation.

SECTION 1.11. Commencement of the Exchange Offer. Subject to the satisfaction or waiver of the conditions relating to the commencement of the Exchange Offer (which shall include the satisfaction of the Appraisal Condition (as defined in the Exchange Offer) and the Requisite Shareholder Approvals having been obtained and recorded and published in accordance with Law No. 18,046 of Chilean Corporations (the “**Chilean Corporate Law**”) and any other applicable Laws), Holdco 2 will commence the Exchange Offer in accordance with the terms of this Agreement and as otherwise agreed among the parties.

SECTION 1.12.

Condition Notices; Subscription Payments; Leilão. The last time at which the holders of shares of TAM Stock shall be able to withdraw their acceptance to tender their shares of TAM Stock into the Exchange Offer will be 12:00p.m., São Paulo, Brazil time (the **“Withdrawal Deadline”**), on the date on which the Leilão will occur as specified in the Edital, as such date may be changed from time to time in accordance with Brazilian Law (the **“Leilão Date”**). At 2:00 p.m., São Paulo, Brazil time, on the Leilão Date, the Bovespa shall inform LAN, Holdco 2 and the Amaro Family whether or not the Minimum Conditions (as defined in the Exchange Offer) have been satisfied (the **“Minimum Condition Notice”**). Promptly after receiving the Minimum Condition Notice but in no event later than 2:10 p.m., São Paulo, Brazil time, on the Leilão Date LAN shall deliver to the Amaro Family a written notice stating whether or not all of the conditions to the consummation of the Exchange Offer (other than the conditions relating to the consummation of the TEP Chile Subscription) have been satisfied or irrevocably waived by LAN (the **“LAN Condition Notice”**). If the LAN Condition Notice states that all such conditions have been so satisfied or waived, then promptly after they receive the LAN Condition Notice but in no event later than 2:20 p.m., São Paulo, Brazil time, on the Leilão Date the Amaro Family shall deliver to LAN a written notice stating whether or not all of the conditions set forth in Schedule 1.12 and the mutual conditions to the consummation of the Exchange Offer have been satisfied or irrevocably waived by the them (the **“TEP Condition Notice”**). If the TEP Condition Notice states that all such conditions have been so satisfied or waived, then (i) promptly after they have delivered the TEP Condition Notice to LAN but in no event later than 2:30 p.m., São Paulo, Brazil time, on the Leilão Date (A) the Amaro Family, collectively, shall subscribe for 72,837,860 shares of TEP Chile Stock in exchange for all of the TEP Shares (the **“TEP Chile Subscription”**) and, collectively with the Holdco Subscriptions, the **“Subscriptions”**), such Subscriptions to be made in such proportions so that immediately after the TEP Chile Subscription is paid the percentage equity ownership of each member of the Amaro Family in TEP Chile shall be the same as the percentage equity ownership that such member has in the TAM Direct Controlling Shareholder as of the date hereof, and pay the TEP Chile Subscription by delivering the TEP Shares to TEP Chile, and (B) TEP Chile shall pay the Holdco Subscriptions by delivering all of the Ordinary TEP Shares to Holdco 1 and the 62 Holdco 1 Ordinary Shares, all of the TEP Holdco 1 Non-Voting Shares and all of the Preferred TEP Shares to Sister Holdco and (ii) promptly after all such payments have been made but in no event later than 2:40 p.m., São Paulo, Brazil time, on the Leilão Date, LAN and the Amaro Family shall issue a press release announcing that all of the conditions to the Exchange Offer have been satisfied or irrevocably waived. The LAN Condition Notice shall be conclusive and binding upon LAN for all purposes of this Agreement and the TEP Condition Notice shall be conclusive and binding upon the Amaro Family for all purposes of this Agreement and the TEP Chile Subscription. Notwithstanding the foregoing, if the Leilão commences at any time other than 3:00 p.m., São Paulo, Brazil time, on the Leilão Date, then each of the times specified above in this Section 1.12 (except for the Withdrawal Deadline) shall be adjusted by the same amount that the actual time of the commencement of the Leilão differs from 3:00 p.m., São Paulo, Brazil time. If (x) either the LAN Condition Notice or the TEP Condition Notice does not state that all of the conditions it is required to address have been satisfied or irrevocably waived or (y) the TEP Chile Subscription or any of the payments required pursuant to the Subscriptions are not made in full when required by this Section 1.12, then the Leilão shall not occur and the Exchange Offer shall expire without the purchase of any shares of TAM Stock.

SECTION 1.13.

Consummation of Exchange Offer. If (i) each of the LAN Condition Notice and the TEP Condition Notice states that all of the conditions it is required to address have been satisfied or irrevocably waived and (ii) the TEP Chile Subscription and all of the payments required pursuant to the Subscriptions have been made in full when required by Section 1.12, then the Leilão shall commence at 3:00 p.m., São Paulo, Brazil time (or such other time as the Bovespa may determine) on the Leilão Date, and Holdco 2 will consummate the Exchange Offer on the Leilão Date in accordance with the terms and conditions of the Exchange Offer. For all purposes of this Agreement, the consummation of the Exchange Offer shall be deemed to be the purchases of TAM Stock pursuant to the Leilão. Such purchases will be settled on the third business day following the Leilão Date in accordance with the applicable procedures of Bovespa.

SECTION 1.14. LAN Merger Board Meeting. As soon as practicable (but in no event later than two business days) following the consummation of the Exchange Offer, LAN shall cause a special meeting of the LAN Board to be called and held in accordance with applicable Law and the By-laws of LAN and at such duly called and held meeting the LAN Board shall, by resolutions duly adopted at such meeting, approve the issuance of the shares of LAN Common Stock issuable pursuant to the Mergers.

SECTION 1.15. Consummation of Mergers. If (but only if) the Exchange Offer is consummated, then after such consummation and prior to the settlement of the purchases made pursuant to the Exchange Offer:

(a) Holdco 2 will merge with and into LAN (the “Holdco 2 Merger”) and the separate corporate existence of Holdco 2 shall thereupon cease. LAN shall be the surviving corporation of the Holdco 2 Merger and the separate corporate existence of LAN, with all its rights, privileges, powers and franchises, shall continue unaffected by the Holdco 2 Merger. The Holdco 2 Merger shall have the effects specified in the Chilean Corporate Law. Pursuant to the Holdco 2 Merger, each share of Holdco 2 Stock (including those issuable pursuant to the settlement of the purchases made pursuant to the Leilão) shall be converted into 0.90 of a share of LAN Common Stock (the “Holdco 2 Exchange Ratio”). Holders of American Depositary Receipts representing shares of TAM Preferred Stock (“TAM ADRs”) that are tendered and sold in the Exchange Offer shall receive the shares of LAN Common Stock issuable to them pursuant to the Holdco 2 Merger in the form of American Depositary Receipts representing such shares (“LAN ADRs”) issued pursuant to the Deposit Agreement, dated as of March 25, 2003, among LAN, The Bank of New York, as Depositary, and the record holders and beneficial owners of LAN ADRs from time to time. Holders of shares of TAM Stock registered under Resolution 2689 of January 26, 2000 enacted by the Brazilian National Monetary Council that are tendered and sold in the Exchange Offer shall receive the shares of LAN Common Stock issuable to them pursuant to the Holdco 2 Merger in the form of LAN BDRs or LAN ADRs, as permitted by applicable Law. In the case of the holders of all other shares of TAM Stock tendered and sold in the Exchange Offer, such holders shall receive the shares of LAN Common Stock issuable to them pursuant to the Holdco 2 Merger in the form of Brazilian Depositary Receipts representing such shares (“LAN BDRs”) to be issued pursuant to a deposit agreement in customary form among LAN, a depositary agent to be selected by LAN and reasonably acceptable to TAM, and the holders of LAN BDRs from time to time. LAN shall pay or cause to be paid all deposit fees and other expenses payable in connection with the issuance of such LAN ADRs and LAN BDRs. Immediately after the consummation of the Holdco 2 Merger, LAN will contribute any shares of TAM Ordinary Stock beneficially owned by Holdco 2 immediately prior to such merger with and into LAN, to Holdco 1 in exchange for new shares of Holdco 1 Non-Voting Stock on a one-for-one basis. After such contribution, LAN will increase its ownership percentage of the outstanding shares of Holdco 1 Voting Stock by converting shares of Holdco 1 Non-Voting Stock into Holdco 1 Voting Stock to (A) 100% minus (B) 80% divided by the percentage of the outstanding shares of TAM Ordinary Stock owned by Holdco 1 determined on a primary basis after giving effect to such contribution.

(b) Sister Holdco will merge with and into LAN (the “**Sister Holdco Merger**” and, collectively with the Holdco 2 Merger, the “**Mergers**”) and the separate corporate existence of Sister Holdco shall thereupon cease. LAN shall be the surviving corporation of the Sister Holdco Merger and the separate corporate existence of LAN, with all its rights, privileges, powers and franchises, shall continue unaffected by the Sister Holdco Merger. The Sister Holdco Merger shall have the effects specified in the Chilean Corporate Law. Pursuant to the Sister Holdco Merger, each share of Sister Holdco Stock will be converted into 0.90 of a share of LAN Common Stock (the “**Sister Holdco Exchange Ratio**”). LAN shall pay or cause to be paid all deposit fees and other expenses payable in connection with the issuance of such LAN BDRs.

(c) When the shareholders of LAN approve the Mergers, the share capital of LAN shall be increased by an aggregate amount equal to the sum of the share capital of Holdco 2 and the share capital of Sister Holdco at such time (the “**Initial Capital Increase**”). After the consummation of the Mergers, the share capital of LAN shall be increased by the amount by which the net asset value of the shares of TAM Stock determined pursuant to Section 2.07 exceeds, or decreased by the amount by which such net asset value is less than, the Initial Capital Increase. The time at which the Mergers become effective is referred to herein as the “**Effective Time**.”

SECTION 1.16. Directors. As soon as practicable following the date of this Agreement, LAN and the Amaro Family shall discuss in good faith and agree upon the individuals who shall be directors of LAN, Holdco 1, TAM and their Subsidiaries as of the Effective Time. The parties shall take all necessary action to ensure that immediately following, and on the same day as, the Effective Time, the individuals selected for election to the board of directors of LAN, Holdco 1, TAM and their Subsidiaries by each of LAN and TEP Chile pursuant to the Holdco 1 Shareholders Agreement, by each of LAN and TEP Chile pursuant to the TAM Shareholders Agreement and by each of the LAN Controlling Shareholders and TEP Chile pursuant to the Control Group Shareholders Agreement shall be the directors of LAN, Holdco 1, TAM and their Subsidiaries; *provided, however*, that notwithstanding the foregoing if any such individual is unwilling or unable to serve in such capacity, then he or she shall be replaced, directly or indirectly, by LAN, the LAN Controlling Shareholders or TEP Chile, as the case may be, if it is entitled pursuant to the Holdco 1 Shareholders Agreement, the TAM Shareholders Agreement and/or the Control Group Shareholders Agreement to elect or select for election, as applicable, to the relevant board of directors the individual who was so unwilling or unable to serve.

SECTION 1.17. Statutory Squeeze Out. After the consummation of the Exchange Offer, if it is permitted to do so under the applicable Law of Brazil ("**Brazilian Law**"), LAN (as the surviving corporation of the Holdco 2 Merger) shall effect a statutory squeeze out of any holders of shares of TAM Stock (other than the TEP Shares) that did not accept the Exchange Offer (the "**Non-Tendered Shares**"). In this statutory squeeze out, the holders of Non-Tendered Shares shall have the right to receive cash in an amount equal to the product of (i) the number of shares of LAN Common Stock that it would have received pursuant to the Exchange Offer in respect of such Non-Tendered Shares (assuming it could have received fractional Exchange Offer Equivalent Shares) (as to each such holder, its "**Exchange Offer Equivalent Shares**") and (ii) the closing price of the LAN Common Stock on the Santiago Stock Exchange ("**SSE**") on the day on which the Exchange Offer is consummated. After the squeeze out of all of the remaining shares of TAM Ordinary Stock, LAN will increase its ownership percentage of the outstanding shares of Holdco 1 Voting Stock to 20% by converting shares of Holdco 1 Non-Voting Stock into shares of Holdco 1 Voting Stock.

ARTICLE II

EFFECT OF THE MERGERS

SECTION 2.01. Conversion and Cancellation of Securities. At the Effective Time, by virtue of the Mergers and without any action on the part of the holder of any shares of the capital stock of LAN, Holdco 2 or Sister Holdco:

(a) Conversion of Holdco 2 Stock. Each share of Holdco 2 Stock issued and outstanding immediately prior to the Effective Time shall cease to be issued and outstanding, shall be cancelled and retired, shall cease to exist and shall be converted into the right to receive a fraction of a validly issued, fully paid and non-assessable share of LAN Common Stock equal to the Holdco 2 Exchange Ratio.

(b) Conversion of Sister Holdco Stock. Each share of Sister Holdco Stock issued and outstanding immediately prior to the Effective Time shall cease to be issued and outstanding, shall be cancelled and retired, shall cease to exist and shall be converted into the right to receive a fraction of a validly issued, fully paid and non-assessable share of LAN Common Stock equal to the Sister Holdco Exchange Ratio.

(c) Merger Consideration. The shares of LAN Common Stock issuable as a result of the Mergers together with the amount of any cash in lieu of fractional shares of LAN Common Stock payable pursuant to Section 2.05 are collectively referred to herein as the "**Merger Consideration**." All shares of LAN Common Stock to be issued pursuant to the Mergers shall be deemed issued and outstanding as of the Effective Time.

SECTION 2.02. Treatment of TAM Stock Options. On or prior to the Commencement Date, TAM and the TAM Board, as applicable, shall adopt any resolutions and take any actions necessary to ensure that (a) from and after the Effective Time each TAM Stock Option outstanding immediately prior to the Effective Time, whether vested or unvested, shall be exercisable only when vested and only for an amount in cash equal to the product of (i) the total number of shares of TAM Stock in respect of which such TAM Stock Option is exercisable and (ii) the amount (if any) by which (x) the product of the Holdco 2 Exchange Ratio and the closing price per share of the LAN Common Stock on the SSE on the last business day prior to the date on which such TAM Stock Option was exercised exceeds (y) the exercise price per share of TAM Stock under such TAM Stock Option less any applicable Taxes required to be withheld with respect to such payment, and (b) none of execution, delivery or performance of this Agreement or the consummation of the Mergers or any other transactions contemplated by this Agreement shall, directly or indirectly, cause or result in any acceleration of the vesting of any TAM Stock Options, whether prior to, on or after the Effective Time.

SECTION 2.03. Payment of Merger Consideration; Deposit with Exchange Agent. Prior to the Effective Time, LAN will appoint an exchange agent reasonably acceptable to TAM (the “**Exchange Agent**”) and deposit or cause to be deposited with the Exchange Agent, for the benefit of the holders of Holdco 2 Stock and Sister Holdco Stock, certificates or, at LAN’s option, evidence of shares in book entry form, representing shares of LAN Common Stock in such denominations as the Exchange Agent may reasonably specify, including any cash to be paid in lieu of fractional shares of LAN Common Stock pursuant to Section 2.05. Such certificates or evidence of book-entry form, as the case may be, for shares of LAN Common Stock and such cash are hereinafter referred to collectively as the “**Exchange Fund**.” The Exchange Agent shall invest any cash deposited with the Exchange Agent by LAN as directed by LAN; *provided* that no such investment or losses thereon shall affect the cash payable to holders of Holdco 2 Stock or Sister Holdco Stock in lieu of fractional shares of LAN Common Stock pursuant to Section 2.05, and LAN shall promptly provide additional funds to the Exchange Agent for the benefit of holders of shares of Holdco 2 Stock and Sister Holdco Stock entitled to receive such amounts equal to the amount of any such losses. Any interest or income produced by such investments shall not be deemed part of the Exchange Fund and shall be payable to LAN.

SECTION 2.04. Stock Transfer Books. At the Effective Time, the stock transfer books of each of Holdco 2 and Sister Holdco shall be closed and thereafter there shall be no further registration of transfers of any shares of the capital stock of such companies that were outstanding immediately prior to the Effective Time.

SECTION 2.05. Fractional Shares. Notwithstanding anything in this Agreement to the contrary, no certificates or scrip representing fractional shares of LAN Common Stock shall be issued in the Mergers or pursuant to the statutory squeeze out and such fractional shares will not entitle the owner thereof to vote or to any rights of a shareholder of LAN. In lieu of such fractional shares, LAN shall pay each holder thereof an amount in cash in U.S. Dollars equal to the product of (a) the fractional shares of LAN Common Stock to which such holder would otherwise be entitled after taking into account all shares of Holdco 2 Stock or Sister Holdco Stock owned of record by such holder immediately prior to the Effective Time (collectively as to each record holder, its “**Eligible Shares**”) and (b) the closing price of the shares of LAN Common Stock on the SSE on the last trading day immediately preceding the Effective Time (as reported in www.bolsadesantiago.com or, if not reported therein, by another authoritative source).

SECTION 2.06. Withholding. Each of LAN and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable in cash pursuant to this Agreement to any holder of Eligible Shares such amounts as it is required to deduct and withhold with respect to the making of such payment under applicable Tax Law. To the extent that amounts are so withheld by LAN or the Exchange Agent with respect to any Eligible Shares, such withheld amounts shall be remitted to the applicable Governmental Entity and shall be treated for all purposes of this Agreement as having been paid to the holder of such Eligible Shares in respect of which such deduction and withholding was made by LAN or the Exchange Agent.

SECTION 2.07. Value of TAM Stock. The parties agree that the monetary value of the subscriptions and payments for the shares of TEP Chile Stock, Holdco 1 Stock, Holdco 2 Stock and Sister Holdco Stock pursuant to each of the Subscriptions shall be equivalent to the net asset value of the shares contributed as payment for such subscription when such payment is made.

ARTICLE III

COVENANTS

SECTION 3.01. Conduct of Business Pending the Mergers. Each of LAN and TAM is sometimes referred to in this Article III as a “Party.” During the period from the date of this Agreement until the Effective Time, except as specifically set forth in Schedule 3.01 hereto with respect to such Party (to the extent such Schedule relates to a Party, its “Disclosure Schedule”), as consented to in writing in advance by the other Party or as otherwise expressly required by this Agreement or required by applicable Law, each Party shall, and shall cause each of its Subsidiaries to, carry on its business in the ordinary course consistent with past practice and, to the extent consistent therewith, use its commercially reasonable efforts to preserve intact its current business organizations, keep available the services of its current officers, employees and consultants and maintain all Licenses necessary for it and its Subsidiaries to own, lease or operate their properties, rights and other assets and to carry on their business and operations conducted at the date of this Agreement and its existing relationships and goodwill with its employees, customers, suppliers, licensors, licensees, strategic partners and any other Person with whom it conducts business. Notwithstanding and without limiting the generality of the foregoing, during the period from the date of this Agreement until the Effective Time, except as otherwise set forth in Section 3.01 of such Party’s Disclosure Schedule or as otherwise expressly required pursuant to this Agreement or by applicable Law, each Party shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, without the other Party’s prior written consent:

(a) (i) make, declare or pay any dividend, or make any other distribution (whether in cash, stock or property), on or in respect of any of its Equity Securities, other than (A) dividends or distributions paid or made by a direct or indirect wholly owned Subsidiary of such Party to such Party or another direct or indirect wholly owned Subsidiary of such Party and (B) regular dividends paid to such Party's shareholders in accordance with the dividend policy approved at the last regular meeting of its shareholders in an amount not to exceed 50% (in the case of LAN) and 25% (in the case of TAM) of such Party's net income for the year in respect of which the dividends are paid, (ii) adjust, split, combine, subdivide or reclassify any of its Equity Securities or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for its Equity Securities or (iii) purchase, redeem or otherwise acquire any Equity Securities or Convertible Securities of such Party or any of its Subsidiaries or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities, except for any such purchases, redemptions or other acquisitions (A) required by the terms of the TAM Stock Plans or LAN Stock Plans (as applicable) or (B) required by the terms of any plans, arrangements or Contracts existing on the date of this Agreement between such Party or any of its Subsidiaries, on the one hand, and any director or employee of such Party or any of its Subsidiaries, on the other hand, if (but only if) complete and accurate copies of which have been provided to the other Party prior to the date of this Agreement (for this purpose each Party shall be deemed to have provided to the other Party copies of all documents made available to the other Party at least three business days prior to the date of this Agreement by inclusion in the electronic data room used by the Parties in connection with the transactions contemplated by this Agreement);

(b) issue, deliver, sell, grant, pledge or otherwise encumber or subject to any Lien any Equity Securities or Convertible Securities of such Party or any of its Subsidiaries, or any "phantom" stock, "phantom" stock rights, stock option, stock purchase or appreciation rights or stock-based performance units relating to or permitting the purchase of any such Equity Securities or Convertible Securities, including pursuant to Contracts as in effect on the date of this Agreement, other than any (i) issuance of Equity Securities of such Party upon the exercise of TAM Stock Options or LAN Stock Options (as applicable) outstanding as of the date of this Agreement and in accordance with their terms and the TAM Stock Plans or LAN Stock Plans (as applicable) as in effect on the date of this Agreement or (ii) issuances of Equity Securities or Convertible Securities by any direct or indirect wholly owned Subsidiary of such Party to such Party or any other direct or indirect wholly owned Subsidiary of such Party;

(c) except as otherwise expressly contemplated in this Agreement, amend such Party's By-laws in any way or amend any of the TAM Subsidiary By-laws or LAN Subsidiary By-laws (as applicable) in any way that is or would reasonably be expected to be materially adverse to such Party and its Subsidiaries, taken as a whole;

(d) other than in the ordinary course of business consistent with past practice, directly or indirectly make, or agree to directly or indirectly make, any acquisition or investment either by merger, consolidation, purchase of stock or securities, contributions to capital, property transfers, or by purchase of any property or assets of any other Person, or make any capital expenditures, in each case other than (i) investments in existing wholly owned Subsidiaries of such Party, (ii) acquisitions of, or improvements to, assets used in the operations of such Party and its Subsidiaries in the ordinary course of business, (iii) short-term investments of cash in marketable securities in the ordinary course of business, (iv) capital expenditures disclosed in such Party's capital plans for 2010 and 2011 provided to the other Party prior to the date of this Agreement (*provided* that such Party shall be permitted to reallocate all or any portion of any capital expenditures set forth in its 2010 capital plan to its 2011 capital plan and, without duplication, all or any portion of any capital expenditures set forth in its 2011 capital plan to its 2010 capital plan) plus capital expenditures (other than with respect to the purchase or lease of aircraft or engines) in any year that do not in the aggregate exceed 10% of the aggregate amount set forth in the capital budget set forth in Section (d) of such Party's Disclosure Schedule in respect of such year, and (v) acquisitions of properties or assets that are not material to such Party and its Subsidiaries, taken as a whole;

(e) sell, lease, assign, license, grant, extend, amend, subject to Liens, waive or modify any material rights in or to, cancel, abandon or allow to lapse, or otherwise transfer or dispose of, or agree to take or permit any such action, all or any part of its assets, rights (including, in the case of TAM, the Multiplus S.A. brand name) or properties (including Equity Securities or Convertible Securities of any Subsidiary of such Party or any Indebtedness of others owed to such Party or any of its Subsidiaries) which are material, individually or in the aggregate, to such Party and its Subsidiaries, taken as a whole, other than (i) internal reorganizations or consolidations involving only such Party and one or more of its existing wholly owned Subsidiaries that would not present a material risk of any material delay in the receipt of any regulatory approval required in connection with the consummation of the transactions contemplated hereby, (ii) dispositions disclosed in such Party's Disclosure Schedule, (iii) any Liens securing Indebtedness permitted pursuant to this Agreement, dispositions of surplus aircraft, engines, flight simulators and terminations of leases relating to surplus aircraft and engines (including mainline and regional aircraft) consistent with past practice, and (iv) other dispositions of assets, properties or rights if the fair market value of the total consideration received therefrom does not exceed in the aggregate the amount set forth in Section (e) of such Party's Disclosure Schedule;

(f) incur any Indebtedness, or make any loan or advance other than (i) Indebtedness incurred in the ordinary course of business consistent with past practice (it being agreed that any financing (including any sale-leaseback transaction) of aircraft or equipment used in the operations of such Party or its Subsidiaries (including engines, spare parts, simulators, technology, gates, routes, Slots, tangible property and ground equipment) and any renewal or refinancing of any such financing shall be deemed to be in the ordinary course; *provided* that any such financing is entered into on terms reflecting prevailing market conditions at that time), (ii) Indebtedness that does not exceed \$10 million in the aggregate, (iii) refinancings, prepayments, repurchases and redemptions in the ordinary course of business consistent with past practice of any Indebtedness outstanding as of the date of this Agreement or permitted to be incurred under this Agreement, (iv) employee loans or advances made in the ordinary course of business consistent with past practice not to exceed \$5 million individually or \$10 million in the aggregate in any 12-month period, or (v) loans or advances made solely among such Party and any of its wholly owned Subsidiaries or solely among wholly owned Subsidiaries of such Party;

(g) settle or compromise any Action other than settlements or compromises of Actions where the amount paid (less the amount reserved for such matters by such Party) in settlement or compromise, in each case, does not exceed the amount set forth in Section (g) of such Party's Disclosure Schedule;

(h) other than in the ordinary course of business, (i) enter into any Contract which if it existed on the date of this Agreement would have been a TAM Material Contract or LAN Material Contract (as applicable), (ii) terminate, amend, supplement or modify in any material respect any TAM Material Contract or LAN Material Contract (as applicable) or rights or obligations thereunder or (iii) waive, release, cancel, convey, encumber or otherwise transfer any material rights or claims thereunder;

(i) make any material changes to the policies or work rules applicable to any group of employees or labor union;

(j) except as required (x) by applicable Law or (y) by any Benefit Plan specifically listed on Section (j) of such Party's Disclosure Schedule, (i) adopt, enter into, terminate, modify, amend or grant any waiver or consent in respect of any material Benefit Plan or, other than with respect to the hiring of any Person whose annual compensation (including target bonus payments) does not exceed \$500,000, any other Benefit Plan, Contract, plan or policy involving such Party or any of its Subsidiaries and any current or former employee, independent consultant, officers or directors of such Party or any of its Subsidiaries (collectively as to such Party, its "**Employees**"), except in the ordinary course of business consistent with past practice with respect to Employees who are not Key Personnel, (ii) grant any severance or termination payment to any Employee or increase the compensation of any Employee except for increases in compensation of Employees who are not Key Personnel made in the ordinary course of business consistent with past practice, (iii) remove any existing restrictions in any Benefit Plans or awards made thereunder, (iv) take any action to fund or in any other way secure the payment of compensation or benefits (including in respect of TAM Stock Options or LAN Stock Options (as applicable)) under any Benefit Plan, (v) take any action to accelerate the vesting or payment of any compensation or benefit (including in respect of TAM Stock Options or LAN Stock Options (as applicable)) under any Benefit Plan or awards made thereunder, (vi) except as required by any Benefit Plan as in effect as of the date of this Agreement and except for normal payments, awards and increases in the ordinary course of business consistent with past practice, increase in any manner the compensation or fringe benefits of any Employee or pay any amount or benefit (including in respect of TAM Stock Options or LAN Stock Options (as applicable)) not required by any Benefit Plan as in effect as of the date of this Agreement or (vii) grant any retention, stay, transaction or similar bonuses, payments or rights to any Employee;

(k) (i) except as required by applicable Law, the International Financial Reporting Standards issued by the International Accounting Standards Board (“**IFRS**”) or regulatory guidelines, make any material change in its accounting methods, principles or practices, (ii) make or change any material Tax election, settle or compromise any material Tax liability, amend any material Tax return, change any material method of Tax accounting, enter into any material closing agreement with respect to any Tax or surrender any right to claim a material Tax refund, or (iii) replace or change its current independent auditors;

(l) enter into (i) any new line of business that is material to such Party and its Subsidiaries, taken as a whole, or (ii) any agreement or arrangements that would be required to be disclosed by such Party pursuant to Item 404 of Regulation S-K promulgated under the U.S. Securities Act of 1933, as amended (including the rules and regulations promulgated thereunder);

(m) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or a dissolution or any restructuring, recapitalization or reorganization;

(n) enter into, amend or otherwise become bound by any Contract if (i) such Contract would, after the Effective Time, restrict or limit the ability of LAN, TAM or any of their respective Subsidiaries to engage in any business or line of business in any manner, with any other Person or in any geographic area; (ii) such Contract would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the commencement of the Exchange Offer or the consummation the Exchange Offer, the Mergers or the other transactions contemplated by this Agreement or to adversely affect in a material respect the expected benefits (taken as a whole) of the Exchange Offer and the Mergers; or (iii) the consummation of the Exchange Offer, the Mergers or any of the other transactions contemplated hereby would conflict with, or result in any violation or breach of, or default (with or without notice, lapse of time or both) under, or result in any termination or modification of or acceleration under, or any change in any right, obligation or benefit under, or result in any Lien on any property or assets of such Party or any of its Subsidiaries under, any provisions of such Contract;

(o) take or fail to take any action for the purpose of preventing or delaying, or that would reasonably be expected to prevent or delay, the satisfaction of any of the conditions to the commencement of the Exchange Offer or the consummation of the Exchange Offer, the Mergers or the other transactions contemplated by this Agreement, including any action that would reasonably be expected to prevent or delay the ability of the parties hereto to obtain any required approval, consent or other authorization of or from any Airline Regulatory Entities or other Governmental Entity;

(p) cancel, terminate or amend any binding financing commitment to fund the acquisition by such Party or any of its Subsidiaries of the aircraft covered under any TAM Aircraft Contract or LAN Aircraft Contract (as applicable) unless, in the case of any cancellation or termination of such financing commitment, (i) it is replaced by another financing with substantially equivalent (or more favorable) terms and in an amount not less than the amount of such commitment or (ii) in return therefor, such Party and/or its Subsidiaries receives equivalent value from the manufacturer of the applicable aircraft;

(q) enter into (i) any aircraft purchase agreement, engine purchase agreement or engine maintenance agreement that involves or is reasonably expected to involve aggregate payments by or to such Party or any of its Subsidiaries in excess of \$25 million in any twelve-month period or (ii) any amendment to an existing aircraft purchase agreement, engine purchase agreement or engine maintenance agreement that is material to such agreement;

(r) enter into, amend or otherwise become bound by, cancel or terminate any (i) alliance or brand alliance agreement, (ii) code sharing agreement, (iii) frequent flyer participation agreement, (iv) capacity purchase or similar agreement, (v) cooperation, joint venture, profit or revenue sharing agreement, (vi) special prorate agreement or (vii) interlining agreement with any Person; or

(s) authorize any of, or commit, resolve, propose or agree to take any of, the foregoing actions.

Notwithstanding the foregoing limitations, the parties intend that each Party and its Subsidiaries shall at all times prior to the Effective Time conduct their business in compliance with all applicable Antitrust Laws, and the limitations set forth in this Section 3.01 are not intended to, and shall not be interpreted as, contravening any applicable Antitrust Laws.

SECTION 3.02.

No Solicitation. (a) Each of the parties to this Agreement agrees that it will not, and it will cause each of its Subsidiaries, each of its and their directors, officers, employees, Affiliates, financial advisors, attorneys, accountants or other advisors, agents and representatives and each of the individuals who ultimately beneficially own it (collectively as to each party, its “**Representatives**”) not to, directly or indirectly, (i) solicit, initiate or encourage any inquiries or the making or consummation of any proposal or offer that constitutes, or is reasonably likely to lead to, an Alternative Proposal with respect to its Relevant Parent Entity, (ii) engage in, continue or otherwise participate in any discussions or negotiations regarding, or provide to any Person any non-public information or data in connection with, or otherwise cooperate in any way with, any such Alternative Proposal, (iii) waive, terminate, modify or fail to enforce any provision of any “standstill” or similar obligation of any Person, (iv) enter into any binding or non-binding Contract with respect to any such Alternative Proposal or (v) otherwise knowingly facilitate any effort or attempt to make any such Alternative Proposal. Each party shall notify its Representatives of the restrictions imposed by the preceding sentence and instruct them to comply with those restrictions, and any failure by any of them to so comply will be a breach of this Agreement by such party. Each party shall, and shall cause its Representatives to, immediately cease and cause to be terminated all existing activities, discussions or negotiations with any Person conducted prior to the date of this Agreement with respect to any Alternative Proposal relating to its Relevant Parent Entity and request the prompt return or destruction of all confidential information previously furnished in connection therewith.

The term “**Alternative Proposal**” means, with respect to each Relevant Parent Entity, any of the following actions or any proposal or offer (including any proposal or offer to or from any Representative of any party) by any Person or group (as defined in Rule 13d-3 or 13d-5 promulgated under the U.S. Exchange Act) relating to, or that could reasonably be expected to lead to, any of the following: (i) any direct or indirect acquisition, purchase, lease, license or outsourcing, in one transaction or a series of related transactions, of any assets (including Equity Securities of any Subsidiary of such Relevant Parent Entity), rights, properties, services or businesses of such Relevant Parent Entity or any of its Subsidiaries collectively representing more than 25% of the fair market value of the Relevant Parent Entity’s total assets or collectively generating or contributing 25% or more of the Relevant Parent Entity’s total consolidated revenues or operating income during the last fiscal year, (ii) any tender offer or exchange offer that, if consummated, would result in any Person or group beneficially owning any Equity Securities of such Relevant Parent Entity, or (iii) any merger, consolidation, business combination, recapitalization, issuance or amendment of securities, liquidation, dissolution, joint venture, share exchange or similar transaction involving such Relevant Parent Entity or any of its Subsidiaries.

The term “**Relevant Parent Entity**” means (i) with respect to TAM, the TAM Direct Controlling Shareholder and the Amaro Family, TAM, and (ii) with respect to LAN and the LAN Controlling Shareholders, LAN.

(b) In addition to the foregoing obligations, each party agrees that it shall (i) as promptly as practicable (and in any event within 24 hours after receipt) advise the other parties orally and in writing of the receipt of any Alternative Proposal relating to its Relevant Parent Entity, the material terms and conditions of such Alternative Proposal (including any changes thereto) and the identity of the Person making such Alternative Proposal, (ii) keep the other parties fully informed in all material respects of the status and details (including any changes to the terms) of such Alternative Proposal and (iii) provide to the other parties as soon as practicable after receipt or delivery thereof copies of all correspondence and other written material sent or provided to it, such Relevant Parent Entity or any of their Representatives from any Person that describes any of the terms or conditions of such Alternative Proposal.

(c) Nothing contained in this Section 3.02 shall prohibit any Relevant Parent Entity from complying with its disclosure obligations under any applicable Law.

SECTION 3.03. Public Announcements. Each party shall consult with the other parties before issuing, and give each other party the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, including the Exchange Offer and Mergers, and shall not issue any such press release or make any such public statement prior to such consultation, except as such party may reasonably conclude is required by applicable Law, court process or by obligations pursuant to any listing agreement with, or rules of, any national securities exchange or national securities quotation system on which such party's securities are listed or quoted. The parties agree that the initial press release to be issued with respect to the execution and delivery of this Agreement shall be in the form heretofore agreed to by the parties.

SECTION 3.04. Stockholder Actions. Each Relevant Parent Entity shall give the other the opportunity to participate in the defense or settlement of any stockholder Action against such Relevant Parent Entity and/or its directors or officers relating to the transactions contemplated by this Agreement, and no such settlement shall be agreed to without the other Relevant Parent Entity's prior written consent.

ARTICLE IV

TERMINATION, AMENDMENT AND WAIVER

SECTION 4.01. Termination. This Agreement shall terminate and the Mergers shall be abandoned automatically if and when (i) the Exchange Offer expires in accordance with its terms or is revoked with the permission of the CVM, in each case without the purchase of any shares of TAM Stock or (ii) the product of 0.9 and the high end of the range of economic value of LAN per share of LAN Common Stock as determined by the Appraiser at any time is less than the low end of the range of economic value of TAM per share of TAM Stock as determined by the Appraiser at such time (an "Appraisal Event"). In addition, this Agreement may be terminated and the Exchange Offer and the Mergers may be abandoned at any time prior to the commencement of the Exchange Offer, whether before or after receipt of any Requisite Shareholder Approvals:

(a) by mutual written consent of LAN and the Amaro Family;

(b) by either LAN or the Amaro Family:

(i) if the ANAC Approval has not been obtained or for any other reason the Exchange Offer shall not have commenced on or before December 30, 2011 (the "Outside Date"); or

(ii) if the vote of the holders of LAN Common Stock at the LAN Shareholders Meeting to approve the Mergers and the other transactions contemplated hereby shall have been taken and completed and the Requisite LAN Shareholder Approval shall not have been obtained;

provided, however, that the right to terminate this Agreement under this Section 4.01(b) or Section 4.01(e) shall not be available to any party whose breach of a covenant in this Agreement has been a principal cause of the failure of the Exchange Offer to commence by the Outside Date or the failure of the condition giving rise to such termination right, as applicable;

(c) by LAN, if (i) the TAM Board fails to make and publicly announce the TAM Board Transaction Recommendation promptly after the date of this Agreement or the TAM Board Exchange Offer Recommendation prior to the first TAM Shareholders Meeting, (ii) the TAM Board or any committee thereof (x) withholds, withdraws or modifies or qualifies in any manner adverse to LAN either of the TAM Board Recommendations, (y) approves, adopts, or recommends any Alternative Proposal, or (z) makes, causes to be made or resolves to make or cause to be made any public statement proposing or announcing an intention to take any of the foregoing actions (collectively, a “**TAM Recommendation Change**”) or (iii) the TAM Board shall have failed to publicly reaffirm the TAM Board Recommendations as promptly as practicable (but in any event within two business days) after receipt of a written request by LAN to provide such reaffirmation, and in either such case all of the directors designated for election to the TAM Board by the TAM Direct Controlling Shareholder and/or the Amaro Family did not vote against the TAM Recommendation Change or in favor of reaffirming the TAM Board Recommendations;

(d) by the Amaro Family, if (i) the LAN Board fails to make the LAN Board Transaction Recommendation promptly after the date of this Agreement or the LAN Board Merger Recommendation on or prior to the LAN Shareholder Meeting, (ii) the LAN Board or any committee thereof (x) withholds, withdraws or modifies or qualifies in any manner adverse to TAM either of the LAN Board Recommendations, (y) approves, adopts, or recommends any Alternative Proposal, or (z) makes, causes to be made or resolves to make or cause to be made any public statement proposing or announcing an intention to take any of the foregoing actions (collectively, a “**LAN Recommendation Change**”) or (iii) the LAN Board shall have failed to publicly reaffirm the LAN Board Recommendations as promptly as practicable (but in any event within two business days) after receipt of a written request by TAM to provide such reaffirmation, and in either such case all of the directors designated for election to the LAN Board by the LAN Controlling Shareholders did not vote against the LAN Recommendation Change or in favor of reaffirming the LAN Board Recommendations; or

(e) by either LAN or the Amaro Family if TAM has called five TAM Shareholders Meetings pursuant to Section 1.09(b) and a quorum has not been present at any such meeting or if a quorum was present and the vote of the holders of the Free Float Shares at the TAM Shareholders Meeting to select an Appraiser shall have been taken and completed but the Requisite TAM Shareholder Approval shall not have been obtained.

SECTION 4.02.

Effect of Termination. (a) In the event of termination of this Agreement by either LAN or the Amaro Family as provided in Section 4.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of LAN, TAM or any other party hereto under this Agreement, other than Section 4.01, this Section 4.02, Section 4.04 and Article V, which provisions shall survive such termination. Notwithstanding the foregoing or any termination or anything to the contrary in this Agreement, no party to this Agreement shall be relieved or released from liability for damages of any kind (whether or not communicated or contemplated at the time of execution of this Agreement), including consequential damages and including as damages any value lost by shareholders of LAN or TAM, as the case may be, based on the consideration that would otherwise have been paid and the benefits that would otherwise have accrued to such shareholders, which arise out of or result from any deliberate breach of any covenant of this Agreement. No party claiming that any such breach has occurred will have any duty or otherwise be obligated to mitigate any such damages. For purposes of this Section 4.02, a “deliberate” breach of any covenant of a party shall be deemed to have occurred only if such party or its Representatives took the action or failed to take the action that constituted a breach with actual knowledge that the action so taken or omitted to be taken constituted a breach of such covenant.

(b) In the event that this Agreement is terminated by LAN pursuant to Section 4.01(c), then TAM shall pay LAN a fee equal to \$200 million (the “**TAM Termination Fee**”) by wire transfer of same-day funds no later than the second business day following the date of such termination and shall reimburse LAN for all documented out-of-pocket expenses incurred by it or any of its Subsidiaries in connection with this Agreement and the transactions contemplated hereby up to a maximum amount of \$25 million (collectively, the “**LAN Reimbursable Expenses**”) by wire transfer of same-day funds no later than the second business day after TAM receives the documentation therefor.

(c) In the event that this Agreement is terminated by the Amaro Family pursuant to Section 4.01(d), then LAN shall pay TAM a fee equal to \$200 million (the “**LAN Termination Fee**”) by wire transfer of same-day funds no later than the second business day following the date of such termination and shall reimburse TAM for all documented out-of-pocket expenses incurred by it or any of its Subsidiaries in connection with this Agreement and the transactions contemplated hereby up to a maximum amount of \$25 million (collectively, the “**TAM Reimbursable Expenses**”) by wire transfer of same-day funds no later than the second business day after LAN receives the documentation therefor.

(d) In the event that any Person shall have made an Alternative Proposal with respect to TAM or LAN (any Alternative Proposal with respect to TAM or LAN, a “**Competing Proposal**”) to any party hereto or any Representative of any party hereto, a Competing Proposal by any Person shall have become publicly known or any Person shall have publicly announced an intention (whether or not conditional) to make a Competing Proposal and thereafter:

(i) (A) this Agreement is terminated by either LAN or the Amaro Family pursuant to Section 4.01(b)(ii) or Section 4.01(e) or automatically terminates pursuant to the first sentence of Section 4.01 solely because either of the Minimum Conditions (as defined in the terms of the Exchange Offer) is not satisfied or because an Appraisal Event occurs and (B) at any time prior to the date that is 12 months after the date of any such termination, TAM or any of its Subsidiaries consummates any transaction with such Person or any of its Affiliates that constitutes a Competing Proposal, enters into any binding or non-binding Contract with such Person or any of its Affiliates providing for a transaction that constitutes a Competing Proposal or the TAM Board approves or recommends to its shareholders or does not oppose any Competing Proposal made by such Person or any of its Affiliates (in each case regardless of whether such Competing Proposal was made or announced or became publicly known before or after termination of this Agreement), then TAM shall pay to LAN, by wire transfer of same-day funds, the TAM Termination Fee on the date of the first to occur of the event(s) referred to above in clause (B) of this Section 4.02(d)(i) and shall reimburse LAN for all of the LAN Reimbursable Expenses by wire transfer of same-day funds no later than the second business day after TAM receives the documentation therefor.

(ii) (A) this Agreement is terminated by either LAN or the Amaro Family pursuant to Section 4.01(b)(ii) or Section 4.01(e) or automatically terminates pursuant to the first sentence of Section 4.01 solely because either of the Minimum Conditions (as defined in the terms of the Exchange Offer) is not satisfied or because an Appraisal Event occurs and (B) at any time prior to the date that is 12 months after the date of any such termination, LAN or any of its Subsidiaries consummates any transaction with such Person or any of its Affiliates that constitutes a Competing Proposal, enters into any binding or non-binding Contract with such Person or any of its Affiliates providing for a transaction that constitutes a Competing Proposal or the LAN Board approves or recommends to its shareholders or does not oppose any Competing Proposal made by such Person or any of its Affiliates (in each case regardless of whether such Competing Proposal was made, announced or became publicly known before or after termination of this Agreement), then LAN shall pay to TAM, by wire transfer of same-day funds, the LAN Termination Fee on the date of the first to occur of the event(s) referred to above in clause (B) of this Section 4.02(d)(ii) and shall reimburse TAM for all of the TAM Reimbursable Expenses by wire transfer of same-day funds no later than the second business day after LAN receives the documentation therefor.

(e) TAM and LAN acknowledge and agree that the agreements contained in Section 4.02(b), Section 4.02(c) and Section 4.02(d) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, neither party would enter into this Agreement; accordingly if any party fails promptly to pay the amount due pursuant to any such Section and, in order to obtain such payment, the other party commences a suit that results in a judgment against such party for all or a portion of the TAM Termination Fee or the LAN Termination Fee, as applicable, such party shall pay to the other party its costs and expenses (including reasonable attorneys' fees and expenses) in connection with such suit, together with interest on the amount of the TAM Termination Fee or the LAN Termination Fee, as applicable, accruing from the date such payment was required to be made pursuant to Section 4.02 until the date of payment at the six-month LIBOR rate in effect on the date such payment was required to be made plus 3%. The right to receive the fees and expenses payable pursuant to Section 4.02(b), Section 4.02(c) and Section 4.02(d) shall be in addition to, and not in lieu of, any other remedies a party may have at law or in equity with respect to breaches of this Agreement by the other party.

SECTION 4.03. Amendment. This Agreement may be amended by the parties hereto at any time prior to the commencement of the Exchange Offer but only by an instrument in writing signed by all of the parties hereto.

SECTION 4.04. Extension; Waiver. At any time prior to the Effective Time, the parties may (but shall not be under any obligation to) (a) extend the time for the performance of any of the obligations or other acts of the other parties or (b) waive compliance with any of the agreements of the other parties or any of the conditions for its benefit contained herein, in each case to the extent permitted by applicable Law. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or applicable Law shall not constitute a waiver of such rights and, except as otherwise expressly provided in this Agreement, no single or partial exercise by any party to this Agreement of any of its rights under this Agreement shall preclude any other or further exercise of such rights or any other rights under this Agreement or applicable Law.

ARTICLE V

GENERAL PROVISIONS

SECTION 5.01. Nonsurvival. None of the covenants contained in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time; *provided, however*, that notwithstanding the foregoing, this Article V and the covenants and agreements of the parties in Article I and Article II to the extent they contemplate performance after the Effective Time shall survive the Effective Time.

SECTION 5.02. Fees and Expenses. Except as provided in Section 4.02, all fees and expenses incurred in connection with this Agreement, the Exchange Offer, the Mergers and the other transactions contemplated by this Agreement shall be paid by the party incurring such fees or expenses, whether or not the Exchange Offer is commenced or the Exchange Offer and the Mergers are consummated.

SECTION 5.03. Notices. Except for notices that are specifically required by the terms of this Agreement to be delivered orally, all notices, requests, claims, demands, instructions and other communications or documents given hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail (postage prepaid), facsimile or overnight courier to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to LAN or the LAN Controlling Shareholders, to:

Claro y Cia.
Apoquindo 3721, piso 13,
Santiago, Chile
Attention: José María Eyzaguirre B.
Fax: +562 3673003
jmeyzaguirre@claro.cl

with copies (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
United States of America
Attention: Sergio Galvis and Duncan McCurrach
Fax: +1 212-558-3588
galviss@sullcrom.com
mccurrachd@sullcrom.com

If to TAM to:

TAM S.A.
Av. Jurandir, 856, Lote 4
04072-000
São Paulo – SP
Brasil
Attention: Marco Antonio Bologna
Fax: +55 (11) 5582-9879
marco.bologna@tam.com.br

with a copy (which shall not constitute notice) to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

If to the TAM Direct Controlling Shareholder or the Amaro Family to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

with a copy (which shall not constitute notice) to:

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

Any notice, request, claim, instruction or other communication or document given as provided above shall be deemed given to the receiving party (i) if delivered personally, upon actual receipt, (ii) if sent by registered or certified mail, three business days after deposit in the mail, (iii) if sent by facsimile, upon confirmation of successful transmission if within one business day after such facsimile has been sent such notice, request, claim, instruction or other communication or document is also given by one of the other methods described above and (iv) if sent by overnight courier, on the next business day after deposit with the overnight courier.

SECTION 5.04. Definitions. For the purposes of this Agreement, the following terms shall have the meanings assigned below:

- (a) **"Action"** means actions, suits, claims, allegations, hearings, proceedings, arbitrations, mediations, audits, inquiries or investigations (whether civil, criminal, administrative or otherwise).
- (b) **"Affiliate"** shall have the meaning assigned to such term in Rule 12b-2 promulgated under the U.S. Exchange Act.
- (c) **"Airline Regulatory Entities"** means ANAC, the Dirección General de Aeronáutica Civil, the Junta de Aeronáutica Civil, the U.S. Federal Aviation Administration, the U.S. Department of Transportation, the Federal Communications Commission and the U.S. Department of Homeland Security, including the U.S. Transportation Security Administration.
- (d) **"Antitrust Law"** means any statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through mergers, acquisitions, business combinations or similar transactions.
- (e) **"beneficial ownership"** (and its correlative phrases) shall have the meanings assigned to such phrases in Rule 13d-3 promulgated under the U.S. Exchange Act.
- (f) **"Benefit Plans"** means all employee benefit plans and all profit-sharing plans, stock purchase, stock option, stock appreciation right, restricted stock, restricted stock unit, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements maintained for the benefit of any current or former employee, independent consultant, officer or director of TAM or LAN, as the case may be, or any of its Subsidiaries by TAM or LAN, as the case may be, or any of its Subsidiaries or by any trade or business, whether or not incorporated, which together with TAM or LAN, as the case may be.

(g) “**business day**” means any day that is not a Saturday, Sunday or a day on which banking institutions are required or authorized by law or executive order to be closed in Santiago, Chile, São Paulo, Brazil or New York, New York.

(h) “**By-laws**” means the by-laws or comparable organizational documents of a company.

(i) “**Commencement Date**” means the date and time at which the Edital relating to the Exchange Offer is published in Brazil in accordance with Brazilian Law, which is the date and time at which the Exchange Offer shall commence.

(j) “**Contract**” means any loan, credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement or other contract, agreement, obligation, commitment or instrument.

(k) “**Control**” (and its correlative terms) shall have the meanings assigned to such terms in Rule 12b-2 promulgated under the U.S. Exchange Act.

(l) “**Convertible Securities**” means, with respect to any Person, any securities, options, warrants or other rights of, or granted by, such Person or any of its Affiliates that are, directly or indirectly, convertible into, or exercisable or exchangeable for, any Equity Securities of such Person or any of its Affiliates.

(m) “**Equity Securities**” means, with respect to any Person, any capital stock of, or other equity interests in such Person.

(n) “**Governmental Entity**” means any governmental, quasi-governmental or regulatory authority, body, department, commission, board, bureau, agency, division, court, organized securities exchange or other legislative, executive or judicial governmental entity or instrumentality of any country, nation, republic, federation or similar entity or any state, county, parish or municipality, jurisdiction or other political subdivision thereof.

(o) “**Indebtedness**” means, with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind to such Person, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all aircraft operating leases of such Person, (iv) all capitalized lease obligations of such Person, (v) all guarantees and arrangements having the economic effect of a guarantee of such Person of any Indebtedness described in clauses (i) through (iv) above of any other Person, (vi) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of others or to purchase the obligations or property of others and (vii) indebtedness in respect of Swap Contracts designed to hedge against interest rates, foreign exchange rates or commodities pricing risks incurred in the ordinary course of business and not for speculative purposes.

(p) **“Intellectual Property.”** means, collectively, all (i) trademarks, service marks, brand names, certification marks, collective marks, d/b/as, internet domain names, logos, symbols, trade dress, assumed names, fictitious names, trade names and other indicia of origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of same; (ii) inventions and discoveries, whether patentable or not, and all patents, registrations, invention disclosures and applications therefor, including divisionals, continuations, continuations-in-part and renewal applications, and including renewals, extensions and reissues; (iii) trade secrets and confidential information and know-how, including confidential processes, schematics, business methods, formulae, drawings, prototypes, models, designs, customer lists and supplier lists; (iv) all rights in published and unpublished works of authorship, whether copyrightable or not (including computer software and databases (including source code, object code and all related documentation)), and other compilations of information, copyrights therein and thereto, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (v) moral rights, rights of publicity and rights of privacy; and (vi) all other intellectual property or proprietary rights.

(q) **“Key Personnel”** means any director, officer or other employee of TAM or any Subsidiary of TAM with an annual base compensation in excess of \$250,000.

(r) **“LAN Aircraft Contracts”** means all Contracts (other than (x) existing aircraft leases or (y) Contracts that may be terminated or canceled by LAN or any of its Subsidiaries without incurring any penalty or other material liability except for the forfeiture of any previously made prepayment or deposit) pursuant to which LAN or any of its Subsidiaries has a binding obligation to purchase or lease aircraft.

(s) **“LAN Financial Reporting Documents”** means all reports, schedules, forms, statements, certifications and other documents (including exhibits and other information incorporated therein) with or to, as applicable, the *Superintendencia de Valores y Seguros* or the U.S. Securities and Exchange Commission (the “**SEC**”) that were required to be so filed or furnished by LAN since December 31, 2006 and any documents so filed or furnished during such period by LAN on a voluntary basis.

(t) **“LAN Material Adverse Effect”** means any change, effect, occurrence or circumstance which, individually or in the aggregate, (i) has had or would reasonably be expected to have a material adverse effect on the business, financial condition, results of operations, assets or liabilities of LAN and its Subsidiaries, taken as a whole, other than (x) any such change, effect, occurrence or circumstance to the extent resulting from (A) any changes after the date of this Agreement in general economic or financial market conditions, (B) any changes after the date of this Agreement generally affecting the industries in which LAN and its Subsidiaries operate, (C) changes after the date of this Agreement in IFRS or the interpretation thereof, (D) geopolitical conditions, the outbreak of a pandemic or other widespread health crisis, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of this Agreement or (E) any hurricane, tornado, flood, earthquake, volcanic eruption or natural disaster; *provided, however*, that the foregoing clauses (A), (B), (D) and (E) shall not apply to the extent that any such change, effect, occurrence or circumstance disproportionately impacts LAN and its Subsidiaries compared to other participants in the industries in which LAN and its Subsidiaries participate, or (y) any failure, in and of itself, of LAN to meet any internal or analyst projections, forecasts or estimates of revenue or earnings or any decrease in the market price or trading volume of the shares of LAN Common Stock (it being understood, however, that the exception in this clause (y) shall not apply to the underlying causes of any such failure or decrease or prevent any of such underlying causes from being taken into account in determining whether a LAN Material Adverse Effect has occurred); or (ii) impairs or would reasonably be expected to impair in any material respect the ability of LAN to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder on a timely basis.

(u) **“LAN Material Contract”** means any Contract described on Schedule 5.04(u).

(v) **“LAN Stock Options”** means all of the outstanding options to purchase LAN Common Stock (whether vested or unvested, exercisable or unexercisable) issued under the stock option plans listed on Schedule 5.04(v) (**“LAN Stock Plans”**).

(w) **“Law”** means any statute, common law, ordinance, rule, regulation, agency requirement or Order of, or issued, promulgated or entered into by or with, any Governmental Entity.

(x) **“LIBOR”** means (i) the rate of interest per annum determined on the basis of the rate for deposits in U.S. Dollars for a period equal to six months (or the closest period if such period is not available) which appears on the Reuters Page LIBOR01, or its successor page, at approximately 11:00 a.m. (London time) (the **“Designated LIBOR Page”**) two business days prior to the Quotation Day (rounded to the nearest 1/100th of 1%); or (ii) (if the rate referred to in subparagraph (a) is not available) the arithmetic mean of the rate per annum at which deposits in U.S. Dollars would be quoted by three major banks in New York City selected by BTG Pactual, the calculation agent (the **“Calculation Agent”**), to first class banks in the London interbank market (rounded to the nearest 1/100th of 1%) at approximately 11:00 a.m. (London time) two (2) business days prior to the Quotation Day for a period equal to six months (or the closest period if such period is not available); *provided* that if less than two of these banks provide a quotation as mentioned above, then the Calculation Agent will compute LIBOR based on the last available LIBOR rate published on the Designated LIBOR Page, as determined by the Calculation Agent in its sole discretion.

(y) “**Licenses**” means all approvals, authorizations, registrations, certifications, filings, franchises, licenses, consents, variances, concessions, exemptions, orders, notices, permits, operating certificates, Slots and air service designations of, with or granted by all Governmental Entities and third parties, including all licenses, certificates and permits from all Governmental Entities to act as an air carrier, as applicable.

(z) “**Lien**” means all pledges, liens, charges, encumbrances or security interests of any kind or nature whatsoever.

(aa) “**Order**” means any order, decision, writ, injunction, decree, judgment, legal or arbitration award, stipulation, license, permit or agreement issued, promulgated or entered into by or with (or settlement or consent agreement subject to) any Governmental Entity.

(bb) “**Person**” means any natural person, firm, corporation, partnership, company, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Entity or other entity.

(cc) “**Quotation Day**” means, in relation to any period for which an interest rate is to be determined pursuant to this Agreement, two business days before the first day of that period, unless market practice differs in the London interbank market, in which case the Quotation Day for that currency and interest rate will be determined by the Calculation Agent in accordance with market practice in the London interbank market.

(dd) “**Slots**” means all takeoff and landing slots, operating authorizations from any Governmental Entity and other similar designated takeoff and landing rights.

(ee) “**Subsidiary**” means, with respect to any Person, any other Person (whether or not incorporated) as to which such Person and/or any one or more of its other Subsidiaries, directly or indirectly, (i) own a majority of the general partner interests in such other Person, (ii) own a majority of the outstanding securities of, or other equity interests in, such other Person which by their terms has ordinary voting power to elect the members of the board of directors (or comparable governing body) of such other Person, or (iii) otherwise have the right to elect or appoint a majority of such members.

(ff) **“Swap Contract”** means (a) any and all interest rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a **“Master Agreement”**), including any such obligations or liabilities under any Master Agreement.

(gg) **“TAM Aircraft Contracts”** means all Contracts (other than (x) existing aircraft leases or (y) Contracts that may be terminated or canceled by TAM or any of its Subsidiaries without incurring any penalty or other material liability except for the forfeiture of any previously made prepayment or deposit) pursuant to which TAM or any of its Subsidiaries has a binding obligation to purchase or lease aircraft.

(hh) **“TAM Financial Reporting Documents”** means all reports, schedules, forms, statements, certifications and other documents (including exhibits and other information incorporated therein) with or to, as applicable, the *Comissão de Valores Mobiliários* (the **“CVM”**) or the SEC that were required to be so filed or furnished by TAM since December 31, 2006 and any documents so filed or furnished during such period by TAM on a voluntary basis.

(ii) **“TAM Material Contract”** means any Contract described on Schedule 5.04(ii).

(jj) **“TAM Stock Options”** means all of the outstanding options to purchase shares of capital stock of TAM (whether vested or unvested, exercisable or unexercisable) issued under the stock option plans listed on Schedule 5.04(jj) (**“TAM Stock Plans”**).

(kk) **“Tax”** means any and all taxes, charges, fees, levies or other assessments, including income, gross receipts, excise, real or personal property, sales, withholding, social security, occupation, use, service, service use, value added, license, net worth, payroll, franchise, transfer and recording taxes, fees and charges, imposed by any taxing authority (whether domestic or foreign including any state, local or foreign government or any subdivision or taxing agency thereof), whether computed on a separate, consolidated, unitary, combined or any other basis; and such term shall include any interest, penalties or additional amounts attributable to, or imposed upon, or with respect to, any such taxes, charges, fees, levies or other assessments.

(ll) **“U.S. Exchange Act”** shall mean the U.S. Securities Exchange Act of 1934.

SECTION 5.05. Interpretation. When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such

reference shall be to an Article of, a Section of, or an Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to “this Agreement” shall include Schedule 3.01 and the Exhibits and Schedules to this Agreement, all of which are incorporated herein and made a part of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any Contract, instrument or Law defined or referred to herein or in any Contract or instrument that is referred to herein means such Contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of Contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Laws and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Except as otherwise expressly provided herein, references to “parties” in this Agreement refers to the parties to this Agreement. Except as otherwise expressly provided herein, all remedies provided herein shall be in addition to any other remedies they may otherwise have under applicable Law. Any reference in this Agreement to a “day” or a number of “days” (without the explicit qualification of “business”) shall be interpreted as a reference to a calendar day or number of calendar days. This Agreement is the product of negotiation by the parties having the assistance of counsel and other advisers, and the parties and their counsel and other advisers have participated jointly in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

SECTION 5.06. Consents and Approvals. For any matter under this Agreement requiring the consent or approval of any party to be

valid and binding on the parties hereto, such consent or approval must be in writing and signed by such party.

SECTION 5.07. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), each of which

shall be considered an original instrument and all of which shall together constitute the same agreement. This Agreement shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 5.08. No Third-Party Beneficiaries. Except as otherwise expressly stated herein, the parties hereby agree that the agreements and covenants set forth herein are solely for the benefit of the other parties in accordance with, and subject to the terms of, this Agreement and that this Agreement is not intended to, and does not, confer upon any Person other than the parties any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein. The parties hereto hereby agree that their respective covenants set forth herein are solely for the benefit of the other parties hereto in accordance with, and subject to the terms of, this Agreement and that this Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder.

SECTION 5.09. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF; *PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE FOREGOING THE AUTHORIZATION AND EXECUTION OF THIS AGREEMENT BY EACH PARTY SHALL BE GOVERNED BY THE LAWS OF ITS JURISDICTION OF INCORPORATION.*

SECTION 5.10. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise by any of the parties hereto without the prior written consent of the other parties, and any purported assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors, heirs and permitted assigns.

SECTION 5.11. Specific Enforcement; Consent to Jurisdiction. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity, without the necessity of proving the inadequacy of monetary damages or of posting bond or other undertaking, as a remedy and to obtain injunctive relief against any breach or threatened breach hereof. In the event that any action is brought in equity to enforce the provisions of this Agreement, no party hereto shall allege, and each party hereto waives the defense or counterclaim that there is an adequate remedy at Law. Each of the parties hereto hereby irrevocably consents and submits itself to the personal jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the Borough of Manhattan, The City of New York (collectively, the “Agreed Courts”) solely in respect of the interpretation and enforcement of the provisions of this Agreement, and the documents referred to herein and the transactions contemplated by this Agreement (collectively, the “Agreed Issues”), waives, and agrees not to assert, as a defense in any action, suit or proceeding in an Agreed Court with respect to the Agreed Issues that such party is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such Agreed Court or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such Agreed Court, and the parties hereto irrevocably agree that all claims with respect to any action, suit or proceeding with respect to the Agreed Issues shall be heard and determined only in an Agreed Court. The parties hereby consent to and grant to each Agreed Court jurisdiction over the Person of such parties and, to the extent permitted by Law, over the subject matter of any dispute with respect to the Agreed Issues and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 5.03 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

SECTION 5.12. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER AND MADE IT VOLUNTARILY AND THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 5.12.

SECTION 5.13. Obligations of LAN and of TAM. Whenever this Agreement requires a Subsidiary of LAN to take any action, such requirement shall be deemed to include an undertaking on the part of LAN to cause such Subsidiary to take such action. Whenever this Agreement requires the Amaro Family or any Subsidiary of TAM, the TAM Direct Controlling Shareholder or TEP Chile to take any action, such requirement shall be deemed to include an undertaking on the part of each member of the Amaro Family, the TAM Controlling Shareholder and TAM to cause such action to be taken.

SECTION 5.14. Language; Portuguese Translation. A sworn Portuguese translation of this Agreement will be prepared by a *tradutor juramentado*. Such translation and no other may be filed with, or furnished to, any applicable Governmental Entity and public registries in Brazil or used in any proceeding in Brazil. For all purposes, the English language version of this Agreement shall be the only binding agreement between the parties hereto and shall control if there is any conflict between it and the Portuguese translation.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, LAN, LAN Controlling Shareholders, TAM Direct Controlling Shareholder, the Amaro Family and TAM have caused this Agreement to be signed by their respective officers hereunto duly authorized, all as of the date first written above.

LAN AIRLINES S.A.

By: _____
Name:
Title:

TAM S.A.

By: _____
Name:
Title:

COSTA VERDE AERONÁUTICA S.A.

By: _____
Name:
Title:

INVERSIONES MINERAS DEL
CANTÁBRICO S.A.

By: _____
Name:
Title:

TAM EMPREENDIMENTOS E
PARTICIPAÇÕES S.A.

By: _____
Name:
Title:

NOEMY ALMEIDA OLIVEIRA AMARO

MARIA CLÁUDIA OLIVEIRA AMARO

MAURÍCIO ROLIM AMARO

JOÃO FRANCISCO AMARO

Exhibit 1

Ownership Structure Chart Upon Completion of Transaction Steps

1-1

Exhibit 2

TAM Shareholders Agreement

2-1

Exhibit 3

Holdco 1 Shareholders Agreement

Exhibit 4

LATAM/TEP Shareholders Agreement

Exhibit 5

Control Group Shareholders Agreement

Conditions to Subscription

(i) Governmental Consents. Since the Commencement Date, none of the consents, approvals, authorizations or other actions or non-actions required to be received or obtained from any Governmental Entity in order to commence or consummate the Exchange Offer, the Mergers or the other transactions contemplated by this Agreement or in connection therewith and that were conditions to the commencement of the Exchange Offer shall have been revoked or amended, modified or supplemented subsequent to the Commencement Date in any way that could reasonably be expected to materially impede or interfere with, delay, postpone or materially and adversely affect the consummation of the transactions contemplated by this Agreement.

(ii) No Injunctions or Restraints. Since the Commencement Date, no court or other Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order or taken any other action (whether temporary, preliminary or permanent) that is in effect and (i) makes illegal, restrains, enjoins or otherwise prohibits the commencement of the Exchange Offer or the consummation of the Exchange Offer, the Mergers or the other transactions contemplated by this Agreement and the Implementation Agreement on the terms contemplated hereby and thereby or (ii) limits or impairs the ability of LAN, the TAM Direct Controlling Shareholder, TEP Chile and/or the Amaro Family to jointly (A) own or operate all or any material portion of the assets of TAM and its Subsidiaries or (B) exercise full ownership rights with respect to equity interests in Holdco 1, TAM and its Subsidiaries in a manner consistent with the terms of the LATAM-TEP Shareholders Agreement, the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement (collectively, "Restraining Orders").

(iii) No Litigation. No Action commenced since the Commencement Date by any Governmental Entity or other Person seeking (i) a Restraining Order or (ii) to limit or impair the ability of LAN and the Amaro Family to jointly (A) own or operate all or any material portion of the assets of TAM and its Subsidiaries or (B) exercise all the rights and receive all the benefits of full ownership of each of Holdco 1, TAM and its Subsidiaries in a manner consistent with the terms of the LATAM-TEP Shareholders Agreement, the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement other than any such Action by any Person other than a Governmental Entity that could not reasonably be expected to succeed on its merits, shall remain pending.

(iv) Business Continuity. None of the following actions, events or circumstances shall have occurred after the Commencement Date (or prior thereto if no executive officer of TAM had actual knowledge of any such action, event or circumstance as of the Commencement Date) that, individually or in the aggregate, have had an adverse effect on the businesses, revenues, operations or financial condition of LAN and its Subsidiaries in any material respect:

(A) Any change in, or termination of, any Licenses that are currently held by LAN or any of its Subsidiaries and used to conduct air domestic or international cargo or passenger transport services or any such Governmental Entity or other Person shall have threatened or taken any action seeking any such change or termination;

(B) Any loss of 10% or more of the total takeoff and landing scheduled operations of LAN and its Subsidiaries to operate at any of the following airports: Arturo Merino Benitez International Airport of Santiago de Chile and the Jorge Chavez International Airport of Lima, Perú;

(C) Any loss of 15% or more of the permits or air traffic rights held by LAN and its Subsidiaries to operate to the United States of America;

(D) Any termination or expiration of any aeronautical insurance policy that currently covers LAN or any of its Subsidiaries unless such policy is reinstated or replaced by a substantially equivalent policy within 24 hours of such termination or expiration;

(E) Any initiation of any inquiry or investigation of LAN or any of its Subsidiaries by any Airline Regulatory Entity relating to safety issues that could be expected to result in the total or partial revocation of any License currently held by LAN or any of its Subsidiaries or to be detrimental to the public image of LAN;

(F) Any event that occurs at Arturo Merino Benitez International Airport of Santiago de Chile or the Jorge Chavez International Airport of Lima, Perú and that (1) prevents LAN and its Subsidiaries from operating at least 50% of their normally scheduled flights from such airport during the period from the date on which such event occurs to the expiration of the Exchange Offer or (2) if such period is less than 30 days, could be expected to prevent such percentage of such flights during the 30-day period commencing on the date on which such event occurs;

(G) Any inability of Chile or Perú to adequately and safely control its airspace through its air traffic control system that (1) prevents LAN and its Subsidiaries from being able to conduct their normal operations during the period through the expiration of the Exchange Offer or (2) if such period is less than 30 days, could be expected to prevent such normal operations for a period of at least 30 days;

(H) Any aircraft accident that involves any loss of life or the total loss of any aircraft;

(I) Any issuance of any Law or Order:

(1) fixing or otherwise regulating international passenger airline fares affecting 15% or more of the revenues of the international operations of LAN and its Subsidiaries;

(2) challenging, restricting, limiting or impairing the ability of Holdco 2 to make or consummate the Exchange Offer; LAN to consummate the Mergers; Holdco 2, LAN or Holdco 1 to own, hold or exercise the rights inherent in TAM Stock; or LAN and the TAM Direct Controlling Shareholder, TEP Chile and/or the Amaro Family to jointly own or operate all or any material portion of the assets of TAM and its Subsidiaries or exercise all the rights and receive all the benefits of full ownership of each of Holdco 1, TAM and its Subsidiaries in a manner consistent with the terms of the LATAM-TEP Shareholders Agreement, the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement;

(3) providing for any expropriation or confiscation of any assets of LAN or any of its Subsidiaries or limiting the ability of LAN or any of its Subsidiaries to freely dispose of any of their assets;

(4) suspending, restricting or limiting the ability to engage in currency exchange transactions in Chile or by Chilean corporations or residents or changing the current regulations relating to the transfer of funds into or out of Chile; or

(5) changing the current regulations applicable to the capital markets in Brazil or Chile or increasing any taxes or tax rates that adversely impacts the shareholders who tender into, or the consummation by Holdco 2 of, the Exchange Offer;

(J) Any natural disaster or similar event that causes damage to any infrastructure or airspace used by, or any industry affecting, LAN or any of its Subsidiaries or any assets used by LAN or any of its Subsidiaries in the ordinary course of business; or

(K) Any other event that (1) prevents LAN and its Subsidiaries from operating at least 50% of their regularly scheduled flights during the period from the date on which such event occurs to the expiration of the Exchange Offer or (2) if such period is less than 30 days, could be expected to prevent such percentage of such flights during the 30-day period commencing on the date on which such event occurs.

(v) No Default Under Relevant Agreements. Since the Commencement Date, there shall not have occurred any default in the performance or breach, or any event that with notice, lapse of time or both would result in such a default or breach, by LAN or any of its Subsidiaries contained in any Contract to which any of them is a party under which the aggregate consideration provided or received, or to be provided or received, is greater than US\$10,000,000 that continues to exist, in each case after giving effect to any waivers granted by any other party to such Contract and regardless of whether or not any event of default, acceleration or other enforcement action shall have been declared or taken by any such other party.

(vi) No Market Disruptions. Since the Commencement Date, there shall have been no (i) general suspension of, or limitation on trading in securities on, the SSE, the Bovespa or the NYSE (other than a shortening of trading hours or any coordinated trading halt triggered solely as a result of a specified increase or decrease in a market index), (ii) declaration of a banking moratorium or any suspension of payments in respect of banks in Chile, the European Union or the United States, or (iii) commencement of a war or armed hostilities or airline industry events, which, in the case of clauses (ii) and (iii), could reasonably be expected to have a LAN Material Adverse Effect.

LAN Material Contracts

Any contract, (i) that is a “material contract” (as defined in Item 601(b)(10) of Regulation S-K of the SEC) to be performed after the date of this Agreement that has not been filed as such in a LAN Financial Reporting Document prior to the date of this Agreement; (ii) that limits or purports to limit in any material respect any type or line of business in which LAN or any of its Subsidiaries (whether before or after the consummation of the Mergers) may engage or any manner or locations in which any of them may so engage in any business; (iii) that is a(n) (A) alliance or other brand alliance agreement, (B) code sharing agreement, (C) frequent flyer participation agreement, (D) capacity purchase or similar agreement, (E) cooperation, joint venture, partnership, profit or revenue sharing agreement, (F) special prorate agreement or (G) interlining agreement with any air carrier (including all material amendments to each of the foregoing agreements), in each case that is material to the business, financial condition, results of operations or prospects of LAN and its Subsidiaries, taken as a whole; (iv) pursuant to which any Indebtedness of LAN or any of its Subsidiaries in excess of \$50 million is outstanding or may be incurred that has not been filed in a LAN Financial Reporting Document prior to the date of this Agreement; (v) that involves or could reasonably be expected to involve aggregate payments by or to LAN and/or its Subsidiaries in excess of \$30 million in any twelve-month period, except for any Contract that may be canceled without penalty or termination payments by LAN and/or its Subsidiaries upon notice of 60 days or less; (vi) any aircraft purchase agreement, engine purchase agreement or engine maintenance agreement that involves or is reasonably expected to involve aggregate payments by or to LAN or any of its Subsidiaries in excess of \$30 million in any twelve-month period; or (vii) pursuant to which it is licensed to use Intellectual Property of a third party that is material to the operation of its business, or licenses to a third party rights in the Intellectual Property it owns.

Schedule 5.04(v)
LAN Stock Options

TAM Material Contracts

Any contract (i) that is a “material contract” (as defined in Item 601(b)(10) of Regulation S-K of the SEC) to be performed after the date of this Agreement that has not been filed as such in a TAM Financial Reporting Document prior to the date of this Agreement; (ii) that limits or purports to limit in any material respect any type or line of business in which TAM or any of its Subsidiaries (whether before or after the consummation of the Mergers) may engage or any manner or locations in which any of them may so engage in any business; (iii) that is a(n) (A) alliance or other brand alliance agreement, (B) code sharing agreement, (C) frequent flyer participation agreement, (D) capacity purchase or similar agreement, (E) cooperation, joint venture, partnership, profit or revenue sharing agreement, (F) special prorate agreement or (G) interlining agreement with any air carrier (including all material amendments to each of the foregoing agreements), in each case that is material to the business, financial condition, results of operations or prospects of TAM and its Subsidiaries, taken as a whole; (iv) pursuant to which any Indebtedness of TAM or any of its Subsidiaries in excess of \$50 million is outstanding or may be incurred that has not been filed in a TAM Financial Reporting Document prior to the date of this Agreement; (v) that involves or could reasonably be expected to involve aggregate payments by or to TAM and/or its Subsidiaries in excess of \$30 million in any twelve-month period, except for any contract that may be canceled without penalty or termination payments by TAM and/or its Subsidiaries upon notice of 60 days or less; (vi) any aircraft purchase agreement, engine purchase agreement or engine maintenance agreement that involves or is reasonably expected to involve aggregate payments by or to TAM or any of its Subsidiaries in excess of \$30 million in any twelve-month period; or (vii) pursuant to which it is licensed to use Intellectual Property of a third party that is material to the operation of its business, or licenses to a third party rights in the Intellectual Property it owns.

Schedule 5.04(jj)

TAM Stock Options

EXCHANGE OFFER AGREEMENT

by and among

LAN AIRLINES S.A.,

COSTA VERDE AERONÁUTICA S.A.,

INVERSIONES MINERAS DEL CANTÁBRICO S.A.,

TAM S.A.,

NOEMY ALMEIDA OLIVEIRA AMARO,

MARIA CLÁUDIA OLIVEIRA AMARO,

MAURÍCIO ROLIM AMARO,

JOÃO FRANCISCO AMARO

and

TAM EMPREENDIMENTOS E PARTICIPAÇÕES S.A.

Dated as of January 18, 2011

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EXCHANGE OFFER AGREEMENT

EXCHANGE OFFER AGREEMENT, dated as of January 18, 2011 (the “**Agreement**”), among LAN AIRLINES S.A., a Chilean corporation (“**LAN**”), COSTA VERDE AERONÁUTICA S.A. and INVERSIONES MINERAS DEL CANTÁBRICO S.A., Chilean corporations that are the controlling shareholders of LAN under the Law of Chile (collectively, the “**LAN Controlling Shareholders**”), TAM S.A., a Brazilian corporation (“**TAM**”), Noemy Almeida Oliveira Amaro, Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro and João Francisco Amaro, all of whom are Brazilian citizens and residents and who, collectively, are the only shareholders of the TAM Direct Controlling Shareholder under the Law of Brazil (all such individuals, collectively, the “**Amaro Family**”) and TAM EMPREENDIMENTOS E PARTICIPAÇÕES S.A., a Brazilian corporation that is the controlling shareholder of TAM under the Law of Brazil (the “**TAM Direct Controlling Shareholder**”).

WHEREAS, the board of directors of each of LAN and TAM has approved the combination of the two companies on and subject to the terms and conditions set forth in this Agreement and an implementation agreement being entered into by the parties to this Agreement at the same time as this Agreement (the “**Implementation Agreement**”);

WHEREAS, if (but only if) the Agência Nacional de Aviação Civil of Brazil (“**ANAC**”) has approved without any conditions not acceptable to the parties (i) the direct transfer by the TAM Direct Controlling Shareholder to the Amaro Family of all of the shares of ordinary stock, without par value (“**TAM Ordinary Stock**”), of TAM beneficially owned by the TAM Direct Controlling Shareholder (the “**Ordinary TEP Shares**”) (which represents 85.3457% of the outstanding shares of TAM Ordinary Stock), (ii) the direct transfer by the TAM Direct Controlling Shareholder to the Amaro Family of all of the shares of non-voting preferred stock, without par value (the “**TAM Preferred Stock**” and, collectively with the TAM Ordinary Stock, the “**TAM Stock**”), of TAM beneficially owned by the TAM Direct Controlling Shareholder (the “**Preferred TEP Shares**” and, collectively with the Ordinary TEP Shares, the “**TEP Shares**”) (which represents 25.0873% of the outstanding shares of TAM Preferred Stock), (iii) the direct transfer by the Amaro Family to a new Chilean holding company, TEP Chile S.A. (“**TEP Chile**”), of all of the TEP Shares, (iv) the direct transfers by TEP Chile of the Ordinary TEP Shares to Holdco 1 and the Preferred TEP Shares to Sister Holdco, (v) the direct transfers by the other holders of shares of TAM Ordinary Stock to Holdco 2 pursuant to the Exchange Offer, subsequently to LAN pursuant to the Mergers and finally to Holdco 1 through the contribution by LAN and (vi) the direct transfers by the other holders of shares of TAM Preferred Stock to Holdco 2 pursuant to the Exchange Offer and subsequently to LAN pursuant to the Mergers, which direct transfers will result in the indirect transfers of shares of TAM Linhas Aéreas S.A., Pantanal Linhas Aéreas S.A. and TAM Milor Táxi Aéreo, Representações, Marcas e Patentes S.A., such transfers will be effected as described below;

WHEREAS, after the date of this Agreement and prior to the time at which the TEP Chile Subscription is made and paid pursuant to Section 5.04(b), the Amaro Family will implement a capital reduction of the TAM Direct Controlling Shareholder, pursuant to which the TAM Direct Controlling Shareholder will transfer all of the TEP Shares to the members of the Amaro Family pro rata in accordance with their relative equity ownership of the TAM Direct Controlling Shareholder ("**TEP Restructuring**");

WHEREAS, after the TEP Restructuring and after the TEP Chile Subscription is made pursuant to Section 5.04(b), the Amaro Family will contribute all of the TEP Shares to TEP Chile and TEP Chile will contribute all of the Ordinary TEP Shares to a new Chilean holding company ("**Holdco 1**") in exchange for 100% (other than two shares issued to LAN) of the non-voting stock, no par value (the "**Holdco 1 Non-Voting Stock**"), of Holdco 1, and (ii) Holdco 1 and its nominee will incorporate a new Chilean company ("**Holdco 2**"), and the parties agree that the value of the TEP Shares so contributed shall be the net asset value of such TEP Shares as of the date of their contribution;

WHEREAS, after the consummation of the Mergers, the Amaro Family will collectively own 100% of the outstanding shares of TEP Chile, TEP Chile will own at least 80% of the voting stock, no par value (the "**Holdco 1 Voting Stock**," and collectively with the Holdco 1 Non-Voting Stock, "**Holdco 1 Stock**"), of Holdco 1, and LAN will own 100% of the shares of Holdco 1 Non-Voting Stock and no more than 20% of the shares of Holdco 1 Voting Stock;

WHEREAS, Holdco 2 will make a delisting exchange offer (the "**Exchange Offer**") pursuant to the terms and conditions of the CVM Instruction 361/2002, as amended from time to time, without taking into consideration the amendments to such instruction brought by CVM Instruction 487/2010 and later amendments (the "**CVM I 361**") for all of the outstanding shares of TAM Stock other than the TEP Shares pursuant to the terms and conditions set forth in this Agreement;

WHEREAS, simultaneously with the consummation of the Exchange Offer, Holdco 2 and another newly formed Chilean company ("**Sister Holdco**") will merge with and into LAN (collectively, the "**Mergers**") pursuant to the Implementation Agreement;

WHEREAS, as a result of the Exchange Offer and the Mergers, LAN will acquire substantially all of the remaining outstanding shares of TAM Stock from the holders who elect to participate in the Exchange Offer and will issue shares of common stock, no par value (the "**LAN Common Stock**"), of LAN to such holders and to TEP Chile at the same time and at the same exchange ratio;

WHEREAS, after consummation of the foregoing transactions and assuming (only for the purposes of calculating the ownership percentages shown below) that (i) all holders of shares of TAM Stock (other than the TEP Shares) fully participate in the Exchange Offer, (ii) none of the holders of the outstanding shares of LAN Common Stock exercise their appraisal rights (*derecho a retiro*) under the Law of Chile in respect of the Mergers and (iii) the only shares of LAN Common Stock and TAM Stock that will be outstanding after the consummation of the Mergers are the shares issued in the Mergers and the shares which are subscribed and fully paid for as of the date of the Agreement (which excludes any shares issuable upon future exercises of stock options):

- (a) Holdco 1 will own 100% of the shares of TAM Ordinary Stock;
- (b) the Amaro Family collectively will own 100% of the shares of TEP Chile;
- (c) TEP Chile will own 80% of the shares of Holdco 1 Voting Stock;
- (d) LAN will own 100% of shares of Holdco 1 Non-Voting Stock, 20% of shares of the Holdco 1 Voting Stock and 100% of the shares of TAM Preferred Stock; and
- (e) the Amaro Family collectively will own 13.67% of the outstanding shares of LAN Common Stock through TEP Chile and the other TAM shareholders will own 15.65% of the outstanding shares of LAN Common Stock;

WHEREAS, in connection with the foregoing transactions, LAN, TEP Chile, Holdco 1 and TAM will enter into a shareholder agreement (the “**TAM Shareholders Agreement**”) that will set forth their agreements with respect to the governance of, management and relationships between, TAM and its subsidiaries;

WHEREAS, in connection with the foregoing transactions, LAN, TEP Chile and Holdco 1 will enter into a shareholder agreement, dated the date hereof (the “**Holdco 1 Shareholders Agreement**”), to set forth their agreement with respect to the governance of Holdco 1;

WHEREAS, in connection with the foregoing transactions, LAN and TEP Chile will enter into a shareholder agreement (the “**LATAM/TEP Shareholders Agreement**”) that will set forth their agreements with respect to the governance of, and relationships between, LAN, Holdco 1 and their respective Subsidiaries;

WHEREAS, in connection with the foregoing transactions, the LAN Controlling Shareholders, as the continuing controlling shareholders of LAN under the Law of Chile (“**Chilean Law**”), desire to make certain concessions to TEP Chile and the Amaro Family by entering into a shareholder agreement with TEP Chile (the “**Control Group Shareholders Agreement**”) that will set forth their agreements with respect to the governance of LAN, the voting, sale and transfer of their shares of LAN Common Stock and TEP Chile’s shares of Holdco 1 Voting Stock and certain other matters; and

WHEREAS, the board of directors of each of LAN, TAM, the LAN Controlling Shareholders and the TAM Direct Controlling Shareholder have approved this Agreement and the Implementation Agreement and the transactions contemplated hereby and thereby upon the terms and subject to the conditions set forth in this Agreement and the Implementation Agreement.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained in this Agreement and the Implementation Agreement, and subject to the conditions set forth herein, the parties hereto agree as follows:

ARTICLE I

THE EXCHANGE OFFER

SECTION 1.01. ANAC Approval. On October 20, 2010, the parties hereto submitted to ANAC an application for ANAC's approval of: (i) the direct transfer by TEP Chile of the Ordinary TEP Shares to Holdco 1 and the Preferred TEP Shares to Sister Holdco, (ii) the direct transfers by the other holders of TAM Ordinary Stock to Holdco 2 pursuant to the Exchange Offer, subsequently to LAN pursuant to the Mergers and finally to Holdco 1 through the contribution by LAN and (iii) the direct transfers by the other holders of TAM Preferred Stock to Holdco 2 pursuant to the Exchange Offer and subsequently to LAN pursuant to the Mergers (the "**ANAC Approval**"), together with a Private Instrument of Ratification of Understanding, dated as of October 12, 2010 and as amended as of December 13, 2010, among the parties (the "**Ratification of Understanding**"). Promptly following the date hereof, the parties will amend the Ratification of Understanding to request that ANAC also approve the (i) direct transfers by the TAM Direct Controlling Shareholder of the TEP Shares to the Amaro Family and (ii) the direct transfer by the Amaro Family of the TEP Shares to TEP Chile. The parties acknowledge and agree that they will take no actions to implement any of the transactions contemplated by this Agreement unless and until the ANAC Approval has been received or ANAC has expressly approved the taking of such actions prior to receipt of the ANAC Approval.

SECTION 1.02. Pre-Commencement Closing. Unless otherwise agreed in writing by LAN and the TAM Direct Controlling Shareholder and the Amaro Family, a meeting (the "**Pre-Commencement Closing**") shall take place at the offices of Pinheiro Neto Advogados located at Rua Hungria, 1.100 São Paulo, SP, Brasil at 9:00 A.M., São Paulo time, on the first business day (the "**Pre-Commencement Closing Date**") following the first day on which all of the conditions set forth in Article VI are satisfied or waived in accordance with this Agreement (other than any such conditions that by their nature are to be satisfied at the Pre-Commencement Closing, but subject to the satisfaction or waiver of those conditions) (the "**Condition Date**").

SECTION 1.03. Commencement. As promptly as practicable on the first business day after the Pre-Commencement Closing Date, Holdco 2 will make a delisting tender offer in the form of the Exchange Offer to acquire (i) all of the outstanding shares of TAM Preferred Stock other than the Preferred TEP Shares (including those represented by American Depositary Receipts (“**TAM ADRs**”) issued pursuant to the Deposit Agreement, dated as of March 9, 2006, among TAM, JPMorgan Chase Bank, N.A., as Depositary (the “**Depositary**”), and the holders of TAM ADRs from time to time), and (ii) all of the outstanding shares of TAM Ordinary Stock other than the Ordinary TEP Shares (the shares of TAM Stock described in clauses (i) and (ii) are collectively referred to herein as the “**Eligible TAM Shares**” and the Eligible TAM Shares not beneficially owned by the TAM Direct Controlling Shareholder and/or the Amaro Family, any of their Affiliates, TAM or any of its Subsidiaries are referred to herein as, the “**Free Float Shares**”), in each case for the same number of shares of ordinary stock, no par value (“**Holdco 2 Stock**”), of Holdco 2. The Exchange Offer shall commence when the *Edital* relating thereto (the “**Edital**”) is published in Brazil in accordance with Brazilian Law (the date and time at which such publication occurs is referred to herein as the “**Commencement Date**”). In connection with the Exchange Offer, TAM shall promptly furnish or cause to be furnished to Holdco 2 and LAN (x) a list of the names and addresses of the record holders and beneficial owners of Free Float Shares located in the United States and the record holders and beneficial owners of TAM ADRs (collectively, the “**U.S. Shareholders**”), in each case as of the most recent practicable date, as well as mailing labels containing such names and addresses, and (y) security position lists, computer files and any other information identifying such record holders and beneficial owners as of the most recent practicable date which TAM, its transfer agent or the Depositary have in their possession or control or can obtain without unreasonable effort or expense. TAM will furnish or cause to be furnished to Holdco 2 and LAN such additional information (including updates of the items provided pursuant to the preceding sentence) and such other assistance as Holdco 2 or LAN may reasonably request in communicating the Exchange Offer and the Mergers to the record holders and beneficial owners of the Eligible TAM Shares.

SECTION 1.04. Filings and Actions.

(a) Chilean Filings and Actions. Only to the extent required by the CVM, prior to the Commencement Date, the TAM Direct Controlling Shareholder and the Amaro Family shall cause Holdco 2 to (i) (A) register as an issuer in the Securities Registry (the “**Securities Registry**”) of the *Superintendencia de Valores y Seguros* (the “**SVS**”), (B) register a sufficient number of shares of Holdco 2 Stock as securities subject to *oferta pública* in the Securities Registry and with the Santiago Stock Exchange (the “**SSE**”) and (C) obtain waivers of any applicable preemptive rights, in each case in order to consummate the Exchange Offer on the terms contemplated in this Agreement, and (ii) file and submit all disclosures with the SVS and the SSE that are required under applicable Law in connection with the Exchange Offer, including *Norma de Carácter General* N° 30 of the SVS and the rules and regulations of the SSE.

(b) Brazilian Filings and Actions.

(i) Prior to the Commencement Date, LAN shall (A) file with the *Comissão de Valores Mobiliários* (the “**CVM**”) and the BM&FBovespa (the “**Bovespa**”), under the terms of CVM Instruction 480/2009 (“**CVM I 480**”), a draft form of its *Formulário de Referência* and a request to register LAN as a publicly traded company (*companhia estrangeira com valores mobiliários negociados em mercados regulamentados*); (B) apply for the registration of a Level II BDR Program under the terms of CVM I 480 and CVM Instruction 332, as amended; and (C) apply with the Bovespa to list the Brazilian Depositary Receipts (“**LAN BDRs**”) to be issued pursuant to a deposit agreement in customary form to be entered into among LAN, the depositary agent and the holders of LAN BDRs from time to time.

(ii) Prior to the Commencement Date, Holdco 2 shall file with the CVM, under the terms of CVM Instruction I 361, a Tender Offer Statement with respect to TAM's delisting procedure and the exchange of the shares of Holdco 2 Stock and LAN BDRs pursuant to the Exchange Offer and the Mergers, which shall include an Offer to Exchange/Prospectus as well as any other documents required to be included therein under applicable Law pursuant to which the Exchange Offer will be made, together with any supplements or amendments thereto that may be requested by the CVM or the Bovespa (the "**Brazilian Exchange Offer Documents**").

(iii) The TAM Direct Controlling Shareholder and the each of the members of the Amaro Family agrees to take, and to cause TEP Chile, Holdco 1, Holdco 2 and Sister Holdco, as applicable, to take, to the extent required under Brazilian Law, any action required by any Governmental Entity or the Bovespa in order to implement and consummate the Exchange Offer, the Mergers or any of the other transactions contemplated by this Agreement and the Implementation Agreement.

(c) **U.S. Filings and Actions.**

(i) Prior to the Commencement Date, (A) LAN, TAM, the TAM Direct Controlling Shareholder and the Amaro Family and Holdco 2 shall prepare, and LAN and Holdco 2 shall file with the U.S. Securities and Exchange Commission (the "**SEC**"), pursuant to and in accordance with the U.S. Securities Act of 1933, as amended (including the rules and regulations promulgated thereunder, the "**U.S. Securities Act**"), and the U.S. Securities Exchange Act of 1934, as amended (including the rules and regulations promulgated thereunder, the "**U.S. Exchange Act**" and, collectively with the U.S. Securities Act, the "**U.S. Securities Laws**"), a registration statement on Form F-4 with respect to the Exchange Offer and the Mergers and the offer and sale (as defined under the U.S. Securities Act) of shares of Holdco 2 Stock and shares of LAN Common Stock pursuant thereto (as amended and supplemented from time to time, the "**Form F-4**"), which shall include an Offer to Exchange/Prospectus and a related letter of transmittal and summary advertisement (as amended or supplemented from time to time, the "**U.S. Offering Documents**"); and (B) LAN and Holdco 2 shall cause the U.S. Offering Documents to be disseminated to the U.S. Shareholders as and to the extent required by the U.S. Securities Laws. Each of LAN, TAM, the TAM Direct Controlling Shareholder and the Amaro Family and Holdco 2 shall use all reasonable efforts to have the Form F-4 declared effective under the U.S. Securities Act as promptly as practicable after such filing and to cause the Offer to Exchange/Prospectus and the related letter of transmittal included in the Form F-4 to be mailed to the U.S. Shareholders as promptly as practicable after the Commencement Date. Each of LAN, TAM, the TAM Direct Controlling Shareholder, the Amaro Family and Holdco 2 shall also take any action required to be taken under any applicable state securities Law in connection with the issuance of shares of Holdco 2 Stock pursuant to the Exchange Offer and shares of LAN Common Stock pursuant to the Mergers, and each of LAN, TAM, the TAM Direct Controlling Shareholder, the Amaro Family and Holdco 2 shall furnish all information as may be reasonably requested by the other parties in connection with any such action, the Form F-4 or the Offer to Exchange/Prospectus. LAN and Holdco 2 shall notify each other party promptly after it shall become aware that (A) the Form F-4 has been declared effective by the SEC, and (B) any stop order has been issued by the SEC with respect to the Form F-4 or the qualification of the offer and sale (as defined under the U.S. Securities Act) of the shares of Holdco 2 Stock or shares of LAN Common Stock pursuant to the Exchange Offer or the Mergers has been suspended in any jurisdiction.

(ii) On the Commencement Date, LAN and Holdco 2 shall file with the SEC, pursuant to and in accordance with Rule 14d-3 and Regulation M-A promulgated under the U.S. Exchange Act, a Tender Offer Statement on Schedule TO (as amended and supplemented from time to time, the “**Schedule TO**”) with respect to the Exchange Offer (the Schedule TO, Form F-4 and the U.S. Offering Documents, together with any supplements or amendments thereto, the “**U.S. Exchange Offer Documents**”). TAM hereby consents to the inclusion in the U.S. Exchange Offer Documents of the TAM Board Recommendations.

(iii) On the Commencement Date, TAM shall file with the SEC a Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the Exchange Offer containing the TAM Board Recommendations (together with all amendments, supplements and exhibits thereto, the “**Schedule 14D-9**”) and shall cause the Schedule 14D-9 to be disseminated to the U.S. Shareholders with the U.S. Offering Documents, in each case in a manner that complies with Rule 14d-9 under the U.S. Exchange Act and other applicable U.S. Securities Laws.

(d) **Further Action.** All of the written documents filed with, or submitted to, ANAC, the SVS, the SSE, the CVM, the Bovespa, the New York Stock Exchange, Inc. (the “**NYSE**”), the SEC or any other Governmental Entity pursuant to the securities laws of any jurisdiction by any party hereto in connection with the Exchange Offer or the Mergers (such written documents, together with any amendments or supplements thereto, are collectively referred to herein the “**Regulatory Documents**” and the entities with which the Regulatory Documents are filed or to which they are submitted are collectively referred to herein as the “**Regulatory Entities**”) shall comply in all material respects with applicable Law of the jurisdiction in which they are filed or submitted. Each of LAN, TAM, the TAM Direct Controlling Shareholder, the Amaro Family and Holdco 2 agrees to use all reasonable efforts to respond promptly to comments or inquiries from any Regulatory Entity or its staff with respect to any Regulatory Documents it filed with or submitted to such Regulatory Entity, and to promptly correct any information provided by it for inclusion in any Regulatory Document if and to the extent that such information shall contain any untrue statement of any material fact, omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading or shall otherwise become false or misleading in any material respect or otherwise require amendment under applicable Law. Each of LAN, TAM, the TAM Direct Controlling Shareholder, the Amaro Family and Holdco 2 shall take all steps necessary to amend or supplement all Regulatory Documents filed or submitted by it and to cause all such Regulatory Documents so amended or supplemented to be filed with the relevant Regulatory Entity and to be disseminated to the holders of Eligible TAM Shares, in each case as and to the extent required by applicable Law. Each of TAM, the TAM Direct Controlling Shareholder, the Amaro Family and LAN and their respective counsels shall be given reasonable opportunity to review and comment on each Regulatory Document (including any amendments or supplements thereto) before it is filed with or submitted to the relevant Regulatory Entity or disseminated to the holders of Eligible TAM Shares. Each of LAN, Holdco 2, TAM, the TAM Direct Controlling Shareholder, the Amaro Family and their respective counsels shall provide the others with copies of any written comments, and shall inform them of any oral comments, that it or its counsel receives from any Regulatory Entity or its staff with respect to any Regulatory Document promptly after the receipt of such comments and shall give the other parties a reasonable opportunity to review and comment on any written or oral responses to such comments before they are filed with or submitted to such Regulatory Entity. Without limiting the foregoing, the parties hereby acknowledge and agree that all Regulatory Documents filed with or submitted to any Regulatory Entity or its staff shall be in form and substance reasonably acceptable to each of LAN, TAM, the TAM Direct Controlling Shareholder and the Amaro Family before they are filed with or submitted to such Regulatory Entity or its staff.

SECTION 1.05. **Terms and Conditions.** The terms and conditions of the Exchange Offer shall comply with applicable Law. The consummation of the Exchange Offer will be subject only to the conditions set forth in Article VII (the “**Exchange Offer Conditions**”), including the Minimum Conditions. For all purposes of this Agreement, the consummation of the Exchange Offer shall be deemed to be the purchases of TAM Stock pursuant to the auction (*leilão*) (the “**Leilão**”) established in the *edital* relating to the Exchange Offer (the “**Editai**”). In order to accept the Exchange Offer, the holders of Eligible TAM Shares will have to tender and not withdraw their shares in accordance with the requirements of the Exchange Offer. If the Exchange Offer is required to be consummated pursuant to Section 5.04(b), then the Amaro Family will cause Holdco 2 to purchase and pay (with shares of LAN Common Stock issuable in the Mergers) for all of the Eligible TAM Shares validly tendered and not withdrawn pursuant to the Exchange Offer that Holdco 2 is obligated to purchase pursuant to the terms of the Exchange Offer on the Expiration Date. Whenever this Agreement requires the TAM Direct Controlling Shareholder, TEP Chile, Holdco 2 or Sister Holdco to take any action, such requirement shall be deemed to include an undertaking on the part of the Amaro Family or the TAM Direct Controlling Shareholder, as applicable, to cause them to take such action. The time at which the Mergers become effective is referred to herein as the “**Effective Time**.”

SECTION 1.06. Extensions and Amendments. Subject to the parties' right to cause Holdco 2 to request permission from the CVM to extend the expiration time for the Exchange Offer or to revoke the Exchange Offer as provided below, the Exchange Offer shall initially expire on the date provided in the Edital. If all of the Exchange Offer Conditions are not satisfied at, or waived by the parties entitled to grant such waivers as provided in Article VII prior to, any then scheduled expiration time for the Exchange Offer, then LAN or the Amaro Family (but only if they are so entitled to grant a waiver of any unsatisfied or unwaived conditions) may, from time to time in its or their sole discretion, cause Holdco 2 to request permission from the CVM to extend the expiration time for the Exchange Offer in maximum increments of 30 days to no later than 28 days after the Commencement Date. If both LAN and the Amaro Family agree to request a modification to the terms and conditions of the Exchange Offer or revocation of the Exchange Offer, the Amaro Family shall cause Holdco 2 to request permission from the CVM to modify the terms and conditions of the Exchange Offer or to revoke the Exchange Offer; *provided, however*, that the Amaro Family shall not unreasonably withhold or delay their agreement to request any such amendment that is not adverse to the Amaro Family or the holders of Eligible TAM Shares. LAN and the Amaro Family shall cause Holdco 2 to request permission from the CVM to revoke the Exchange Offer if this Agreement and the Implementation Agreement terminate in accordance with their terms.

SECTION 1.07. By-laws. The parties shall take all necessary action so that immediately following the Effective Time, the by-laws of TAM shall be amended so that they will be in the form attached hereto as **Exhibit 1** and the by-laws of Holdco 1, Sister Holdco and Holdco 2 shall be in the forms attached hereto as **Exhibits 2, 3** and **4**, respectively.

SECTION 1.08. Listing and Delisting. LAN shall use its commercially reasonable efforts to cause the following listings to be approved as soon as practicable, and to cause such listings to become effective, no later than the Commencement Date: (i) LAN BDRs representing the shares of LAN Common Stock to be issued in the Mergers to be approved for listing on the Bovespa, (ii) LAN ADRs representing shares of LAN Common Stock to be issued in the Mergers to be approved for listing on the New York Stock Exchange, Inc., subject to notice of issuance, and (iii) the shares of LAN Common Stock to be issued in the Mergers to be approved for listing on the SSE (collectively with each other and any other listings required by any Governmental Entity, the "**Required Listings**"). Each of TAM and the Amaro Family shall use its or their commercially reasonable efforts to cause (i) each of the TAM Ordinary Stock and TAM Preferred Stock to be delisted from the Bovespa, in each case if the Delisting Condition was satisfied with respect to such class of TAM Stock, and (ii) the TAM ADRs to be delisted from the NYSE and deregistered under the U.S. Exchange Act, in each case as soon as practicable following the Effective Time.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF TAM

Except as set forth in the TAM Financial Reporting Documents filed with the SEC or the CVM, as the case may be, and made publicly available after December 31, 2009 and prior to the date of this Agreement (excluding, in each case, any disclosures set forth in any risk factor section or in any other section to the extent that they are forward-looking statements or cautionary, predictive or forward-looking in nature) or in the corresponding sections or subsections of the disclosure letter delivered by TAM to LAN not less than 24 hours prior to entering into this Agreement (the “**TAM Disclosure Schedule**”) (it being agreed that (i) the disclosure of any fact or item in any section or subsection of the TAM Disclosure Schedule whose relevance to any other section or subsection of this Agreement is reasonably apparent from the face of such disclosure shall also be deemed to be disclosed in the section or subsection of the TAM Disclosure Schedule that corresponds to such other section or subsection of this Agreement and (ii) the exclusion with respect to the TAM Financial Reporting Documents shall not apply to Section 2.03, Section 2.06(a) or Section 2.06(b)), TAM hereby represents and warrants to LAN as follows:

SECTION 2.01. Organization, Standing and Corporate Power; Subsidiaries. (a) Each of TAM and its Subsidiaries has been duly organized and is validly existing and (with respect to jurisdictions that recognize such concept) in good standing under the Law of the jurisdiction of its incorporation or organization, as the case may be, and has all requisite power and authority and possesses all governmental licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold and use its properties, rights and other assets and to carry on its business and operations as currently conducted, other than any such failures to have such power, authority, governmental licenses, permits, authorizations or approvals or any such failures of Subsidiaries of TAM to be duly organized, validly existing or in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. Each of TAM and its Subsidiaries is duly qualified or licensed to do business and (with respect to jurisdictions that recognize such concept) is in good standing in each jurisdiction in which the nature of its business or operations or its ownership, leasing, holding or use of its properties, rights or other assets makes such qualification, licensing or good standing necessary, other than any such failures to be so qualified, licensed or in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. Each of TAM’s Airline Affiliates is an air carrier duly authorized to act as such by the Governmental Entity of competent jurisdiction with which it holds its operating authority.

(b) Section 2.01(b) of the TAM Disclosure Schedule lists, as of the date of this Agreement, each of TAM’s “significant subsidiaries,” as such term is defined in Section 1-02 of Regulation S-X promulgated by the SEC. All of the Equity Securities and Convertible Securities of each Subsidiary of TAM are owned of record and beneficially, directly or indirectly, by TAM. All the issued and outstanding Equity Securities of each Subsidiary of TAM have been validly issued and are fully paid and nonassessable and are owned of record and beneficially, directly or indirectly, by TAM free and clear of all pledges, liens, charges, encumbrances or security interests of any kind or nature whatsoever (collectively, “**Liens**”), and free of any restriction on the right to vote, sell or otherwise dispose of such Equity Securities. Except for the Equity Securities of the Subsidiaries of TAM, TAM does not own, directly or indirectly, any Equity Securities or Convertible Securities of any Person.

SECTION 2.02. By-laws. TAM has made available to LAN prior to the date of this Agreement a complete and accurate copy of the by-laws of TAM (the “**TAM By-laws**”) in the form attached as **Exhibit 5** and the by-laws or comparable organizational documents of each of TAM’s “significant subsidiaries,” as such term is defined in Section 1-02 of Regulation S-X promulgated by the SEC (collectively, the “**TAM Subsidiary By-laws**”), in each case as amended to the date of this Agreement. Each of the TAM By-laws and the TAM Subsidiary By-laws is in full force and effect and no other organizational documents are applicable to, or binding upon, TAM or any Subsidiary of TAM.

SECTION 2.03. Capitalization. (a) The authorized capital stock of TAM is R\$ 1,200,000,000. At the close of business on January 11, 2011 (the “**TAM Capitalization Date**”):

(i) 55,816,683 shares of TAM Ordinary Stock were issued and outstanding and no shares of TAM Ordinary Stock were held by TAM in its treasury; and

(ii) 100,390,098 shares of TAM Preferred Stock were issued and outstanding and 223,176 shares of TAM Preferred Stock were held by TAM in its treasury.

(b) Section 2.03(a) of the TAM Disclosure Schedule contains a correct and complete list as of the date of this Agreement of all of the outstanding TAM Stock Options issued under the TAM stock option plan (the “**TAM Stock Plans**”), including the date of grant, vesting terms, term, number of shares of TAM Preferred Stock issuable upon exercise and the exercise price per share of TAM Preferred Stock.

(c) Except as set forth above in Section 2.03(a), at the close of business on the TAM Capitalization Date, no Equity Securities or Convertible Securities of TAM were issued, reserved for issuance or outstanding. At the close of business on the TAM Capitalization Date, (i) no shares of TAM Stock were owned by any Subsidiary of TAM and (ii) there were no outstanding stock options, stock appreciation rights, “phantom” stock rights, performance units, rights to receive shares of TAM Stock or any other Equity Securities of TAM on a deferred basis or other rights that are linked to the value of the shares of TAM Stock or any other Equity Securities of TAM (collectively, “**TAM Stock-Based Awards**”) other than the TAM Stock Options specified in Section 2.03(a). All outstanding shares of TAM Stock are, and all shares of TAM Preferred Stock which may be issued pursuant to the TAM Stock Options will be, when issued in accordance with the terms thereof, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no bonds, debentures, notes or other Indebtedness of TAM having the right to vote (or convertible into, or exercisable or exchangeable for, securities having the right to vote) with the shareholders of TAM on any matters. Except as set forth above in Section 2.03(a) and for issuances of shares of TAM Preferred Stock issuable pursuant to the TAM Stock Options specified in Section 2.03(a) or as may otherwise be permitted under the Implementation Agreement, (x) there are not issued, reserved for issuance or outstanding (A) any Equity Securities of TAM or any of its Subsidiaries, (B) any Convertible Securities of TAM or any of its Subsidiaries, (C) any obligations of TAM or any of its Subsidiaries to issue any Equity Securities or Convertible Securities of TAM or any of its Subsidiaries or (D) any TAM Stock-Based Awards and (y) there are not any outstanding obligations of TAM or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Equity Securities or Convertible Securities of TAM or any of its Subsidiaries or to issue, deliver or sell, or cause to be issued, delivered or sold, any such securities, and neither TAM nor any of its Subsidiaries is a party to any voting Contract with respect to the voting of any such securities.

(d) Each TAM Stock Option was properly accounted for on the books and records of TAM and qualifies for the tax and accounting treatment afforded thereto in TAM's Tax Returns and financial statements, respectively. Each grant of TAM Stock Options was made in accordance with the terms of the applicable TAM Stock Plan and any applicable Law and regulatory rules or requirements and has a grant date identical to the date on which it was actually granted or awarded by TAM's board of directors (the "**TAM Board**") or the compensation committee thereof. The per share exercise price of each TAM Stock Option was determined in accordance with the applicable TAM Stock Plan.

SECTION 2.04. Authority. TAM has all requisite corporate power and authority to execute, deliver and perform this Agreement and the other Transaction Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby; *provided, however*, that TAM shall not have the power and authority to consummate the Mergers unless the Requisite TAM Shareholder Approval is obtained. The execution, delivery and performance of this Agreement and such other Transaction Agreements by TAM and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of TAM (other than the Requisite TAM Shareholder Approval), and no other corporate proceedings on the part of TAM or its shareholders (other than the Requisite TAM Shareholder Approval) are necessary to authorize this Agreement and such other Transaction Agreements or to consummate the transactions contemplated hereby and thereby. This Agreement and the other Transaction Agreements to which TAM is a party have been duly executed and delivered by TAM and constitute legal, valid and binding obligations of TAM, enforceable against TAM in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar Law of general applicability relating to or affecting the rights of creditors and to the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at Law). The TAM Board has unanimously, by resolutions duly adopted at a meeting duly called and held, approved this Agreement and the other Transaction Agreements, the Exchange Offer and the other transactions contemplated hereby and thereby and recommended the Exchange Offer to the holders of the Free Float Shares, which resolutions have not as of the date of this Agreement been subsequently rescinded, modified or withdrawn in any way, and prior to the Commencement Date will recommend that they tender their shares of TAM Stock into the Exchange Offer.

SECTION 2.05. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement and the other Transaction Agreements to which TAM is a party by TAM do not, and the performance of this Agreement and the other Transaction Agreements by TAM and consummation of the transactions contemplated hereby and thereby will not, conflict with, or result in any violation or breach of, or default (with or without notice, lapse of time or both) under, or result in any termination or modification of or acceleration under, or any change in any right, obligation or benefit under, or result in any Lien on any property or assets of TAM or any of its Subsidiaries pursuant to (i) the TAM By-laws or any TAM Subsidiary By-laws, (ii) any loan, credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement or other contract, agreement, obligation, commitment or instrument (each, a “**Contract**”) to which TAM or any of its Subsidiaries is a party or by which any of them or any of their respective properties, rights or other assets is bound or subject or (iii) assuming the consents, approvals, filings and other matters referred to in Section 2.05(b) are duly obtained or made, any Law or Order applicable to TAM, any of its Subsidiaries or their respective properties, rights or other assets, other than, in the case of clause (ii), any such conflicts, violations, breaches, defaults, terminations, modifications, accelerations, changes or Liens that, individually or in the aggregate, would not reasonably be expected to have a TAM Material Adverse Effect.

(b) The execution, delivery and performance of this Agreement and the other Transaction Agreements to which TAM is a party by TAM, the consummation of the transactions contemplated hereby and thereby and the continuing operation of the businesses of TAM and its Subsidiaries after the Effective Time do not and will not require any consent, approval, order, authorization or permit of, action by, filing or registration with or notification to any governmental, quasi-governmental or regulatory authority, body, department, commission, board, bureau, agency, division, court, organized securities exchange or other legislative, executive or judicial governmental entity or instrumentality of any country, nation, republic, federation or similar entity or any state, county, parish or municipality, jurisdiction or other political subdivision thereof (each, a “**Governmental Entity**”), other than (i) any application, filing or submission required to be made and any consent, approval, authorization or authority required to be made or obtained under Law 7,565/86, as amended (the “**Brazilian Aeronautical Code**”), the Chilean Aeronautical Code, Title 49 of the U.S. Code or under any regulation, rule, order, notice or policy of ANAC, Dirección General de Aeronáutica Civil (the “**DGAC**”), the Junta de Aeronáutica Civil (the “**JAC**”), the U.S. Federal Aviation Administration (the “**FAA**”), the U.S. Department of Transportation (the “**DOT**”), the Federal Communications Commission (the “**FCC**”) and the U.S. Department of Homeland Security (the “**DHS**”), including the U.S. Transportation Security Administration (the “**TSA**”) and any similar Governmental Entity in the E.U., (ii) the filing of the Schedule TO, the Form F-4 and the other Exchange Offer Documents and the Schedule 14D-9 with the SEC, the declaration of effectiveness of the Form F-4 by the SEC, and the filing with the SEC of such reports under, and such other compliance with, the U.S. Securities Laws in connection with the Exchange Offer and Mergers, (iii) the filing of the *Formulário de Referência* of LAN with the CVM, the Brazilian Exchange Offer Documents with the CVM and the Level II BDR Program for the LAN BDRs with the CVM and the Bovespa, and the filings with the SVS and the SSE in connection with the Exchange Offer and the Mergers, (iv) any notices, filings or approvals under the competition, merger control, antitrust or similar Law listed in Section 2.05(b) of the TAM Disclosure Schedule, (v) such filings and approvals as are required to be made or obtained under the securities or “blue sky” laws of various states of the United States in connection with the Exchange Offer and Mergers, (vi) any consent, approval, order, authorization, authority, transfer, waiver, disclaimer, registration, declaration or filing required to be made or obtained from any other Governmental Entity that regulates any aspect of airline operations or business, including environmental (e.g., noise, air emissions and water quality), aircraft, air traffic control and airport communications, agricultural, export/import, immigration and customs (collectively with the Governmental Entities referred to in clause (i) above, the “**TAM Airline Regulatory Entities**”), (vii) any filings required under the rules and regulations of Bovespa or the NYSE (NYSE and Bovespa collectively, the “**TAM Stock Exchanges**”), and (viii) such other consents, approvals, orders, authorizations, permits, actions, notifications, registrations, declarations and filings which, if not obtained or made, individually or in the aggregate, would not reasonably be expected to have a TAM Material Adverse Effect.

SECTION 2.06. TAM Financial Reporting Documents; Financial Statements; No Undisclosed Liabilities. (a) TAM has filed or furnished, as applicable, on a timely basis, all reports, schedules, forms, statements, certifications and other documents (including exhibits and other information incorporated therein) with or to, as applicable, the CVM or the SEC that were required to be so filed or furnished by TAM since December 31, 2006 (such documents, together with any documents so filed or furnished during such period by TAM on a voluntary basis, the **“TAM Financial Reporting Documents”**). On the date on which it was filed with or furnished to the CVM or the SEC, as the case may be, each TAM Financial Reporting Document so filed or furnished prior to the date of this Agreement complied in all material respects with the applicable requirements of the U.S. Securities Laws or other applicable securities Laws and on the date on which it will be filed with or furnished to the CVM or the SEC, as the case may be, each TAM Financial Reporting Document so filed or furnished on or after the date of this Agreement will comply in all material respects with such requirements. On the date on which it was filed with or furnished to the CVM or the SEC, as the case may be, no TAM Financial Reporting Document so filed or furnished prior to the date of this Agreement contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. On the date on which it will be filed with or furnished to the CVM or the SEC, as the case may be, no TAM Financial Reporting Document so filed or furnished on or after the date of this Agreement will contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Since December 31, 2006, TAM has complied in all material respects with all applicable requirements of the U.S. Securities Laws or other applicable securities Law including the Sarbanes-Oxley Act of 2002, as amended (the **“Sarbanes-Oxley Act”**), and the rules and regulations thereunder with respect thereto, and the TAM Stock Exchanges.

(b) Each of the consolidated statements of financial position included in or incorporated by reference into the TAM Financial Reporting Documents fairly presents, or in the case of TAM Financial Reporting Documents filed with or furnished to the CVM or the SEC, as the case may be, on or after the date of this Agreement, will fairly present, in each case in all material respects, the consolidated financial position of TAM as of its date and each consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity, consolidated statement of comprehensive income (loss) included in or incorporated by reference in the TAM Financial Reporting Documents fairly presents, or in the case of TAM Financial Reporting Documents filed with or furnished to the CVM or the SEC, as the case may be, on or after the date of this Agreement, will fairly present, in each case in all material respects, the results of their operations, cash flows, changes in equity and comprehensive income, respectively, for the periods covered thereby (subject, in the case of unaudited statements, to notes and normal year-end audit adjustments that will not be material in amount or effect), and each of the foregoing financial statements was prepared or, in the case of TAM Financial Reporting Documents filed with or furnished to the CVM or the SEC, as the case may be, on or after the date of this Agreement, will be prepared, in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) applied on a consistent basis. To TAM’s Knowledge, there is no applicable accounting rule, consensus or pronouncement that has been adopted by the CVM or the SEC, as the case may be, the IASB or any similar body as of, but is not in effect as of, the date of this Agreement that, if implemented, would reasonably be expected to have a TAM Material Adverse Effect (it being agreed that for purposes of this Section 2.06(b), effects resulting from or arising in connection with the matters set forth in clause (c) of the definition of the term “TAM Material Adverse Effect” shall not be excluded in determining whether a TAM Material Adverse Effect would reasonably be expected to occur).

(c) Each of TAM and its Subsidiaries has timely filed all submissions, reports, registrations, schedules, forms, statements and other documents, together with any amendments required to be made with respect thereto, that they were required to file since December 31, 2006 with the CVM, any TAM Stock Exchange, any TAM Airline Regulatory Entity and any other non-U.S. Governmental Entity, and has paid all fees and assessments due and payable in connection therewith, in each case other than any failures to file such reports, registrations, schedules, forms, statements or other documents, or to pay such fees and assessments, that individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect.

(d) Neither TAM nor any of its Subsidiaries has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise), other than those (i) reflected, reserved for or disclosed in the most recent balance sheet of TAM included in TAM's Annual Report on Form 20-F for the year ended December 31, 2009, as filed with the SEC prior to the date of this Agreement, (ii) incurred in the ordinary course of business consistent with past practice since December 31, 2009, (iii) incurred pursuant to the transactions contemplated in this Agreement or the Implementation Agreement, or (iv) that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. Neither TAM nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract or arrangement (including any Contract or arrangement relating to any transaction or relationship between or among TAM and any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any "off-balance sheet arrangement" (as defined in Item 303(a) of Regulation S-K of the SEC)), where the result, purpose or intended effect of such Contract or arrangement is to avoid disclosure of any material transaction involving, or material liabilities of, TAM or any of its Subsidiaries in the financial statements of TAM or any of its Subsidiaries or the TAM Financial Reporting Documents. None of TAM's Subsidiaries are, or have at any time since January 1, 2006 been, subject to the reporting requirements of Section 13(a) or 15(d) of the U.S. Exchange Act.

(e) TAM and its Subsidiaries maintain disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the U.S. Exchange Act. Such disclosure controls and procedures are effective to ensure that information required to be disclosed by TAM is recorded and reported on a timely basis to the individuals responsible for the preparation of TAM's filings with the SEC and other public disclosure documents. TAM and its Subsidiaries maintain internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the U.S. Exchange Act). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of TAM and its consolidated Subsidiaries, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of TAM and its consolidated Subsidiaries are being made only in accordance with authorizations of management and directors of TAM and its consolidated Subsidiaries, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of TAM and its consolidated Subsidiaries that could have a material effect on its financial statements. TAM has disclosed, based on its most recent evaluation prior to the date of this Agreement, to TAM's auditors and the audit committee of TAM's board of directors (A) any significant deficiencies or material weaknesses in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect TAM's ability to record, process, summarize and report financial information and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in TAM's internal control over financial reporting. TAM has made available to LAN (i) a summary of any such disclosure made by management to TAM's auditors and audit committee since January 1, 2006 and (ii) any communication since January 1, 2006 made by management or TAM's auditors to the audit committee required or contemplated by listing standards of the TAM Stock Exchanges, the audit committee's charter or professional standards of the IASB or Public Company Accounting Oversight Board.

(f) Since December 31, 2006, no material complaints from any source regarding accounting, internal controls or auditing matters, and no concerns from employees of TAM or any of its Subsidiaries regarding questionable accounting or auditing matters, have been received by TAM or any of its Subsidiaries. TAM has made available to LAN a summary of all material complaints or concerns relating to other matters made since December 31, 2006 through TAM's whistle-blower hot-line or equivalent system for receipt of employee concerns regarding possible violations of Law. No attorney representing TAM or any of its Subsidiaries, whether or not employed by TAM or any of its Subsidiaries, has reported evidence of a violation of securities Laws, breach of fiduciary duty or similar violation by TAM or any of its officers, directors, employees or agents to TAM's chief legal officer, the audit committee (or other committee designated for the purpose) of the board of directors of TAM or the board of directors of TAM pursuant to the rules adopted pursuant to Section 307 of the Sarbanes-Oxley Act or any TAM policy contemplating such reporting, including in instances not required by those rules.

SECTION 2.07. Absence of Certain Changes or Events. (i) Since December 31, 2009, there has not been any change in the business, results of operations, financial condition, assets or liabilities of TAM and its Subsidiaries, taken as a whole, or any other change, event, condition, development or occurrence (including any adverse change or development with respect to any such matters that existed on or prior to December 31, 2009) that, individually or in the aggregate, has had or would reasonably be expected to have a TAM Material Adverse Effect and (ii) since December 31, 2009, (A) each of TAM and its Subsidiaries has conducted its business in the ordinary course consistent with past practice and (B) neither TAM nor any of its Subsidiaries has taken any action which, if taken after the date of this Agreement, would require the consent of LAN under the Implementation Agreement.

SECTION 2.08. Litigation. Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect: (a) there are no actions, suits, claims, allegations, hearings, proceedings, arbitrations, mediations, audits, inquiries or investigations (whether civil, criminal, administrative or otherwise) (collectively, "**Actions**") pending or, to the Knowledge of TAM, threatened against TAM or any of its Subsidiaries, (b) neither TAM nor any of its Subsidiaries nor any of their respective properties, rights or assets is subject to, or bound by, any Order, and (c) there are no inquiries or investigations by any Governmental Entity or any whistle-blower complaints pending or, to the Knowledge of TAM, threatened against TAM or any of its Subsidiaries.

SECTION 2.09. **Material Contracts.** (a) As of the date of this Agreement, neither TAM nor any of its Subsidiaries is a party to or bound by any Contract (i) that is a “material contract” (as defined in Item 601(b)(10) of Regulation S-K of the SEC) to be performed after the date of this Agreement that has not been filed as such in a TAM Financial Reporting Document prior to the date of this Agreement; (ii) that limits or purports to limit in any material respect any type or line of business in which TAM or any of its Subsidiaries (including, after giving effect to the Mergers, LAN or any of its Subsidiaries) may engage or any manner or locations in which any of them may so engage in any business; (iii) that is a(n) (A) alliance or other brand alliance agreement, (B) code sharing agreement, (C) frequent flyer participation agreement, (D) capacity purchase or similar agreement, (E) cooperation, joint venture, partnership, profit or revenue sharing agreement, (F) special prorate agreement or (G) interlining agreement with any air carrier (including all material amendments to each of the foregoing agreements), in each case that is material to the business, financial condition, results of operations or prospects of TAM and its Subsidiaries, taken as a whole; (iv) pursuant to which any Indebtedness of TAM or any of its Subsidiaries in excess of \$50 million is outstanding or may be incurred that has not been filed in a TAM Financial Reporting Document prior to the date of this Agreement; (v) that involves or could reasonably be expected to involve aggregate payments by or to TAM and/or its Subsidiaries in excess of \$30 million in any twelve-month period, except for any Contract that may be canceled without penalty or termination payments by TAM and/or its Subsidiaries upon notice of 60 days or less; (vi) any aircraft purchase agreement, engine purchase agreement or engine maintenance agreement that involves or is reasonably expected to involve aggregate payments by or to TAM or any of its Subsidiaries in excess of \$30 million in any twelve-month period; or (vii) pursuant to which it is licensed to use Intellectual Property of a third party that is material to the operation of its business, or licenses to a third party rights in the Intellectual Property it owns. Each such Contract described in clauses (i) through (vii) (whether or not disclosed in the TAM Disclosure Schedule) is referred to herein as a “**TAM Material Contract.**”

(b) Each TAM Material Contract is, and after the consummation of the transactions contemplated by this Agreement and the Implementation Agreement will continue to be, a valid and binding obligation of TAM and its Subsidiaries (to the extent they are parties thereto or bound thereby) enforceable against TAM and, to TAM’s Knowledge, each other party thereto in accordance with its terms and is in full force and effect, and each of TAM and each of its Subsidiaries (to the extent they are party thereto or bound thereby) and, to TAM’s Knowledge, each other party thereto has performed in all material respects all obligations required to be performed by it under each TAM Material Contract. Neither TAM nor any of its Subsidiaries has received notice, nor does it have Knowledge, of any material violation or default in respect of any material obligation under (or any condition which with the passage of time or the giving of notice or both would result in such a violation or default), or any intention to cancel, terminate, change the scope of rights and obligations under or not to renew, any TAM Material Contract.

(c) Section 2.09(c) of the TAM Disclosure Schedule sets forth a true and complete list of all (i) alliance or brand alliance agreements, (ii) code sharing agreements, (iii) frequent flyer participation agreements, (iv) capacity purchase or similar agreements, (v) cooperation, joint venture, partnership, profit or revenue sharing agreements, (vi) special prorate agreements and (vii) interlining agreements with any air carrier to which TAM or any of its Subsidiaries is a party or is otherwise bound.

SECTION 2.10. Licenses; Compliance with Laws. (a) Section 2.10(a) of the TAM Disclosure Schedule sets forth a true and complete list of all of its (i) operating certificates, including the issuing Governmental Entity, date of issuance and date of expiration, and (ii) air traffic rights, including the issuing Governmental Entity, date of issuance and date of expiration, for both scheduled and non-scheduled operations of each of TAM and its Subsidiaries in effect as of the date of this Agreement.

(b) Each of TAM and its Subsidiaries has in effect all approvals, authorizations, registrations, certifications, filings, franchises, licenses, consents, variances, concessions, exemptions, orders, notices, permits, operating certificates, Slots and air service designations of, with or granted by all Governmental Entities and third parties including all licenses, certificates and permits from all Governmental Entities to act as an air carrier, as applicable (collectively, "Licenses") necessary for it to own, lease or operate its properties, rights and other assets and to carry on its business and operations as currently conducted (collectively, the "TAM Licenses"). Each of TAM and its Subsidiaries is, and since December 31, 2006 has been, in compliance with (i) its obligations under each TAM License applicable to it and (ii) the rules and regulations of the Governmental Entity which issued such TAM License, in each case other than any failures to be in such compliance that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. There is not pending nor, to TAM's Knowledge, threatened by or before any Governmental Entity any material proceeding, notice of violation, order of forfeiture or complaint or investigation against TAM or any of its Subsidiaries relating to any TAM License, other than any such proceedings, notices, orders, complaints or investigations that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. No action of any Governmental Entity in granting any TAM License has been reversed, stayed, enjoined, annulled or suspended, and there is not pending or, to TAM's Knowledge, threatened, any material application, petition, objection or other pleading with any Governmental Entity that challenges or questions the validity of, or any rights of the holder under, any TAM License, in each case other than any such action, application, petition, objection or pleading that, individually or in the aggregate, has not had and would not reasonably be expected to have a TAM Material Adverse Effect. The consummation of the Exchange Offer and/or Mergers will not cause, and there is no basis for, any revocation, modification, cancellation or transfer of any TAM Licenses that, individually or in the aggregate, would reasonably be expected to have a TAM Material Adverse Effect.

(c) Except for those matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect, (i) each of TAM and its Subsidiaries is, and since December 31, 2006 has been, in compliance with all applicable Law and Orders and all applicable operating certificates, air carrier obligations, airworthiness directives, aviation regulations and other rules, regulations, directives, orders and policies of any TAM Airline Regulatory Entity applicable to it, its properties, rights or other assets or its businesses or operations and (ii) to TAM's Knowledge, none of the officers, directors, or agents (in their capacity as such) of TAM or any of its Subsidiaries is, or since December 31, 2006 has been, in violation of any Law applicable to its properties, rights or other assets or its businesses or operations relating to (A) the use of corporate funds for political activity or for the purpose of obtaining or retaining business, (B) payments to government officials from corporate funds, or (C) bribes, rebates, payoffs, influence payments, kickbacks or the provision of similar benefits. No investigation or review by any Governmental Entity with respect to TAM or any of its Subsidiaries is pending or, to TAM's Knowledge, threatened, nor has any Governmental Entity indicated an intention to conduct the same, other than any such investigations or reviews that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect.

(d) Each of TAM and its Subsidiaries is, and since December 31, 2006 has been, in compliance in all material respects with the U.S. Foreign Corrupt Practices Act and all other applicable non-U.S. Laws concerning bribery or corrupt payments (collectively, "**Corrupt Practices Laws**"). Since December 31, 2006, (i) neither TAM nor any of its Subsidiaries has made any voluntary disclosure of any actual or alleged violation or breach of any Corrupt Practices Law, (ii) no Governmental Entity has notified TAM or any of its Subsidiaries in writing of any actual or alleged violation or breach of any Corrupt Practices Law, (iii) to the Knowledge of TAM, neither TAM nor any of its Subsidiaries has undergone or is undergoing any audit, review, inspection, investigation, survey or examination of records, in each case conducted by a Governmental Entity and relating to TAM's or any of its Subsidiary's compliance with any Corrupt Practices Law and there is no basis for any such audit, review, inspection, investigation, survey or examination of records, (iv) neither TAM nor any of its Subsidiaries has been or is now under any administrative, civil or criminal charge or indictment or, to the Knowledge of TAM, investigation alleging noncompliance with any Corrupt Practices Law nor, to the Knowledge of TAM, is there any basis for any such charge, indictment or investigation, and (v) neither TAM nor any of its Subsidiaries has been or is now a party to any administrative or civil litigation or proceeding alleging noncompliance with any Corrupt Practices Law nor, to the Knowledge of TAM, is there any basis for any such Action.

SECTION 2.11. **Environmental Matters.** (a) Except for those matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect: (i) TAM and its Subsidiaries have complied at all times with all applicable Environmental Laws; (ii) there have been no Releases of Hazardous Materials and Hazardous Materials are not otherwise present in, on, under, from or affecting any properties or facilities currently or formerly owned, leased or operated by TAM, any of its Subsidiaries or any predecessor of any of them; *provided, however*, that TAM may handle and transport dangerous goods as detailed in, and in accordance with, International Air Transport Association's ("**IATA**") Dangerous Goods Regulations; (iii) neither TAM nor any of its Subsidiaries nor, to the Knowledge of TAM, any other Person whose conduct could result in liability to TAM or any of its Subsidiaries has Released any Hazardous Materials at any other location; (iv) neither TAM nor any of its Subsidiaries nor, to the Knowledge of TAM, any predecessor of any of them is subject to Order of or with any Governmental Entity or any indemnity obligation or other Contract with any other Person relating to obligations or liabilities under Environmental Laws or concerning Hazardous Materials; (v) neither TAM nor any of its Subsidiaries has received any claim, notice or complaint, or is subject to any proceeding, relating to noncompliance with or liability under Environmental Laws or to Hazardous Materials, and no such matter has been threatened to the Knowledge of TAM; (vi) to the best knowledge of TAM, there are no other circumstances or conditions involving TAM or any of its Subsidiaries that could reasonably be expected to result in any claim, liability, investigation, cost or restriction on the ownership, use, or transfer of any property pursuant to any Environmental Law; and (vii) TAM has delivered to LAN copies of all environmental reports, studies, assessments, sampling data, analyses, memoranda and other environmental information in its possession relating to TAM or its Subsidiaries or their respective current and former properties, facilities or operations.

(b) For the purposes of this Agreement, the following terms shall have the meanings assigned below:

(i) "**Environmental Laws**" means any federal, state, local or foreign statute, Law or Order relating to: (A) the protection, investigation or restoration of the environment, health, safety, or natural resources, (B) the handling, use, presence, disposal, release or threatened release of any Hazardous Materials or (C) noise, odor, indoor air, employee exposure, wetlands, pollution, contamination or any injury or threat of injury to Persons or property relating to any Hazardous Materials.

(ii) "**Hazardous Materials**" means (A) petroleum, petroleum products and by-products, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, mold, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances and (B) any other chemical, material, substance, waste, pollutant, contaminant or any dangerous goods generally that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law.

(iii) "**Release**" means any spilling, leaking, pumping, pouring, emitting, placing, emptying, discharging, injecting, escaping, leaching, dumping, disposing or arranging for disposal or migrating into or through the environment or any natural or man-made structure.

SECTION 2.12. **Labor and Employment Matters.** TAM and its Subsidiaries have complied in all material respects with all applicable labor, social security and health and safety Law in connection with all of the employees of TAM and its Subsidiaries. The salaries and other compensation payable to the senior management and other employees of TAM and all of its Subsidiaries have been and are currently being paid in accordance with applicable Laws and all Contracts with any employees of TAM or any of its Subsidiaries. As of the date of this Agreement, Section 2.12 of the TAM Disclosure Schedule sets forth a true and complete list of collective bargaining or other labor union Contracts applicable to any employees of TAM or any of its Subsidiaries. Since December 31, 2006, there have been no strikes, work stoppages or lockouts by or with respect to any employee of TAM or any of its Subsidiaries, other than any such strikes, work stoppages or lockouts that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. Neither TAM nor any of its Subsidiaries has breached or otherwise failed to comply with any provision of any collective bargaining or other labor union Contract applicable to any employees of TAM or any of its Subsidiaries, and there are no written grievances or written complaints outstanding or, to TAM's Knowledge, threatened against TAM or any of its Subsidiaries under any such Contract other than any such breaches, failures to comply, grievances or complaints that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. TAM has made available to LAN and its Representatives true and complete copies of all Contracts set forth in Section 2.12 of the TAM Disclosure Schedule, including all amendments applicable to such Contracts. There are no illegal labor practice complaints or other material labor Actions pending against TAM or any of its Subsidiaries and, to TAM's Knowledge, no circumstances exist that could be the legitimate basis of such complaint or Action except for any complaints or Actions that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect.

SECTION 2.13. **Aircraft.** (a) Section 2.13(a)(i) of the TAM Disclosure Schedule sets forth a true and complete list of (i) all aircraft operated under the operating certificate of TAM or any of its Subsidiaries and (ii) all aircraft owned or leased by TAM or any of its Subsidiaries, in each case as of October 15, 2010 (collectively, the "**TAM Aircraft**"), including a description of the type and manufacturer serial number of each such aircraft. Section 2.13(a)(ii) of the TAM Disclosure Schedule sets forth a true and complete list, as of the date of this Agreement, containing all Contracts (other than (x) existing aircraft leases or (y) Contracts that may be terminated or canceled by TAM or any of its Subsidiaries without incurring any penalty or other material liability except for the forfeiture of any previously made prepayment or deposit) pursuant to which TAM or any of its Subsidiaries has a binding obligation to purchase or lease aircraft (collectively, regardless of whether they are listed in the TAM Disclosure Schedule, the "**TAM Aircraft Contracts**"), including for each TAM Aircraft Contract the manufacturer and model of all aircraft subject thereto, the nature of the purchase or lease obligation (*e.g.*, firm commitment, subject to reconfirmation or otherwise) and the anticipated year of delivery of each aircraft thereunder. Except as identified in writing by TAM to LAN prior to the date of this Agreement, TAM has delivered or made available to LAN redacted (as to pricing and other commercially sensitive terms) copies of all TAM Aircraft Contracts, including all amendments, modifications and supplements thereto.

(b) Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect:

(i) each TAM Aircraft has a validly issued, current individual aircraft Certificate of Airworthiness and Nationality issued by ANAC and, if required by applicable Law, operation specifications approved by the FAA and the competent department of Paraguay with respect to such TAM Aircraft and all requirements for the effectiveness of each such certificate and operation specifications have been satisfied;

(ii) other than any grounded TAM Aircraft, each TAM Aircraft's structure, systems and components are functioning in accordance with their respective intended uses as set forth in any applicable TAM Airline Regulatory Entity, manufacturer or otherwise contractually approved maintenance program (or are in the process of repair or maintenance), including any applicable manuals, technical standard orders or parts manufacturing approval certificates, and all grounded TAM Aircraft are being stored in accordance with any applicable TAM Airline Regulatory Entity, manufacturer or otherwise contractually approved maintenance program;

(iii) all deferred maintenance items and temporary repairs with respect to each such TAM Aircraft have been or will be made materially in accordance with any applicable TAM Airline Regulatory Entity, manufacturer or otherwise contractually approved maintenance programs;

(iv) each TAM Aircraft is properly registered on the aircraft registry of each applicable TAM Airline Regulatory Entity;

(v) neither TAM nor any of its Subsidiaries is a party to any interchange or pooling agreements with respect to its TAM Aircraft, except for interchange or pooling agreements among TAM's Subsidiaries, other than parts pooling agreements entered into in the ordinary course of business; and

(vi) neither TAM nor any of its Subsidiaries has retained any maintenance obligations with respect to any TAM Aircraft that has been leased by TAM or any of its Subsidiaries to a third-party lessee.

(c) Section 2.13(c)(i) of the TAM Disclosure Schedule sets forth a true and complete list, as of October 15, 2010, of all aircraft operated pursuant to a capacity purchase or prorate agreement (collectively, and regardless of whether they are listed in the TAM Disclosure Schedule, the "**TAM Contract Flight Agreements**"), including a description of the operator, type and number of each such aircraft and any minimum utilization requirements applicable to such aircraft. Section 2.13(c)(ii) of the TAM Disclosure Schedule sets forth a true and complete list, as of the date of this Agreement, containing all TAM Contract Flight Agreements. Except as identified in writing by TAM to LAN prior to the date of this Agreement, TAM has delivered or made available to LAN redacted (as to pricing and other commercially sensitive terms) copies of all TAM Contract Flight Agreements, including all amendments thereto.

(d) Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect, to TAM's Knowledge, as of the date of this Agreement there is no ongoing strike, work stoppage or lockout by or with respect to any employee of any counterparty to a TAM Contract Flight Agreement.

SECTION 2.14. TAM Slots and Operating Rights. Section 2.14 of the TAM Disclosure Schedule sets forth a true, correct and complete list of all takeoff and landing slots, operating authorizations from any Governmental Entity and other similar designated takeoff and landing rights (collectively, "**Slots**") used or held by TAM or any of its Subsidiaries (collectively, the "**TAM Slots**") on the date of this Agreement at any domestic or international airport and such list indicates any TAM Slots that have been permanently allocated to another air carrier and in which TAM and its Subsidiaries hold only temporary use rights. Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect, (a) each of TAM and its Subsidiaries has complied in all material respects with the requirements of all of the rules and regulations issued by any Governmental Entity and all Laws relating to the TAM Slots, (b) neither TAM nor any of its Subsidiaries has received any notice of any proposed withdrawal of any TAM Slots by any Governmental Entity, (c)(i) the TAM Slots have not been designated for the provision of essential air service under the regulations of the FAA, were not acquired pursuant to 14 C.F.R. Section 93.219 and have not been designated for international operations, as more fully detailed in 14 C.F.R. Section 93.217 and (ii) to the extent covered by 14 C.F.R. Section 93.227 or any order, notice or requirement of the FAA or any other Governmental Entity, TAM and its Subsidiaries have used the TAM Slots (or the TAM Slots have been used by other operators) either at least 80% of the maximum amount that each TAM Slot could have been used during each full reporting period (as described in 14 C.F.R. Section 93.227(i) or any such order, notice or requirement) or such greater or lesser amount of minimum usage as may have been required to protect such TAM Slot's authorization from termination or withdrawal under regulations or waivers established by any Governmental Entity or airport authority, (d) all reports required by any Governmental Entity relating to the TAM Slots have been filed in a timely manner and (e) neither TAM nor any of its Subsidiaries has agreed to any future TAM Slot slide, TAM Slot trade (except for seasonal swaps), TAM Slot purchase, TAM Slot sale, TAM Slot exchange, TAM Slot lease or TAM Slot transfer of any of the TAM Slots that has not been consummated or otherwise reflected on Section 2.14 of the TAM Disclosure Schedule.

SECTION 2.15. Major TAM Airports. As of the date of this Agreement, no airport authority at International Airport of São Paulo – Guarulhos, Congonhas Airport – São Paulo or Santos Dumont Airport (each such airport, a "**Major TAM Airport**") has taken or, to TAM's Knowledge, threatened to take any action that would reasonably be expected to materially interfere with the ability of TAM and its Subsidiaries to conduct their respective operations at any Major TAM Airport in the same manner as currently conducted in all material respects.

SECTION 2.16. **Employee Benefits.** (a) Section 2.16(a) of the TAM Disclosure Schedule sets forth a list of all employee benefit plans and all profit-sharing plans, stock purchase, stock option, stock appreciation right, restricted stock, restricted stock unit, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements maintained for the benefit of any current or former employee, independent consultant, officer or director of TAM or any of its Subsidiaries (collectively, "**TAM Employees**") by TAM or its Subsidiaries or by any trade or business, whether or not incorporated (such plans, "**TAM Benefit Plans**"). True and complete copies of all TAM Benefit Plans listed in Section 2.16(a) of the TAM Disclosure Schedule, including any trust instruments, insurance contracts, the most recent actuarial report and, with respect to any employee stock ownership plan, loan agreements forming a part of any TAM Benefit Plans, and all amendments thereto have been made available or provided to LAN. All the obligations with respect to the TAM Benefit Plans granted to TAM Employees have been timely paid, and TAM and its Subsidiaries are not in default of any material obligations under the TAM Benefit Plans. All benefits are being administered, in all material aspects, in accordance with their respective terms, and also comply, in all material aspects, with the provisions of applicable Law, as well as with IFRS. There are no pending issues or Actions against TAM and its Subsidiaries involving these benefits, except for routine indemnity claims in respect of the benefits up to the date of execution of this Agreement.

(b) With respect to each TAM Benefit Plan: (i) no disputes are pending or threatened and (ii) neither TAM nor any of its Subsidiaries has incurred any current or projected liability in respect of post-employment or post-retirement health, medical or life insurance benefits for current, former or retired TAM Employees.

(c) To the extent required by applicable Law or IFRS, all contributions required to be made under each TAM Benefit Plan, as of the date hereof, have been timely made and all obligations in respect of each TAM Benefit Plan have been properly accrued and reflected in the TAM Financial Reporting Documents. There has been no amendment to, announcement by TAM or any of its Subsidiaries relating to, or change in employee participation or coverage under, any TAM Benefit Plan which would increase materially the expense of maintaining such plan above the level of the expense incurred therefor for the most recent fiscal year. No TAM Benefit Plan exists that, as a result of the execution of this Agreement or the transactions contemplated by this Agreement (whether alone or in connection with any subsequent event(s)), could reasonably be expected to (i) entitle any TAM Employee to severance pay or any increase in severance pay upon any termination of employment after the date of this Agreement, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation, benefits or awards (including TAM Stock-Based Awards) under, increase the amount payable or result in any other material obligation pursuant to, any of the TAM Benefit Plans, (iii) limit or restrict the right of TAM or, after the consummation of the transactions contemplated hereby, LAN to merge, amend or terminate any of the Benefit Plans or (iv) cause TAM to record additional compensation expense on its income statement with respect to any outstanding stock option or other equity-based award.

SECTION 2.17. Taxes. (a) Each of TAM and its Subsidiaries has (i) timely filed all material Tax Returns required to be filed by any of them (taking into account applicable extensions) and all such Tax Returns were true, correct and complete in all material respects when filed, (ii) timely paid or accrued (in accordance with Brazilian Law) all material Taxes for all Tax periods whether or not shown to be due on such Tax Returns, and (iii) withheld from its employees, creditors or other third parties and, to the extent required to be paid, have timely paid to the appropriate Governmental Entities or set aside in an account for such purpose proper and accurate amounts in compliance with all Tax withholding provisions (including income, social security and employment Tax withholding for all types of compensation).

(b) TAM has made available to LAN true and correct copies of the Corporate Economic and Tax Information Statement (DIPJ) and related Tax Returns filed by TAM and its Subsidiaries for each of the three most recent fiscal years.

(c) There are no pending, and neither TAM nor any Subsidiary has received written notice of any, material national, local or foreign Tax audits or examinations of TAM or its Subsidiaries. No material deficiency for any Taxes has been proposed, asserted or assessed against TAM or any Subsidiary that has not been resolved and paid in full.

(d) There are no outstanding waivers to extend the statutory period of limitations applicable to the assessment of any material Taxes or material Tax deficiencies against TAM or any of its Subsidiaries.

(e) Neither TAM nor any of its Subsidiaries is a party to any agreement providing for the allocation or sharing of Taxes.

(f) No rulings (*autos de infração*) have been entered into or issued by any Tax authority with respect to TAM or any of its Affiliates.

(g) There are no material Liens for Taxes upon the assets, properties or rights of TAM or any of its Subsidiaries that are not provided for in the TAM Financial Reporting Documents, except Liens for Taxes not yet due and payable and Liens for Taxes that are being contested in good faith, which contest, if determined adversely to TAM, would not individually or in the aggregate have or reasonably be expected to have a TAM Material Adverse Effect.

(h) Neither TAM nor any of its Subsidiaries has been a member of an affiliated group filing a consolidated Corporate Economic and Tax Information Statement (other than a group in common with LAN), or has any liability for Taxes of any Person (other than TAM or its Subsidiaries), as a transferee or successor, by contract or otherwise.

(i) There are no pending obligations or any non-compliance by TAM with respect to any tax installment programs or tax amnesties of TAM or any of its Subsidiaries.

(j) Section 2.17(j) of the TAM Disclosure Schedule sets forth a current list of each partnership, joint venture and limited liability company in which TAM beneficially owns a material interest.

(k) For the purposes of this Agreement, the following terms shall have the meanings assigned below:

(i) “**Tax**” means any and all taxes, charges, fees, levies or other assessments, including income, gross receipts, excise, real or personal property, sales, withholding, social security, occupation, use, service, service use, value added, license, net worth, payroll, franchise, transfer and recording taxes, fees and charges, imposed by the Federal Revenue Office (FRO) or any other taxing authority (whether domestic or foreign, including any state, local or foreign government or any subdivision or taxing agency thereof), whether computed on a separate, consolidated, unitary, combined or any other basis, and such term shall include any interest, penalties or additional amounts attributable to, or imposed upon, or with respect to, any such taxes, charges, fees, levies or other assessments.

(ii) “**Tax Return**” means any report, return, document, declaration or other information or filing (including any attachments or schedules thereto and any amendments thereof) required to be supplied to any Person, Governmental Entity or jurisdiction (foreign or domestic) with respect to Taxes.

SECTION 2.18. Intellectual Property. (a) Section 2.18(a) of the TAM Disclosure Schedule sets forth a true and complete list of all Intellectual Property owned by TAM or its Subsidiaries as of the date of this Agreement that is currently registered with or subject to a pending application for registration before any Governmental Entity or internet domain name registrar. All of such Intellectual Property is owned exclusively by TAM or any of its Subsidiaries free and clear of any Liens, is subsisting and, to the Knowledge of TAM, is valid and enforceable, and is not subject to any outstanding order, judgment, decree or agreement adversely affecting TAM’s or any of its Subsidiaries’ use of, or its rights to, such Intellectual Property, except in the case of any Liens, failures to be subsisting, valid and enforceable, or any order, judgment, decree or agreement that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect.

(b) TAM and its Subsidiaries own or hold exclusive or non-exclusive licenses in or have sufficient rights to use all Intellectual Property used in their business as presently conducted, all of which rights shall survive unchanged the consummation of the transactions contemplated by this Agreement.

(c) TAM and its Subsidiaries, as a result of the acquisition by its Subsidiary TAM Milor Táxi Aéreo, Representações, Marcas e Patentes S.A., exclusively owns all rights, title and interest in and to the “TAM” name and trademark and all goodwill associated therewith, free and clear of any Liens, all of which rights are subsisting and, to the Knowledge of TAM, valid and enforceable, and are not subject to any outstanding order, judgment, decree or agreement adversely affecting TAM’s or its Subsidiaries’ use thereof, or its rights thereto.

(d) TAM and its Subsidiaries have not granted any licenses or other rights to third parties to use their Intellectual Property other than non-exclusive licenses granted in the ordinary course of business pursuant to standard terms which have been previously provided to LAN. Consummation of the transactions contemplated by this Agreement will not create any license under or Liens on any Intellectual Property owned by TAM or its Subsidiaries.

(e) To the Knowledge of TAM, the conduct of business as currently conducted by TAM and its Subsidiaries does not infringe, misappropriate or otherwise violate the Intellectual Property rights of any Person, and since December 31, 2006 there has been no such claim, action or proceeding asserted or, to TAM’s Knowledge, threatened against TAM or any of its Subsidiaries or any Person seeking indemnity therefor from TAM or any of its Subsidiaries, in each case other than any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. There is no claim, action or proceeding pending or, to the Knowledge of TAM, threatened against TAM or any of its Subsidiaries or any indemnitee thereof concerning the ownership, validity, registerability, enforceability, infringement, use or licensed right to use any Intellectual Property rights claimed to be owned by TAM or any of its Subsidiaries or used or alleged to be used in the business of TAM or any of its Subsidiaries other than any such claims, actions or proceedings that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. To the Knowledge of TAM, no Person is infringing, misappropriating or otherwise violating in any material manner the Intellectual Property rights owned by TAM or any of its Subsidiaries.

(f) The IT Assets used by TAM and its Subsidiaries in the operation of their respective businesses (i) perform sufficiently as required by TAM and its Subsidiaries for the operation of their respective businesses as currently conducted and (ii) since December 31, 2008 have not malfunctioned or failed, other than any such failures to operate and perform or any such malfunctions or failures that, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. Since December 31, 2006, TAM and its Subsidiaries have maintained backup and disaster recovery technologies that is reasonable and consistent with industry practices in all material respects.

SECTION 2.19. Information Supplied. None of the information supplied or to be supplied by or on behalf of TAM or any of its Subsidiaries specifically for inclusion or incorporation by reference into (i) the Form F-4 will, at the time the Form F-4 is filed with the SEC and at the time it becomes effective under the U.S. Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) the Schedule TO or the offer to exchange/prospectus included in the Form F-4 (as amended or supplemented from time to time, the “**Offer to Exchange/Prospectus**”) or the Brazilian Exchange Offer Documents will, at the date on which the Offer to Exchange/Prospectus and the Brazilian Exchange Offer Documents are first distributed to the holders of Free Float Shares (the “**Distribution Date**”), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Offer to Exchange/Prospectus and the Brazilian Exchange Offer Documents will, on the Distribution Date, comply as to form in all material respects with the requirements of applicable Law; *provided, however*, that the foregoing representation and warranty shall not apply with respect to any information supplied by or on behalf of LAN or any of its Subsidiaries which is contained or incorporated by reference into the Offer to Exchange/Prospectus or the Brazilian Exchange Offer Documents.

SECTION 2.20. Voting Requirements. The Requisite TAM Shareholder Approval is the only vote of the holders of any class or series of capital stock of TAM necessary to approve the transactions contemplated by this Agreement and the other Transaction Agreements other than any additional vote that may be required by the CVM or the Bovespa. The Requisite Sister Holdco Shareholder Approval is the only vote of the holders of any class or series of capital stock of Sister Holdco necessary to approve the Mergers and the other transactions contemplated by this Agreement and the other Transaction Agreements other than any additional vote that may be required by the SVS. The Requisite Holdco 2 Shareholder Approval is the only vote of the holders of any class or series of capital stock of Holdco 2 necessary to approve the Mergers and the other transactions contemplated by this Agreement and the other Transaction Agreements other than any additional vote that may be required by SVS.

SECTION 2.21. Affiliate Transactions. There are no transactions, Contracts, arrangements, commitments or understandings between TAM or any of its Subsidiaries, on the one hand, and any of their Affiliates (other than TAM or any of its Subsidiaries), on the other hand, that would be required to be disclosed by TAM under Item 404 of Regulation S-K under the Securities Act.

SECTION 2.22. Brokers and Other Advisors. No broker, investment banker, financial advisor or other Person (other than BTG Pactual) is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of TAM or any of its Subsidiaries. TAM has shown to LAN complete and accurate copies of all Contracts under which any such fees or expenses are payable and all indemnification and other Contracts related to the engagement of the Persons to whom such fees are payable.

SECTION 2.23. Fairness Opinion. Prior to the execution of this Agreement, the TAM Board received the oral opinion (which was subsequently confirmed in writing) of BTG Pactual to the effect that, as of the date thereof and based upon and subject to the matters and limitations set forth in such written opinion, each of the Holdco 2 Exchange Ratio and the Sister Holdco Exchange Ratio is fair from a financial point of view to TAM. Such opinion has not been amended or rescinded as of the date of this Agreement. TAM shall deliver to LAN a copy of the written opinion of BTG Pactual for informational purposes only promptly following receipt thereof.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF LAN

Except as set forth in the LAN Financial Reporting Documents filed with the SEC or the SVS, as the case may be, and made publicly available after December 31, 2009 and prior to the date of this Agreement (excluding, in each case, any disclosures set forth in any risk factor section or in any other section to the extent that they are forward-looking statements or cautionary, predictive or forward-looking in nature) or in the corresponding sections or subsections of the disclosure letter delivered by LAN to TAM not less than 24 hours prior to entering into this Agreement (the “**LAN Disclosure Schedule**”) (it being agreed that (i) the disclosure of any fact or item in any section or subsection of the LAN Disclosure Schedule whose relevance to any other section or subsection of this Agreement is reasonably apparent from the face of such disclosure shall also be deemed to be disclosed in the section or subsection of the LAN Disclosure Schedule that corresponds to such other section or subsection of this Agreement and (ii) the exclusion with respect to the LAN Financial Reporting Documents shall not apply to Section 3.03, Section 3.06(a) or Section 3.06(b)), LAN hereby represents and warrants to TAM as follows:

SECTION 3.01. Organization, Standing and Corporate Power; Subsidiaries. (a) Each of LAN and its Subsidiaries has been duly organized and is validly existing and (with respect to jurisdictions that recognize such concept) in good standing under the Laws of the jurisdiction of its incorporation or organization, as the case may be, and has all requisite power and authority and possesses all governmental licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold and use its properties, rights and other assets and to carry on its business and operations as currently conducted, other than any such failures to have such power, authority, governmental licenses, permits, authorizations or approvals or any such failures of Subsidiaries of LAN to be duly organized, validly existing or in good standing, that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. Each of LAN and its Subsidiaries is duly qualified or licensed to do business and (with respect to jurisdictions that recognize such concept) is in good standing in each jurisdiction in which the nature of its business or operations or its ownership, leasing, holding or use of its properties, rights or other assets makes such qualification, licensing or good standing necessary, other than any such failures to be so qualified, licensed or in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. Each of LAN and its Airline Affiliates is an air carrier duly authorized to act as such by the Governmental Entity of competent jurisdiction with which it holds its operating authority.

(b) Section 3.01(b) of the LAN Disclosure Schedule lists, as of the date of this Agreement, each of LAN's "significant subsidiaries," as such term is defined in Section 1-02 of Regulation S-X promulgated by the SEC. All of the Equity Securities and Convertible Securities of each Subsidiary of LAN are owned of record and beneficially, directly or indirectly, by LAN. All the issued and outstanding Equity Securities of each Subsidiary of LAN have been validly issued and are fully paid and nonassessable and are owned of record and beneficially, directly or indirectly, by LAN free and clear of all Liens and free of any restriction on the right to vote, sell or otherwise dispose of such Equity Securities. Except for the Equity Securities of the Subsidiaries of LAN, LAN does not own, directly or indirectly, any Equity Securities or Convertible Securities of any Person.

SECTION 3.02. By-laws. LAN has made available to TAM, prior to the date of this Agreement, a complete and accurate copy of the by-laws of LAN (the "LAN By-laws") in the form attached as Exhibit 6 and the by-laws or comparable organizational documents of each of LAN's "significant subsidiaries," as such term is defined in Section 1-02 of Regulation S-X promulgated by the SEC (collectively, the "LAN Subsidiary By-laws"), in each case as amended to the date of this Agreement. Each of the LAN By-laws and the LAN Subsidiary By-laws is in full force and effect and no other organizational documents are applicable to, or binding upon, LAN or any Subsidiary of LAN.

SECTION 3.03. Capitalization. (a) The authorized capital stock of LAN consists of 341 million shares of LAN Common Stock. At the close of business on January 18, 2011 (the "LAN Capitalization Date"):

(i) 338,790,909 shares of LAN Common Stock were issued and outstanding and no shares of LAN Common Stock were held by LAN in its treasury; and

(ii) 2,209,091 shares of LAN Common Stock were reserved and available for issuance pursuant to outstanding options to purchase LAN Common Stock (whether vested or unvested, exercisable or unexercisable) (collectively, the "LAN Stock Options").

Section 3.03(a) of the LAN Disclosure Schedule contains a correct and complete list as of the date of this Agreement of all of the outstanding LAN Stock Options issued under a resolution passed by the board of directors of LAN on November 5, 2009 (the "LAN Stock Plans"), including the date of grant, vesting terms, term, number of shares of LAN Common Stock issuable upon exercise and the exercise price per share of LAN Common Stock.

(b) Except as set forth above in Section 3.03(a), at the close of business on the LAN Capitalization Date, no Equity Securities or Convertible Securities of LAN were issued, reserved for issuance or outstanding. At the close of business on the LAN Capitalization Date, (i) no shares of LAN Common Stock were owned by any Subsidiary of LAN and (ii) there were no outstanding stock options, stock appreciation rights, “phantom” stock rights, performance units, rights to receive shares of LAN Common Stock or any other Equity Securities of LAN on a deferred basis or other rights that are linked to the value of the shares of LAN Common Stock or any other Equity Securities of LAN (collectively, “**LAN Stock-Based Awards**”) other than the LAN Stock Options specified in Section 3.03(a). All outstanding shares of LAN Common Stock are, and all shares of LAN Common Stock which may be issued pursuant to the LAN Stock Options will be, when issued in accordance with the terms thereof, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no bonds, debentures, notes or other Indebtedness of LAN having the right to vote (or convertible into, or exercisable or exchangeable for, securities having the right to vote) with the shareholders of LAN on any matters. Except as set forth above in Section 3.03(a) and for issuances of shares of LAN Common Stock issuable pursuant to the LAN Stock Options specified in Section 3.03(a) or as may otherwise be permitted under the Implementation Agreement, (x) there are not issued, reserved for issuance or outstanding (A) any Equity Securities of LAN or any of its Subsidiaries, (B) any Convertible Securities of LAN or any of its Subsidiaries, (C) any obligations of LAN or any of its Subsidiaries to issue any Equity Securities or Convertible Securities of LAN or any of its Subsidiaries or (D) any LAN Stock-Based Awards and (y) there are not any outstanding obligations of LAN or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Equity Securities or Convertible Securities of LAN or any of its Subsidiaries or to issue, deliver or sell, or cause to be issued, delivered or sold, any such securities, and neither LAN nor any of its Subsidiaries is a party to any voting Contract with respect to the voting of any such securities.

(c) Each LAN Stock Option was properly accounted for on the books and records of LAN and qualifies for the Tax and accounting treatment afforded thereto in LAN’s Tax Returns and financial statements, respectively. Each grant of LAN Stock Options was made in accordance with the terms of the applicable LAN Stock Plan and any applicable Law and regulatory rules or requirements and has a grant date identical to the date on which it was actually granted or awarded by LAN’s board of directors or the compensation committee thereof. The per share exercise price of each LAN Stock Option was determined in accordance with the applicable LAN Stock Plan.

SECTION 3.04. **Authority.** LAN has all requisite corporate power and authority to execute, deliver and perform this Agreement and the other Transaction Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby; *provided, however*, that LAN shall not have the power and authority to consummate the Mergers unless and until the holders of at least two-thirds of the outstanding shares of LAN Common Stock vote to approve the Mergers and the other transactions contemplated by this Agreement at a duly called and held meeting of the shareholders of LAN (such approval, the **“Requisite LAN Shareholder Approval”**). The execution, delivery and performance of this Agreement and such other Transaction Agreements by LAN and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of LAN other than the Requisite LAN Shareholder Approval and no other corporate proceedings on the part of LAN or its shareholders other than the Requisite LAN Shareholder Approval are necessary to authorize this Agreement and such other Transaction Agreements or to consummate the transactions contemplated hereby and thereby. This Agreement and the other Transaction Agreements to which LAN is a party have been duly executed and delivered by LAN and constitute legal, valid and binding obligations of LAN, enforceable against LAN in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar Law of general applicability relating to or affecting the rights of creditors and to the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at Law). The board of directors of LAN (the **“LAN Board”**) has unanimously, by resolutions duly adopted at a meeting duly called and held, approved this Agreement, the other Transaction Agreements, the Mergers and the other transactions contemplated by this Agreement and the other Transaction Agreements subject to receipt of the Requisite LAN Shareholder Approval, which resolutions have not as of the date of this Agreement been subsequently rescinded, modified or withdrawn in any way.

SECTION 3.05. **No Conflict; Required Filings and Consents.** (a) The execution and delivery of this Agreement and the other Transaction Agreements to which LAN is a party by LAN do not, and the performance of this Agreement and the other Transaction Agreements by LAN and consummation of the transactions contemplated by this Agreement and the other Transaction Agreements will not, conflict with, or result in any violation or breach of, or default (with or without notice, lapse of time or both) under, or result in any termination or modification of or acceleration under, or any change in any right, obligation or benefit under, or result in any Lien on any property or assets of LAN or any of its Subsidiaries pursuant to, (i) the LAN By-laws or any LAN Subsidiary By-laws, (ii) any Contract to which LAN or any of its Subsidiaries is a party or by which any of them or any of their respective properties, rights or other assets is bound or subject or (iii) assuming the consents, approvals, filings and other matters referred to in Section 3.05(b) are duly obtained or made, any Law or Order applicable to LAN, any of its Subsidiaries or their respective properties, rights or other assets, other than, in the case of clause (ii), any such conflicts, violations, breaches, defaults, terminations, modifications, accelerations, changes or Liens that, individually or in the aggregate, would not reasonably be expected to have a LAN Material Adverse Effect.

(b) The execution, delivery and performance of this Agreement and the other Transaction Agreements to which LAN is a party by LAN, the consummation of the transactions contemplated hereby and thereby and the continuing operation of the businesses of LAN and its Subsidiaries after the Effective Time do not and will not require any consent, approval, order, authorization or permit of, action by, filing or registration with or notification to any Governmental Entity other than (i) any application, filing or submission required to be made and any consent, approval, authorization or authority required to be made or obtained under the Brazilian Aeronautical Code, the Chilean Aeronautical Code, Title 49 of the U.S. Code or under any regulation, rule, order, notice or policy of ANAC, DGAC, JAC, the FAA, the DOT, the FCC and the DHS, including the TSA, and any similar Governmental Authority in the E.U., (ii) the filing of the Schedule TO, the Form F-4 and the other Exchange Offer Documents and the Schedule 14D-9 with the SEC, the declaration of effectiveness of the Form F-4 by the SEC, and the filing with the SEC of such reports under, and such other compliance with, the U.S. Securities Laws in connection with the Exchange Offer and Mergers, (iii) the filing of the *Formulário de Referência* of LAN with the CVM, the Brazilian Exchange Offer Documents with the CVM, the Level II BDR Program for the LAN BDRs with the CVM and the Bovespa and the filings with the SVS and the SSE in connection with the Exchange Offer and the Mergers, (iv) any notices, filings or approvals under the competition, merger control, antitrust or similar Law listed in Section 3.05(b) of the LAN Disclosure Schedule, (v) such filings and approvals as are required to be made or obtained under the securities or “blue sky” laws of various states of the United States in connection with the Exchange Offer and Mergers, (vi) any consent, approval, order, authorization, authority, transfer, waiver, disclaimer, registration, declaration or filing required to be made or obtained from any other Governmental Entity that regulates any aspect of airline operations or business, including environmental (*e.g.*, noise, air emissions and water quality), aircraft, air traffic control and airport communications, agricultural, export/import, immigration and customs (collectively with the Governmental Entities referred to in clause (i) above, the “**LAN Airline Regulatory Entities**”), (vii) any filings required under the rules and regulations of the SSE or the NYSE (together with the SSE, the “**LAN Stock Exchanges**”) or the Bovespa and (viii) such other consents, approvals, orders, authorizations, permits, actions, notifications, registrations, declarations and filings which, if not obtained or made, individually or in the aggregate, would not reasonably be expected to have a LAN Material Adverse Effect.

SECTION 3.06. **LAN Financial Reporting Documents; Financial Statements; No Undisclosed Liabilities.** (a) LAN has filed or furnished, as applicable, on a timely basis, all reports, schedules, forms, statements, certifications and other documents (including exhibits and other information incorporated therein) with or to, as applicable, the SVS or the SEC that were required to be so filed or furnished by LAN since December 31, 2006 (such documents, together with any documents so filed or furnished during such period by LAN on a voluntary basis, the “**LAN Financial Reporting Documents**”). On the date on which it was filed with or furnished to the SVS or the SEC, as the case may be, each LAN Financial Reporting Document so filed or furnished prior to the date of this Agreement complied in all material respects with the applicable requirements of the U.S. Securities Laws or other applicable securities Laws, and on the date on which it will be filed with or furnished to the SVS or the SEC, as the case may be, each LAN Financial Reporting Document so filed or furnished on or after the date of this Agreement will comply in all material respects with such requirements. On the date on which it was filed with or furnished to the SVS or the SEC, as the case may be, no LAN Financial Reporting Document so filed or furnished prior to the date of this Agreement contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. On the date on which it will be filed with or furnished to the SVS or the SEC, as the case may be, no LAN Financial Reporting Document so filed or furnished on or after the date of this Agreement will contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Since December 31, 2006, LAN has complied in all material respects with all applicable requirements of the U.S. Securities Laws or other applicable securities Law, including the Sarbanes-Oxley Act, and the rules and regulations thereunder with respect thereto, and the LAN Stock Exchanges.

(b) Each of the consolidated statements of financial position included in or incorporated by reference into the LAN Financial Reporting Documents fairly presents, or in the case of LAN Financial Reporting Documents filed with or furnished to the SVS or the SEC, as the case may be, on or after the date of this Agreement, will fairly present, in each case in all material respects, the consolidated financial position of LAN as of its date and each consolidated statement of income by function, consolidated statement of comprehensive income by function, statement of changes in net equity and consolidated statement of net cash flows, included in or incorporated by reference in the LAN Financial Reporting Documents fairly presents, or in the case of LAN Financial Reporting Documents filed with or furnished to the SVS or the SEC, as the case may be, on or after the date of this Agreement, will fairly present, in each case in all material respects, the results of their operations, comprehensive income by function, changes in net equity and net cash flows, respectively, for the periods covered thereby (subject, in the case of unaudited statements, to notes and normal year-end audit adjustments that will not be material in amount or effect), and each of the foregoing financial statements was prepared or, in the case of LAN Financial Reporting Documents filed with or furnished to the SVS or the SEC, as the case may be, on or after the date of this Agreement other than those prepared under the generally acceptable accounting principles in Chile and those reconciled to the generally acceptable accounting principles in the United States until December 31, 2008, will be prepared, in accordance with IFRS as issued by the IASB applied on a consistent basis. To LAN's Knowledge, there is no applicable accounting rule, consensus or pronouncement that has been adopted by the SVS or the SEC, as the case may be, the IASB or any similar body as of, but is not in effect as of, the date of this Agreement that, if implemented, would reasonably be expected to have a LAN Material Adverse Effect (it being agreed that for purposes of this Section 3.06(b), effects resulting from or arising in connection with the matters set forth in clause (c) of the definition of the term "LAN Material Adverse Effect" shall not be excluded in determining whether a LAN Material Adverse Effect would reasonably be expected to occur).

(c) Each of LAN and its Subsidiaries has timely filed all submissions, reports, registrations, schedules, forms, statements and other documents, together with any amendments required to be made with respect thereto, that they were required to file since December 31, 2006 with the SVS, any LAN Stock Exchange, any LAN Airline Regulatory Entity and any other non-U.S. Governmental Entity, and has paid all fees and assessments due and payable in connection therewith, in each case, other than any failures to file such reports, registrations, schedules, forms, statements or other documents, or to pay such fees and assessments, that individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect.

(d) Neither LAN nor any of its Subsidiaries has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise), other than those (i) reflected, reserved for or disclosed in the most recent balance sheet of LAN included in LAN's Annual Report on Form 20-F for the year ended December 31, 2009, as filed with the SEC prior to the date of this Agreement, (ii) incurred in the ordinary course of business consistent with past practice since December 31, 2009, (iii) incurred pursuant to the transactions contemplated in this Agreement or the Implementation Agreement, or (iv) that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. Neither LAN nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract or arrangement (including any Contract or arrangement relating to any transaction or relationship between or among LAN and any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any "off-balance sheet arrangement" (as defined in Item 303(a) of Regulation S-K of the SEC)), where the result, purpose or intended effect of such Contract or arrangement is to avoid disclosure of any material transaction involving, or material liabilities of, LAN or any of its Subsidiaries in the financial statements of LAN or any of its Subsidiaries or the LAN Financial Reporting Documents. None of LAN's Subsidiaries are, or have at any time since January 1, 2006 been, subject to the reporting requirements of Section 13(a) or 15(d) of the U.S. Exchange Act.

(e) LAN and its Subsidiaries maintain disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the U.S. Exchange Act. Such disclosure controls and procedures are effective to ensure that information required to be disclosed by LAN is recorded and reported on a timely basis to the individuals responsible for the preparation of LAN's filings with the SEC and other public disclosure documents. LAN and its Subsidiaries maintain internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the U.S. Exchange Act). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of LAN and its consolidated Subsidiaries, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of LAN and its consolidated Subsidiaries are being made only in accordance with authorizations of management and directors of LAN and its consolidated Subsidiaries, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of LAN and its consolidated Subsidiaries that could have a material effect on its financial statements. LAN has disclosed, based on its most recent evaluation prior to the date of this Agreement, to LAN's auditors and the audit committee of LAN's board of directors (A) any significant deficiencies or material weaknesses in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect LAN's ability to record, process, summarize and report financial information and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in LAN's internal control over financial reporting. LAN has made available to TAM (i) a summary of any such disclosure made by management to LAN's auditors and audit committee since January 1, 2006 and (ii) any communication since January 1, 2006 made by management or LAN's auditors to the audit committee required or contemplated by listing standards of the LAN Stock Exchanges, the audit committee's charter or professional standards of the IASB or Public Company Accounting Oversight Board.

(f) Since December 31, 2006, no material complaints from any source regarding accounting, internal controls or auditing matters, and no concerns from employees of LAN or any of its Subsidiaries regarding questionable accounting or auditing matters, have been received by LAN or any of its Subsidiaries. LAN has made available to TAM a summary of all material complaints or concerns relating to other matters made since December 31, 2006 through LAN's whistleblower hot-line or equivalent system for receipt of employee concerns regarding possible violations of Law. No attorney representing LAN or any of its Subsidiaries, whether or not employed by LAN or any of its Subsidiaries, has reported evidence of a violation of securities Laws, breach of fiduciary duty or similar violation by LAN or any of its officers, directors, employees or agents to LAN's chief legal officer, the audit committee (or other committee designated for the purpose) of the board of directors of LAN or the board of directors of LAN pursuant to the rules adopted pursuant to Section 307 of the Sarbanes-Oxley Act or any LAN policy contemplating such reporting, including in instances not required by those rules.

SECTION 3.07. Absence of Certain Changes or Events. (i) Since December 31, 2009, there has not been any change in the business, results of operations, financial condition, assets or liabilities of LAN and its Subsidiaries, taken as a whole, or any other change, event, condition, development or occurrence (including any adverse change or development with respect to any such matters that existed on or prior to December 31, 2009) that, individually or in the aggregate, has had or would reasonably be expected to have a LAN Material Adverse Effect and (ii) since December 31, 2009, (A) each of LAN and its Subsidiaries has conducted its business in the ordinary course consistent with past practice and (B) neither LAN nor any of its Subsidiaries has taken any action which, if taken after the date of this Agreement, would require the consent of TAM under the Implementation Agreement.

SECTION 3.08. Litigation. Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect: (a) there are no Actions pending or, to the Knowledge of LAN, threatened against LAN or any of its Subsidiaries, (b) neither LAN nor any of its Subsidiaries nor any of their respective properties, rights or assets is subject to, or bound by, any Order, and (c) there are no inquiries or investigations by any Governmental Entity or any whistle-blower complaints pending or, to the Knowledge of LAN, threatened against LAN or any of its Subsidiaries.

SECTION 3.09. Material Contracts. (a) As of the date of this Agreement, neither LAN nor any of its Subsidiaries is a party to or bound by any Contract (i) that is a “material contract” (as defined in Item 601(b)(10) of Regulation S-K of the SEC) to be performed after the date of this Agreement that has not been filed as such in a LAN Financial Reporting Document prior to the date of this Agreement; (ii) that limits or purports to limit in any material respect any type or line of business in which LAN or any of its Subsidiaries (including, after giving effect to the Mergers, TAM or any of its Subsidiaries) may engage or any manner or locations in which any of them may so engage in any business; (iii) that is a(n) (A) alliance or other brand alliance agreement, (B) code sharing agreement, (C) frequent flyer participation agreement, (D) capacity purchase or similar agreement, (E) cooperation, joint venture, partnership, profit or revenue sharing agreement, (F) special prorate agreement or (G) interlining agreement with any air carrier (including all material amendments to each of the foregoing agreements), in each case that is material to the business, financial condition, results of operations or prospects of LAN and its Subsidiaries, taken as a whole; (iv) pursuant to which any Indebtedness of LAN or any of its Subsidiaries in excess of \$50 million is outstanding or may be incurred that has not been filed in a LAN Financial Reporting Document prior to the date of this Agreement; (v) that involves or could reasonably be expected to involve aggregate payments by or to LAN and/or its Subsidiaries in excess of \$30 million in any twelve-month period, except for any Contract that may be canceled without penalty or termination payments by LAN and/or its Subsidiaries upon notice of 60 days or less; (vi) any aircraft purchase agreement, engine purchase agreement or engine maintenance agreement that involves or is reasonably expected to involve aggregate payments by or to LAN or any of its Subsidiaries in excess of \$30 million in any twelve-month period; or (vii) pursuant to which it is licensed to use Intellectual Property of a third party that is material to the operation of its business, or licenses to a third party rights in the Intellectual Property it owns. Each such Contract described in clauses (i) through (vii) (whether or not disclosed in the LAN Disclosure Schedule) is referred to herein as a “**LAN Material Contract**.”

(b) Each LAN Material Contract is, and after the consummation of the transactions contemplated by this Agreement and the Implementation Agreement will continue to be, a valid and binding obligation of LAN and its Subsidiaries (to the extent they are parties thereto or bound thereby) enforceable against LAN and, to LAN's Knowledge, each other party thereto in accordance with its terms and is in full force and effect, and each of LAN and its Subsidiaries (to the extent they are party thereto or bound thereby) and, to LAN's Knowledge, each other party thereto has performed in all material respects all obligations required to be performed by it under each LAN Material Contract. Neither LAN nor any of its Subsidiaries has received notice, nor does it have Knowledge, of any material violation or default in respect of any material obligation under (or any condition which with the passage of time or the giving of notice or both would result in such a violation or default), or any intention to cancel, terminate, change the scope of rights and obligations under or not to renew, any LAN Material Contract.

(c) Section 3.09(c) of the LAN Disclosure Schedule sets forth a true and complete list of all (i) alliance or brand alliance agreements, (ii) code sharing agreements, (iii) frequent flyer participation agreements, (iv) capacity purchase or similar agreements, (v) cooperation, joint venture, partnership, profit or revenue sharing agreements, (vi) special prorate agreements and (vii) interlining agreements with any air carrier to which LAN or any of its Subsidiaries is a party or is otherwise bound.

SECTION 3.10. Licenses; Compliance with Laws. (a) Section 3.10(a) of the LAN Disclosure Schedule sets forth a true and complete list of all of its (i) operating certificates, including the issuing Governmental Entity, date of issuance and date of expiration, and (ii) air traffic rights, including the issuing Governmental Entity, date of issuance and date of expiration, for both scheduled and non-scheduled operations of each of LAN and its Subsidiaries in effect as of the date of this Agreement.

(b) Each of LAN and its Subsidiaries has in effect all Licenses necessary for it to own, lease or operate its properties, rights and other assets and to carry on its business and operations as currently conducted (collectively, the "**LAN Licenses**"). Each of LAN and its Subsidiaries is, and since December 31, 2006 has been, in compliance with (i) its obligations under each LAN License applicable to it and (ii) the rules and regulations of the Governmental Entity which issued such LAN License, in each case other than any failures to be in such compliance that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. There is not pending nor, to LAN's Knowledge, threatened by or before any Governmental Entity any material proceeding, notice of violation, order of forfeiture or complaint or investigation against LAN or any of its Subsidiaries relating to any LAN License, other than any such proceedings, notices, orders, complaints or investigations that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. No action of any Governmental Entity in granting any LAN License has been reversed, stayed, enjoined, annulled or suspended, and there is not pending or, to LAN's Knowledge, threatened, any material application, petition, objection or other pleading with any Governmental Entity that challenges or questions the validity of, or any rights of the holder under, any LAN License, in each case other than any such action, application, petition, objection or pleading that, individually or in the aggregate, has not had and would not reasonably be expected to have a LAN Material Adverse Effect. The consummation of the Exchange Offer and/or Mergers will not cause, and there is no basis for, any revocation, modification, cancelation or transfer of any LAN Licenses that, individually or in the aggregate, would reasonably be expected to have a LAN Material Adverse Effect.

(c) Except for those matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect, (i) each of LAN and its Subsidiaries is, and since December 31, 2006 has been, in compliance with all applicable Laws and Orders and all applicable operating certificates, air carrier obligations, airworthiness directives, aviation regulations and other rules, regulations, directives, orders and policies of any LAN Airline Regulatory Entity applicable to it, its properties, rights or other assets or its businesses or operations and (ii) to LAN's Knowledge, none of the officers, directors, or agents (in their capacity as such) of LAN or any of its Subsidiaries is, or since December 31, 2006 has been, in violation of any Law applicable to its properties, rights or other assets or its businesses or operations relating to (A) the use of corporate funds for political activity or for the purpose of obtaining or retaining business, (B) payments to government officials from corporate funds, or (C) bribes, rebates, payoffs, influence payments, kickbacks or the provision of similar benefits. No investigation or review by any Governmental Entity with respect to LAN or any of its Subsidiaries is pending or, to LAN's Knowledge, threatened, nor has any Governmental Entity indicated an intention to conduct the same, other than any such investigations or reviews that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect.

(d) Each of LAN and its Subsidiaries is, and since December 31, 2006 has been, in compliance in all material respects with all applicable Corrupt Practices Laws. Since December 31, 2006, (i) neither LAN nor any of its Subsidiaries has made any voluntary disclosure of any actual or alleged violation or breach of any Corrupt Practices Law, (ii) no Governmental Entity has notified LAN or any of its Subsidiaries in writing of any actual or alleged violation or breach of any Corrupt Practices Law, (iii) to the Knowledge of LAN, neither LAN nor any of its Subsidiaries has undergone or is undergoing any audit, review, inspection, investigation, survey or examination of records, in each case conducted by a Governmental Entity and relating to LAN's or any of its Subsidiary's compliance with any Corrupt Practices Law and there is no basis for any such audit, review, inspection, investigation, survey or examination of records, (iv) neither LAN nor any of its Subsidiaries has been or is now under any administrative, civil or criminal charge or indictment or, to the Knowledge of LAN, investigation alleging noncompliance with any Corrupt Practices Law nor, to the Knowledge of LAN, is there any basis for any such charge, indictment or investigation, and (v) neither LAN nor any of its Subsidiaries has been or is now a party to any administrative or civil litigation or proceeding alleging noncompliance with any Corrupt Practices Law nor, to the Knowledge of LAN, is there any basis for any such Action.

SECTION 3.11. Environmental Matters. Except for those matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect: (i) LAN and its Subsidiaries have complied at all times with all applicable Environmental Laws; (ii) there have been no Releases of Hazardous Materials and Hazardous Materials are not otherwise present in, on, under, from or affecting any properties or facilities currently or formerly owned, leased or operated by LAN, any of its Subsidiaries or any predecessor of any of them; *provided, however*, that LAN may handle and transport dangerous goods as detailed in, and in accordance with, IATA's Dangerous Goods Regulations; (iii) neither LAN nor any of its Subsidiaries nor, to the Knowledge of LAN, any other Person whose conduct could result in liability to LAN or any of its Subsidiaries has Released any Hazardous Materials at any other location; (iv) neither LAN nor any of its Subsidiaries nor, to the Knowledge of LAN, any predecessor of any of them is subject to Order of or with any Governmental Entity or any indemnity obligation or other Contract with any other Person relating to obligations or liabilities under Environmental Laws or concerning Hazardous Materials; (v) neither LAN nor any of its Subsidiaries has received any claim, notice or complaint, or is subject to any proceeding, relating to noncompliance with or liability under Environmental Laws or to Hazardous Materials, and no such matter has been threatened to the Knowledge of LAN; (vi) to the best Knowledge of LAN, there are no other circumstances or conditions involving LAN or any of its Subsidiaries that could reasonably be expected to result in any claim, liability, investigation, cost or restriction on the ownership, use, or transfer of any property pursuant to any Environmental Law; and (vii) LAN has delivered to TAM copies of all environmental reports, studies, assessments, sampling data, analyses, memoranda and other environmental information in its possession relating to LAN or its Subsidiaries or their respective current and former properties, facilities or operations.

SECTION 3.12. Labor and Employment Matters. LAN and its Subsidiaries have complied in all material respects with all applicable labor, social security and health and safety Law in connection with all of the employees of LAN and its Subsidiaries. The salaries and other compensation payable to the senior management and other employees of LAN and all of its Subsidiaries have been and are currently being paid in accordance with applicable Laws. As of the date of this Agreement, Section 3.12 of the LAN Disclosure Schedule sets forth a true and complete list of collective bargaining or other labor union Contracts applicable to any employees of LAN or any of its Subsidiaries. Since December 31, 2006, there have been no strikes, work stoppages or lockouts by or with respect to any employee of LAN or any of its Subsidiaries, other than any such strikes, work stoppages or lockouts that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. Neither LAN nor any of its Subsidiaries has breached or otherwise failed to comply with any provision of any collective bargaining or other labor union Contract applicable to any employees of LAN or any of its Subsidiaries, and there are no written grievances or written complaints outstanding or, to LAN's Knowledge, threatened against LAN or any of its Subsidiaries under any such Contract other than any such breaches, failures to comply, grievances or complaints that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. LAN has made available to TAM and its Representatives true and complete copies of all Contracts set forth in Section 3.12 of the LAN Disclosure Schedule, including all amendments applicable to such Contracts. There are no illegal labor practice complaints or other material labor Actions pending against LAN or any of its Subsidiaries and, to LAN's Knowledge, no circumstances exist that could be the legitimate basis of such complaint or Action except for any complaints or Actions that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect.

SECTION 3.13. **Aircraft.** (a) Section 3.13(a)(i) of the LAN Disclosure Schedule sets forth a true and complete list of (i) all aircraft operated under the operating certificate of LAN or any of its Subsidiaries and (ii) all aircraft owned or leased by LAN or any of its Subsidiaries, in each case as of October 15, 2010 (collectively, the “**LAN Aircraft**”), including a description of the type and manufacturer serial number of each such aircraft. Section 3.13(a)(ii) of the LAN Disclosure Schedule sets forth a true and complete list, as of the date of this Agreement, containing all Contracts (other than (x) existing aircraft leases or (y) Contracts that may be terminated or canceled by LAN or any of its Subsidiaries without incurring any penalty or other material liability except for the forfeiture of any previously made prepayment or deposit) pursuant to which LAN or any of its Subsidiaries has a binding obligation to purchase or lease aircraft (collectively, regardless of whether they are listed in the LAN Disclosure Schedule, the “**LAN Aircraft Contracts**”), including, for each LAN Aircraft Contract, the manufacturer and model of all aircraft subject thereto, the nature of the purchase or lease obligation (*e.g.*, firm commitment, subject to reconfirmation or otherwise) and the anticipated year of delivery of each aircraft thereunder. Except as identified in writing by LAN to TAM prior to the date of this Agreement, LAN has delivered or made available to TAM redacted (as to pricing and other commercially sensitive terms) copies of all LAN Aircraft Contracts, including all amendments, modifications and supplements thereto.

(b) Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect:

(i) each LAN Aircraft has a validly issued, current individual aircraft Certificate of Airworthiness issued by the FAA, DGAC and a comparable certificate from any other LAN Airline Regulatory Entity, with respect to such LAN Aircraft and all requirements for the effectiveness of each such certificate of airworthiness have been satisfied;

(ii) other than any grounded LAN Aircraft, each LAN Aircraft’s structure, systems and components are functioning in accordance with their respective intended uses as set forth in any applicable LAN Airline Regulatory Entity, manufacturer or otherwise contractually approved maintenance program (or are in the process of repair or maintenance), including any applicable manuals, technical standard orders or parts manufacturing approval certificates, and all grounded LAN Aircraft are being stored in accordance with any applicable LAN Airline Regulatory Entity, manufacturer or otherwise contractually approved maintenance program;

(iii) all deferred maintenance items and temporary repairs with respect to each such LAN Aircraft have been or will be made materially in accordance with any applicable LAN Airline Regulatory Entity, manufacturer or otherwise contractually approved maintenance programs;

(iv) each LAN Aircraft is properly registered on the aircraft registry of each applicable LAN Airline Regulatory Entity;

(v) neither LAN nor any of its Subsidiaries is a party to any interchange or pooling agreements with respect to its LAN Aircraft, except for interchange or pooling agreements among LAN's Subsidiaries and Florida West International, Inc., other than parts pooling agreements entered into in the ordinary course of business; and

(vi) neither LAN nor any of its Subsidiaries has retained any maintenance obligations with respect to any LAN Aircraft that has been leased by LAN or any of its Subsidiaries to a third-party lessee.

(c) Section 3.13(c)(i) of the LAN Disclosure Schedule sets forth a true and complete list, as of October 15, 2010, of all aircraft operated pursuant to a capacity purchase or prorate agreement (collectively, and regardless of whether they are listed in the LAN Disclosure Schedule, the "**LAN Contract Flight Agreements**"), including a description of the operator, type and number of each such aircraft and any minimum utilization requirements applicable to such aircraft. Section 3.13(c)(ii) of the LAN Disclosure Schedule sets forth a true and complete list, as of the date of this Agreement, containing all LAN Contract Flight Agreements. Except as identified in writing by LAN to TAM prior to the date of this Agreement, LAN has delivered or made available to TAM redacted (as to pricing and other commercially sensitive terms) copies of all LAN Contract Flight Agreements, including all amendments thereto.

(d) Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect, to LAN's Knowledge, as of the date of this Agreement there is no ongoing strike, work stoppage or lockout by or with respect to any employee of any counterparty to a LAN Contract Flight Agreement.

SECTION 3.14. LAN Slots and Operating Rights. Section 3.14 of the LAN Disclosure Schedule sets forth a true, correct and complete list of all Slots used or held by LAN or any of its Subsidiaries (collectively, the “LAN Slots”) on the date of this Agreement at any domestic or international airport and such list indicates any LAN Slots that have been permanently allocated to another air carrier and in which LAN and its Subsidiaries hold only temporary use rights. Except for any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect, (a) each of LAN and its Subsidiaries has complied in all material respects with the requirements of all of the rules and regulations issued by any Governmental Entity and all Laws relating to the LAN Slots, (b) neither LAN nor any of its Subsidiaries has received any notice of any proposed withdrawal of any LAN Slots by any Governmental Entity, (c)(i) the LAN Slots have not been designated for the provision of essential air service under the regulations of the FAA, were not acquired pursuant to 14 C.F.R. Section 93.219 and have not been designated for international operations, as more fully detailed in 14 C.F.R. Section 93.217 and (ii) to the extent covered by 14 C.F.R. Section 93.227 or any order, notice or requirement of the FAA or any other Governmental Entity, LAN and its Subsidiaries have used the LAN Slots (or the LAN Slots have been used by other operators) either at least 80% of the maximum amount that each LAN Slot could have been used during each full reporting period (as described in 14 C.F.R. Section 93.227(i) or any such order, notice or requirement) or such greater or lesser amount of minimum usage as may have been required to protect such LAN Slot’s authorization from termination or withdrawal under regulations or waivers established by any Governmental Entity or airport authority, (d) all reports required by any Governmental Entity relating to the LAN Slots have been filed in a timely manner and (e) neither LAN nor any of its Subsidiaries has agreed to any future LAN Slot slide, LAN Slot trade (except for seasonal swaps), LAN Slot purchase, LAN Slot sale, LAN Slot exchange, LAN Slot lease or LAN Slot transfer of any of the LAN Slots that has not been consummated or otherwise reflected on Section 3.14 of the LAN Disclosure Schedule.

SECTION 3.15. Major LAN Airports. As of the date of this Agreement, no airport authority at Arturo Merino Benitez International Airport of Santiago de Chile and the Jorge Chavez International Airport of Lima, Perú (each such airport, a “Major LAN Airport”) has taken or, to LAN’s Knowledge, threatened to take any action that would reasonably be expected to materially interfere with the ability of LAN and its Subsidiaries to conduct their respective operations at any Major LAN Airport in the same manner as currently conducted in all material respects.

SECTION 3.16. Employee Benefits. (a) Section 3.16(a) of the LAN Disclosure Schedule sets forth a list of all employee benefit plans and all profit-sharing plans, stock purchase, stock option, stock appreciation right, restricted stock, restricted stock unit, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements maintained for the benefit of any current or former employee, independent consultant, officer or director of LAN or any of its Subsidiaries (collectively, “LAN Employees”) by LAN or its Subsidiaries or by any trade or business, whether or not incorporated (such plans, “LAN Benefit Plans”). True and complete copies of all LAN Benefit Plans listed in Section 3.16(a) of the LAN Disclosure Schedule, including any trust instruments, insurance contracts, the most recent actuarial report and, with respect to any employee stock ownership plan, loan agreements forming a part of any LAN Benefit Plans, and all amendments thereto have been made available or provided to TAM. All the obligations with respect to the LAN Benefit Plans granted to LAN Employees have been timely paid, and LAN and its Subsidiaries are not in default of any material obligations under the LAN Benefit Plans. All benefits are being administered, in all material respects, in accordance with their respective terms, and also comply, in all material respects, with the provisions of applicable Law, as well as with IFRS. There are no pending issues or Actions against LAN and its Subsidiaries involving these benefits, except for routine indemnity claims in respect of the benefits up to the date of execution of this Agreement.

(b) With respect to each LAN Benefit Plan: (i) no disputes are pending or threatened, and (ii) neither LAN nor any of its Subsidiaries has incurred any current or projected liability in respect of post-employment or post-retirement health, medical or life insurance benefits for current, former or retired LAN Employees.

(c) To the extent required by applicable Law or IFRS, all contributions required to be made under each LAN Benefit Plan, as of the date hereof, have been timely made and all obligations in respect of each LAN Benefit Plan have been properly accrued and reflected in the LAN Financial Reporting Documents. There has been no amendment to, announcement by LAN or any of its Subsidiaries relating to, or change in employee participation or coverage under, any LAN Benefit Plan which would increase materially the expense of maintaining such plan above the level of the expense incurred therefor for the most recent fiscal year.

(d) No LAN Benefit Plan exists that, as a result of the execution of this Agreement or the transactions contemplated by this Agreement (whether alone or in connection with any subsequent event(s)), could reasonably be expected to (i) entitle any LAN Employee to severance pay or any increase in severance pay upon any termination of employment after the date of this Agreement, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation, benefits or awards (including LAN Stock-Based Awards) under, increase the amount payable or result in any other material obligation pursuant to, any of the LAN Benefit Plans, (iii) limit or restrict the right of LAN to merge, amend or terminate any of the LAN Benefit Plans, or (iv) cause LAN to record additional compensation expense on its income statement with respect to any outstanding stock option or other equity-based award.

SECTION 3.17. Taxes. (a) Each of LAN and its Subsidiaries has (i) timely filed all material Tax Returns required to be filed by any of them (taking into account applicable extensions) and all such Tax Returns were true, correct and complete in all material respects when filed, (ii) timely paid or accrued (in accordance with Chilean Law) all material Taxes for all Tax periods whether or not shown to be due on such Tax Returns, and (iii) withheld from its employees, creditors or other third parties and, to the extent required to be paid, have timely paid to the appropriate Governmental Entities or set aside in an account for such purpose proper and accurate amounts in compliance with all Tax withholding provisions (including income, social security and employment Tax withholding for all types of compensation).

(b) LAN has made available to TAM true and correct copies of the Annual Income Tax Statement (Formulario N° 22) and related Tax Returns filed by LAN and its Subsidiaries for each of the three most recent fiscal years.

(c) There are no pending, and neither LAN nor any Subsidiary has received written notice of any, material national, local or foreign Tax audits or examinations of LAN or its Subsidiaries. No material deficiency for any Taxes has been proposed, asserted or assessed against LAN or any Subsidiary that has not been resolved and paid in full.

(d) There are no outstanding waivers to extend the statutory period of limitations applicable to the assessment of any material Taxes or material Tax deficiencies against LAN or any of its Subsidiaries.

(e) Neither LAN nor any of its Subsidiaries is a party to any agreement providing for the allocation or sharing of Taxes.

(f) No rulings have been entered into or issued by any Tax authority with respect to LAN or any of its Affiliates.

(g) There are no material Liens for Taxes upon the assets, properties or rights of LAN or any of its Subsidiaries that are not provided for in the LAN Financial Reporting Documents, except Liens for Taxes not yet due and payable and Liens for Taxes that are being contested in good faith, which contest, if determined adversely to LAN, would not individually or in the aggregate have or reasonably be expected to have a LAN Material Adverse Effect.

(h) Section 3.17(h) of the LAN Disclosure Schedule sets forth a current list of each partnership, joint venture and limited liability company in which LAN beneficially owns a material interest.

SECTION 3.18. Intellectual Property. (a) Section 3.18(a) of the LAN Disclosure Schedule sets forth a true and complete list of all Intellectual Property owned by LAN or its Subsidiaries as of the date of this Agreement that is currently registered with or subject to a pending application for registration before any Governmental Entity or internet domain name registrar. All of such Intellectual Property is owned exclusively by LAN or any of its Subsidiaries free and clear of any Liens, is subsisting and, to the Knowledge of LAN, is valid and enforceable, and is not subject to any outstanding order, judgment, decree or agreement adversely affecting LAN's or any of its Subsidiaries' use of, or its rights to, such Intellectual Property, except in the case of any Liens, failures to be subsisting, valid and enforceable, or any order, judgment, decree or agreement that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect.

(b) LAN and its Subsidiaries own or hold exclusive or non-exclusive licenses in or have sufficient rights to use all Intellectual Property used in their business as presently conducted, all of which rights shall survive unchanged the consummation of the transactions contemplated by this Agreement.

(c) LAN and its Subsidiaries have not granted any licenses or other rights to third parties to use their Intellectual Property other than non-exclusive licenses granted in the ordinary course of business pursuant to standard terms which have been previously provided to TAM. Consummation of the Transactions contemplated by this Agreement will not create any license under or Liens on any Intellectual Property owned by LAN and its Subsidiaries.

(d) To the Knowledge of LAN, the conduct of business as currently conducted by LAN and its Subsidiaries does not infringe, misappropriate or otherwise violate the Intellectual Property rights of any Person, and since December 31, 2006 there has been no such claim, action or proceeding asserted or, to LAN's Knowledge, threatened against LAN or any of its Subsidiaries or Person seeking indemnity, therefor from TAM or any of its Subsidiaries, in each case other than any such matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. There is no claim, action or proceeding pending or, to the Knowledge of LAN, threatened against LAN or any of its Subsidiaries or any indemnitee thereof concerning the ownership, validity, registerability, enforceability, infringement, use or licensed right to use any Intellectual Property rights claimed to be owned by LAN or any of its Subsidiaries or used or alleged to be used in the business of LAN or any of its Subsidiaries other than any such claims, actions or proceedings that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. To the Knowledge of LAN, no Person is infringing, misappropriating or otherwise violating in any material manner the Intellectual Property rights owned by LAN or any of its Subsidiaries.

(e) The IT Assets used by LAN and its Subsidiaries in the operations of their respective businesses (i) perform sufficiently as required by LAN and its Subsidiaries for the operation of their respective businesses as currently conducted and (ii) since December 31, 2008 have not malfunctioned or failed, other than any such failures to operate and perform or any such malfunctions or failures that, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. Since December 31, 2006, LAN and its Subsidiaries have maintained backup and disaster recovery technologies that are reasonable and consistent with industry practices in all material respects.

SECTION 3.19. Information Supplied. None of the information supplied or to be supplied by or on behalf of LAN or any of its Subsidiaries specifically for inclusion or incorporation by reference into (i) the Form F-4 will, at the time the Form F-4 is filed with the SEC and at the time it becomes effective under the U.S. Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) the Schedule TO, the Offer to Exchange/Prospectus or the Brazilian Exchange Offer Documents will, at the Distribution Date, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Offer to Exchange/Prospectus and the Brazilian Exchange Offer Documents will, on the Distribution Date, comply as to form in all material respects with the requirements of applicable Law; *provided, however*, that the foregoing representation and warranty shall not apply with respect to any information supplied by or on behalf of TAM or any of its Subsidiaries or the TAM Direct Controlling Shareholder or the Amaro Family which is contained or incorporated by reference into the Offer to Exchange/Prospectus or the Brazilian Exchange Offer Documents.

SECTION 3.20. Voting Requirements. Requisite LAN Shareholder Approval is the only vote of the holders of any class or series of capital stock of LAN necessary to approve the Mergers and the other transactions contemplated by this Agreement and the other Transaction Agreements other than any additional vote that may be required by the SVS.

SECTION 3.21. Affiliate Transactions. There are no transactions, Contracts, arrangements, commitments or understandings between LAN or any of its Subsidiaries, on the one hand, and any of their Affiliates (other than LAN or any of its Subsidiaries), on the other hand, that would be required to be disclosed by LAN under Item 404 of Regulation S-K under the Securities Act.

SECTION 3.22. Brokers and Other Advisors. No broker, investment banker, financial advisor or other Person (other than J.P. Morgan Securities LLC) is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of LAN. LAN has shown to TAM complete and accurate copies of all Contracts under which any such fees or expenses are payable and all indemnification and other Contracts related to the engagement of the Persons to whom such fees are payable.

SECTION 3.23. Fairness Opinion. Prior to the execution of this Agreement, the LAN Board received the oral opinion (which was subsequently confirmed in writing) of J.P. Morgan Securities LLC to the effect that, as of the date thereof and based upon and subject to the matters and limitations set forth in such written opinion, each of the Holdco 2 Exchange Ratio and the Sister Holdco Exchange Ratio is fair from a financial point of view to LAN. Such opinion has not been amended or rescinded as of the date of this Agreement. LAN shall deliver to TAM a copy of the written opinion of J.P. Morgan Securities LLC for informational purposes only promptly following receipt thereof.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE CONTROLLING SHAREHOLDERS

Except as set forth in the disclosure letter delivered by each of (i) the LAN Controlling Shareholders and (ii) the TAM Direct Controlling Shareholder and the Amaro Family (in the case of the TAM Direct Controlling Shareholder and the Amaro Family, the “**TAM Direct Controlling Shareholder Disclosure Schedule**,” and in the case of the LAN Controlling Shareholders, the “**LAN Controlling Shareholders Disclosure Schedule**”) (it being agreed that the disclosure of any fact or item in any section or subsection of the TAM Direct Controlling Shareholder Disclosure Schedule or the LAN Controlling Shareholders Disclosure Schedule, as the case may be, whose relevance to any other section or subsection of this Agreement is reasonably apparent from the face of such disclosure shall also be deemed to be disclosed in the section or subsection of the TAM Direct Controlling Shareholder Disclosure Schedule or the LAN Controlling Shareholders Disclosure Schedule, as the case may be, that corresponds to such other section or subsection of this Agreement). The TAM Direct Controlling Shareholder and each of the members of the Amaro Family hereby represent and warrant to LAN and the LAN Controlling Shareholders on behalf of each of them and TEP Chile, as applicable, and each LAN Controlling Shareholder hereby represents and warrants to TAM, the TAM Direct Controlling Shareholder and the Amaro Family, as follows:

SECTION 4.01. Organization; Ownership. In the case of the LAN Controlling Shareholders and the TAM Direct Controlling Shareholder only, it has been duly organized and is validly existing and (with respect to jurisdictions that recognize such concept) in good standing under the Law of the jurisdiction of its incorporation or organization, and in the case of TEP Chile only, it will be duly organized and validly existing and (with respect to jurisdictions that recognize such concept) in good standing under the Law of the jurisdiction of its incorporation or organization as of the Commencement Date and as of the Leilao Date. In the case of the TAM Direct Controlling Shareholder only, as of the date of this Agreement, it is the sole record and beneficial owner of 44,883,754 shares of TAM Ordinary Stock and 24,768,755 shares of TAM Preferred Stock and it has the sole power to vote and sell such shares, in each case free and clear of all Liens. In the case of the Amaro Family only, after the TEP Restructuring and prior to the payment of the TEP Chile Subscription, they will be the sole record and beneficial owners of 47,652,705 shares of TAM Ordinary Stock and 25,185,155 shares of TAM Preferred Stock and they will have the sole power to vote and sell such shares, in each case free and clear of all Liens, and after the payment of the TEP Chile Subscription, they will be the sole record and beneficial owners of 100% shares of TEP Chile Stock and they will have the sole power to vote and sell such shares, in each case free and clear of all Liens. In the case of TEP Chile, following the payment of the TEP Chile Subscription and immediately prior to the payment of the Holdco Subscriptions, it will be the sole record and beneficial owner of 47,652,705 shares of TAM Ordinary Stock and 25,185,155 shares of TAM Preferred Stock and it will have the sole power to vote and sell such shares, in each case free and clear of all Liens. In the case of the LAN Controlling Shareholders only, they and their respective Affiliates collectively are the sole record and beneficial owners of 115,399,502 shares of LAN Common Stock, and they collectively have the sole power to vote and sell such shares, in each case free and clear of all Liens.

SECTION 4.02. Authority. In the case of the TAM Direct Controlling Shareholder and the LAN Controlling Shareholders only, it has or, in the case of TEP Chile, will have all requisite corporate power and authority to execute, deliver and perform each of the Transaction Agreements to which it is a party. In the case of the members of the Amaro Family only, each of them has all requisite power and authority to execute, deliver and perform each of the Transaction Agreements to which he or she is a party. In the case of the TAM Direct Controlling Shareholder, TEP Chile and the LAN Controlling Shareholders only, the execution, delivery and performance by it of the Transaction Agreements to which it is a party have been, or, in the case of TEP Chile, will be duly authorized by all necessary corporate action by it, and no other corporate proceedings by it or its shareholders are necessary to authorize the execution, delivery, performance of such agreements. All of the Transaction Agreements to which it is a party have been or, in the case of TEP Chile, will be duly executed and delivered by it and do constitute or, in the case of TEP Chile, will constitute legal, valid and binding obligations of it, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar Law of general applicability relating to or affecting the rights of creditors and to the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

SECTION 4.03. No Conflict; Required Filings and Consents. (a) The execution, delivery and performance by it of the Transaction Agreements to which it is a party do not and will not conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or result in any termination or modification of or acceleration under, or any change in any right, obligation or benefit under, or result in any Lien on the property or assets of it or any of its Subsidiaries or on any property or assets of TAM, LAN or any of their respective Subsidiaries pursuant to, (i) in the case of the TAM Direct Controlling Shareholder, TEP Chile and the LAN Controlling Shareholders only, its by-laws, (ii) any Contract to which it is a party or by which it or any of its properties, rights or other assets is bound or subject or (iii) assuming the consents, approvals, filings and other matters referred to in Sections 2.05(b) and 3.05(b) are duly obtained or made, any Law or Order applicable to it or any of its properties, rights or other assets, other than, in the case of clause (ii), any such conflicts, violations, breaches, defaults, terminations, modifications, accelerations, changes or Liens that, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on its ability to perform its obligations under any of such agreements.

(b) The execution, delivery and performance by it of the Transaction Agreements to which it is a party do not and will not require any consent, approval, order, authorization or permit of, action by, filing or registration with or notification to, any Governmental Entity other than those described in Section 2.05(b) and Section 3.05(b).

SECTION 4.04. No Successor Liability. In the case of the TAM Direct Controlling Shareholder, TEP Chile and the Amaro Family only, Holdco 1 will not acquire as a result of the distribution by the TAM Direct Controlling Shareholder of the TEP Shares to the Amaro Family or the contribution by the Amaro Family of TEP Shares to TEP Chile and the contribution by TEP Chile of the TEP Shares to Holdco 1 any debt, liability or obligation of any nature of any of the TAM Direct Controlling Shareholder, the Amaro Family or TEP Chile, whether known or unknown, asserted or unasserted, determined or determinable, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

SECTION 4.05. Litigation. There are no Actions pending or, to its Knowledge, threatened against it that would reasonably be expected to prevent it from performing its obligations under the Transaction Agreements to which it is a party.

ARTICLE V

ADDITIONAL AGREEMENTS

SECTION 5.01. Access to Information; Confidentiality. (a) To the extent permitted by applicable Law, each of LAN and TAM (each, a “**Parent**”) shall afford to the other Parent and its officers, employees, accountants, counsel, financial advisors and other advisors reasonable access (including for the purpose of planning for post-merger integration activities and transition planning) during normal business hours and upon reasonable prior notice to such Parent until the earlier of the consummation of the Exchange Offer and the termination of this Agreement pursuant to Section 8.01 to all of the properties, books, Contracts, commitments, Key Personnel and records of such Parent as the other Parent may from time to time reasonably request, but only to the extent that such access does not unreasonably interfere with the business or operations of such Parent or any of its Subsidiaries, and, during such period, such Parent shall furnish promptly to the other Parent all information concerning the business, properties and Key Personnel of such Parent as the other Parent may reasonably request; *provided, however*, that no access or information pursuant to this Section 5.01 shall affect or be deemed to modify any representation or warranty made or deemed made by such Parent in this Agreement; and, *provided, further*, that no Parent shall be required to (or to cause any of its Subsidiaries to) so confer, afford such access or furnish such copies or other information to the extent that doing so would violate applicable Law or any Contract or obligation of confidentiality owing to a third-party or result in the loss of attorney-client privilege if, in the case of any such Contract or confidentiality obligation, such Parent shall have used its reasonable best efforts to have obtained the consent of such third-party to such access, copies or information. If any of the information or material furnished pursuant to this Section 5.01 includes materials or information subject to the attorney-client privilege, work product doctrine or any other applicable privilege concerning pending or threatened Actions, each Parent understands and agrees that the parties to this Agreement have a commonality of interest with respect to such matters and it is the desire, intention and mutual understanding of the parties that the sharing of such material or information is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or information or its continued protection under the attorney-client privilege, work product doctrine or other applicable privilege. All such information provided by a Parent that is entitled to protection under the attorney-client privilege, work product doctrine or other applicable privilege shall remain entitled to such protection under these privileges, this Agreement, and under the joint defense doctrine. If, notwithstanding the foregoing, disclosure of certain information would result in the loss of attorney-client privilege or violate applicable Law or any Contract or obligation of confidentiality owing to a third-party, the Parents will use commercially reasonable efforts to make appropriate substitute disclosure arrangements.

(b) Each party agrees to, and shall cause its Subsidiaries and their respective directors, officers, employees, Affiliates (including the individuals who ultimately beneficially own such party), financial advisors, attorneys, accountants and other advisors or representatives (as to each party, its **“Representatives”**) to, treat and hold as confidential (and not disclose or provide access to any Person) any and all confidential or proprietary information, knowledge and data relating to any Disclosing Party or any of its Affiliates or their business and affairs (collectively, **“Confidential Information”**) by using the same degree of care, but no less than a reasonable standard of care, to prevent the unauthorized use, dissemination or disclosure of Confidential Information as it and its Affiliates use with respect to their own Confidential Information, unless the Disclosing Party provides its prior written consent to such use or disclosure and except as otherwise permitted in this Section 5.01(b). The parties hereby acknowledge and agree that the information provided or made available to any party pursuant to Sections 2.22, 3.22 and 5.01(a) shall be deemed to be “Confidential Information” for purposes of this Section 5.01(b). Notwithstanding the foregoing, in the event that a Receiving Party or any of its Representatives becomes legally compelled by Order or is required by Law to disclose any Confidential Information, disclosure in compliance with this Section 5.01(b) shall be permitted and, to the extent reasonably practicable and permitted by applicable Law, the Receiving Party agrees to, and shall cause its Representatives to, (i) provide the Disclosing Party with reasonable written notice of such requirement so that the Disclosing Party may seek a protective order or other remedy, (ii) in the event that such protective order or other remedy is not obtained, furnish only that portion of such Confidential Information which is legally required to be provided and exercise its reasonable best efforts to obtain assurances that confidential treatment will be afforded to such Confidential Information and (iii) use commercially reasonable efforts to promptly furnish to the Disclosing Party a copy (in whatever form or medium) of such Confidential Information that it intends to furnish or has furnished; *provided, however*, that the foregoing shall not apply to any information (A) that at the time of disclosure, is available publicly or becomes publicly available through no act or omission of the party owing a duty of confidentiality, or becomes available on a non-confidential basis from a source other than the party owing a duty of confidentiality, so long as such source is not known by such party to be bound by a confidentiality agreement with or other obligations of secrecy to the other party, (B) that is developed independently by the Receiving Party without the use of Confidential Information or (C) that is disclosed to any Representatives of the Receiving Party to whom such disclosure is necessary or desirable in the conduct of the business of the Receiving Party if such Persons are informed by the Receiving Party of the confidential nature of such Confidential Information and are directed by the Receiving Party to comply with the provisions of this Section 5.01(b) (it being agreed that a Receiving Party shall be responsible for any breach of this Section 5.01(b) by its Representatives). Each party agrees and acknowledges that remedies at Law for any breach of their obligations under this Section 5.01(b) are inadequate and that in addition thereto the Disclosing Party shall be entitled to seek equitable relief, including injunction and specific performance, in the event of any such breach. For purposes of this Section 5.01(b), the term **“Receiving Party”** means the party to whom Confidential Information is furnished, disclosed or shown or otherwise made available by or on behalf of another party hereto, which disclosing party is referred to as the **“Disclosing Party.”**

SECTION 5.02. **Further Action; Efforts.** (a) Subject to the terms and conditions of this Agreement and the Implementation Agreement, each party shall use its reasonable best efforts to take, or cause to be taken, all actions and to use its reasonable best efforts to do, or cause to be done, and assist and cooperate with the other parties in doing, all things reasonably necessary, proper or advisable under this Agreement, the Implementation Agreement and applicable Law to satisfy the conditions to the commencement of the Exchange Offer and the conditions to the consummation of the Exchange Offer, and to consummate as soon as reasonably practicable the Exchange Offer, the Mergers and the other transactions contemplated by this Agreement and the Implementation Agreement in accordance with the terms hereof and thereof. Without limitation of the foregoing, promptly after the execution and delivery of this Agreement LAN and the TAM Direct Controlling Shareholder and/or the Amaro Family shall meet jointly with CVM to discuss the contents of the Edital and shall use their commercially reasonable effort to obtain CVM's consent to the inclusion of the Exchange Offer Conditions therein. Without limitation of the foregoing, whenever this Agreement or the Implementation Agreement requires the TAM Direct Controlling Shareholder or the Amaro Family, as applicable, TEP Chile or the LAN Controlling Shareholders to take any action, such requirement shall be deemed to include an undertaking on the part of the individuals who ultimately beneficially own the TAM Direct Controlling Shareholder, TEP Chile or the LAN Controlling Shareholders, as the case may be, to cause them to take such action.

(b) In connection with and without limiting the foregoing, each party shall provide, or cause to be provided, all necessary notices, applications, requests and information to, and enter into discussions with, each Governmental Entity or third-party from whom any consent, approval, authorization or other action or non-action is required to be obtained in order to commence the Exchange Offer or consummate the Exchange Offer, the Mergers or the other transactions contemplated by this Agreement or the Implementation Agreement or in connection therewith (collectively, the "**Consents**"), use its commercially reasonable efforts to obtain all such Consents and to eliminate each and every other impediment that may be asserted by any Governmental Entity or other Person with respect to the Exchange Offer and the Mergers, in each case so as to enable the Exchange Offer and the Mergers to occur as soon as reasonably practicable. Each party shall use reasonable efforts to obtain the consent of any third party to a Contract that would otherwise be breached by any covenant, representation or warranty or any other obligation of this Agreement.

(c) In connection with and without limiting the generality of the foregoing, each party shall (i) make or cause to be made, in consultation and cooperation with the other parties and as promptly as practicable after receipt of ANAC Approval, all necessary and appropriate registrations, declarations, notices and filings relating to the Exchange Offer, the Mergers and the other transactions contemplated by this Agreement and the Implementation Agreement with the relevant Governmental Entities under all applicable Antitrust Laws; (ii) use its reasonable best efforts to furnish to the other parties all assistance, cooperation and information required for any such registration, declaration, notice or filing and in order to achieve the effects set forth in Section 5.02(b); (iii) give the other parties reasonable prior notice of any such registration, declaration, notice or filing and, to the extent reasonably practicable, of any communication with any Governmental Entity regarding the Exchange Offer, the Mergers or the other transactions contemplated hereby or by the Implementation Agreement (including with respect to any of the actions referred to in Section 5.02(b)), and permit the other parties to review and discuss in advance, and consider in good faith the views of, and secure the participation of, the other parties in connection with, any such registration, declaration, notice, filing or communication; (iv) respond as promptly as practicable under the circumstances to any inquiries received from any Governmental Entity regarding the Exchange Offer, the Mergers or the other transactions contemplated hereby or by the Implementation Agreement; (v) unless prohibited by applicable Law or by the applicable Governmental Entity, (A) to the extent reasonably practicable, not participate in or attend any meeting, or engage in any substantive conversation with any Governmental Entity regarding the Exchange Offer, the Mergers or the other transactions contemplated hereby or by the Implementation Agreement (including with respect to any of the actions referred to in Section 5.02(b)) without the other parties, (B) to the extent reasonably practicable, give the other parties reasonable prior notice of any such meeting or conversation, (C) in the event one party is prohibited by applicable Law or by the applicable Governmental Entity from participating or attending any such meeting or engaging in any such conversation, keep the other parties reasonably apprised with respect thereto, (D) cooperate in the filing of any substantive memoranda, white papers, filings, correspondence or other written communications explaining or defending this Agreement, the Implementation Agreement, the Exchange Offer, the Mergers or the other transactions contemplated hereby and thereby, articulating any regulatory or competitive argument, and/or responding to requests or objections made by any Governmental Entity, and (E) furnish the other parties with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Representatives, on the one hand, and any Governmental Entity or members of any Governmental Entity's staff, on the other hand, with respect to this Agreement, the Implementation Agreement, the Exchange Offer, the Mergers or the other transactions contemplated hereby and thereby.

(d) In the event that any Action is instituted (or threatened to be instituted) by a Governmental Entity or private party challenging any transaction contemplated by this Agreement or the Implementation Agreement, each party shall (i) cooperate in all respects with the other parties and use its respective reasonable best efforts to contest and resist any such Action and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other Order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement and/or so as to permit such consummation by the fifth business day before the Outside Date, and (ii) at its cost and expense, defend any such Actions against it or its Affiliates in connection with the transactions contemplated by this Agreement and the Implementation Agreement.

(e) Notwithstanding anything in this Section 5.02 to the contrary, nothing in this Section 5.02 or otherwise in this Agreement or the Implementation Agreement shall require, or be construed to require, either Parent or any of its Affiliates to (i) (A) sell, lease, license, transfer, dispose of, divest or otherwise encumber, or to hold separate pending any such action or (B) proffer, propose, negotiate, offer to effect or consent, commit or agree to any sale, divestiture, lease, licensing, transfer, disposal, divestment or other encumbrance of, or to hold separate, in each case before or after the Effective Time, any assets, licenses, operations, rights, product lines, businesses or interest of either Parent or any of its Affiliates or (ii) take or agree to take any other action, or agree or consent to any limitations or restrictions on freedom of actions with respect to, or its ability to own, retain or make changes in, any assets, licenses, operations, rights, product lines, businesses or interests of either Parent or any of its Affiliates or LAN's ability to receive and exercise full voting, economic and ownership rights with respect to its interests in Holdco 1, TAM and its Subsidiaries, subject only to the rights of TEP Chile in respect of its shares of Holdco 1 Voting Stock and under the LATAM/TEP Shareholders Agreement, the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement.

SECTION 5.03. Advice of Changes. Each of the parties hereto shall each promptly advise the other parties orally and in writing if (i) any representation or warranty made by it contained in this Agreement becomes untrue or inaccurate in a manner that would or would be reasonably expected to result in the failure of the condition set forth in Section 6.02(a) or Section 6.03(a), (ii) it fails to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement or the Implementation Agreement, (iii) any of the conditions set forth in (a) Section 7.02 other than the Delisting Condition (in the case of LAN and the Amaro Family), (b) Schedule 1.12 of the Implementation Agreement (in the case of LAN only), or (c) Section 7.03 other than the Minimum Tender Condition (in the case of the Amaro Family only) fails or ceases to be satisfied or (iv) an Appraisal Event occurs; *provided, however*, that no such notification shall affect the representations, warranties, covenants or agreements of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement. This Section 5.03 shall not constitute a covenant or agreement for purposes of Section 6.02(b) or 6.03(b).

SECTION 5.04. Covenants of the Controlling Shareholders.

(a) Agreements to Vote. Except as otherwise provided in this Agreement, each of the LAN Controlling Shareholders agrees that it will, and the Amaro Family agrees that it will cause TEP Chile to, from and after the date of this Agreement and until the earlier of the Effective Time and the termination of this Agreement pursuant to Section 8.01, attend each meeting of the shareholders of its Relevant Parent Entity in person or by proxy and vote or cause to be voted all shares of capital stock of its Relevant Parent Entity beneficially owned by it on the record date for such meeting (i) in the case of the LAN Controlling Shareholders only, in favor of the approval of the Mergers, the Name Change and the other transactions contemplated by the Implementation Agreement, (ii) against any action, agreement or transaction submitted for approval of the shareholders of its Relevant Parent Entity that would reasonably be expected to result in a breach of any covenant, representation or warranty or any other obligation or agreement of its Relevant Parent Entity, and (iii) against any Alternative Proposal relating to its Relevant Parent Entity. The term “**Relevant Parent Entity**” means (i) with respect to TAM, the Amaro Family, TEP Chile and the TAM Direct Controlling Shareholder, TAM, and (ii) with respect to LAN and the LAN Controlling Shareholders, LAN. The Amaro Family agrees that they will cause TEP Chile to attend the Sister Holdco Shareholders Meeting in person or by proxy and to vote the shares of Sister Holdco Stock they beneficially own in favor of the approval of the Sister Holdco Merger Matters. The Amaro Family agrees that they will cause TEP Chile to cause Holdco 1 to attend the Holdco 2 Shareholders Meeting in person or by proxy and to vote the shares of Holdco 2 Stock they beneficially own in favor of the approval of the Holdco 2 Merger Matters.

(b) Condition Notices; Subscription Payments; Leilão. The last time at which the holders of shares of TAM Stock shall be able to withdraw their acceptance to tender their shares of TAM Stock into the Exchange Offer will be 12:00 p.m., São Paulo, Brazil time (the **“Withdrawal Deadline”**), on the date on which the Leilão will occur as specified in the Edital, as such date may be changed from time to time in accordance with Brazilian Law (the **“Leilão Date”**). Prior to 2:00 p.m., São Paulo, Brazil time, on the Leilão Date, each of LAN and the Amaro Family shall cause one of its representatives who is authorized on its behalf to waive the conditions set forth in Section 7.02 (in the case of both LAN and the Amaro Family), Section 7.03 (in the case of LAN only) or Schedule 1.12 of the Implementation Agreement (in the case of the Amaro Family) to be present at the offices of the Bovespa for purposes of informing the Bovespa as to whether the mutual conditions to the consummation of the Exchange Offer set forth in Section 7.02 (in the case of both LAN and the Amaro Family), Section 7.03 (in the case of LAN only) and Schedule 1.12 of the Implementation Agreement (in the case of the Amaro Family) have been satisfied or waived in accordance with this Agreement. At 2:00 p.m., São Paulo, Brazil time, on the Leilão Date, the Bovespa shall inform LAN, Holdco 2 and the Amaro Family whether or not the Minimum Conditions have been satisfied (the **“Minimum Condition Notice”**). Promptly after receiving the Minimum Condition Notice but in no event later than 2:10 p.m., São Paulo, Brazil time, on the Leilão Date LAN shall deliver to the Amaro Family a written notice stating whether or not all of the conditions to the consummation of the Exchange Offer (other than the conditions in Section 7.03(h)) have been satisfied or irrevocably waived by LAN (the **“LAN Condition Notice”**). If the LAN Condition Notice states that all such conditions have been so satisfied or waived, then promptly after they receive the LAN Condition Notice but in no event later than 2:20 p.m., São Paulo, Brazil time, on the Leilão Date the Amaro Family shall deliver to LAN a written notice stating whether or not all of the conditions to the consummation of the Exchange Offer set forth in Section 7.02 and all of the conditions set forth in Schedule 1.12 to the Implementation Agreement have been satisfied or irrevocably waived by them (the **“TEP Condition Notice”**). If the TEP Condition Notice states that all such conditions have been so satisfied or waived, then (i) promptly after they have delivered the TEP Condition Notice to LAN but in no event later than 2:30 p.m., São Paulo, Brazil time, on the Leilão Date (A) the Amaro Family shall subscribe for 72,837,860 shares of TEP Chile Stock in exchange for all of the TEP Shares (the **“TEP Chile Subscription”**) and, collectively with the Holdco Subscriptions, the **“Subscriptions”**), such Subscriptions to be made in such proportions so that immediately after the TEP Chile Subscription is paid the percentage equity ownership of each member of the Amaro Family in TEP Chile shall be the same as the percentage equity ownership that such member has in the TAM Direct Controlling Shareholder as of the date hereof and pay the TEP Chile Subscription by delivering the TEP Shares to TEP Chile, and (B) TEP Chile shall pay the Holdco Subscriptions by delivering all of the Ordinary TEP Shares to Holdco 1 and the 62 Holdco 1 Ordinary Shares, all of the TEP Holdco 1 Non-Voting Shares and all of the Preferred TEP Shares to Sister Holdco and (ii) promptly after all such payments have been made but in no event later than 2:40 p.m., São Paulo, Brazil time, on the Leilão Date, LAN and the Amaro Family shall issue a press release announcing that all of the conditions to the Exchange Offer have been satisfied or irrevocably waived. The LAN Condition Notice shall be conclusive and binding upon LAN for all purposes of this Agreement and the TEP Condition Notice shall be conclusive and binding upon the Amaro Family for all purposes of this Agreement and the TEP Chile Subscription. If (x) each of the LAN Condition Notice and the TEP Condition Notice states that all of the conditions it is required to address have been satisfied or irrevocably waived and (y) the TEP Chile Subscription and all of the payments required pursuant to the Subscriptions have been made in full when required by this Section 5.04(b), then the Leilão shall commence at 3:00 p.m., São Paulo, Brazil time (or such other time as the Bovespa may determine), on the Leilão Date, and Holdco 2 will consummate the Exchange Offer on the Leilão Date in accordance with the terms and conditions of the Exchange Offer. For all purposes of this Agreement, the consummation of the Exchange Offer shall be deemed to be the purchases of TAM Stock pursuant to the Leilão. Notwithstanding the foregoing, if the Leilão commences at any time other than 3:00 p.m., São Paulo, Brazil time, on the Leilão Date, then each of the times specified above in this Section 5.04(b) (except for the Withdrawal Deadline) shall be adjusted by the same amount that the actual time of the commencement of the Leilão differs from 3:00 p.m., São Paulo, Brazil time. If (x) either the LAN Condition Notice or the TEP Condition Notice does not state that all of the conditions it is required to address have been satisfied or irrevocably waived or (y) the TEP Chile Subscription or any of the payments required pursuant to the Subscriptions are not made in full when required by this Section 5.04(b), the Leilão shall not occur and the Exchange Offer shall expire without the purchase of any shares of TAM Stock.

(c) Restrictions on Transfers. Except as otherwise expressly provided in this Agreement, from and after the date of this Agreement and until the earlier of the Effective Time and the termination of this Agreement pursuant to Section 8.01, none of LAN Controlling Shareholders, the TAM Direct Controlling Shareholder, the Amaro Family or TEP Chile shall Transfer or permit the Transfer of any shares of the capital stock of its Relevant Parent Entity, the TAM Direct Controlling Shareholder, TEP Chile, Holdco 1, Holdco 2 or Sister Holdco that it beneficially owns or enter into any Contract, arrangement or understanding with respect to any such Transfer (whether by actual disposition or effective economic disposition due to hedging, cash settlement or otherwise); *provided however*, that the LAN Controlling Shareholders, the TAM Direct Controlling Shareholder, the Amaro Family and TEP Chile may Transfer all or any portion of their shares of capital stock of its Relevant Parent Entity to (i) any of their direct or indirect wholly owned Subsidiaries, (ii) any Person wholly-owned by Enrique, Juan José and/or Ignacio Cueto (in the case of the LAN Controlling Shareholders) or (iii) any Person that has no direct or indirect owners other than Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and/or João Francisco Amaro and that is directly or indirectly majority owned and controlled by Maria Cláudia Oliveira Amaro and Maurício Rolim Amaro (in the case of the Amaro Family, the TAM Direct Controlling Shareholder or TEP Chile) and that each of the LAN Controlling Shareholders, the TAM Direct Controlling Shareholder, TEP Chile and the Amaro Family may Transfer a percentage of any shares of the capital stock of its Relevant Parent Entity, TEP Chile, Holdco 1, Holdco 2 or Sister Holdco that it beneficially owns to each of Enrique, Juan José and Ignacio Cueto (in the case of the LAN Controlling Shareholders) or Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro (in the case of the TAM Direct Controlling Shareholder and TEP Chile) or to any Person wholly owned by any such individual equal to the percentage of such capital stock that such individual indirectly owns through his or her ownership of shares in the LAN Controlling Shareholders (in the case of Enrique, Juan José and Ignacio Cueto) or the TAM Direct Controlling Shareholder or TEP Chile (in the case of Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro); *provided further* that the LAN Controlling Shareholders, the TAM Direct Controlling Shareholder and the Amaro Family shall continue to be bound by the terms of this Agreement for all purposes following any such Transfer and any transferee of shares Transferred pursuant to this Section 5.04(c) shall agree to be bound by all the terms and conditions of this Section 5.04 by executing and delivering to the parties hereto a joinder agreement so providing in form and substance reasonably acceptable to such parties.

(d) No Inconsistent Agreements. Each of the LAN Controlling Shareholders hereby covenants and agrees that, and each of the TAM Direct Controlling Shareholder and the members of the Amaro Family hereby covenants and agrees on its or their behalf and on behalf of TEP Chile that, except for actions contemplated by this Section 5.04 taken in furtherance of this Agreement, it (i) has not entered into, and shall not enter into at any time while this Agreement remains in effect, any voting agreement, voting trust or any other agreement, arrangement or obligations (whether or not legally binding) with respect to any of the shares of capital stock of its Relevant Parent Entity, the TAM Direct Controlling Shareholder, TEP Chile, Holdco 1, Holdco 2 or Sister Holdco that it beneficially owns and (ii) has not granted, and shall not grant at any time while this Agreement remains in effect, a proxy, a consent or power of attorney with respect to any such shares.

(e) Further Assurances. Each of the LAN Controlling Shareholders, the TAM Direct Controlling Shareholder and the Amaro Family (i) shall use reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on their part under this Agreement and applicable Law to consummate the transactions contemplated by this Agreement and the other Transaction Agreements as promptly as reasonably practicable and (ii) shall not, and they shall cause their respective Representatives not to, take any action that could be reasonably expected to materially impede or interfere with, delay, postpone or materially and adversely affect the consummation of the transactions contemplated by this Agreement and the other Transaction Agreements.

ARTICLE VI

CONDITIONS TO THE COMMENCEMENT OF THE EXCHANGE OFFER

SECTION 6.01. Mutual Conditions to the Commencement of the Exchange Offer. Holdco 2 shall not commence the Exchange Offer unless and until all of the conditions set forth in this Section 6.01 are satisfied or waived in writing by LAN and the Amaro Family.

(a) Requisite Shareholder Approval. The Requisite LAN Shareholder Approval shall have been obtained and recorded and published in accordance with Law No. 18,046 of Chilean Corporations (the “**Chilean Corporate Law**”) and the Requisite TAM Shareholder Approval shall have been obtained and recorded and published in accordance with Brazilian Law.

(b) Governmental Consents. All of the Consents from Governmental Entities set forth on Schedule 6.01(b) shall have been obtained and all other Consents from Governmental Entities shall have been obtained other than those which the failure to obtain, individually or in the aggregate, would not reasonably be expected to have a TAM Material Adverse Effect or LAN Material Adverse Effect or to result in criminal or civil sanctions against any party hereto, any Affiliate of any such party or any director or employee of any of the foregoing.

(c) No Injunctions or Restraints. No court or other Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order or taken any other action (whether temporary, preliminary or permanent) that is in effect and (i) makes illegal, restrains, enjoins or otherwise prohibits the commencement of the Exchange Offer or the consummation of the Exchange Offer, the Mergers or the other transactions contemplated by this Agreement and the Implementation Agreement on the terms contemplated hereby and thereby or (ii) limits or impairs the ability of LAN and the TAM Direct Controlling Shareholder, TEP Chile and/or the Amaro Family to jointly (A) own or operate all or any material portion of the assets of TAM and its Subsidiaries or (B) exercise full ownership rights with respect to equity interests in Holdco 1, TAM and its Subsidiaries in a manner consistent with the terms of the TAM Shareholders Agreement, the Holdco 1 Shareholders Agreement and/or the LATAM/TEP Shareholders Agreement, as applicable (collectively, “**Restraining Orders**”); *provided, however*, that notwithstanding the foregoing the occurrence of the Appraisal Condition shall not cause this condition not to be satisfied.

(d) No Litigation. There shall not be pending any Action commenced by any Governmental Entity or other Person seeking (i) a Restraining Order or (ii) to limit or impair the ability of LAN and the TAM Direct Controlling Shareholder, TEP Chile and/or the Amaro Family to jointly (A) own or operate all or any material portion of the assets of TAM and its Subsidiaries or (B) exercise all the rights and receive all the benefits of full ownership of each of Holdco 1, TAM and its Subsidiaries in a manner consistent with the terms of the LATAM-TEP Shareholders Agreement, Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement other than any such Action by any Person other than a Governmental Entity that could not reasonably be expected to succeed on its merits (collectively, “**Adverse Actions**”).

(e) LAN BDRs. CVM shall have granted the registrations of LAN and the LAN BDRs described in clauses (A) and (B) of Section 1.04(b)(i).

(f) Required Listings. Each of the Required Listings shall have been approved by the CVM, the NYSE and the SSE, as applicable, and under the terms of such approval shall become effective no later than the Effective Time.

(g) Form F-4. The Form F-4 shall have been declared effective by the SEC under the U.S. Securities Act. No stop order suspending the effectiveness of the Form F-4 shall have been issued by the SEC, and no proceeding for that purpose shall have been initiated or threatened by the SEC.

(h) Completion of Pre-Commencement Transaction Steps. Each of the Transaction Steps described in Section 1.01, and Sections 1.03 through 1.10 of the Implementation Agreement shall have been taken and completed; *provided, however*, that, notwithstanding the foregoing, no party whose failure to take any action that it is required to be taken pursuant to the Implementation Agreement caused the failure of any such Transaction Step to be taken shall be entitled to the benefit of the condition in respect of such Transaction Step (treating each of (x) LAN and the LAN Controlling Shareholders, collectively, and (y) TAM, the TAM Direct Controlling Shareholder and the Amaro Family, collectively, as a single party for purposes of this Section 6.01(h)).

(i) Appraisal Condition. The product of 0.9 and the high end of the range of economic value of LAN per share of LAN Common Stock most recently determined by the Appraiser shall be greater than or equal to the low end of the range of economic value of TAM per share of TAM Stock determined by the Appraiser at the same time and, if such determinations are made in the Appraisal Report, the Appraisal Report has not been replaced by a new Appraisal Report by a new Appraiser at the request of the holders of the outstanding Free Float Shares in accordance with Brazilian Law (the “**Appraisal Condition**”).

SECTION 6.02. LAN's Conditions to the Commencement of the Exchange Offer. Holdco 2 shall not commence the Exchange Offer unless and until all of the conditions set forth in this Section 6.02 are satisfied or waived in writing by LAN.

(a) Representations and Warranties. The representations and warranties of TAM contained in Section 2.03(a), Section 2.03(b) and in clause (i) of Section 2.07 of this Agreement shall have been true and correct on the date of this Agreement and shall be true and correct on the Condition Date as though made on and as of the Condition Date (except to the extent that any such representation and warranty expressly relates to a specified earlier date, in which case such representation and warranty need only be true and correct as of such specified earlier date), except for any failures of any representations and warranties in Section 2.03(a) or Section 2.03(b) that, individually or in the aggregate, are *de minimis* in nature and amount. All other representations and warranties of TAM contained in this Agreement shall have been true and correct on the date of this Agreement and shall be true and correct on the Condition Date as though made on and as of the Condition Date (except to the extent any such representations and warranties expressly relate to a specified earlier date, in which case such representation and warranty need only be true and correct as of such specified earlier date) in each case without giving effect to any TAM Material Adverse Effect or any other materiality exception, qualification or limitation contained therein, other than any failures of such representations and warranties to be so true and correct to the extent that such failures and the underlying causes thereof, individually or in the aggregate, have not had and would not reasonably be expected to have a TAM Material Adverse Effect. LAN shall have received a certificate signed on behalf of TAM by the chief executive officer of TAM to such effect. The representations and warranties of the TAM Direct Controlling Shareholder and the Amaro Family set forth in Article IV shall have been true and correct on the date of this Agreement and shall be true and correct on the Condition Date as though made on and as of the Condition Date.

(b) Performance of Obligations. TAM shall have performed in all material respects all obligations it is required to perform under this Agreement and the Implementation Agreement on or prior to the Condition Date, and LAN shall have received a certificate signed on behalf of TAM by the chief executive officer of TAM to such effect. The TAM Direct Controlling Shareholder and the Amaro Family shall have performed in all material respects all obligations it is required to perform under this Agreement and the Implementation Agreement on or prior to the Condition Date.

(c) No MAE. No change, event, circumstance or development shall have occurred since December 31, 2009 (including any adverse change or development with respect to any such matters that occurred or existed on or prior to such date) that, individually or in the aggregate, has had or would reasonably be expected to have a TAM Material Adverse Effect.

(d) No Market Disruptions. Since the date of this Agreement, there shall have been no (i) general suspension of, or limitation on trading in securities on, the SSE, the Bovespa or the NYSE (other than a shortening of trading hours or any coordinated trading halt triggered solely as a result of a specified increase or decrease in a market index), (ii) declaration of a banking moratorium or any suspension of payments in respect of banks in Chile, Brazil or the United States, or (iii) commencement of a war or armed hostilities or airline industry events which, in the case of clauses (ii) and (iii), could reasonably be expected to have a TAM Material Adverse Effect.

(e) Requisite Shareholder Approvals. All of the Requisite Shareholder Approvals (other than the Requisite LAN Shareholder Approval and the Requisite TAM Shareholder Approval) shall have been obtained and recorded and published in accordance with the Chilean Corporate Law or other applicable Law.

(f) Appraisal. The holders of not more than 2.5% of the outstanding shares of LAN Common Stock shall have exercised their appraisal rights (*derecho a retiro*) under Chilean Law with respect to the Mergers.

(g) Shareholders Agreements. TEP Chile S.A. shall have duly executed and/or delivered to LAN copies of the TAM Shareholders Agreement, Holdco 1 Shareholders Agreement, the LATAM/TEP Shareholders Agreement and the Control Group Shareholders Agreement. Holdco 1 shall have duly executed and/or delivered to LAN copies of the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement. TAM shall have duly executed and/or delivered to LAN a copy of the TAM Shareholders Agreement. The LAN Controlling Shareholders shall have duly executed and/or delivered to LAN a copy of the Control Group Shareholders Agreement.

(h) Other Conditions. CVM shall have approved the inclusion in the Edital of all of the conditions set forth in Section 7.03, and none of the events described in paragraphs (f) and (g) of Section 7.03 shall have occurred since the date of this Agreement (without giving effect to any references to the Commencement Date contained therein).

SECTION 6.03. Amaro Family's Conditions to the Commencement of the Exchange Offer. Holdco 2 shall not commence the Exchange Offer unless and until all of the conditions set forth in this Section 6.03 are satisfied or waived in writing by the Amaro Family.

(a) Representations and Warranties. The representations and warranties of LAN contained in Section 3.03(a), Section 3.03(b) and in clause (i) of Section 3.07 of this Agreement shall have been true and correct on the date of this Agreement and shall be true and correct on the Condition Date as though made on and as of the Condition Date (except to the extent that any such representation and warranty expressly relates to a specified earlier date, in which case such representation and warranty need only be true and correct as of such specified earlier date), except for any failures of any representations and warranties in Section 3.03(a) or Section 3.03(b) that, individually or in the aggregate, are *de minimis* in nature and amount. All other representations and warranties of LAN contained in this Agreement shall have been true and correct on the date of this Agreement and shall be true and correct on the Condition Date as though made on and as of the Condition Date (except to the extent any such representations and warranties expressly relate to a specified earlier date, in which case such representation and warranty need only be true and correct as of such specified earlier date), in each case without giving effect to any LAN Material Adverse Effect or any other materiality exception, qualification or limitation contained therein, other than any failures of such representations and warranties to be so true and correct to the extent that such failures and the underlying causes thereof, individually or in the aggregate, have not had and would not reasonably be expected to have a LAN Material Adverse Effect. TAM shall have received a certificate signed on behalf of LAN by the chief executive officer of LAN to such effect. The representations and warranties of the LAN Controlling Shareholders set forth in Article IV shall have been true and correct on the date of this Agreement and shall be true and correct on the Condition Date as though made on and as of the Condition Date.

(b) Performance of Obligations. LAN shall have performed in all material respects all obligations it is required to perform under this Agreement or the Implementation Agreement on or prior to the Condition Date, and TAM shall have received a certificate signed on behalf of LAN by the chief executive officer of LAN to such effect. The LAN Controlling Shareholders shall have performed in all material respects all obligations they are required by this Agreement or the Implementation Agreement to perform on or prior to the Condition Date.

(c) No MAE. No change, event, circumstance or development shall have occurred since December 31, 2009 (including any adverse change or development with respect to any such matters that occurred or existed on or prior to such date) that, individually or in the aggregate, has had or would reasonably be expected to have a LAN Material Adverse Effect.

(d) No Market Disruptions. Since the date of this Agreement there shall have been no (i) general suspension of, or limitation on trading in securities on, the SSE, the Bovespa or the NYSE (other than a shortening of trading hours or any coordinated trading halt triggered solely as a result of a specified increase or decrease in a market index), (ii) declaration of a banking moratorium or any suspension of payments in respect of banks in Chile, Brazil or the United States, or (iii) commencement of a war or armed hostilities or airline industry events which, in the case of clauses (ii) and (iii), could reasonably be expected to have a LAN Material Adverse Effect.

(e) Shareholders Agreements. LAN shall have duly executed and/or delivered to the Amaro Family copies of the Holdco 1 Shareholders Agreement, the TAM Shareholders Agreement and the LATAM/TEP Shareholders Agreement. The LAN Controlling Shareholders shall have duly executed and/or delivered to the Amaro Family a copy of the Control Group Shareholders Agreement.

(f) Other Conditions. None of the events described in Schedule 1.12 of the Implementation Agreement shall have occurred since the date of this Agreement (without giving effect to any references to the Commencement Date contained therein).

SECTION 6.04. Commencement of the Exchange Offer. If all of the conditions set forth in this Article VI are satisfied or waived in accordance with the requirements of this Article, then Holdco 2 shall commence the Exchange Offer.

ARTICLE VII

CONDITIONS TO THE CONSUMMATION OF THE EXCHANGE OFFER

SECTION 7.01. Conditions to the Consummation of the Exchange Offer. The only conditions to the consummation of the Exchange Offer shall be the conditions set forth in Section 7.02 and Section 7.03. Holdco 2 shall not be obligated to, and shall not, purchase or pay for any of the Eligible TAM Shares validly tendered and not withdrawn pursuant to the Exchange Offer unless all of such conditions are satisfied or waived by Holdco 2. Holdco 2 shall only waive the conditions set forth in the Section 7.02 and 7.03 in accordance with the requirements set forth in Section 7.02 and Section 7.03 below (as applicable).

SECTION 7.02. Mutual Conditions to the Consummation of the Exchange Offer. Holdco 2 shall only waive a condition to the consummation of the Exchange Offer set forth in this Section 7.02 if such condition has been waived by LAN in the LAN Condition Notice and by the Amaro Family in the TEP Condition Notice, and Holdco 2 shall promptly waive all such conditions that have been so waived by LAN and the Amaro Family.

(a) Required Listings. Since the Commencement Date, none of the Bovespa, the NYSE or the SSE shall have revoked or suspended its approval of any of its Required Listings and under the terms of each such approval the relevant Required Listing shall become effective no later than the Effective Time.

(b) Form F-4. Since the Commencement Date, no stop order suspending the effectiveness of the Form F-4 shall have been issued by the SEC and no proceeding for that purpose shall have been initiated or threatened by the SEC.

(c) Delisting Condition. The number of Free Float Shares that are validly tendered into and not withdrawn from, or that otherwise approve, the Exchange Offer shall be at least equal to the number of Free Float Shares required to permit the delisting of each of the TAM Ordinary Stock and the TAM Preferred Stock from the Bovespa under the rules of the CVM and Brazilian Law (the “**Delisting Condition**”).

(d) Appraisal. Since the Commencement Date, no Appraisal Event shall have occurred, the holders of the Free Float Shares shall not have requested a new Appraisal Report and a new Appraiser in accordance with Brazilian Law and the holders of the outstanding Free Float Shares shall no longer have the right to select a new Appraiser and to cause the Appraisal Report to be replaced with a new Appraisal Report.

SECTION 7.03. LAN Conditions to the Consummation of the Exchange Offer. Holdco 2 shall only waive a condition to the consummation of the Exchange Offer set forth in this Section 7.03 if such condition has been waived by LAN in the LAN Condition Notice, and Holdco 2 shall promptly waive all such conditions that have been so waived by LAN.

(a) Minimum Tender Condition. The number of Eligible TAM Shares that are validly tendered into and not withdrawn from the Exchange Offer shall be at least equal to the number of Eligible TAM Shares that need to be acquired so that, if Holdco 2 or LAN owned the TEP Shares, it would have the right and ability to effect a statutory squeeze-out under Brazilian Law of all Eligible TAM Shares that do not accept the Exchange Offer and the Amaro Family shall have stated in the Subscription Condition Notice that all of the conditions set forth in Schedule 1.12 of the Implementation Agreement have been satisfied or irrevocably waived by the Amaro Family (the “Minimum Tender Condition” and, together with the Delisting Condition, the “Minimum Conditions”).

(b) Governmental Consents. Since the Commencement Date, none of the Consents received or obtained from Governmental Entities that were a condition to the commencement of the Exchange Offer shall have been revoked or amended, modified or supplemented in any way that could reasonably be expected to materially impede or interfere with, delay, postpone or materially and adversely affect the consummation of the transactions contemplated by this Agreement or the Implementation Agreement.

(c) No Injunctions or Restraints. Since the Commencement Date, no court or other Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Restraining Order.

(d) No Litigation. No Adverse Action commenced since the Commencement Date shall remain pending.

(e) Business Continuity. None of the following actions, events or circumstances shall have occurred since the Commencement Date (or prior thereto if no executive officer of LAN had actual knowledge of any such action, event or circumstance as of the Commencement Date) that, individually or in the aggregate, have had an adverse effect on the businesses, revenues, operations or financial condition of TAM and its Subsidiaries in any material respect:

(i) Any change in, or termination of, any License from any Governmental Entity or other Person that are currently held by TAM or any of its Subsidiaries and used to conduct air domestic or international cargo or passenger transport services or any such Governmental Entity or other Person shall have threatened or taken any action seeking any such change or termination;

- (ii) Any loss of 5% or more of the total number of Slots currently granted to TAM and its Subsidiaries at Congonhas Airport – São Paulo, or any loss of 10% or more of the total takeoff and landing scheduled operations of TAM and its Subsidiaries at any of the following airports: the International Airport of São Paulo - Guarulhos, Santos Dumont Airport, International Airport of Rio de Janeiro – Antônio Carlos Jobim, International Airport Juscelino Kubitschek (Brasília) and International Airport Salgado Filho (Porto Alegre);
- (iii) Any loss of 15% or more of the permits or air traffic rights held by TAM and its Subsidiaries to operate in any country in the European Union;
- (iv) Any termination or expiration of any aeronautical insurance policy that currently covers TAM or any of its Subsidiaries unless such policy is reinstated or replaced by a substantially equivalent policy within 24 hours of such termination or expiration;
- (v) Any initiation of any inquiry or investigation of TAM or any of its Subsidiaries by any Airline Regulatory Entity relating to safety issues that could be expected to result in the total or partial revocation of any License currently held by TAM or any of its Subsidiaries or to be detrimental to the public image of TAM;
- (vi) Any event that occurs at the International Airport of São Paulo – Guarulhos, Congonhas Airport – São Paulo or Santos Dumont Airport and that (1) prevents TAM and its Subsidiaries from operating at least 50% of their normally scheduled flights from such airport during the period from the date on which such event occurs to the expiration of the Exchange Offer or (2) if such period is less than 30 days, could be expected to prevent such percentage of such flights during the 30-day period commencing on the date on which such event occurs;
- (vii) Any inability of Brazil to adequately and safely control its airspace through its air traffic control system that (1) prevents TAM and its Subsidiaries from being able to conduct their normal operations during the period through the expiration of the Exchange Offer or (2) if such period is less than 30 days, could be expected to prevent such normal operations for a period of at least 30 days;
- (viii) Any aircraft accident that involves any loss of life or the total loss of any aircraft;

- (ix) Any issuance of any Law or Order:
- (A) fixing or otherwise regulating domestic Brazilian passenger airline fares;
 - (B) challenging, restricting, limiting or impairing the ability of Holdco 2 to make or consummate the Exchange Offer; LAN to consummate the Mergers; Holdco 2, LAN or Holdco 1 to own, hold or exercise the rights inherent in their shares of TAM Stock; or LAN and the TAM Direct Controlling Shareholder, TEP Chile and/or the Amaro Family to jointly own or operate all or any material portion of the assets of TAM and its Subsidiaries or exercise all the rights and receive all the benefits of full ownership of each of Holdco 1, TAM and its Subsidiaries in a manner consistent with the terms of the LATAM-TEP Shareholders Agreement, the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement;
 - (C) providing for any expropriation or confiscation of any assets of TAM or any of its Subsidiaries or limiting the ability of TAM or any of its Subsidiaries to freely dispose of any of their assets;
 - (D) suspending, restricting or limiting the ability to engage in currency exchange transactions in Brazil or by Brazilian corporations or residents or changing the current regulations relating to the transfer of funds into or out of Brazil; or
 - (E) changing the current regulations applicable to the capital markets in Brazil or Chile or increasing any taxes or tax rates that adversely impacts the shareholders of TAM who tender into, or the consummation by Holdco 2 of, the Exchange Offer;
- (x) Any natural disaster or similar event that causes damage to any infrastructure or airspace used by, or any industry affecting, TAM or any of its Subsidiaries or any assets used by TAM or any of its Subsidiaries in the ordinary course of business; or
- (xi) Any other event that (1) prevents TAM and its Subsidiaries from operating at least 50% of their regular scheduled flights during the period from the date on which such event occurs to the expiration of the Exchange Offer or (2) if such period is less than 30 days, could be expected to prevent such percentage of such flights during the 30-day period commencing on the date on which such event occurs.

(f) **No Default Under Relevant Agreements.** Since the Commencement Date, there shall not have occurred any default in the performance or breach, or any event that with notice, lapse of time or both would result in such a default or breach, by TAM or any of its Subsidiaries of any covenant or agreement contained in any Contract to which any of them is a party under which the aggregate consideration provided or received, or to be provided or received, is greater than US\$10,000,000 (collectively, “**Relevant Agreements**”) that continues to exist, in each case after giving effect to any waivers granted by any other party to such Contract and regardless of whether or not any event of default, acceleration or other enforcement action shall have been declared or taken by any such other party.

(g) **No Market Disruptions.** Since the Commencement Date, there shall have been no (i) general suspension of, or limitation on trading in securities on, the SSE, the Bovespa or the NYSE (other than a shortening of trading hours or any coordinated trading halt triggered solely as a result of a specified increase or decrease in a market index), (ii) declaration of a banking moratorium or any suspension of payments in respect of banks in Brazil, the United States or the European Union, or (iii) commencement of a war or armed hostilities or airline industry events, which, in the case of clauses (ii) and (iii), could reasonably be expected to have a TAM Material Adverse Effect.

(h) **Subscriptions.** The Subscriptions shall have been fully paid in each case in accordance with Section 5.04(b) of this Agreement.

ARTICLE VIII

TERMINATION, AMENDMENT AND WAIVER

SECTION 8.01. **Termination.** This Agreement shall terminate automatically if and when: (i) the Exchange Offer expires in accordance with its terms or is revoked with the permission of the CVM, in each case without the purchase of any shares of TAM Stock or (ii) the Implementation Agreement is terminated in accordance with its terms or the terms of this Agreement. In addition to the circumstances provided in Section 4.01 of the Implementation Agreement, the Implementation Agreement may be terminated and the Exchange Offer and the Mergers may be abandoned at any time prior to the commencement of the Exchange Offer, whether before or after receipt of any Requisite Shareholder Approvals:

(a) by either LAN or the Amaro Family:

(i) if the ANAC Approval has not been obtained or for any other reason the Exchange Offer shall not have commenced on or before December 31, 2011 (as it may be extended as set forth below, the “**Outside Date**”); *provided, however*, that if the condition set forth in Section 6.01(b) shall not have been satisfied on or before December 31, 2011 and/or the condition set forth in Section 6.01(d) is not satisfied on December 31, 2011, then, if all other conditions to commencement of the Exchange Offer (other than conditions that by their nature are to be satisfied at the Pre-Commencement Closing) set forth in Article VI shall have been satisfied the Outside Date may be extended until June 30, 2012 at the election of the Amaro Family or LAN by written notice to the other party;

(ii) if any Governmental Entity of competent jurisdiction has refused to grant any Consent described in Section 6.01(b) (other than any Consent required from CVM with respect to the inclusion in the Edital of any of the conditions set forth in Section 7.03) and such refusal has become final and nonappealable or any Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Restraining Order that has become final and nonappealable, in each case that would give rise to the failure of a condition set forth in Section 6.01(b) or Section 6.01(c);

provided, however, that the right to terminate the Implementation Agreement under this Section 8.01(a) shall not be available to any party whose material breach of a representation, warranty or covenant in this Agreement or the Implementation Agreement has been a principal cause of the failure of the Exchange Offer to commence by the Outside Date or the failure of the condition giving rise to such termination right, as applicable;

(b) by LAN, if TAM, the TAM Direct Controlling Shareholder or the Amaro Family shall have breached or failed to perform any of their representations, warranties, covenants or agreements set forth in this Agreement or the Implementation Agreement or any of such representations and warranties shall have become untrue as of any date subsequent to the date of this Agreement, which breach or failure to perform or untruth (i) would give rise to the failure of a condition set forth in Section 6.02(a) or 6.02(b) (assuming, in the case of any untruth, that such subsequent date was the Condition Date) and (ii) is not capable of being cured or, if capable of being cured, shall not have been cured by TAM, the TAM Direct Controlling Shareholder or the Amaro Family, as applicable, by the earlier of (A) the day before the Outside Date and (B) the 30th calendar day following receipt of written notice of such breach or failure to perform from LAN;

(c) by the Amaro Family, if LAN or the LAN Controlling Shareholders shall have breached or failed to perform any of their representations, warranties, covenants or agreements set forth in this Agreement or the Implementation Agreement or any of such representations and warranties shall have become untrue as of any date subsequent to the date of this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 6.03(a) or 6.03(b) (assuming, in the case of any untruth, that such subsequent date was the Condition Date) and (ii) is not capable of being cured or, if capable of being cured, shall not have been cured by LAN by the earlier of (A) the day before the Outside Date and (B) the 30th calendar day following receipt of written notice of such breach or failure to perform from TAM or the Amaro Family; and

(d) by LAN prior to the commencement of the Exchange Offer if CVM shall have refused to grant its Consent to the inclusion in the Edital of any of the conditions set forth in Section 7.03.

SECTION 8.02. Effect of Termination. In the event of termination of this Agreement as provided in Section 8.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of LAN, TAM or any other party hereto under this Agreement, other than the provisions of Sections 2.22 and 3.22, the second and third sentences of Section 5.01(a), Section 5.01(b), Section 8.01, this Section 8.02, Section 8.04, Section 8.05 and Article IX, which provisions shall survive such termination. Notwithstanding the foregoing or any termination or anything to the contrary in this Agreement, no party to this Agreement shall be relieved or released from liability for damages of any kind (whether or not communicated or contemplated at the time of execution of this Agreement), including consequential damages and including as damages any value lost by shareholders of LAN or TAM, as the case may be, based on the consideration that would otherwise have been paid and the benefits that would otherwise have accrued to such shareholders, which arise out of or result from any (i) knowing breach of any of the representations and warranties in this Agreement or (ii) deliberate breach of any covenant of this Agreement. No party claiming that any such breach has occurred will have any duty or otherwise be obligated to mitigate any such damages. For purposes of this Section 8.02, (i) a “knowing” breach of a representation and warranty of a party shall be deemed to have occurred only if an executive officer of such party had actual knowledge of such breach as of the date of this Agreement or would have had such actual knowledge if such individual had made a reasonable investigation and (ii) a “deliberate” breach of any covenant of a party shall be deemed to have occurred only if such party or its Representatives took or failed to take an action constituting a breach with actual knowledge that the action so taken or omitted to be taken constituted a breach of such covenant. For purposes of this Agreement, an “executive officer” shall have the meaning given to the term “officer” in Rule 16a-1(f) promulgated under the U.S. Exchange Act.

SECTION 8.03. Amendment. This Agreement may be amended by the parties hereto at any time prior to the commencement of the Exchange Offer but only by an instrument in writing signed by all of the parties hereto.

SECTION 8.04. Extension; Waiver. At any time prior to the Effective Time, the parties may (but shall not be under any obligation to) (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties of the other parties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements of the other parties or any of the conditions for its benefit contained herein, in each case to the extent permitted by applicable Law. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or applicable Law shall not constitute a waiver of such rights and, except as otherwise expressly provided in this Agreement, no single or partial exercise by any party to this Agreement of any of its rights under this Agreement shall preclude any other or further exercise of such rights or any other rights under this Agreement or applicable Law.

SECTION 8.05. Indemnification.

(a) Indemnification by LAN. LAN shall indemnify and defend and hold the TAM Direct Controlling Shareholder, its Affiliates and their respective directors, officers, employees and shareholders (collectively, the “**TEP Indemnified Parties**”) harmless from and against any and all any damages, losses, charges, liabilities, claims, demands, actions, suits, proceedings, payments, judgments, settlements, assessments, deficiencies, taxes, interest, penalties, and costs and expenses (including reasonable attorneys’ fees and disbursement) (collectively, “**Losses**”) incurred by any TEP Indemnified Party (whether or not involving a claim by any Person other than a party hereto or an Affiliate of such a party (each, a “**Third Party**.”)) arising out of or resulting from (i) the failure of the Exchange Offer to be consummated solely as a result of any failure by LAN to confirm in the LAN Condition Notice that any condition to the consummation of the Exchange Offer set forth in Section 7.03 (other than the Minimum Tender Condition) was satisfied if (but only if) such condition was in fact satisfied or (ii) any failure of the Exchange Offer to be consummated after the Amaro Family has paid for the TEP Chile Subscription as required by Section 5.04(b).

(b) Indemnification by the TAM Controlling Shareholders. The TAM Direct Controlling Shareholder and the members of the Amaro Family, jointly and severally, shall indemnify and defend and hold LAN, its Affiliates and their respective directors, officers, employees and shareholders (collectively, the “**LAN Indemnified Parties**”) harmless from and against any and all Losses incurred by any LAN Indemnified Party (whether or not involving a claim by a Third Party) arising out of or resulting from any failure by the Amaro Family to state in the TEP Condition Notice that any condition set forth in Schedule 1.12 of the Implementation Agreement was satisfied if (but only if) such condition was in fact satisfied.

(c) **Third Party Claims.** If any claim or action by a Third Party is made in writing against a TEP Indemnified Party or a LAN Indemnified Party (each, an **“Indemnified Party”**) for which indemnification is provided under this Agreement and such Indemnified Party intends to seek such indemnity, then such Indemnified Party shall promptly notify the party from whom indemnification may be sought hereunder (the **“Indemnifying Party”**) in writing of such claim or action; *provided, however*, that any failure by such Indemnified Party to give such notice promptly will not relieve the Indemnifying Party of any of its indemnification obligations hereunder except to the extent that the Indemnifying Party is actually prejudiced by such failure. In case any such action shall be brought against any Indemnified Party, the Indemnifying Party shall be entitled to participate therein or, at its election, to assume the defense thereof with counsel reasonably satisfactory to the Indemnified Party; *provided, however*, that the Indemnifying Party shall not have the right to assume the defense of any claim of a Third Party to the extent (a) the claim relates to any actual or alleged criminal proceeding, action, indictment, allegation or investigation, (b) seeks an injunction or equitable relief against the Indemnified Party or (c) upon petition by the Indemnified Party, the appropriate court rules that the Indemnifying Party has failed or is failing to prosecute or defend such claim. After notice from the Indemnifying Party to the Indemnified Party of its election so to assume the defense thereof, the Indemnifying Party shall not be liable to the Indemnified Party under this Section 8.05 for any legal expenses of other counsel or any other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof (other than reasonable costs of investigation) unless the representation of the Indemnified Party by counsel provided by the Indemnifying Party would be inappropriate due to actual or potential conflicting interests between the Indemnified Party and the Indemnifying Party, including situations in which there are one or more material legal defenses available to the Indemnified Party that are not available to the Indemnifying Party; *provided, however*, that notwithstanding the foregoing the Indemnifying Party shall not at any time, in connection with any one such action or separate but substantially similar actions arising out of the same general allegations, be liable for the fees and expenses of more than one separate set of counsel for all Indemnified Parties, except to the extent that local counsel, in addition to their regular counsel, is reasonably required in order to effectively defend against such action. No indemnification shall be available in respect of any settlement of any action or claim effected by an Indemnified Party without the prior written consent of the Indemnifying Party. If the Indemnifying Party shall have assumed the defense of a third-party claim, the Indemnifying Party shall not enter into any settlement of or otherwise compromise or discharge such claim without the Indemnified Party’s prior written consent unless such settlement, compromise or discharge irrevocably releases the Indemnified Party from all liabilities and obligations with respect to such claim and does not impose any injunctive or other equitable relief against the Indemnified Party.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.01. **Survival.** None of the representations, warranties or covenants contained in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time; *provided, however*, that notwithstanding the foregoing, this Article IX and the covenants and agreements of the parties in the last sentence of Section 1.08 shall survive the Effective Time.

SECTION 9.02. **Fees and Expenses.** Except as provided in Section 8.02, all fees and expenses incurred in connection with this Agreement, the Implementation Agreement, the Mergers and the other transactions contemplated hereby and thereby shall be paid by the party incurring such fees or expenses, whether or not the Exchange Offer is commenced or the Exchange Offer and the Mergers are consummated, except that expenses incurred in connection with the printing and mailing of the Offer to Exchange/Prospectus and the filing fee for the Form F-4 shall be shared equally by LAN, on the one hand, and the TAM Direct Controlling Shareholder and the Amaro Family, on the other hand.

SECTION 9.03. **Notices.** Except for notices that are specifically required by the terms of this Agreement to be delivered orally, all notices, requests, claims, demands, instructions and other communications or documents given hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail (postage prepaid), facsimile or overnight courier to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to LAN or the LAN Controlling Shareholders, to:

Claro y Cia.
Apoquindo 3721, piso 13,
Santiago, Chile
Attention: José María Eyzaguirre B.
Fax: +562 3673003
jmeyzaguirre@claro.cl

with copies (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
United States of America
Attention: Sergio Galvis and Duncan McCurrach
Fax: +1 212-558-3588
galviss@sullcrom.com
mccurrachd@sullcrom.com

If to TAM to:

TAM S.A.
Av. Jurandir, 856, Lote 4
04072-000
São Paulo – SP
Brasil
Attention: Marco Antonio Bologna
Fax: +55 (11) 5582-9879
marco.bologna@tam.com.br

with a copy (which shall not constitute notice) to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

If to the TAM Direct Controlling Shareholder or the Amaro Family to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

with a copy (which shall not constitute notice) to:

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

Any notice, request, claim, instruction or other communication or document given as provided above shall be deemed given to the receiving party (i) if delivered personally, upon actual receipt, (ii) if sent by registered or certified mail, three business days after deposit in the mail, (iii) if sent by facsimile, upon confirmation of successful transmission if within one business day after such facsimile has been sent such notice, request, claim, instruction or other communication or document is also given by one of the other methods described above and (iv) if sent by overnight courier, on the next business day after deposit with the overnight courier.

SECTION 9.04. **Definitions.** For the purposes of this Agreement, the following terms shall have the meanings assigned below. In addition, all capitalized terms used but not defined herein that are defined in the Implementation Agreement shall have the meanings assigned to such terms in the Implementation Agreement.

(a) “**Affiliate**” shall have the meaning assigned to such term in Rule 12b-2 promulgated under the U.S. Exchange Act.

(b) “**Airline Affiliate**” means, with respect to either LAN or TAM, (i) any of its Subsidiaries that operates scheduled air services, (ii) any airline with which it maintains a franchise agreement permitting that airline to operate air services for the own account of that airline with its own aircraft, but in LAN’s or TAM’s livery, as the case may be, and subject to certain service standards, and (iii) any airline that operates scheduled airline services under the IATA designator code of such airline or that of TAM, in TAM’s livery and under TAM’s service standards, or in the case of LAN, in LAN’s livery and under LAN’s service standards, as applicable, with respect to which LAN or TAM, as applicable, demonstrates that it currently and continually exercises a substantial influence in the direction of its management and policies.

(c) “**Antitrust Law**” means any statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through mergers, acquisitions, business combinations or similar transactions.

(d) “**beneficial ownership**” (and its correlative phrases) shall have the meanings assigned to such phrases in Rule 13d-3 promulgated under the U.S. Exchange Act.

(e) “**business day**” means any day that is not a Saturday, Sunday or a day on which banking institutions are required or authorized by law or executive order to be closed in Santiago, Chile, São Paulo, Brazil or New York, New York.

(f) “**Control**” (and its correlative terms) shall have the meanings assigned to such terms in Rule 12b-2 promulgated under the U.S. Exchange Act.

(g) “**Convertible Securities**” means, with respect to any Person, any securities, options, warrants or other rights of, or granted by, such Person or any of its Affiliates that are, directly or indirectly, convertible into, or exercisable or exchangeable for, any Equity Securities of such Person or any of its Affiliates.

(h) “**Equity Securities**” means, with respect to any Person, any capital stock of, or other equity interests in such Person.

(i) “**Indebtedness**” means, with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind to such Person, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all aircraft operating leases of such Person, (iv) all capitalized lease obligations of such Person, (v) all guarantees and arrangements having the economic effect of a guarantee of such Person of any Indebtedness described in clauses (i) through (iv) above of any other Person, (vi) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of others or to purchase the obligations or property of others and (vii) indebtedness in respect of Swap Contracts designed to hedge against interest rates, foreign exchange rates or commodities pricing risks incurred in the ordinary course of business and not for speculative purposes.

(j) “**Intellectual Property**” means, collectively, all (i) trademarks, service marks, brand names, certification marks, collective marks, d/b/as, internet domain names, logos, symbols, trade dress, assumed names, fictitious names, trade names and other indicia of origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of same; (ii) inventions and discoveries, whether patentable or not, and all patents, registrations, invention disclosures and applications therefor, including divisionals, continuations, continuations-in-part and renewal applications, and including renewals, extensions and reissues; (iii) trade secrets and confidential information and know-how, including confidential processes, schematics, business methods, formulae, drawings, prototypes, models, designs, customer lists and supplier lists; (iv) all rights in published and unpublished works of authorship, whether copyrightable or not (including computer software and databases (including source code, object code and all related documentation)), and other compilations of information, copyrights therein and thereto, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (v) moral rights, rights of publicity and rights of privacy; and (vi) all other intellectual property or proprietary rights.

(k) “**IT Assets**” means all computer software and databases (including source code, object code and all related documentation), computers, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines and all other information technology equipment and elements and all associated documentation.

(l) “**Key Personnel**” means any director, officer or other employee of TAM or any Subsidiary of TAM with annual base compensation in excess of \$250,000.

(m) “**Knowledge**” means, with respect to any matter in question, with respect to TAM, the actual knowledge of any of the executive officers of TAM and such actual knowledge as they would have had if they had made a reasonable inquiry and, with respect to LAN, the actual knowledge of any of the executive officers of LAN and such actual knowledge as they would have had if they had made a reasonable inquiry.

(n) “**LAN Material Adverse Effect**” means any change, effect, occurrence or circumstance which, individually or in the aggregate,

(i) has had or would reasonably be expected to have a material adverse effect on the business, financial condition, results of operations, assets or liabilities of LAN and its Subsidiaries, taken as a whole, other than (x) any such change, effect, occurrence or circumstance to the extent resulting from (A) any changes after the date of this Agreement in general economic or financial market conditions, (B) any changes after the date of this Agreement generally affecting the industries in which LAN and its Subsidiaries operate, (C) changes after the date of this Agreement in IFRS or the interpretation thereof, (D) geopolitical conditions, the outbreak of a pandemic or other widespread health crisis, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of this Agreement or (E) any hurricane, tornado, flood, earthquake, volcanic eruption or natural disaster; *provided, however*, that the foregoing clauses (A), (B), (D) and (E) shall not apply to the extent that any such change, effect, occurrence or circumstance disproportionately impacts LAN and its Subsidiaries compared to other participants in the industries in which LAN and its Subsidiaries participate, or (y) any failure, in and of itself, of LAN to meet any internal or analyst projections, forecasts or estimates of revenue or earnings or any decrease in the market price or trading volume of the shares of LAN Common Stock (it being understood, however, that the exception in this clause (y) shall not apply to the underlying causes of any such failure or decrease or prevent any of such underlying causes from being taken into account in determining whether a LAN Material Adverse Effect has occurred); or (ii) impairs or would reasonably be expected to impair in any material respect the ability of LAN to consummate the transactions contemplated by this Agreement or the Implementation Agreement or to perform its obligations hereunder or thereunder on a timely basis.

(o) “**Law**” means any statute, common law, ordinance, rule, regulation, agency requirement or Order of, or issued, promulgated or

entered into by or with, any Governmental Entity.

(p) “**Order**” means any order, decision, writ, injunction, decree, judgment, legal or arbitration award, stipulation, license, permit or

agreement issued, promulgated or entered into by or with (or settlement or consent agreement subject to) any Governmental Entity.

(q) “**Person**” means any natural person, firm, corporation, partnership, company, limited liability company, joint venture, association,

trust, unincorporated organization, Governmental Entity or other entity.

(r) “**Subsidiary**” means, with respect to any Person, any other Person (whether or not incorporated) as to which such Person and/or any one or more of its other Subsidiaries, directly or indirectly, (i) own a majority of the general partner interests in such other Person, (ii) own a majority of the outstanding securities of, or other equity interests in, such other Person which by their terms has ordinary voting power to elect the members of the board of directors (or comparable governing body) of such other Person, or (iii) otherwise have the right to elect or appoint a majority of such members.

(s) “**Swap Contract**” means (a) any and all interest rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “**Master Agreement**”), including any such obligations or liabilities under any Master Agreement.

(t) “**TAM Material Adverse Effect**” means any change, effect, occurrence or circumstance which, individually or in the aggregate, (i) has had or would reasonably be expected to have a material adverse effect on the business, financial condition, results of operations, assets or liabilities of TAM and its Subsidiaries, taken as a whole, other than (x) any such change, effect, occurrence or circumstance to the extent resulting from (A) any changes after the date of this Agreement in general economic or financial market conditions, (B) any changes after the date of this Agreement generally affecting the industries in which TAM and its Subsidiaries operate, (C) changes after the date of this Agreement in IFRS or the interpretation thereof, (D) geopolitical conditions, the outbreak of a pandemic or other widespread health crisis, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of this Agreement or (E) any hurricane, tornado, flood, earthquake, volcanic eruption or natural disaster; *provided, however*, that the foregoing clauses (A), (B), (D) and (E) shall not apply to the extent that any such change, effect, occurrence or circumstance disproportionately impacts TAM and/or its Subsidiaries compared to other participants in the industries in which TAM and its Subsidiaries participate, or (y) any failure, in and of itself, of TAM to meet any internal or analyst projections, forecasts or estimates of revenue or earnings or any decrease in the market price or trading volume of the shares of TAM Preferred Stock (it being understood, however, that the exception in this clause (y) shall not apply to the underlying causes of any such failure or decrease or prevent any of such underlying causes from being taken into account in determining whether a TAM Material Adverse Effect has occurred); or (ii) impairs or would reasonably be expected to impair in any material respect the ability of TAM to consummate the transactions contemplated by this Agreement or the Implementation Agreement or to perform its obligations hereunder or thereunder on a timely basis.

(u) “**Transaction Agreements**” means this Agreement and the Implementation Agreement, the Control Group Shareholders Agreement, the LATAM-TEP Shareholders Agreement, the Holdco 1 Shareholders Agreement and the TAM Shareholders Agreement.

Any terms not defined in this Section 9.04 or otherwise in this Agreement shall have the meanings given to such terms in the Implementation Agreement.

SECTION 9.05. Interpretation. When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to “this Agreement” shall include the TAM Disclosure Schedule and the LAN Disclosure Schedule and the Exhibits and Schedules to this Agreement, all of which are incorporated herein and made a part of this Agreement. Except as otherwise expressly provided herein, references to “parties” in this Agreement refers to the parties to this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any Contract, instrument or Law defined or referred to herein or in any Contract or instrument that is referred to herein means such Contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of Contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Laws and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Any reference in this Agreement to a “day” or a number of “days” (without the explicit qualification of “business”) shall be interpreted as a reference to a calendar day or number of calendar days. Except as otherwise expressly provided herein, all remedies provided herein shall be in addition to any other remedies they may otherwise have under applicable Law. This Agreement is the product of negotiation by the parties having the assistance of counsel and other advisers, and the parties and their counsel and other advisers have participated jointly in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

SECTION 9.06. Consents and Approvals. For any matter under this Agreement requiring the consent or approval of any party to be valid and binding on the parties hereto, such consent or approval must be in writing and signed by such party.

SECTION 9.07. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), each of which shall be considered an original instrument and all of which shall together constitute the same agreement. This Agreement shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 9.08. Entire Agreement; No Third-Party Beneficiaries. (a) Notwithstanding anything in this Agreement or in the other Transaction Agreements to the contrary or the placement of any provisions in, or the allocation of any provisions between, this Agreement and the other Transaction Agreements, including the Exhibits and Schedules hereto and thereto, constitute the entire agreement, and supersede all prior agreements, understandings, representations and warranties, both written and oral, among the parties with respect to the subject matter of this Agreement and the other Transaction Agreements.

(b) Except for the provisions of Section 8.05 relating to LAN Indemnified Parties and TAM Indemnified Parties, the parties hereto hereby agree that their respective representations, warranties and covenants set forth herein are solely for the benefit of the other parties hereto in accordance with, and subject to the terms of, this Agreement and the other Transaction Agreements and that neither this Agreement nor any other Transaction Agreement is intended to, or does, confer upon any Person other than the parties hereto and thereto any rights or remedies hereunder or thereunder, including the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations among the parties hereto, and are for the sole benefit of the parties hereto. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance with Section 8.04 without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, Persons other than the parties hereto may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

SECTION 9.09. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF; *PROVIDED, HOWEVER,* THAT NOTWITHSTANDING THE FOREGOING THE AUTHORIZATION AND EXECUTION OF THIS AGREEMENT BY EACH PARTY SHALL BE GOVERNED BY THE LAWS OF ITS JURISDICTION OF INCORPORATION.

SECTION 9.10. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise by any of the parties hereto without the prior written consent of the other parties, and any purported assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and permitted assigns.

SECTION 9.11. Specific Enforcement; Consent to Jurisdiction. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity, without the necessity of proving the inadequacy of monetary damages or of posting bond or other undertaking, as a remedy and to obtain injunctive relief against any breach or threatened breach hereof. In the event that any action is brought in equity to enforce the provisions of this Agreement, no party hereto shall allege, and each party hereto waives the defense or counterclaim that there is an adequate remedy at Law. Each of the parties hereto hereby irrevocably consents and submits itself to the personal jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the Borough of Manhattan, The City of New York (collectively, the “Agreed Courts”) solely in respect of the interpretation and enforcement of the provisions of this Agreement and the Implementation Agreement, the documents referred to herein and the transactions contemplated by this Agreement and the Implementation Agreement (collectively, the “Agreed Issues”), waives, and agrees not to assert, as a defense in any action, suit or proceeding in an Agreed Court with respect to the Agreed Issues that such party is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such Agreed Court or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such Agreed Court, and the parties hereto irrevocably agree that all claims with respect to any action, suit or proceeding with respect to the Agreed Issues shall be heard and determined only in an Agreed Court. The parties hereby consent to and grant to each Agreed Court jurisdiction over the Person of such parties and, to the extent permitted by Law, over the subject matter of any dispute with respect to the Agreed Issues and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 9.03 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

SECTION 9.12. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE IMPLEMENTATION AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE IMPLEMENTATION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO (I) CERTIFIES THAT IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER AND MADE IT VOLUNTARILY AND THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 9.12.

SECTION 9.13. Severability. The provisions of this Agreement and the Implementation Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions of this Agreement or the Implementation Agreement. If any provision of this Agreement or the Implementation Agreement, or the application of such provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the Implementation Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

SECTION 9.14. Obligations of LAN and of TAM. Whenever this Agreement requires a Subsidiary of LAN to take any action, such requirement shall be deemed to include an undertaking on the part of LAN to cause such Subsidiary to take such action. Whenever this Agreement requires a Subsidiary of TAM to take any action, such requirement shall be deemed to include an undertaking on the part of TAM to cause such Subsidiary to take such action.

SECTION 9.15. Language; Portuguese Translation. A sworn Portuguese translation of this Agreement will be prepared by a *tradutor juramentado*. Such translation and no other may be filed with, or furnished to, any applicable Governmental Entity and public registries in Brazil or used in any proceeding in Brazil. For all purposes, the English language version of this Agreement shall be the only binding agreement between the parties hereto and shall control if there is any conflict between it and the Portuguese translation.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties have caused this Agreement to be signed by their respective officers hereunto duly authorized, all as of the date first written above.

LAN AIRLINES S.A.

By: _____
Name: _____
Title: _____

COSTA VERDE AERONÁUTICA S.A.

By: _____
Name: _____
Title: _____

INVERSIONES MINERAS DEL
CANTÁBRICO S.A.

By: _____
Name: _____
Title: _____

TAM S.A.

By: _____
Name: _____
Title: _____

NOEMY ALMEIDA OLIVEIRA AMARO

MARIA CLÁUDIA OLIVEIRA AMARO

MAURÍCIO ROLIM AMARO

JOÃO FRANCISCO AMARO

TAM EMPREENDIMENTOS E
PARTICIPAÇÕES S.A.

By: _____
Name:
Title:

NOEMY ALMEIDA OLIVEIRA AMARO

MARIA CLÁUDIA OLIVEIRA AMARO

MAURÍCIO ROLIM AMARO

JOÃO FRANCISCO AMARO

Exhibit 1

By-laws of TAM as of the Effective Time

Exhibit 2

By-laws of Holdco 1

Exhibit 3

By-laws of Sister Holdco

Exhibit 4

By-laws of Holdco 2

Exhibit 5

Current By-laws of TAM

Exhibit 6

Current By-laws of LAN

SHAREHOLDERS AGREEMENT

Among

COSTA VERDE AERONÁUTICA S.A.,

INVERSIONES MINERAS DEL CANTÁBRICO S.A.

and

TEP CHILE S.A.

Dated as of _____, 2011

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Exhibit A – Organizational Structure of the LATAM Group

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SHAREHOLDERS AGREEMENT, dated as of [●], 2011 (this “**Agreement**”), among COSTA VERDE AERONÁUTICA S.A., a company organized under the Law of Chile (“**CVA**”), INVERSIONES MINERAS DEL CANTÁBRICO S.A., a company organized under the Law of Chile (“**IMDC**,” and together with CVA, the “**LATAM Controlling Shareholders**”), and TEP CHILE S.A., a company organized under the Law of Chile (“**TEP**,” and together with the LATAM Controlling Shareholders, the “**Shareholders**”).

WITNESSETH

WHEREAS, as of the date of this Agreement Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro (the “**Amaro Family**”) collectively own 100% of the outstanding shares of TEP;

WHEREAS, the LATAM Controlling Shareholders are the controlling shareholders of LATAM Airlines S.A., a company organized under the Law of Chile (“**LATAM**”), and currently collectively own [-] shares of the common stock, no par value (the “**LATAM Common Stock**”), of LATAM;

WHEREAS, as of the date of this Agreement TAM Empreendimentos e Participações S.A., a company organized under the Law of Brazil (“**TEP Parent**”), is the controlling shareholder of TAM S.A., a company organized under the Law of Brazil (“**TAM**”), and currently owns ordinary shares and preferred shares of TAM representing [-]% of the total voting power of the capital stock of TAM currently issued and outstanding;

WHEREAS, LATAM, TAM, the LATAM Controlling Shareholders, TEP Parent and the Amaro Family have entered into an Implementation Agreement, dated as of January 18, 2011 (the “**Implementation Agreement**”), and an Exchange Offer Agreement, dated as of January 18, 2011 (the “**Exchange Offer Agreement**”), pursuant to which the outstanding shares of capital stock of TAM will be acquired by LATAM and [Holdco 1], a newly formed company to be organized under the Law of Chile (“**Holdco 1**”), pursuant to the contribution transaction, the delisting exchange offer (the “**Exchange Offer**”) and the mergers described therein (the “**Mergers**”) in exchange for shares of LATAM Common Stock;

WHEREAS, after the Mergers, TEP will own at least 80% of the Holdco 1 Voting Stock and LATAM will own 100% of the Holdco 1 Non-Voting Stock, no more than 20% of the Holdco 1 Voting Stock and 100% of the preferred shares of TAM;

WHEREAS, immediately following the consummation of the transactions contemplated by the Implementation Agreement and the Exchange Offer Agreement and assuming (only for purposes of calculating the ownership percentages set forth therein) (i) none of the holders of the outstanding shares of LATAM Common Stock exercise their appraisal rights (*derecho a retiro*) under the Law of Chile in respect of the Mergers, (ii) all TAM shareholders other than TEP fully participate in the Exchange Offer and (iii) the only shares of LATAM Common Stock and shares of TAM that will be outstanding after such consummation are the shares issued in Mergers and the shares which are subscribed and fully paid for as of the date of the Implementation Agreement (which excludes any shares issuable upon future exercises of stock options) and, the ownership structure of LATAM, Holdco 1, TAM and their Subsidiaries will be as set forth in Exhibit A hereto;

WHEREAS, the LATAM Controlling Shareholders, as the continuing controlling shareholders of LATAM under the Law of Chile, desire to make the concessions to TEP and the Amaro Family provided herein, and the LATAM Controlling Shareholders and TEP desire to enter into this Agreement to set forth their agreements with respect to the governance of LATAM, the voting of their shares of LATAM Common Stock, the sale and transfer of their Restricted Shares and certain other matters;

WHEREAS, concurrently with the execution and delivery of this Agreement, LATAM, TEP, TAM and Holdco 1 are entering into a shareholders agreement, dated the date hereof (the “**TAM Shareholders Agreement**”), to set forth their agreement with respect to the governance, management and operation of TAM and its Subsidiaries;

WHEREAS, concurrently with the execution and delivery of this Agreement, LATAM, TEP and Holdco 1 are entering into a shareholders agreement, dated the date hereof (the “**Holdco 1 Shareholders Agreement**”), to set forth their agreement with respect to the governance, management and operation of Holdco 1;

WHEREAS, concurrently with the execution and delivery of this Agreement, LATAM and TEP are entering into a shareholders agreement, dated the date hereof (the “**LATAM-TEP Shareholders Agreement**,” and together with this Agreement, the TAM Shareholders Agreement and the Holdco 1 Shareholders Agreement, the “**Shareholders Agreements**”), to set forth their agreement with respect to the governance, management and operation of, and the relationship among, LATAM, Holdco 1, TAM and their respective Subsidiaries; and

WHEREAS, the execution and delivery of this Agreement and the other Shareholders Agreements are conditions to the commencement of the Exchange Offer and consummation of the Mergers.

NOW, THEREFORE, in consideration of the representations and warranties, covenants and agreements contained herein and in the Implementation Agreement and the Exchange Offer Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Shareholders hereby agree as follows:

ARTICLE I

SCOPE OF AGREEMENT

SECTION 1.01 Scope of Agreement. The Shareholders desire to set forth in this Agreement certain terms and conditions upon which they have agreed to hold their Restricted Shares and their agreements with respect to the governance, control and operation of LATAM, Holdco 1, TAM and their respective Subsidiaries. All actions required to be taken or performed under this Agreement shall be taken or performed in accordance with applicable Law. The Shareholders agree that the specific provisions of this Agreement shall not be limited by any inconsistent or conflicting provisions of the By-laws and accordingly, as between parties, such specific provisions shall prevail over such provisions of the By-laws.

SECTION 1.02 Effectiveness. This Agreement shall become effective only if, and at that time at which, Holdco 1 becomes a holder of at least 80% of the outstanding ordinary shares of TAM (the “Effective Time”).

ARTICLE II

GOVERNANCE

SECTION 2.01 Composition of the LATAM Board. (a) The LATAM Controlling Shareholders and TEP each agree to exercise or cause to be exercised all voting rights in respect of all shares of LATAM Common Stock beneficially owned by it (as to each Shareholder at any time, its “Subject Shares”), and to use its commercially reasonable efforts to cause the LATAM Controlling Shareholder Directors (in the case of the LATAM Controlling Shareholders) or the TEP Directors (in the case of TEP) to take all actions within their power that are necessary or appropriate to:

(i) in the case of TEP, assist in the removal and replacement of the directors elected to the board of directors of LATAM (the “LATAM Board”) by the LATAM Controlling Shareholders through the vote of their Subject Shares (the “LATAM Controlling Shareholder Directors”);

(ii) in the case of the LATAM Controlling Shareholders, assist in the removal and replacement of the director(s) elected to the LATAM Board by TEP through the vote of its Subject Shares and, if applicable, the director elected to the LATAM Board by the vote of the LATAM Controlling Shareholders pursuant to Section 2.01(b) (the “TEP Directors”);

(iii) maintain the size of the LATAM Board at a total of nine directors; and

(iv) maintain the quorum required for action by the LATAM Board at a majority of the total number of directors of the LATAM Board.

(b) Until such time as TEP consummates any Partial Sale, unless TEP beneficially owns enough shares of LATAM Common Stock to elect two directors to the LATAM Board by voting such shares, the LATAM Controlling Shareholders agree to vote their Subject Shares for the election to the LATAM Board of any individual designated by TEP in a written notice delivered to the LATAM Controlling Shareholders no later than thirty days prior to the relevant election date.

(c) Until the Full Ownership Trigger Date, TEP will take all necessary action to ensure that at all times when any individual is a TEP Director, such individual will also be a member of the board of directors of each of Holdco 1 and TAM.

SECTION 2.02 Meetings of the LATAM Board. Prior to each meeting of the LATAM Board, the LATAM Controlling Shareholders and TEP shall convene a meeting (each, a “**Board Pre-Meeting**”) to consult with each other and use their good faith efforts to reach agreement on all matters to come before the LATAM Board at such meeting (including the matters set forth in Article 56 of the Chilean Corporations Act (the “**Chilean Corporate Law**”) No. 18.046) other than any action that would require the approval of two-thirds of the shareholders of LATAM under Article 67 of the Chilean Corporate Law (each, a “**Supermajority Action**”) and shall record their agreement, if any, on each such matter in the minutes of such Board Pre-Meeting. Unless otherwise agreed between the LATAM Controlling Shareholders and TEP, each Board Pre-Meeting shall be held on the third business day prior to any regular meeting of the LATAM Board and on the business day prior to any special meeting of the LATAM Board. If the LATAM Controlling Shareholders and TEP cannot reach agreement on any such matter prior to such meeting of the LATAM Board, then such matter shall be resolved by the LATAM Board at such meeting. Nothing in this Section 2.02 shall be construed to prevent the LATAM Controlling Shareholder Directors or the TEP Directors from participating in any meeting of the LATAM Board or voting or participating in any such meeting.

SECTION 2.03 Shareholder Votes on Non-Supermajority Actions. Prior to each meeting of the shareholders of LATAM, the LATAM Controlling Shareholders and TEP shall convene a meeting (each, a “**Shareholder Pre-Meeting**”) to discuss and agree upon all matters to be submitted to a vote of the shareholders of LATAM other than any Supermajority Action and shall record their agreement, if any, on any such matter in the minutes of such Shareholder Pre-Meeting. At each meeting of the shareholders of LATAM, each of the LATAM Controlling Shareholders and TEP shall vote or cause to be voted all of their Subject Shares in the same manner as a block on all matters submitted to a vote of the shareholders of LATAM other than a Supermajority Action and in favor of any such matter that has been approved by the LATAM Controlling Shareholder Directors and the TEP Directors (if any) or, in the absence of such approval, in accordance with the proposal of the LATAM Board to the shareholders of LATAM (without regard to the views or positions of the LATAM Controlling Shareholder Directors or any TEP Directors). Unless otherwise agreed between the Shareholders, each Shareholder Pre-Meeting shall be held on the third business day prior to any regular meeting of the shareholders of LATAM and on the business day prior to any special meeting of the shareholders of LATAM. If any shareholder of LATAM other than any Shareholder requests that any matter other than a Supermajority Action be submitted to a vote of the shareholders of LATAM at any meeting of the shareholders of LATAM, then the LATAM Controlling Shareholders shall cause the LATAM Controlling Shareholder Directors, and TEP shall cause the TEP Directors, to request that the LATAM Board consider such matter and make a proposal to the shareholders of LATAM with respect to such matter prior to such shareholder meeting.

SECTION 2.04 Supermajority Matters. The LATAM Controlling Shareholders and TEP shall not vote on or take any action, and shall instruct the LATAM Controlling Shareholder Directors, in the case of the LATAM Controlling Shareholders, and the TEP Directors, in the case of TEP, not to vote on or take any action, in respect of any Supermajority Action except in compliance with this Section 2.04. With respect to any proposed Supermajority Action, each of the LATAM Controlling Shareholders and TEP shall consult with each other, shall give due consideration to all views expressed by the other with respect to such Supermajority Action and shall use their good faith efforts to agree upon whether or not to approve any such Supermajority Action. If, notwithstanding the foregoing, the LATAM Controlling Shareholders and TEP cannot reach an agreement with respect to such Supermajority Action, then the LATAM Controlling Shareholders, on the one hand, and TEP, on the other hand, will each appoint a senior representative thereof who will negotiate in good faith with the senior representative appointed by the other for a period of 30 days, which initial period may be extended for one additional 30-day period by either the LATAM Controlling Shareholders or TEP by delivering a written notice to the other (such period, as it may be extended or shortened pursuant to this Section 2.04 or by mutual agreement of the Shareholders, the “Mediation Period”). If a special meeting of the shareholders of LATAM has been called to vote on a Supermajority Action other than as a result of any action by a Shareholder or any LATAM Controlling Shareholder Director or TEP Director, the LATAM Controlling Shareholders shall cause the LATAM Controlling Shareholder Directors, and TEP shall cause the TEP Directors, to try to convince the LATAM Board to call such meeting of shareholders of LATAM so that there will be sufficient time for a thirty-day Mediation Period prior to such shareholders meeting unless such directors’ fiduciary duties require that such shareholders meeting be held earlier. Notwithstanding the foregoing, if a special meeting of the shareholders of LATAM has been called to vote on a Supermajority Action other than as a result of any action by a Shareholder or any LATAM Controlling Shareholder Director or TEP Director and such special meeting will occur prior to the date when the Mediation Period would otherwise end, then the Mediation Period shall end on the second business day prior to the date on which such special meeting will be held. During the Mediation Period the senior representatives selected by the LATAM Controlling Shareholders and TEP shall meet with a mediator jointly selected by them, together with any relevant experts and advisors that they agree to retain and include in the mediation process, in an attempt to resolve their disagreement with respect to such Supermajority Action. The fees and expenses of each mediator, expert or advisor shall be shared equally between the LATAM Controlling Shareholders, on the one hand, and TEP, on the other hand. Each senior representative shall give due consideration to the positions, views and arguments of the other senior representative and shall negotiate in good faith with the other senior representative in an attempt to reach a mutually acceptable position or alternative with respect to such Supermajority Action. If the Shareholders’ disagreement with respect to such Supermajority Action remains unresolved after the Mediation Period, then each of the LATAM Controlling Shareholders and TEP will vote or cause to be voted all of their Subject Shares with respect to such Supermajority Action as directed by the LATAM Controlling Shareholders to TEP in writing prior to the relevant shareholder meeting (each, a “LATAM Controlling Shareholder Directed Action”). The LATAM Controlling Shareholders will vote or cause to be voted all of their Subject Shares to approve, and will cause the LATAM Controlling Shareholder Directors to approve and implement, and TEP will vote or cause to be voted all of its Subject Shares to approve, and will cause the TEP Directors to approve and implement, each Supermajority Action that has been approved by agreement of the LATAM Controlling Shareholders and TEP or, in the case of a LATAM Controlling Shareholder Directed Action, as directed by the LATAM Controlling Shareholders. Unless otherwise agreed between the Shareholders, no Shareholder will vote or cause to be voted any of its Subject Shares to approve any amendment to the By-laws that would require any action, other than any Supermajority Action, to be approved by the holders of shares constituting more than a simple majority of the issued and outstanding shares of LATAM Common Stock at a duly called meeting of the shareholders of LATAM at which a quorum is present and acting throughout.

ARTICLE III

TRANSFER RESTRICTIONS

SECTION 3.01 Restrictions on Transfers. No Shareholder will, or will permit any of its Affiliates (including the ultimate beneficial owners of such Shareholder) to, directly or indirectly, by operation of law or otherwise, sell, exchange, transfer, convey, assign, mortgage, pledge, encumber or otherwise dispose of any direct or indirect interest in, or beneficial ownership of (each, a “**Transfer**”), all or any portion of such Shareholder’s Restricted Shares to any Person except in compliance with this Article III. The LATAM Controlling Shareholders and TEP each shall have the right, exercisable at any time or from time to time by written notice delivered to the other Shareholder(s), to exempt from the provisions of this Article III all or any portion of its shares of Restricted Common Stock not to exceed [·] shares¹ (any such shares so exempted by a Shareholder at any time, its “**Exempted Shares**”). Except pursuant to Section 3.04 or as otherwise expressly provided herein, prior to the Third Anniversary, no Shareholder will, or will permit any of its Affiliates (including the ultimate beneficial owners of such Shareholder) to, directly or indirectly, Transfer all or any portion of its Restricted Shares to any Person, unless the other Shareholder(s) has or have given its or prior written consent to such Transfer. On and after the Third Anniversary, the Shareholders shall have the right to Transfer, or to permit any of its Affiliates (including the ultimate beneficial owners of such Shareholder) to Transfer, their Restricted Shares only pursuant to and in compliance with the terms of Sections 3.02, 3.03 and 3.04. Any Transfer made other than in compliance with the terms of this Article III shall be null and void and of no force or effect. The Shareholders shall be entitled to specific performance (to the extent permitted by applicable Law) of their rights under this Article III, in addition to any other legal and equitable remedies to which they may be entitled under applicable Law.

¹ Insert the number of shares of LATAM Common Stock which, if they were Exempted Shares of TEP, would make TEP’s Restricted Common Stock represent 12.5% of the outstanding shares of LATAM Common Stock determined on a fully diluted basis immediately after the Effective Time.

(a) Sales Prior to the Tenth Anniversary. On and after the third anniversary of the Effective Time (the “**Third Anniversary**”) and prior to the tenth anniversary of the Effective Time (the “**Tenth Anniversary**”), TEP shall have the right to sell or transfer its shares of Restricted Common Stock to any Person (each, a “**Partial Sale**”) if (but only if) such Partial Sale complies with all of the requirements set forth in this Section 3.02(a).

(i) No Partial Sale shall be permitted if the number of shares of Restricted Common Stock of TEP immediately after such Partial Sale would be less than 10% of the total number of shares of LATAM Common Stock then issued and outstanding.

(ii) Each Partial Sale shall be subject to the rights of first offer pursuant to Section 3.05.

(iii) No Partial Sale of more than 2% of the total number of shares of LATAM Common Stock then issued and outstanding shall be permitted.

(iv) No Partial Sale shall be permitted if TEP has sold or transferred any of its shares of Restricted Common Stock in the twelve-month period ending on the date on which such Partial Sale would otherwise be consummated.

(b) Partial Sales After the Tenth Anniversary. On and after the Tenth Anniversary, TEP shall have the right to make a Partial Sale if (but only if) such Partial Sale complies with all of the requirements set forth in this Section 3.02(b).

(i) No Partial Sale shall be permitted if the number of shares of Restricted Common Stock of TEP immediately after such Partial Sale would be less than 5% of the total number of shares of LATAM Common Stock then issued and outstanding.

(ii) Each Partial Sale shall be subject to the rights of first offer pursuant to Section 3.05.

(iii) No Partial Sale shall be permitted if TEP has sold or transferred any of its shares of Restricted Common Stock in the twelve-month period ending on the date on which such Partial Sale would otherwise be consummated.

(c) Block Shares Sales. (i) On and after the Tenth Anniversary and prior to the Full Ownership Trigger Date, TEP may sell or transfer all (but not less than all) of its Restricted Shares (other than any shares of Restricted Common Stock of TEP that could be sold in the future pursuant to Section 3.02(b)) to any Person in a single block sale (a “**Block Sale**”) if (but only if) such Block Sale complies with all of the requirements set forth in this Section 3.02(c)(i).

(A) A Block Sale must include all of the shares of Holdco 1 Voting Stock beneficially owned by TEP.

(B) Prior to a Block Sale, the Person to whom such Restricted Shares are to be sold or transferred shall have been approved by a resolution duly adopted by the LATAM Board as a buyer of the shares of Holdco 1 Voting Stock beneficially owned by TEP; it being agreed that the LATAM Board shall grant such approval without unreasonable delay unless it has a bona fide business objection to such Person being the transferee of such shares or if a Transfer of such shares to such Person would, in the reasonable determination of the LATAM Board, be inconsistent with applicable Law in Brazil.

(C) No Block Sale shall be permitted if it would have a material adverse effect on the ability of (x) LATAM or Holdco 1 to own, or to receive the full benefits of ownership of, TAM and its Subsidiaries or (y) TAM or its Subsidiaries to operate their airline businesses worldwide (each, an “**Adverse Effect**”).

(D) A Block Sale shall be subject to the rights of first offer pursuant to Section 3.05.

The LATAM Controlling Shareholders agree for the benefit of LATAM (who shall be a third-party beneficiary of this sentence) that if they acquire any shares of Holdco 1 Voting Stock pursuant to Section 3.05 in connection with a Block Sale, then they will transfer such shares to LATAM or to any nominee of LATAM immediately following the sale or transfer of such shares to them by TEP for the same consideration as the LATAM Controlling Shareholders paid to TEP in respect of such shares.

(ii) On and after the Tenth Anniversary and after the first date on which LATAM would be permitted under applicable Law in Brazil and other applicable Law to fully convert all of the shares of Holdco 1 Non-Voting Stock beneficially owned by LATAM and its Affiliates into shares of Holdco 1 Voting Stock and such conversion would not have any Adverse Effect (the “**Full Ownership Trigger Date**”), then TEP may sell or transfer all or any portion of its shares of Restricted Common Stock (each, an “**Ownership Control Sale**”) if (but only if) such Ownership Control Sale complies with all of the requirements set forth in this Section 3.02(c)(ii).

(A) No Ownership Control Sale shall include any shares of Holdco 1 Voting Stock beneficially owned by TEP.

(B) Each Ownership Control Sale shall be subject to the rights of first offer pursuant to Section 3.05.

(C) No Ownership Control Sale shall be permitted if TEP has sold or transferred any shares of Restricted Common Stock in the twelve-month period ending on the date on which such Ownership Control Sale would otherwise be consummated.

(d) **Forced Vote Sales.** On and after the Third Anniversary, if during any twenty-four month period TEP is required to vote its Subject Shares with respect to one or more LATAM Controlling Shareholder Directed Actions at two meetings (consecutive or not) of the shareholders of LATAM held at least twelve months apart, then after the second such shareholder meeting TEP shall have the right to sell or transfer all (but not less than all) of its Restricted Shares (each, a **"Forced Vote Sale"**) if (i) TEP delivers a written notice to LATAM within 30 days after the date on which such second meeting was held that it intends to make a Forced Vote Sale (the **"Second Meeting Date"**), (ii) such Forced Vote Sale complies with the requirements of Section 3.02(c)(i) or Section 3.02(c)(ii), as applicable, but without giving effect to the phrase "On and after the Tenth Anniversary and" at the beginning of such sections and (iii) such Forced Vote Sale is completed within eighteen months after the Second Meeting Date (such period, as it may be extended pursuant to this Section 3.02(d), the **"Forced Vote Sale Period"**); *provided* that if TEP has made a bona fide and reasonably diligent effort to complete a Forced Vote Sale within the Forced Vote Sale Period but has been unable to do so, then the Forced Vote Sale Period shall be extended for twelve months. If a Forced Vote Sale is not completed within the Forced Vote Sale Period, then thereafter this Section 3.02(d) shall only apply with respect to votes taken on LATAM Controlling Shareholder Directed Actions after such date.

(e) **Release Event Sales.** If a Release Event occurs and TEP has not sold or transferred any of its Restricted Shares prior to such Release Event, then at any time after such Release Event TEP shall have the right to sell or transfer all (but not less than all) of its Restricted Shares; *provided, however*, that if the sale or transfer occurs prior to the Full Ownership Trigger Date it must comply with the requirements of Section 3.02(c)(i) or Section 3.02(c)(ii), as applicable, but without giving effect to the phrase "On and after the Tenth Anniversary and," at the beginning of such sections. A **"Release Event"** shall be deemed to have occurred only if and when each of the following events shall have occurred: (i) a capital increase (as defined under the Law of Chile) in LATAM is completed after the Effective Time, (ii) TEP does not fully exercise the preemptive rights granted to it under applicable Law in Chile with respect to such capital increase in respect of all of its shares of Restricted Common Stock, and (iii) after such capital increase is completed, the individual designated by TEP for election to the LATAM Board with the assistance of the LATAM Controlling Shareholders pursuant to Section 2.01(b) is not elected to the LATAM Board.

SECTION 3.03 **LATAM Controlling Shareholders Permitted Transfers.**

(a) **Sales Prior to the Tenth Anniversary.** On and after the Third Anniversary and prior to the Tenth Anniversary, the LATAM Controlling Shareholders shall have the right to sell or transfer their shares of Restricted Common Stock if (but only if) any such sale or transfer complies with all of the requirements set forth in this Section 3.03(a).

(i) Such sale or transfer shall be subject to the rights of first offer pursuant to Section 3.05; *provided, however*, that notwithstanding the foregoing such rights of first offer shall not apply from and after the first date on which the shares of Restricted Common Stock of TEP represent less than 10% of the total number of shares of LATAM Common Stock then issued and outstanding.

(ii) No such sale or transfer shall be permitted if the LATAM Controlling Shareholders have sold or transferred any shares of Restricted Common Stock in the twelve-month period ending on the date on which such sale or transfer would otherwise be consummated.

(iii) No such sale or transfer of more than 2% of the total number of shares of LATAM Common Stock then issued and outstanding shall be permitted.

(b) Sales After the Tenth Anniversary. On and after the Tenth Anniversary, the LATAM Controlling Shareholders may sell or transfer any of their shares of Restricted Common Stock; *provided, however*, that notwithstanding the foregoing (i) each such sale or transfer shall be subject to the rights of first offer pursuant to Section 3.05 until the first date on which the shares of Restricted Common Stock of TEP represent less than 10% of the total number of shares of LATAM Common Stock then issued and outstanding and (ii) the LATAM Controlling Shareholders shall not sell or transfer any of their shares of Restricted Common Stock if they have sold any shares of Restricted Common Stock in the twelve-month period ending on the date in which such sale or transfer would otherwise be consummated.

SECTION 3.04 Additional Permitted Transfers. Notwithstanding anything in this Article III to the contrary, each Shareholder may pledge or grant a security interest in all or any portion of its shares of Restricted Common Stock to an Institutional Lender to secure a loan made in whole or in part to that Shareholder in order to (i) finance the acquisition of Equity Securities of LATAM or (ii) refinance any loan made to such Shareholder that is outstanding as of the date of this Agreement, and any Transfer of shares of Restricted Common Stock pursuant to any such pledge or security interest in effect as of the Effective Time shall be deemed to be a permitted Transfer under this Section 3.04. In addition, the LATAM Controlling Shareholders and TEP may Transfer all or a portion of their shares of Restricted Common Stock to (i) any of their direct or indirect wholly-owned Subsidiaries, (ii) to any entity wholly-owned by Enrique, Juan José and/or Ignacio Cueto (in the case of the LATAM Controlling Shareholders) or (iii) any entity that has no direct or indirect owners other than Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and/or João Francisco Amaro and that is directly or indirectly majority owned and controlled by Maria Cláudia Oliveira Amaro and Maurício Rolim Amaro (each, an “Affiliate Transfer”); *provided* that the LATAM Controlling Shareholders and TEP shall continue to be bound by the terms of this Agreement for all purposes following such Transfer. In addition, each of the LATAM Controlling Shareholders and TEP may Transfer a percentage of its shares of Restricted Common Stock to each of Enrique, Juan José and Ignacio Cueto (in the case of the LATAM Controlling Shareholders) or Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro (in the case of TEP) or to any Person wholly owned by any such individual equal to the percentage of its Restricted Common Stock that such individual indirectly owns through his or her ownership of shares in the LATAM Controlling Shareholders (in the case of Enrique, Juan José and Ignacio Cueto) or TEP (in the case of Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro); *provided* that following any such transfer of Restricted Common Stock by the LATAM Controlling Shareholders, all references to the LATAM Controlling Shareholders shall be deemed to refer collectively to the LATAM Controlling Shareholders and the transferee of such Restricted Common Stock and the LATAM Controlling Shareholders and such transferee shall be jointly and severally liable for all obligations of the LATAM Controlling Shareholders under this Agreement; *provided further* that following any such transfer of Restricted Common Stock by TEP, all references to TEP shall be deemed to refer collectively to TEP and the transferee of such Restricted Common Stock and TEP and such transferee shall be jointly and severally liable for all obligations of TEP under this Agreement. In addition, each Shareholder may issue its Equity Securities if (i) the net proceeds of such issuance is used solely to purchase Equity Securities of LATAM and pay related expenses or to refinance any loan made to such Shareholder that is outstanding as of the date of this Agreement, (ii) immediately after such issuance the beneficial owners of Equity Securities of such Shareholder as of the date of this Agreement collectively own a majority of the outstanding Equity Securities of such Shareholder that are entitled to vote generally in the election of directors of such Shareholder and control such Shareholder, and (iii) in the case of TEP, immediately after such issuance Maria Cláudia Oliveira Amaro and Maurício Rolim Amaro collectively control TEP and collectively own a majority of the outstanding Equity Securities of TEP that are entitled to vote generally in the election of directors of TEP and such issuance is permitted under Brazilian Law (including those relating to foreign ownership and control of Brazilian airlines) and would not have an Adverse Effect. In addition, TEP may issue its Equity Securities regardless of the use of the proceeds thereof if immediately prior to such issuance the subscriber of those Equity Securities is a holder of shares issued by TEP and immediately after such issuance TEP remains majority-owned and controlled by Maria Cláudia Oliveira Amaro and Maurício Rolim Amaro. No Transfer made in accordance with this Section 3.04 shall require the consent of any Shareholder, shall be subject to any rights of first offer in favor of any other Shareholder pursuant to Section 3.05 or shall be counted for purposes of determining whether Transfers by any Shareholder in any 12-month period have exceeded the limitations set forth in Sections 3.02(a)(iii) and (iv), 3.02(b)(iii) and 3.03(a)(ii) and (iii) and 3.03(b).

(a) If a Shareholder elects to sell or transfer all or any portion of its shares of Restricted Common Stock as permitted by the applicable provisions of Section 3.02 or 3.03, such sale or transfer (and, in the case of a sale or transfer pursuant to Section 3.02(c)(i), Section 3.02(d) or Section 3.02(e) (each, a “**Whole Block Sale**”), the related sale or transfer of shares of Holdco 1 Voting Stock) shall be subject to the right of first offer provided in this Section 3.05 except to the extent that Section 3.02 or 3.03 expressly provides that such right of first offer shall not apply to such sale or transfer. Unless the context otherwise requires, each Shareholder and its Affiliates shall be deemed to be a single Shareholder for purposes of this Section 3.05. The Shareholder electing to make any such sale or transfer (the “**Selling Shareholder**”) shall give written notice thereof (each, an “**Offer Notice**”) to the other Shareholder (the “**Non-Selling Shareholder**”), which notice shall set forth the number of shares of Restricted Common Stock (and, if applicable, shares of Holdco 1 Voting Stock) proposed to be sold or transferred (collectively, the “**Subject Securities**”), a single price in cash that Selling Shareholder is willing to accept for the Subject Securities (the “**Proposed Purchase Price**,” of which an amount equal to the Non-Selling Shareholder’s then current tax basis in such shares and any costs that it is required to incur to effect such sale shall be allocated to any Holdco 1 Voting Stock included in the Subject Securities) and any other material terms and conditions of the proposed sale or transfer. The Non-Selling Shareholder shall have the right to purchase the Subject Securities at the Proposed Purchase Price and on the other terms and conditions set forth in the Offer Notice (“**ROFO Right**”). The Non-Selling Shareholder may exercise its ROFO Right in whole but not in part by delivering written notice of such election (each, an “**Acceptance Notice**”) to the Selling Shareholder within 30 days after the date on which it received the Offer Notice (the “**Offer Period**”). If the Non-Selling Shareholder does not deliver an Acceptance Notice to the Selling Shareholder by the end of the Offer Period, it will no longer be able to exercise its ROFO Right with respect to the Subject Securities. For all sales or transfers pursuant to Section 3.02 (other than Sections 3.02(a) and (b)), the Non-Selling Shareholder shall have the right (but not the obligation) to assign its ROFO Rights in whole or in part to any Person; *provided, however*, that, notwithstanding the foregoing, in the case of a Whole Block Sale the LATAM Controlling Shareholders may only assign its ROFO Rights to a Person approved in advance by the LATAM Board and whose purchase would not have an Adverse Effect. If the Non-Selling Shareholder elects to assign any ROFO Right pursuant to this Section 3.05(a) to any Person, then the Non-Selling Shareholder shall describe such assignment in its Acceptance Notice, including the identity of the assignee and the Subject Securities that are the subject of the assignment, and the Selling Shareholder shall sell or transfer such Subject Securities to such assignee in lieu of the Non-Selling Shareholder.

(b) If the Non-Selling Shareholder (i) does not deliver an Acceptance Notice during the Offer Period or (ii) delivers an Acceptance Notice during the Offer Period in which it (and/or any assignee) elects to purchase less than all of the Subject Securities, then the Selling Shareholder shall have the right to market and sell all of the Subject Securities to a third party for an all-cash purchase price no less than the Proposed Purchase Price and on terms and conditions no more favorable to the purchaser than those contained in the Offer Notice during the 90-day period commencing on the day immediately following, in the case of clause (i), the last day of the Offer Period or, in the case of clause (ii), the date on which such Acceptance Notice was delivered (such period, the “**Sale Period**”). If the Subject Securities are not sold during the Sale Period or if Selling Shareholder seeks to reduce the sale price below the Proposed Purchase Price or to offer other sale terms and conditions that are more favorable to the purchaser than those contained in the Offer Notice, all of the provisions of this Section 3.05 shall again apply with respect to any sale or transfer of such Subject Securities.

(c) If the Non-Selling Shareholder delivers an Acceptance Notice to the Selling Shareholder during the Offer Period in which it (and/or any assignee) elects to purchase all of the Subject Securities, then there shall be deemed a valid, legally binding and enforceable agreement between the Selling Shareholder, on the one hand, and the Non-Selling Shareholder (and/or any such assignee) (each, a “**Purchaser**”), on the other hand, for the sale or transfer of the Subject Securities for the Proposed Purchase Price and on the other terms and conditions set forth in the Offer Notice. The closing of any such sale or transfer shall take place at 10 a.m., New York time, on the later of (A) the 30th business day after the day on which such Acceptance Notice was received by Selling Shareholder and (B) the first date on which all of the consents, approvals or authorizations required by Law from any Governmental Entity for such sale or transfer are obtained at the principal office of LATAM or on such other date or at such other place as may be agreed to between the Selling Shareholder and the Purchaser(s), and the following provisions shall apply:

(i) the Selling Shareholder shall execute such instruments of transfer as are customarily executed and reasonably requested to evidence and consummate the sale or transfer of the Subject Securities to each Purchaser; and

(ii) each party shall bear its own legal fees and expenses in connection with such sale or transfer.

SECTION 3.06 Additional Requirements. Each Shareholder agrees that it will not Transfer any of its Restricted Shares if such Transfer would violate any applicable Law (each, a “**Prohibited Transfer**”). If and to the extent permitted by applicable Law, LATAM and Holdco 1, as applicable, may refuse to register any Prohibited Transfer, and each Shareholder hereby waives any rights it may have in the future to object to or challenge any such refusal in respect of any Transfer that is determined to be a Prohibited Transfer by a final and non-appealable order of a court of competent jurisdiction.

SECTION 3.07 Assignment of Rights. Any transferee of Restricted Shares Transferred pursuant to Sections 3.02(c), (d) or (e) or Section 3.04 shall execute a counterpart to this Agreement agreeing to be bound by all the terms and conditions hereof. Except for Affiliate Transfers made pursuant to Section 3.04 or as otherwise contemplated in this Article III, no Shareholder shall have the right to assign any of its rights under this Agreement to any permitted transferee of such Shareholder’s Restricted Shares.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01 Term of Agreement. Except as otherwise provided under applicable Law, this Agreement shall continue in effect as to each Shareholder until (i) it is terminated as to such Shareholder by the written consent of all Shareholders or (ii) the first day on which such Shareholder and its Affiliates no longer beneficially own any shares of LATAM Common Stock, whichever is sooner to occur. The termination of this Agreement as to any Shareholder shall not affect any of the rights and obligations of the other Shareholders, hereunder, if any, with respect to each other. In the event this Agreement terminates as to any Shareholder, thereafter such Shareholder shall have no further liability to the other Shareholders or to any of their respective shareholders, directors, officers, employees or other Affiliates and such other Shareholders shall have no further liability to such Shareholder, in each case solely in respect of this Agreement; *provided, however*, that the foregoing shall not apply to any provisions hereof that expressly survive the termination of this Agreement (including Section 4.02); and *provided, further*, that nothing herein shall relieve any Shareholder of any liability for any breach of this Agreement that occurred prior to such termination.

SECTION 4.02 Fees and Expenses. All fees and expenses incurred in connection with this Agreement shall be paid by the Shareholder incurring such fees or expenses. The provisions of this Section 4.02 shall survive any termination of this Agreement.

SECTION 4.03 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF; *PROVIDED, HOWEVER*, THAT NOTWITHSTANDING THE FOREGOING THE AUTHORIZATION AND EXECUTION OF THIS AGREEMENT BY EACH PARTY SHALL BE GOVERNED BY THE LAW OF ITS JURISDICTION OF INCORPORATION.

SECTION 4.04 Definitions. For the purposes of this Agreement, the following terms shall have the meanings assigned below:

(a) “**Affiliate**” shall have the meaning assigned to such term in Rule 12b-2 under the Exchange Act; *provided, however*, that for all purposes of this Agreement (i) neither LATAM, Holdco 1, TAM nor any of their respective Subsidiaries shall be deemed to be an Affiliate of any Shareholder and (ii) no Shareholder shall be deemed to be an Affiliate of any other Shareholder or any of its Affiliates solely by reason of this Agreement.

(b) “**beneficial ownership**” (and its correlative phrases) shall have the meanings assigned to such phrases in Rule 13d-3 promulgated under the U.S. Exchange Act; *provided, however* that, notwithstanding the foregoing, for all purposes of this Agreement a Shareholder shall be deemed to beneficially own all Restricted Shares beneficially owned by it and its Affiliates.

(c) “**business day**” shall mean any day that is not a Saturday, Sunday or a day on which banking institutions are required or authorized by Law or executive order to be closed in Santiago, Chile or São Paulo, Brazil.

(d) “**By-laws**” means the By-laws of LATAM in effect as of the date hereof, as they may be amended from time to time.

(e) “**Convertible Securities**” means, with respect to any Person, any securities, options, warrants or other rights of, or granted by, such Person or any of its Affiliates that are, directly or indirectly, convertible into, or exercisable or exchangeable for, any Equity Securities of such Person or any of its Affiliates.

(f) “**Equity Securities**” means, with respect to any Person, any capital stock of, or other equity interests in, such Person.

(g) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

(h) “**Governmental Entity**” means any governmental, quasi-governmental or regulatory authority, body, department, commission, board, bureau, agency, division, court, organized securities exchange or other legislative, executive or judicial governmental entity or instrumentality of any country, nation, republic, federation or similar entity or any state, county, parish or municipality, jurisdiction or other political subdivision thereof.

(i) “**Holdco 1 Non-Voting Stock**” shall mean the non-voting stock, no par value, of Holdco 1, which, pursuant to the by-laws of Holdco 1, shall have the exclusive right to receive all dividends, distributions or other amounts payable by Holdco 1 in respect of any shares of its capital stock (including a preference to be paid in connection with any liquidation, capital reduction, winding up, recapitalization or reorganization) other than the Dividend Rights and which shall have no right to vote on, approve or consent to any matter that is subject to any vote of, approval by or consent from the shareholders of Holdco 1 under the Law of Chile or otherwise other than the rights to vote on, approve or consent to matters requiring the approval of the holders of shares of Holdco 1 Non-Voting Stock under the Law of Chile or otherwise (collectively, the “**Limited Voting Rights**”).

(a) “**Holdco 1 Voting Stock**” shall mean the voting stock, no par value, of Holdco 1, which, pursuant to the by-laws of Holdco 1, shall have the exclusive right to vote on, approve or consent to all matters that are subject to any vote of, approval by or consent from the shareholders of Holdco 1 under the Law of Chile or otherwise (other than the Limited Voting Rights) and which shall have no economic rights other than the right to receive a nominal dividend (collectively, “**Dividend Rights**”).

(j) “**Institutional Lender**” means any savings bank, savings and loan association, commercial bank or trust company, insurance company subject to regulation by any Governmental Entity, merchant or investment bank or any other entity generally viewed as an institutional lender.

(k) “**Law**” means any statute, common law, ordinance, rule, regulation, agency requirement or Order of, or issued, promulgated or entered into by or with, any Governmental Entity.

(l) “**Order**” means any order, decision, writ, injunction, decree, judgment, legal or arbitration award, stipulation, license, permit or agreement issued, promulgated or entered into by or with (or settlement or consent agreement subject to) any Governmental Entity.

(m) “**Person**” means any natural person, firm, corporation, partnership, company, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Entity or other entity.

(n) “**Restricted Common Stock**” means, with respect to any Shareholder at any time, all shares of LATAM Common Stock that were beneficially owned by such Shareholder immediately after the Effective Time and that are beneficially owned by, and not Exempted Shares of, such Shareholder at such time.

(o) “**Restricted Shares**” means (i) with respect to the LATAM Controlling Shareholders at any time, all of their shares of Restricted Common Stock at such time and (ii) with respect to TEP at any time, all of its shares of Restricted Common Stock at such time and all shares of Holdco 1 Voting Stock beneficially owned by it at such time, including all Equity Securities or Convertible Securities issued in respect of, in exchange for or upon reclassification of such shares of Restricted Common Stock or Holdco 1 Voting Stock pursuant to any dividend, distribution, share exchange, reclassification, recapitalization, consolidation, merger, stock split, reverse stock split or otherwise.

(p) “**Shareholders**” initially shall have the meaning set forth in the Preamble to this Agreement and after any Transfer of shares of Restricted Common Stock by any Shareholder to any Person pursuant to Sections 3.02(c), (d) or (e) or any Affiliate Transfer pursuant to Section 3.04 shall mean the non-transferring Shareholder, the transferring Shareholder and any Person to whom such Transfer was made and who became a party to this Agreement as required by this Agreement.

(q) “**Subsidiary**” means, with respect to any Person, (i) a corporation in which such Person, together with its Subsidiaries, beneficially owns Voting Securities of such corporation which entitle them, collectively, to cast more than 50% of all the votes entitled to be cast by the holders of all Voting Securities of such corporation then outstanding in a general election of directors of such corporation or (ii) any Person that is not a corporation in which such Person, and/or one or more other Subsidiaries of such Person, directly or indirectly, has a majority equity or voting interest or the power to direct the policies, management and affairs thereof.

(r) “**Voting Securities**” means, with respect to any Person, any securities or other equity or ownership interests in such Person which are entitled to vote generally in the election of directors of such Person (or, if such Person is not a corporation, the individuals who perform a similar function for such Person).

SECTION 4.05 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions of this Agreement. If any provision of this Agreement, or the application of such provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

SECTION 4.06 Amendment; Waiver. This Agreement may be amended and any performance, term or condition waived in whole or in part only by a writing signed by all Shareholders affected by the amendment (in the case of an amendment) or by the Shareholder against whom the waiver is to be effective (in the case of a waiver). No failure or delay by any Shareholder in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any singular partial exercise of such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Waiver by any Shareholder of any breach or failure to comply with any provision of this Agreement by another Shareholder shall not be construed as, nor shall constitute, a continuing waiver of such provisions, or a waiver of any other breach of or failure to comply with any other provisions of this Agreement.

SECTION 4.07 Assignment. Subject to Article III of this Agreement, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise by any Shareholder without the prior written consent of the other Shareholders, and any purported assignment without such consent shall be null and void and of no force or effect. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Shareholders and their respective successors and permitted assigns.

SECTION 4.08 Entire Agreement; No Third Party Beneficiaries. This Agreement, the other Shareholders Agreements, the Implementation Agreement and the Exchange Offer Agreement, including the Exhibits and Schedules hereto and thereto, constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Shareholders with respect to the subject matter hereof and thereof. Except as otherwise expressly stated herein, the Shareholders hereby agree that the agreements and covenants set forth herein are solely for the benefit of the other Shareholders in accordance with, and subject to the terms of, this Agreement and that this Agreement is not intended to, and does not, confer upon any Person other than the Shareholders any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

SECTION 4.09 Notices. All notices, requests, claims, demands, instructions and other communications or documents given hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail (postage prepaid), facsimile or overnight courier to the Shareholders at the following addresses (or at such other address for a Shareholder as shall be specified by like notice):

If to the LATAM Controlling Shareholders, to:

Claro y Cia
Apoquindo 3721, piso 13,
Santiago, Chile
Attention: José María Eyzaguirre B.
Fax: +562 3673003
jmeyzaguirre@claro.cl

with copies (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
United States of America

Attention: Sergio Galvis and Duncan McCurrach
Fax: +1 212-558-3588
galviss@sullcrom.com
mccurrachd@sullcrom.com

If to TEP to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

with a copy (which shall not constitute notice) to:

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

Any notice, request, claim, instruction or other communication or document given as provided above shall be deemed given to the receiving party (i) if delivered personally, upon actual receipt, (ii) if sent by registered or certified mail, three business days after deposit in the mail, (iii) if sent by facsimile, upon confirmation of successful transmission if within one business day after such facsimile has been sent such notice, request, claim, instruction or other communication or document is also given by one of the other methods described above and (iv) if sent by overnight courier, on the next business day after deposit with the overnight courier.

SECTION 4.10 Specific Enforcement; Consent to Jurisdiction. The Shareholders agree that irreparable damage would occur and that the Shareholders would not have any adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Shareholders shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at Law or in equity, without the necessity of proving the inadequacy of monetary damages or of posting bond or other undertaking, as a remedy and to obtain injunctive relief against any breach or threatened breach hereof. In the event that any action is brought in equity to enforce the provisions of this Agreement, no Shareholder shall allege, and each Shareholder waives the defense or counterclaim that there is an adequate remedy at Law. Each of the Shareholders hereby irrevocably consents and submits itself to the personal jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the Borough of Manhattan, The City of New York (collectively, the “**Agreed Courts**”) solely in respect of the interpretation and enforcement of the provisions of this Agreement, and the documents referred to herein and the transactions contemplated by this Agreement (collectively, the “**Agreed Issues**”), waives, and agrees not to assert, as a defense in any action, suit or proceeding in an Agreed Court with respect to the Agreed Issues that such Shareholder is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such Agreed Court or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such Agreed Court, and the Shareholders irrevocably agree that all claims with respect to any action, suit or proceeding with respect to the Agreed Issues shall be heard and determined only in an Agreed Court. The Shareholders hereby consent to and grant to each Agreed Court jurisdiction over the Person of such Shareholders and, to the extent permitted by Law, over the subject matter of any dispute with respect to the Agreed Issues and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 4.09 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

SECTION 4.11 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER AND MADE IT VOLUNTARILY AND THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 4.11.

SECTION 4.12 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), each of which shall be considered an original instrument and all of which shall together constitute the same agreement. This Agreement shall become effective when one or more counterparts have been signed by each of the Shareholders and delivered to the other Shareholders.

SECTION 4.13 Interpretation. When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any contract, instrument or Law defined or referred to herein or in any contract or instrument that is referred to herein means such contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Law and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Except as otherwise expressly provided herein, all remedies provided herein shall be in addition to any other remedies that the Shareholders may otherwise have under applicable Law. Any reference in this Agreement to a “day” or a number of “days” (without the explicit qualification of “business”) shall be interpreted as a reference to a calendar day or number of calendar days. This Agreement is the product of negotiation between the Shareholders having the assistance of counsel and other advisers, and between the Shareholders and their counsel and other advisers having participated jointly in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly between the Shareholders, and no presumption or burden of proof shall arise favoring or disfavoring any Shareholder by virtue of the authorship of any provision of this Agreement.

SECTION 4.14 Relationship of Shareholders. Nothing herein is intended to constitute the Shareholders as members of any partnership, joint venture, association, syndicate, or other entity, or shall be deemed to confer on any of them any express, implied, or apparent authority to incur any obligation or liability on behalf of another Shareholder or any obligation to assume any obligation or responsibility of any other Shareholder, except as otherwise expressly provided herein. Notwithstanding the foregoing, the LATAM Controlling Shareholders shall be treated as a single Shareholder for all purposes of this Agreement.

SECTION 4.15 Filing Requirement. A copy of this Agreement shall be filed at the headquarters of LATAM and Holdco 1 for all purposes of applicable Law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

COSTA VERDE AERONÁUTICA S.A.

By: _____
Name:
Title:

INVERSIONES MINERAS DEL CANTÁBRICO S.A.

By: _____
Name:
Title:

TEP CHILE S.A.

By: _____
Name:
Title:

Exhibit A

Ownership Structure of the LATAM Group

SHAREHOLDERS AGREEMENT

Between

LAN AIRLINES S.A.

and

TEP CHILE S.A.

Dated as of [•], 2011

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SHAREHOLDERS AGREEMENT, dated as of _____, 2011 (this “**Agreement**”), between LAN AIRLINES S.A., a company organized under the Law of Chile (“**LATAM**”), and TEP Chile S.A., a company organized under the Law of Chile (“**TEP**” and together with LATAM, the “**Shareholders**” or the “**Parties**”).

WITNESSETH

WHEREAS, as of the date of this Agreement Maria Cláudia Oliveira Amaro, Maurício Rolim Amaro, Noemy Almeida Oliveira Amaro and João Francisco Amaro (all such individuals, collectively, the “**Amaro Family**”) collectively own 100% of the outstanding shares of TEP;

WHEREAS, as of the date of this Agreement TAM Empreendimentos e Participações S.A., a company organized under the Law of Brazil (“**TEP Parent**”), is the controlling shareholder of TAM S.A., a company organized under the Law of Brazil (“**TAM**”), under the Law of Brazil and currently owns, directly or indirectly, ordinary shares and preferred shares of TAM, which collectively constitute [•]% of the issued and outstanding shares of capital stock of TAM and [•]% of the total voting power of such capital stock;

WHEREAS, LATAM, TAM, Costa Verde Aeronáutica S.A., a company organized under the Law of Chile (“**CVA**”), Inversiones Mineras del Cantábrico S.A., a company organized under the Law of Chile (“**IMDC**” and, together with CVA, the “**LATAM Controlling Shareholders**”), TEP Parent and the Amaro Family have entered into an Implementation Agreement, dated as of January 18, 2011 (the “**Implementation Agreement**”), and an Exchange Offer Agreement, dated as of January 18, 2011 (the “**Exchange Offer Agreement**”), pursuant to which the outstanding shares of capital stock of TAM will be acquired by LATAM and [Holdco 1], a newly formed company to be organized under the Law of Chile (“**Holdco 1**”), pursuant to the contribution transaction, delisting exchange offer (the “**Exchange Offer**”) and the mergers described therein (collectively, the “**Mergers**”) in exchange for shares of common stock, no par value (the “**LATAM Common Stock**”), of LATAM;

WHEREAS, after the Mergers, TEP will own at least 80% of the outstanding voting shares of Holdco 1 and LATAM will own 100% of the outstanding non-voting shares of Holdco 1, no more than 20% of the outstanding voting shares of Holdco 1 and 100% of the outstanding preferred shares of TAM;

WHEREAS, immediately following the consummation of the transactions contemplated by the Implementation Agreement and the Exchange Offer Agreement and assuming (only for purposes of calculating the ownership percentages set forth therein) (i) all TAM shareholders other than TEP fully participate in the Exchange Offer, (ii) none of the holders of the outstanding shares of LATAM Common Stock exercise their appraisal rights (*derecho a retiro*) under the Law of Chile in respect of the Mergers and (iii) the only shares of LATAM Common Stock and shares of TAM that will be outstanding after such consummation are the shares issued in the Mergers and the shares which are subscribed and fully paid for as of the date of the Implementation Agreement (which excludes any shares issuable upon future exercises of stock options), the ownership structure of LATAM, Holdco 1, TAM and their respective Subsidiaries will be as set forth in **Exhibit A** hereto;

WHEREAS, the Parties desire to enter into this Agreement to set forth their agreements with respect to governance, management and operation of, and the relationship among, LATAM, Holdco 1, TAM and their respective Subsidiaries (collectively, the “**LATAM Group**”) and certain other matters;

WHEREAS, concurrently with the execution and delivery of this Agreement, LATAM, TEP, TAM and Holdco 1 are entering into a shareholders agreement, dated the date hereof (the “**TAM Shareholders Agreement**”), to set forth their agreement with respect to the governance, management and operation of TAM and its Subsidiaries;

WHEREAS, concurrently with the execution and delivery of this Agreement, LATAM, TEP and Holdco 1 are entering into a shareholders agreement, dated the date hereof (the “**Holdco 1 Shareholders Agreement**”), to set forth their agreement with respect to the governance, management and operation of Holdco 1;

WHEREAS, contemporaneously with the execution and delivery of this Agreement, TEP and the LATAM Controlling Shareholders are entering into a shareholders agreement, dated the date hereof (the “**Control Group Shareholders Agreement**,” and collectively with this Agreement, the TAM Shareholders Agreement and the Holdco 1 Shareholders Agreement, the “**Shareholders Agreements**”), pursuant to which the LATAM Controlling Shareholders, as the continuing controlling shareholders of LATAM under the Law of Chile, will make the concessions described therein to TEP;

WHEREAS, the execution and delivery of this Agreement and the other Shareholders Agreements are conditions to the commencement of the Exchange Offer and consummation of the Mergers; and

WHEREAS, LATAM has determined and declared that the execution and delivery of this Agreement is in the best interests of LATAM, and the execution, delivery and performance of this Agreement by LATAM have been duly authorized by the LATAM Board and all other necessary corporate action on the part of LATAM.

NOW, THEREFORE, in consideration of the representations and warranties, covenants and agreements contained herein and in the Implementation Agreement and the Exchange Offer Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I

GOVERNANCE

SECTION 1.01 Scope of the Agreement; Effective Time. The Parties desire to set forth in this Agreement, their agreements with respect to governance, management and operation of, and the relationship among, LATAM and the other members of the LATAM Group and certain other matters. In the event of any inconsistency or conflict between the provisions of this Agreement and the Organizational Documents of Holdco 1, TAM or any of their Subsidiaries, this Agreement shall control and the Parties shall use their commercially reasonable efforts to amend any such Organizational Documents to conform to the provisions of this Agreement and to exercise their rights under such Organizational Documents to give effect to such provisions. The Parties agree that the specific provisions of this Agreement shall not be limited by any inconsistent or conflicting provisions of the by-laws of LATAM and accordingly, as between parties, such specific provisions shall prevail over such provisions of the by-laws of LATAM. This Agreement shall become effective only if, and at that time at which, Holdco 1 becomes a holder of at least 80% of the outstanding ordinary shares of TAM (the “**Effective Time**”). All actions required to be taken or performed under this Agreement shall be taken or performed in accordance with applicable Law.

SECTION 1.02 Composition of the LATAM Board. TEP agrees that it will take all necessary action to ensure that at all times any individual who is a member of the board of directors of LATAM (the “**LATAM Board**”) and who was elected by it or designated to the LATAM Controlling Shareholders by it for such election and elected by it and/or the LATAM Controlling Shareholders (each, a “**TEP Director**”) shall also be a member of the board of directors of each of Holdco 1 and TAM. In the event of any vacancy on the board of directors of Holdco 1 (the “**Holdco 1 Board**”) or the board of directors of TAM (the “**TAM Board**” and, together with the Holdco 1 Board, the “**Holdco 1 Group Boards**”) resulting from the resignation, incapacity, retirement, death or removal (each, a “**Departure**”) of any member of such Holdco 1 Group Board who is a TEP Director, TEP shall cause such TEP Director to resign from the LATAM Board within five calendar days after the occurrence of such Departure, and the LATAM Board shall replace such TEP Director with an individual designated by TEP who shall serve on the LATAM Board until the next annual meeting of the shareholders of LATAM.

SECTION 1.03 Chairman of LATAM Board. Until the second anniversary of the Effective Time (the “**Second Anniversary**”), the chairman of the LATAM Board (the “**LATAM Chairman**”) shall be Maurício Rolim Amaro. If there is a Departure of the LATAM Chairman prior to the Second Anniversary, then the LATAM Board shall appoint another TEP Director selected by TEP to serve as the LATAM Chairman. On and after the Second Anniversary, the LATAM Board shall appoint any of its members as the LATAM Chairman from time to time in accordance with the Organizational Documents of LATAM.

SECTION 1.04 LATAM Committees. (a) Promptly following the Effective Time, the LATAM Board shall establish the following four committees to review, discuss and make recommendations to the LATAM Board (each, a “**LATAM Board Committee**”):

- (i) A Strategy Committee, which shall focus on (A) corporate strategy (*e.g.*, vision, mission, business portfolio and relative priorities/resource allocation, mergers, acquisitions and divestitures); (B) current strategic issues (*e.g.*, global crisis and short-term capacity strategy, acquisitions of direct competitors, etc.); and (C) the three-year plans and budgets for the main business units and functional areas and high-level competitive strategy reviews;

(ii) a Leadership Committee, which shall focus on (A) culture and values; (B) people policies; (C) high-level organizational structure; (D) appointment of the chief executive officer (*Vice Presidente Ejecutivo*) of LATAM (the “**LATAM CEO**”) and his or her other reports; (E) corporate compensation philosophy (*e.g.*, role of variable compensations, scope of stock option/grant program, etc.); (F) compensation structures and levels for the LATAM CEO and other key executives; (G) annual variable compensation structure and targets for the LATAM CEO and other key executives; (H) succession or contingency planning for the LATAM CEO; and (I) performance assessment of the LATAM CEO;

(iii) a Finance Committee, which shall focus on (A) financial policies and strategy; (B) capital structure; (C) monitoring policy compliance; (D) tax optimization strategy; and (E) the quality and reliability of financial information; and

(iv) a Brand, Product and Frequent Flyer Program Committee, which shall focus on (A) brands strategies and brand building initiatives for the corporate and main business unit brands (*e.g.*, imaging, key messages and brand voice); (B) the main characteristics of products and services for each of the main business units; (C) Frequent Flyer Program strategy and key program features; and (D) regular audit of brand performance.

(b) Each of the LATAM Board Committees shall be comprised of two or more members of the LATAM Board, at least one of whom shall be a TEP Director at all times when TEP is entitled to elect, and elects, at least one TEP Director. No LATAM Board Committee shall have authority to approve any matters required to be approved by the LATAM Board pursuant to the Organizational Documents of LATAM or under applicable Law, which approval authority shall rest solely with the LATAM Board, unless and to the extent such authority is expressly delegated by it as permitted by applicable Law.

SECTION 1.05 Roles of the LATAM CEO, the LATAM COO and the TAM CEO.

(a) LATAM CEO. The LATAM CEO shall be Enrique Cueto as of the Effective Time. After any departure of the LATAM CEO and receipt of the recommendation of the Leadership Committee, the LATAM Board shall appoint a new LATAM CEO in accordance with the Organizational Documents of LATAM. The LATAM CEO will be the highest ranked officer of the LATAM Group and shall report directly to the LATAM Board. The LATAM CEO shall have general supervision, direction and control of the business of the LATAM Group; *provided* that the LATAM COO and the TAM CEO shall have the responsibilities set forth in Sections 1.05(b) and (c), respectively. The LATAM CEO shall carry out all orders and resolutions of the LATAM Board. Without limitation of the foregoing, the LATAM CEO shall have the following responsibilities:

- among them;
- (i) conducting the day-to-day management of the LATAM Group;
 - (ii) leading LATAM's efforts to combine LATAM and its Subsidiaries and TAM and its Subsidiaries and to achieve synergies
 - (iii) defining and proposing strategies for the LATAM Group and ensuring due execution of business plans;
 - (iv) ensuring performance of the LATAM Group executive teams;
 - (v) together with the LATAM Chairman and the chief financial officer of LATAM representing the LATAM Group before all major external stakeholders, all Governmental Entities, the International Air Transport Association (IATA), alliances and investors; and
 - (vi) serving as a senior participant in all business unit and function committees of the LATAM Group.

(b) **LATAM COO.** The president and chief operating officer (*Gerente General*) of LATAM (the "**LATAM COO**") shall be Ignacio Cueto as of the Effective Time. After any Departure of the LATAM COO, a new LATAM COO shall be appointed by the LATAM CEO. The LATAM COO shall report directly to the LATAM CEO and shall have general supervision, direction and control of the passenger and cargo operations of the LATAM Group, excluding those conducted by (x) Holdco 1, TAM and their Subsidiaries, excluding the international passenger business of the LATAM Group (collectively, the "**Holdco 1 Group**") and (y) the international passenger business of the LATAM Group. Without limitation of the foregoing, the LATAM COO shall have the following responsibilities:

- (i) conducting the day-to-day management of all cargo operations and operations of the LATAM Group;
- (ii) together with the TAM CEO, recommending a candidate to the LATAM CEO to serve as the head of the international passenger business of the LATAM Group (including both long haul and regional operations), who shall report jointly to the LATAM COO and the TAM CEO;
- (iii) coordinating between cargo and international;
- (iv) together with the TAM CEO and the LATAM CEO, implementing the integration of LATAM and its Subsidiaries and TAM and its Subsidiaries; and

(v) serving as a senior participant in all business unit and function committees of the LATAM Group.

(c) TAM CEO. As of the Effective Time, Marco Bologna will be the chief executive officer (*Diretor Presidente*) of the Holdco 1 Group (the "TAM CEO"). The TAM CEO shall have general supervision, direction and control of the business and operations of Holdco 1 Group and shall carry out all orders and resolutions of the Holdco 1 Board and the TAM Board. Without limitation of the foregoing, the TAM CEO shall have the following responsibilities:

(i) conducting the day-to-day management of the Holdco 1 Group;

(ii) serving as the company officer of the Holdco 1 Group and as the representative of the LATAM Group before all Governmental Entities in Brazil, including the Brazilian government and National Civil Aviation Agency of Brazil (Agência Nacional de Aviação, or ANAC);

(iii) together with the LATAM COO, recommending a candidate to the LATAM CEO for appointment as the head of international passenger business of the LATAM Group (including both long haul and regional operations), who shall report jointly to the LATAM COO and the TAM CEO;

(iv) together with the LATAM CEO and the LATAM COO, implementing the integration of LATAM and its Subsidiaries and TAM and its Subsidiaries; and

(v) serving as a senior participant in all business unit and function committees of the LATAM Group.

SECTION 1.06 Recommendations to Shareholders of LATAM. If (a) TEP and the LATAM Controlling Shareholders cannot reach agreement on any matter to be submitted to a vote of the shareholders of LATAM at any meeting of the shareholders of LATAM (other than an action that would require the approval of two-thirds of the shareholders of LATAM under Article 67 of the Chilean Corporations Act (*Ley Sobre Sociedades Anónimas*) (each, a "Supermajority Action") prior to such meeting of the shareholders of LATAM or (b) any shareholder of LATAM (other than TEP and the LATAM Controlling Shareholders) requests that any matter other than a Supermajority Action be submitted to a vote of the shareholders of LATAM at any meeting of the shareholders of LATAM, then, in either such case, upon written request of TEP or the LATAM Controlling Shareholders (which shall be third-party beneficiaries for purposes of this Section 1.06), the LATAM Board will consider and make a proposal to the shareholders of LATAM with respect to such matter prior to such shareholder meeting.

SECTION 1.07 Other Key Executives of the LATAM Group. The key executives of the LATAM Group (excluding the LATAM CEO and those in the Holdco 1 Group) shall be appointed by, and shall report, directly or indirectly, to the LATAM CEO. In making such appointments, the LATAM CEO shall be guided by the following principles: (a) alignment with the strongest performing leader, *i.e.*, the best of breed; (b) maximization of synergy value capture; (c) conforming to local regulations and culture; and (d) simplest and easiest execution.

SECTION 1.08 Group Structure. The organizational structure of the LATAM Group shall be in substantially the form set forth in Exhibit A attached hereto, as it may be amended or modified by the Parties from time to time.

SECTION 1.09 Further Action; Efforts. For the benefit of TEP, LATAM agrees to take all necessary action to implement the agreements with respect to the management and governance of LATAM set forth in Sections 1.03 through 1.08.

ARTICLE II

GENERAL PROVISIONS

SECTION 2.01 Term of Agreement. Except as otherwise provided under applicable Law, this Agreement shall continue in effect as to each of the Parties until (i) it is terminated as to any Party by the written consent of all the Parties or (ii) with respect to any Shareholder, the first day on which such Shareholder no longer beneficially owns any shares of LATAM Common Stock, whichever is sooner to occur. The termination of this Agreement as to any Shareholder shall not affect any of the rights and obligations of any of the other Parties with respect to each other. In the event that this Agreement terminates as to any Shareholder, thereafter such Shareholder shall have no further liability to the other Parties or to any of their respective shareholders, directors, officers, employees or other Affiliates and such other Parties shall have no further liability to such Shareholder, in each case solely in respect of this Agreement; *provided, however*, that the foregoing shall not apply to any provisions hereof that expressly survive the termination of this Agreement (including Section 2.02); and *provided, further*, that nothing herein shall relieve any Party of any liability for any breach of this Agreement that occurred prior to such termination.

SECTION 2.02 Fees and Expenses. All fees and expenses incurred in connection with this Agreement shall be paid by the Party incurring such fees or expenses. The provisions of this Section 2.02 shall survive any termination of this Agreement.

SECTION 2.03 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF; *PROVIDED, HOWEVER*, THAT NOTWITHSTANDING THE FOREGOING THE AUTHORIZATION AND EXECUTION OF THIS AGREEMENT BY EACH PARTY SHALL BE GOVERNED BY THE LAW OF ITS JURISDICTION OF INCORPORATION.

SECTION 2.04 Definitions. For the purposes of this Agreement, the following terms shall have the meanings assigned below:

(a) “**Affiliate**” shall have the meaning assigned to such term in Rule 12b-2 under the U.S. Exchange Act; *provided, however*, that no Shareholder shall be deemed to be an Affiliate of any other Shareholder or any of its Affiliates solely by reason of this Agreement.

(b) “**beneficial ownership**” (and its correlative phrases) shall have the meanings assigned to such phrases in Rule 13d-3 promulgated under the U.S. Exchange Act (without taking into account any rights of such Person or any of its Affiliates under Section 2.04 hereof) if the references to “within 60 days” in Rule 13d-3(d)(1)(i) were omitted. For all purposes of this Agreement, a Shareholder shall be deemed to beneficially own all shares of LATAM Common Stock beneficially owned by it and its Affiliates, including the beneficial owners of such Shareholder.

(c) “**business day**” shall mean any day that is not a Saturday, Sunday or a day on which banking institutions are required or authorized by Law or executive order to be closed in Santiago, Chile or São Paulo, Brazil.

(d) “**Control**” (and its correlative terms) shall have the meanings assigned to such terms in Rule 12b-2 promulgated under the U.S. Exchange Act.

(e) “**Governmental Entity**” means any governmental, quasi-governmental or regulatory authority, body, department, commission, board, bureau, agency, division, court, organized securities exchange or other legislative, executive or judicial governmental entity or instrumentality of any country, nation, republic, federation or similar entity or any state, county, parish or municipality, jurisdiction or other political subdivision thereof.

(f) “**Law**” means any statute, common law, ordinance, rule, regulation, agency requirement or Order of, or issued, promulgated or entered into by or with, any Governmental Entity.

(g) “**Order**” means any order, decision, writ, injunction, decree, judgment, legal or arbitration award, stipulation, license, permit or agreement issued, promulgated or entered into by or with (or settlement or consent agreement subject to) any Governmental Entity.

(h) “**Organizational Documents**” shall mean (i) with respect to Holdco 1, this Agreement, the Holdco 1 Shareholders Agreement and the by-laws of Holdco 1, (ii) with respect to LATAM, this Agreement, the Control Group Shareholders Agreement and the by-laws or other comparable governing documents of LATAM and (iii) with respect to TAM and its Subsidiaries, this Agreement, the TAM Shareholders Agreement, the Holdco 1 Shareholders Agreements and the by-laws or other comparable governing documents of such Persons.

(i) “**Person**” means any natural person, firm, corporation, partnership, company, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Entity or other entity.

(j) “**Subsidiary**” means, with respect to any Person, (i) a corporation in which such Person, together with its Subsidiaries, beneficially owns Voting Securities of such corporation which entitle them, collectively, to cast more than 50% of all the votes entitled to be cast by the holders of all Voting Securities of such corporation then outstanding in a general election of directors of such corporation or (ii) any Person that is not a corporation in which such Person, and/or one or more other Subsidiaries of such Person, directly or indirectly, has a majority equity or voting interest or the power to direct the policies, management and affairs thereof.

(k) “**Transaction Agreements**” means this Agreement, the Implementation Agreement, the Exchange Offer Agreement and the other Shareholders Agreements.

(l) “**U.S. Exchange Act**” shall mean the U.S. Securities Exchange Act of 1934.

(m) “**Voting Securities**” means, with respect to any Person, any securities or other equity or ownership interests in such Person which are entitled to vote generally in the election of directors of such Person (or, if such Person is not a corporation, the individuals who perform a similar function for such Person).

SECTION 2.05 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions of this Agreement. If any provision of this Agreement, or the application of such provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

SECTION 2.06 Amendment; Waiver. This Agreement may be amended and any performance, term or condition waived in whole or in part only by a writing signed by all Parties affected by the amendment (in the case of an amendment) or by the Party against whom the waiver is to be effective (in the case of a waiver). No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any singular partial exercise of such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Waiver by any Party of any breach or failure to comply with any provision of this Agreement by another Party shall not be construed as, nor shall constitute, a continuing waiver of such provisions, or a waiver of any other breach of or failure to comply with any other provisions of this Agreement.

SECTION 2.07 Assignment. Subject to the provisions of the Holdco 1 Shareholders Agreement and the Control Group Shareholders Agreement, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise by any of the Parties without the prior written consent of the other Parties, and any purported assignment without such consent shall be null and void and of no force or effect. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

SECTION 2.08 Entire Agreement; No Third-Party Beneficiaries.

(a) This Agreement and the other Transaction Agreements, including the Exhibits and Schedules hereto and thereto, constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof and thereof.

(b) Except as otherwise expressly stated herein, the Parties hereby agree that the agreements and covenants set forth herein are solely for the benefit of the other Parties in accordance with, and subject to the terms of, this Agreement and that this Agreement is not intended to, and does not, confer upon any Person other than the Parties any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

SECTION 2.09 Notices. All notices, requests, claims, demands, instructions and other communications or documents given hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail (postage prepaid), facsimile or overnight courier to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to LATAM, to:

Claro y Cia.
Apoquindo 3721, piso 13,
Santiago, Chile
Attention: José María Eyzaguirre B.
Fax: +56 2 367 3003
jmeyzaguirre@claro.cl

with copies (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
United States of America
Attention: Sergio Galvis and Duncan McCurrach
Fax: +1 212 558 3588
galviss@sullcrom.com
mccurrachd@sullcrom.com

If to TEP to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

with a copy (which shall not constitute notice) to:

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

Any notice, request, claim, instruction or other communication or document given as provided above shall be deemed given to the receiving party (i) if delivered personally, upon actual receipt, (ii) if sent by registered or certified mail, three business days after deposit in the mail, (iii) if sent by facsimile, upon confirmation of successful transmission if within one business day after such facsimile has been sent such notice, request, claim, instruction or other communication or document is also given by one of the other methods described above and (iv) if sent by overnight courier, on the next business day after deposit with the overnight courier.

SECTION 2.10 Specific Enforcement; Consent to Jurisdiction. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at Law or in equity, without the necessity of proving the inadequacy of monetary damages or of posting bond or other undertaking, as a remedy and to obtain injunctive relief against any breach or threatened breach hereof. In the event that any Action is brought in equity to enforce the provisions of this Agreement, no Party shall allege, and each Party waives the defense or counterclaim that there is an adequate remedy at Law. Each of the Parties hereby irrevocably consents and submits itself to the personal jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the Borough of Manhattan, The City of New York (collectively, the “**Agreed Courts**”) solely in respect of the interpretation and enforcement of the provisions of this Agreement, and the documents referred to herein and the transactions contemplated by this Agreement (collectively, the “**Agreed Issues**”), waives, and agrees not to assert, as a defense in any Action, suit or proceeding in an Agreed Court with respect to the Agreed Issues that such Party is not subject thereto or that such Action, suit or proceeding may not be brought or is not maintainable in such Agreed Court or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such Agreed Court, and the Parties irrevocably agree that all claims with respect to any Action, suit or proceeding with respect to the Agreed Issues shall be heard and determined only in an Agreed Court. The Parties hereby consent to and grant to each Agreed Court jurisdiction over the Person of such parties and, to the extent permitted by Law, over the subject matter of any dispute with respect to the Agreed Issues and agree that mailing of process or other papers in connection with any such Action or proceeding in the manner provided in Section 2.09 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

SECTION 2.11 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER AND MADE IT VOLUNTARILY AND THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 2.11.

SECTION 2.12 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), each of which shall be considered an original instrument and all of which shall together constitute the same agreement. This Agreement shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

SECTION 2.13 Interpretation. When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any contract, instrument or Law defined or referred to herein or in any contract or instrument that is referred to herein means such contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Law and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Except as otherwise expressly provided herein, all remedies provided herein shall be in addition to any other remedies that the Parties may otherwise have under applicable Law. Any reference in this Agreement to a “day” or a number of “days” (without the explicit qualification of “business”) shall be interpreted as a reference to a calendar day or number of calendar days. This Agreement is the product of negotiation by the Parties having the assistance of counsel and other advisers, and the Parties and their counsel and other advisers having participated jointly in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

SECTION 2.14 Filing Requirement. A copy of this Agreement shall be filed at the headquarters of LATAM for all purposes of applicable Law.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

LAN AIRLINES S.A.

By: _____
Name:
Title:

TEP CHILE S.A.

By: _____
Name:
Title:

EXHIBIT A

LATAM Group Ownership Structure and Organizational Structure

A-1

SHAREHOLDERS AGREEMENT

Among

LAN AIRLINES S.A.,

TEP CHILE S.A.,

and

[HOLDCO 1]

Dated as of _____, 2011

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SHAREHOLDERS AGREEMENT, dated as of _____, 2011 (this “**Agreement**”), among LAN AIRLINES S.A., a company organized under the Law of Chile (“**LATAM**”), TEP Chile S.A., a company organized under the Law of Chile (“**TEP**” and together with LATAM, the “**Shareholders**”), and [HOLDCO1], a company organized under the Law of Chile (“**Holdco 1**” and, together with the Shareholders, the “**Parties**”).

WITNESSETH

WHEREAS, as of the date of this Agreement Maria Cláudia Amaro, Maurício Amaro, Noemy Amaro and João Francisco Amaro collectively own 100% of the outstanding shares of TEP;

WHEREAS, TAM Empreendimentos E Participações S.A., a Brazilian corporation, is the controlling shareholder of TAM S.A., a company organized under the Law of Brazil (“**TAM**”), under the Law of Brazil and currently owns, directly or indirectly, shares of the ordinary stock, no par value (the “**TAM Ordinary Stock**”), of TAM and shares of the non-voting preferred stock, no par value (the “**TAM Preferred Stock**” and, together with the TAM Ordinary Stock, the “**TAM Stock**”), of TAM, which collectively constitute [•]% of the issued and outstanding shares of capital stock of TAM and [•]% of the total voting power of such capital stock;

WHEREAS, as of the Effective Time, TEP will own at least 80% of the outstanding shares of Holdco 1 Voting Stock and LATAM will own 100% of the outstanding shares of Holdco 1 Non-Voting Stock, no more than 20% of the outstanding shares of Holdco 1 Voting Stock and 100% of the outstanding TAM Preferred Stock, as reflected in the ownership structure chart attached as Exhibit A hereto;

WHEREAS, TEP, as the continuing controlling shareholder of TAM under the Law of Brazil as of the Effective Time by virtue of its indirect ownership of at least 80% of the issued and outstanding shares of Holdco 1 Voting Stock and Holdco 1’s ownership of at least 85.3457% of the issued and outstanding shares of TAM Ordinary Stock, desires to make the concessions to LATAM provided herein, and the Parties desire to enter into this Agreement to set forth the terms and conditions upon which they have agreed to hold their shares of Holdco 1 Voting Stock and Holdco 1 Non-Voting Stock (collectively, the “**Holdco 1 Stock**”), including with respect to the disposition and voting thereof, as well as their agreements with respect to governance, management and operation of, and the relationship among, Holdco 1 and its Subsidiaries and certain other matters; and

WHEREAS, LATAM has determined and declared that the execution and delivery of this Agreement is in the best interests of LATAM, and the execution, delivery and performance of this Agreement by LATAM have been duly authorized by the board of directors of LATAM (the “**LATAM Board**”) and all other necessary corporate action on the part of LATAM.

NOW, THEREFORE, in consideration of the representations and warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I

GOVERNANCE OF HOLDCO 1

SECTION 1.01 Scope of the Agreement; Effective Time. The Parties desire to set forth in this Agreement certain terms and conditions upon which they have agreed to hold their shares of Holdco 1 Stock, including with respect to disposition and voting thereof, as well as their agreements with respect to governance, management and operation of, and the relationship among, Holdco 1 and its Subsidiaries and certain other matters. In the event of any inconsistency or conflict between the provisions of this Agreement and the other Organizational Documents of Holdco 1 or any of its Subsidiaries, this Agreement shall control and the Parties shall use their commercially reasonable efforts to amend any such Organizational Documents to conform to the provisions of this Agreement and to exercise their rights under such Organizational Documents to give effect to such provisions. This Agreement shall become effective only if, and at that time at which, Holdco 1 becomes a holder of at least 80% of the outstanding shares of TAM Ordinary Stock (the “**Effective Time**”). All actions required to be taken or performed under this Agreement shall be taken or performed in accordance with applicable Law.

SECTION 1.02 Formation of Holdco 1. Prior to the date of this Agreement, TEP and LATAM incorporated Holdco 1 as a closed *sociedad anónima* under the Law of Chile with the by-laws in the form attached as **Exhibit B** hereto (the “**Holdco 1 By-Laws**”) for the sole purpose of owning the shares of TAM Ordinary Stock to be contributed by TEP. From and after the Effective Time, the parties agree that all acquisitions of TAM Ordinary Stock by any member of the LATAM Group shall be made by Holdco 1.

SECTION 1.03 Role and Composition of the Holdco 1 Board. The business and affairs of Holdco 1 shall be managed under the direction of the board of directors of Holdco 1 (the “**Holdco 1 Board**”) in accordance with the applicable provisions of the Organizational Documents of Holdco 1. At all times, the Holdco 1 Board shall be comprised of the same number of directors as the number of directors that then comprise the board of directors of TAM (the “**TAM Board**”) and the directors of Holdco 1 shall be the same individuals that then are directors of TAM. The Holdco 1 Board shall be comprised of six directors and initially LATAM shall have the right to elect two individuals to the Holdco 1 Board and TEP shall have the right to elect four individuals to the Holdco 1 Board. Whenever LATAM or TEP so elects or appoints any individual as a director of Holdco 1, it will select, and Holdco 1 will elect or appoint, the same individual as a director of TAM. Each person so elected by LATAM or TEP as a director of Holdco 1 is referred to herein as one of such Shareholder’s “**Director Representatives**”). The term of office for the directors of the Holdco 1 Board shall be two years.

SECTION 1.04 Removal and Vacancies. In the event of any vacancy on the Holdco 1 Board resulting from the resignation, incapacity, retirement, death or removal of any Director Representative of any Shareholder, such Shareholder shall have the right to designate another individual to replace such Director Representative on the Holdco 1 Board. In such event, the Shareholders shall cause their Director Representatives to request that the Holdco 1 Chairman call a special meeting of the Holdco 1 Board in order to appoint such designee to the Holdco 1 Board and to serve until the next annual meeting of the shareholders of Holdco 1 and at such meeting shall cause their Director Representatives to make such appointment. At the same time, LATAM and TEP shall cause their Director Representatives in their capacity as directors of TAM to request that the chairman of the TAM Board (the “**TAM Chairman**”) call a special meeting of the shareholders of TAM to elect such designee to the TAM Board and Holdco 1 shall elect such designee to the TAM Board to serve until the next annual meeting of the shareholders of TAM. If at any time any Director Representative of any Shareholder ceases to be a member of the TAM Board, such Shareholder shall promptly cause him or her to resign or to be removed from the Holdco 1 Board and the Shareholders will replace such Director Representative on the Holdco 1 Board pursuant to the foregoing procedures.

(a) Each Shareholder agrees that it shall vote, or cause to be voted or execute written consents for, as the case may be, all shares of Holdco 1 Voting Stock beneficially owned by it, and each Party shall take all other action reasonably necessary (including by causing Holdco 1 or TAM to call a special meeting of shareholders or the Holdco 1 Chairman or the TAM Chairman to call a special meeting of the Holdco 1 Board or the TAM Board, as applicable) so as to give effect to the agreements with respect to representation on the Holdco 1 Board and the TAM Board contained in this Article I and to ensure that the other Organizational Documents of Holdco 1 and TAM (i) facilitate, enable and do not at any time conflict with any provision of this Agreement and (ii) permit each Shareholder to receive the full benefits to which each Shareholder is entitled under this Agreement. Each Party further agrees that it shall not take any action directly as a shareholder of Holdco 1 or TAM, indirectly through any of its Director Representatives as members of the Holdco 1 Board or the TAM Board, or otherwise that would contravene or frustrate the implementation of these agreements, and that it shall cause all of its Director Representatives as members of the Holdco 1 Board or the TAM Board to act at all times in conformity with, and to take such action as may reasonably be required of and available to them to ensure the fulfillment of, the terms of this Agreement and the other Organizational Documents of Holdco 1 and TAM. Holdco 1 agrees not to take, or to cause or permit TAM to take, any action that would conflict with or subvert the operation or enforcement of any provision of this Agreement or that would impede any Shareholder's ability to receive the full benefits to which such Shareholder is entitled under this Agreement.

(b) Each Shareholder shall cause any and all shares of Holdco 1 Voting Stock beneficially owned by it and entitled to vote at any meeting of shareholders of Holdco 1 to be present in person or represented by proxy at all annual and special meetings of shareholders of Holdco 1 to the extent necessary so that all shares of Holdco 1 Voting Stock beneficially owned by it shall be counted as present for the purpose of determining the presence of a quorum at such meeting. Each Shareholder further agrees to execute from time to time in the future any document or documents required by Law to keep the agreements contained in this Section 1.05 in full force and effect at all times throughout the term of this Agreement. Each Shareholder agrees that it will take all necessary actions (including amending the Holdco 1 By-Laws) to effect and implement any stock splits or reverse stock splits of the Holdco 1 Non-Voting Stock at such times and in such proportions as any holder thereof shall request if (but only if) such split is necessary or advisable to permit or preserve the ability of TAM or any of its Subsidiaries to conduct operations in any market worldwide.

SECTION 1.06 Holdco 1 Chairman. For so long as TEP is entitled to elect at least one director to the Holdco 1 Board, TEP shall have the right to designate from time to time one of its Director Representatives to serve as chairman of the Holdco 1 Board (the “Holdco 1 Chairman”), who at all times shall be the same individual who is then serving as the TAM Chairman. After such designation, each Shareholder shall cause its Director Representatives to cause the Holdco 1 Board to appoint such Director Representative as the Holdco 1 Chairman in accordance with the Organizational Documents of Holdco 1. Each time an individual is so appointed as the Holdco 1 Chairman, LATAM and TEP shall cause their Director Representatives in their capacity as directors of TAM, and Holdco 1 shall cause the directors of TAM, to appoint the same individual as the TAM Chairman in accordance with the Organizational Documents of TAM (as defined in the TAM Shareholders Agreement). As of the Effective Time and for a minimum period of two years, the Holdco 1 Chairman shall be Maria Cláudia Oliveira Amaro. In no event shall the Holdco 1 Chairman have a casting vote with respect to any matter before the Holdco 1 Board.

SECTION 1.07 Meetings of the Holdco 1 Board.

(a) Regular meetings of the Holdco 1 Board shall be held on a monthly basis, and each regular monthly meeting of the Holdco 1 Board shall occur on the same day as, and promptly before the regular monthly meeting of the TAM Board and within three business days after the regular monthly meeting of the board of directors of LATAM.

(b) Special meetings of the Holdco 1 Board may be called by the Holdco 1 Chairman on not less than 48 hours’ notice to each director of the Holdco 1 Board, and such meetings shall be called by the Holdco 1 Chairman with like notice and like manner promptly after receipt of a written request for a special meeting of the Holdco 1 Board by any one director of the Holdco 1 Board; *provided, however*, that notwithstanding the foregoing a special meeting of the Holdco 1 Board may be so called on any shorter notice permitted by applicable Law if necessary or desirable in the particular circumstances.

(c) The Holdco 1 By-Laws shall provide that the directors of the Holdco 1 Board shall be permitted to participate in, and shall be deemed to be present at, any meeting of the Holdco 1 Board using teleconference or any other means pursuant to which all the directors participating in such meeting can speak to and hear one another.

SECTION 1.08 Quorum. The quorum for any meeting of the Holdco 1 Board to be validly held shall be five directors of Holdco 1.

SECTION 1.09 Holdco 1 Board Voting Requirements. Each director of the Holdco 1 Board shall have one vote on all matters before the Holdco 1 Board. Any action by the Holdco 1 Board concerning a Board Supermajority Matter as well as any other action required by applicable Law or this Agreement to be approved by directors constituting more than a simple majority of the Holdco 1 Board must be approved by the affirmative vote of five directors of Holdco 1 at a duly called meeting of the Holdco 1 Board at which a quorum is present and acting throughout (each, a “**Supermajority Board Vote**”). All actions by the Holdco 1 Board other than with respect to Board Supermajority Matters must be approved by the affirmative vote of a simple majority of the directors of the Holdco 1 Board at a duly called meeting of the Holdco 1 Board at which a quorum is present and acting throughout.

SECTION 1.10 Board Supermajority Matters. Notwithstanding any provision of this Agreement or the other Organizational Documents of Holdco 1 to the contrary and without prejudice to any statutory limitations requiring additional shareholder approvals, Holdco 1 shall not engage in or take, directly or indirectly, any of the following actions (each, a “**Board Supermajority Matter**”) unless approved by a Supermajority Board Vote:

- (i) to create (including by the acquisition of shares), dispose of or admit new shareholders to any Subsidiary of Holdco 1;
- (ii) to approve or effect the acquisition, disposal, modification or encumbrance of (a) any Equity Securities or Convertible Securities in TAM, or (b) any other asset with a value greater than US\$15,000,000;
- (iii) to approve investments in any assets not related to the corporate purpose of Holdco 1;
- (iv) to execute any kind of agreement or to enter into any kind of transaction in an amount greater than US\$15,000,000 or that may cause a material impact to Holdco 1 and/or its results;
- (v) to terminate, modify or waive any rights or claims of Holdco 1 under contracts or other arrangements in any amount greater than US\$15,000,000, or that may cause a material impact to Holdco 1 and/or its results;
- (vi) to commence, participate in, compromise or settle any material action with respect to any litigation, judicial, administrative or arbitration proceeding relating to Holdco 1 in an amount greater than US\$15,000,000 or that could reasonably be expected to cause a material impact to Holdco 1 and/or its results;
- (vii) to approve the execution, amendment, termination or ratification of acts or agreements with Related Parties;
- (viii) to approve any financial statements of Holdco 1 or any amendments thereto or to any dividend, accounting or tax policy or principles of Holdco 1;
- (ix) to approve the grant of any kind of security interest or guarantee to secure obligations of third parties (including Related Parties);

(x) to appoint any executive other than the Holdco 1 CEO; and

(xi) to approve any vote to be cast by Holdco 1, in its capacity as the holder of shares of TAM Ordinary Stock, in any shareholders meeting of TAM, including any vote relating to any appointment or removal of any director of TAM or any TAM Shareholder Supermajority Matter (as defined in the TAM Shareholders Agreement).

SECTION 1.11 Shareholder Required Vote. Any action by the shareholders of Holdco 1 concerning a Shareholder Supermajority Matter as well as any other action required by applicable Law or this Agreement to be approved by more than a simple majority of the holders of the then issued and outstanding shares of Holdco 1 Voting Stock must be approved by the affirmative vote of the holders of shares representing at least 95% of the total number of shares of Holdco 1 Voting Stock then issued and outstanding at a duly called meeting of the shareholders of Holdco 1 at which a quorum is present and acting throughout (each, a “**Supermajority Shareholder Vote**”). All actions other than Shareholder Supermajority Matters must be approved by the affirmative vote of the holders of shares constituting a simple majority of the issued and outstanding shares of Holdco 1 Voting Stock at a duly called meeting of the shareholders of Holdco 1 at which a quorum is present and acting throughout.

SECTION 1.12 Shareholder Supermajority Matters. Notwithstanding any provision of this Agreement or the Organizational Documents of Holdco 1 to the contrary, Holdco 1 shall not engage in or take, directly or indirectly, any of the following actions (each, a “**Shareholder Supermajority Matter**”) unless approved by a Supermajority Shareholder Vote:

(i) to approve any amendments to the by-laws of Holdco 1 in respect to the following matters: (A) the corporate purpose, (B) the corporate capital, (C) the rights inherent to each class of shares and to the shareholders of Holdco 1, (D) the attributions of the shareholders regular meeting or any limitation to attributions of the Holdco 1 Board, (E) increase or decrease of the number of directors and officers, (F) dividends or other distributions, (G) the term of Holdco 1, (H) any change in the Fiscal Year of Holdco 1 and (I) the change of the headquarters of Holdco 1;

(ii) to approve the dissolution, liquidation and winding-up of Holdco 1;

(iii) to approve the transformation, merger, spin-up, or any kind of corporate reorganization of Holdco 1;

(iv) to approve mechanisms for paying or making, or to approve, declare or pay, any dividends or other kinds of distributions to the shareholders of Holdco 1;

(v) to approve the issuance, redemption, purchase or amortization of any Equity Securities or Convertible Securities of Holdco 1;

(vi) to approve the disposal by sale, encumbrance or otherwise of 50% or more of the assets, including or not the liabilities, of Holdco 1, as determined by the balance sheet of the previous year, or to approve a plan contemplating the disposal by sale, encumbrance or otherwise of 50% or more of the assets of Holdco 1;

(vii) to approve the disposal by sale, encumbrance or otherwise of 50% or more of the assets of a Subsidiary of Holdco 1 representing at least 20% of the assets of Holdco 1, or to approve the disposal by sale, encumbrance or otherwise of the Equity Securities of such Subsidiary of Holdco 1 which has the effect of making Holdco 1 lose control over it;

(viii) to approve the grant of any security interest or guarantee to secure obligations of third parties (including Related Parties) in excess of 50% of the assets of Holdco 1;

(ix) to approve the execution, amendment, termination or ratification of acts or agreements with Related Parties, exclusively in the cases that a statutory limitation requires that these matters be approved by the shareholders; and

(x) to appoint or remove the Accountants.

SECTION 1.13 Required Actions. Each of Holdco 1 and each of its Subsidiaries shall exercise all rights it has as a shareholder of each of its respective Subsidiaries in an effort to cause such Subsidiary to comply with the requirements of this Agreement; *provided, however*, that the foregoing sentence shall not be construed to require Holdco 1 or any of its Subsidiaries to take, and in exercising such rights none of them will take, any action that would cause any director of each such respective Subsidiary to breach his or her fiduciary duties. In selecting the candidates that TEP will propose pursuant to Section 2.02 of the TAM Shareholders Agreement, TEP shall be guided by the following principles: (a) alignment with the strongest performing leader, *i.e.*, the best of breed; (b) maximization of synergy value capture; (c) conforming to local regulations and culture; and (d) simplest and easiest execution.

SECTION 1.14 Management of Holdco 1. The day-to-day business and affairs of Holdco 1 shall be managed by the chief executive officer of Holdco 1 (the "Holdco 1 CEO") under the oversight of the Holdco 1 Board. At all times the individual serving as the Holdco 1 CEO shall be the same individual that is then serving as the Chief Executive Officer of TAM pursuant to Section 2.02 of the TAM Shareholders Agreement. The term of office of the Holdco 1 CEO shall be two years.

ARTICLE II

ACCOUNTING, BOOKS AND RECORDS

SECTION 2.01 Fiscal Year. Unless and until changed by an amendment of the Holdco 1 By-Laws, the fiscal year of Holdco 1 shall end on December 31 in each year (the “**Fiscal Year**”) and Holdco 1, LATAM and TEP shall take, Holdco 1 shall cause the directors of TAM to take and LATAM and TEP shall cause their Director Representatives acting in their capacity as directors of TAM to take all necessary action to ensure that the fiscal years of TAM and each of its Subsidiaries are at all times identical to the Fiscal Year.

SECTION 2.02 Accountants. Unless and until removed or changed by Supermajority Shareholder Vote, the independent public accountants for Holdco 1 shall be PricewaterhouseCoopers LLP (the “**Accountants**”) and Holdco 1, LATAM and TEP shall take, Holdco 1 shall cause the directors of TAM to take and LATAM and TEP shall cause their Director Representatives acting in their capacity as directors of TAM to take, all necessary action to ensure that the Accountants are at all times the independent public accountants of TAM and each of its Subsidiaries.

SECTION 2.03 Books and Records.

(a) Holdco 1 shall keep, and shall cause its Subsidiaries to keep, in all material respects, at their respective principal offices, full, complete and accurate books and records with respect to the business and affairs of Holdco 1 and its Subsidiaries. The books and records shall be maintained in a manner that provides Shareholders with sufficient information so as to permit (i) the preparation of consolidated financial statements for TAM and its Subsidiaries and financial statements for Multiplus S.A. on a stand-alone basis, in each case in accordance with IFRS, (ii) the Shareholders to account for their interests in Holdco 1 and its Subsidiaries in their respective financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (“**IFRS**”), and (iii) the preparation of all required tax returns of Holdco 1, TAM and its Subsidiaries and of the Shareholders.

(b) Holdco 1 shall, as and when reasonably requested by any Shareholder, prepare and furnish (or cause to be prepared and furnished) to such Shareholder, at the expense of Holdco 1, such financial and other data concerning the business and affairs of Holdco 1 and its Subsidiaries as may be reasonably required by such Shareholder for tax, accounting, reporting, oversight, or other legitimate business purposes of such Shareholder, such information to be prepared on the basis and in the format that such Shareholder may reasonably request in order to meet the requirements of its accounting, tax and oversight and reporting systems or the requirements of Law.

(c) Holdco 1 shall, and shall cause its Subsidiaries to, retain for not less than ten years and for such longer period as required by Law, all of their respective books and records (including the books and records of predecessor businesses, including those relating to periods prior to the Effective Time).

(a) Each Shareholder and its Representatives shall have (and Holdco 1 shall cause its Subsidiaries to provide such Shareholder and its Representatives with) full access at reasonable times and during normal business hours to all books and records for Holdco 1 and its Subsidiaries and their respective businesses (including those books and records pertaining to periods prior to the Effective Time), including the right to examine and audit any of such books and records and to make copies and extracts therefrom. Each Shareholder shall bear all expenses incurred by it and its Representatives in making any such examination on its behalf. Holdco 1 shall, and shall cause each of its Subsidiaries to, make arrangements for each Shareholder and its Representatives to have prompt access at reasonable times and during normal business hours to its officers, directors and employees to discuss the business and affairs of Holdco 1 and its Subsidiaries and the books and records pertaining thereto. The provisions of this Section 2.04(a) shall survive any termination of this Agreement and shall continue to apply to Holdco 1 and its Subsidiaries and be enforceable by a Shareholder regardless of whether such Shareholder ceases to beneficially own any shares of Holdco 1 Voting Stock but only to the extent that such books and records and such access to officers, directors and other employees are reasonably requested by a Shareholder in connection with any pending Action involving such Shareholder or any of its Affiliates insofar as such matter relates to the business or affairs of Holdco 1 and its Subsidiaries (including any matters relating to the business and affairs of any predecessor businesses, including matters relating to periods prior to the Effective Time).

(b) Holdco 1 shall provide each Shareholder with copies of each completed annual tax return required by Law to be filed by Holdco 1 or any of its Subsidiaries (each, a “**Tax Return**”) at least twenty business days prior to the due date (including any extensions of such due date) of the filing of such Tax Return, and each Shareholder may review any such Tax Return prior to its filing with the appropriate Governmental Entity. Holdco 1 shall consult with the Shareholders and negotiate in good faith to resolve any issues arising as a result of the Shareholders’ review of any such Tax Return. The Shareholders and Holdco 1 and its Subsidiaries shall use all reasonable good faith efforts to resolve any issue in dispute as promptly as practicable but in any event prior to the due date for the filing of any such Tax Return. In the event that an issue resulting from the review by a Shareholder of any such Tax Return remains in dispute as of the due date for the filing of such Tax Return, such Tax Return shall be filed with the appropriate Governmental Entity in accordance with the recommendation of the Accountants.

The annual budget and business plan for the current Fiscal Year and the business plan for the next five Fiscal Years of Holdco 1 (collectively, the “**Holdco 1 Plans**”) at all times shall be identical to the annual budget and business plan and the five-year business plan for the next five fiscal years then in effect for TAM and its Subsidiaries. The Holdco 1 Board shall cause Holdco 1 and its Subsidiaries to operate in accordance with, and the officers and employees of Holdco 1 and its Subsidiaries to implement, the Holdco 1 Plans and shall conduct, or cause to be conducted, the business of Holdco 1 and its Subsidiaries in accordance with any such Holdco 1 Plans.

ARTICLE III

TRANSFERS AND CONVERSION OF STOCK

SECTION 3.01 Restrictions on Certain Transfers. No holder of any shares of Holdco 1 Voting Stock (other than LATAM) will, or will permit any of its Affiliates (including the ultimate beneficial owners of such holder) to, directly or indirectly, by operation of law or otherwise, sell, exchange, transfer, convey, assign, mortgage, pledge, encumber or otherwise dispose of any direct or indirect interest in or beneficial ownership of (each, a “**Transfer**”) all or any portion of the shares of Holdco 1 Voting Stock beneficially owned by it to any Person except in compliance with this Section 3.01. Any Transfer made other than in compliance with the terms of this Section 3.01 shall be null and void and of no force or effect. LATAM shall be entitled to specific performance (to the extent permitted by Law) of its rights under this Section 3.01, in addition to any other legal and equitable remedies to which it may be entitled under Law. Without limitation of the foregoing, TEP shall not vote its shares of Holdco 1 Voting Stock, or take any other action, in support of any Transfer by Holdco 1 of any Equity Securities or any Convertible Securities issued by it or by any of TAM or its Subsidiaries without the prior written consent of LATAM.

(a) Block Sales. On and after the tenth anniversary of the Effective Time (the “**Tenth Anniversary**”) and prior to the first date on which LATAM would be permitted under applicable Law in Brazil and other applicable Law to fully convert all of the shares of Holdco 1 Non-Voting Stock beneficially owned by LATAM and its Affiliates into shares of Holdco 1 Voting Stock and such conversion would not have any Adverse Effect (the “**Full Conversion Date**”), TEP may sell or transfer all (but not less than all) of its shares of Holdco 1 Voting Stock to any Person in a single block sale (a “**Block Sale**”) if (but only if) such Block Sale complies with all of the requirements set forth in this Section 3.01(a).

(i) A Block Sale must include all of the shares of LATAM Common Stock that TEP is contractually obligated to transfer along with its shares of Holdco 1 Voting Stock (collectively, “**LATAM Shares**”) in such Block Sale.

(ii) Prior to a Block Sale, the Person to whom such shares are to be sold or transferred has been approved by a resolution duly adopted by the LATAM Board as a buyer of such shares of Holdco 1 Voting Stock; it being agreed that the LATAM Board shall grant such approval without unreasonable delay unless it has a bona fide business objection to such Person being the transferee of such shares or if a transfer of such shares to such Person would, in the reasonable determination of the LATAM Board, be inconsistent with applicable Law in Brazil.

(iii) No Block Sale shall be permitted if it would have a material adverse effect on the ability of (x) LATAM or Holdco 1 to own, or to receive the full benefits of ownership of, TAM and its Subsidiaries or (y) TAM or its Subsidiaries to operate their airline businesses worldwide (each, an “**Adverse Effect**”).

(b) **Forced Vote Sales.** On and after the third anniversary of the Effective Time, if during any twenty-four month period TEP is required to vote its shares of common stock, no par value (the “**LATAM Common Stock**”), of LATAM as directed by the LATAM Controlling Shareholders at two meetings (consecutive or not) of the shareholders of LATAM held at least twelve months apart, then after the second such shareholder meeting TEP shall have the right to sell or transfer all (but not less than all) of its shares of Holdco 1 Voting Stock together with its LATAM Shares (each, a “**Forced Vote Sale**”) if (i) TEP delivers a written notice to LATAM within 30 days after the date on which such second meeting was held that it intends to make a Forced Vote Sale (the “**Second Meeting Date**”), (ii) if such Forced Vote Sale is made prior to the Full Conversion Date it complies with the requirements of Section 3.01(a), but without giving effect to the phrase “On and after the Tenth Anniversary and” at the beginning of such section and (iii) such Forced Vote Sale is completed within eighteen months after the Second Meeting Date (such period, as it may be extended pursuant to this Section 3.01(b), the “**Forced Vote Sale Period**”); *provided* that if TEP has made a bona fide and reasonably diligent effort to complete a Forced Vote Sale within the Forced Vote Sale Period but has been unable to do so, then the Forced Vote Sale Period shall be extended for twelve months. If a Forced Vote Sale is not completed within the Forced Vote Sale Period, then this Section 3.01(b) shall only apply with respect to instances that TEP is required to vote its LATAM Shares as directed by the LATAM Controlling Shareholders after such date.

(c) **Release Event Sales.** If a Release Event occurs and prior to such Release Event TEP has not sold or transferred any shares of Holdco 1 Voting Stock and/or any shares of LATAM Common Stock that were (i) beneficially owned by TEP immediately after the Effective Time and (ii) not exempted from the provisions of Article III of the Control Group Shareholders Agreement at the time of such sale or transfer (collectively, “**LATAM Restricted Shares**”), then at any time after such Release Event, TEP shall have the right to sell or transfer all (but not less than all) of its shares of Holdco 1 Voting Stock together with its LATAM Restricted Shares; *provided, however*, that if the sale or transfer occurs prior to the Full Conversion Date it must comply with the requirements of Section 3.01(a) but without giving effect to the phrase “On and after the Tenth Anniversary and,” at the beginning of such section. A “**Release Event**” shall be deemed to have occurred only if and when each of the following events shall have occurred: (i) a capital increase (as defined under the Law of Chile) in LATAM is completed after the Effective Time, (ii) TEP does not fully exercise the preemptive rights granted to it under applicable Law in Chile with respect to such capital increase in respect of all of its LATAM Restricted Shares, (iii) after such capital increase is completed, the individual designated by TEP for election to the LATAM Board with the assistance of the LATAM Controlling Shareholders is not elected to such board.

(d) **LATAM Transfers.** LATAM shall not sell or transfer any shares of TAM Stock to any Person (other than an Affiliate of LATAM) at any time when TEP owns any shares of Holdco 1 Voting Stock; *provided, however*, that, notwithstanding the foregoing LATAM will have the right to effect such a sale or transfer if LATAM (or its assignee) acquires all the shares of Holdco 1 Voting Stock beneficially owned by TEP for an amount equal to TEP’s then current tax basis in such shares and any costs TEP is required to incur to effect such sale or transfer at the same time as such sale or transfer. TEP hereby irrevocably grants LATAM the assignable right to purchase all of the shares of Holdco 1 Voting Stock beneficially owned by TEP in connection with any sale pursuant to the proviso in the immediately preceding sentence.

SECTION 3.02 **Ownership Control Events.** If at any time LATAM is permitted under the Law of Brazil and other applicable Law to beneficially own a greater percentage of the issued and outstanding shares of Holdco 1 Voting Stock than it currently beneficially owns, then LATAM shall have the right, exercisable in its sole discretion, in whole or in part, at any time or from time to time, to convert the shares of Holdco 1 Non-Voting Stock beneficially owned by it into shares of Holdco 1 Voting Stock on a 1:1 basis or at another conversion ratio agreed to by LATAM and TEP in writing prior to such conversion, in each case to the maximum extent allowable under applicable Law (the “**Conversion Option**”) by providing written notice of such election to TEP and Holdco 1 (each, an “**Ownership Notice**”); *provided, however*, that notwithstanding the foregoing LATAM may exercise the Conversion Option only if and to the extent that the consummation of such exercise would not have any Adverse Effect. If at any time LATAM is permitted under applicable Law to have more than two Director Representatives on the Holdco 1 Board, then LATAM shall have the right, exercisable in its sole discretion, in whole or in part, at any time or from time to time, to appoint additional Director Representatives to the Holdco 1 Board in accordance with Section 1.03 by providing written notice of such election to TEP and Holdco 1 (each, a “**Director Election Notice**”); *provided, however*, that notwithstanding the foregoing LATAM shall not have the right to deliver any Director Election Notice that would result in it appointing half or a majority of the members of any Holdco 1 Board unless at such time LATAM is permitted under applicable Law in Brazil and other applicable Law to own a majority of the outstanding shares of Holdco 1 Voting Stock. Promptly following delivery of any Ownership Notice or Director Election Notice to TEP and Holdco 1, each of Holdco 1 and TEP shall cooperate with LATAM and shall take or cause to be taken all actions (including by calling a special meeting of shareholders of Holdco 1 to remove all the directors of the Holdco 1 and to reelect such directors and elect the additional individuals designated by LATAM to the Holdco 1 Board), and do or cause to be done all things, reasonably necessary, proper or advisable on its part under the Organizational Documents of Holdco 1 and applicable Law to permit LATAM to increase its representation on the Holdco 1 Board and/or to convert such shares of Holdco 1 Non-Voting Stock into shares of Holdco 1 Voting Stock pursuant to this Section 3.02. Without limitation of the foregoing, TEP agrees to cause one or more of its Director Representatives to resign from each Holdco 1 Board promptly following request therefor from LATAM in order to effectuate the purpose of this Section 3.02. LATAM and Holdco 1 shall take all necessary action to ensure that at the same time that any individuals are added or removed from the Holdco 1 Board as a result of this Section 3.02 the same individuals are added or removed from the TAM Board. On and after the Tenth Anniversary and after LATAM has fully converted all of the shares of Holdco 1 Non-Voting Stock beneficially owned by it into shares of Holdco 1 Voting Stock as permitted by applicable Law in Brazil and other applicable Law (the “**Full Ownership Conversion Date**”), then LATAM shall have the right to purchase all of the shares of Holdco 1 Voting Stock held by all holders of such shares for an amount equal to TEP’s then current tax basis in such shares and any costs TEP is required to incur to effect such sale (the “**Call Option**”). If LATAM does not exercise the Call Option within 30 days following the occurrence of the Full Ownership Conversion Date or if, after the Tenth Anniversary, LATAM has the right under applicable Law in Brazil and other applicable Law to fully convert all the shares of Holdco 1 Non-Voting Stock beneficially owned by it into shares of Holdco 1 Voting Stock, such conversion would not have an Adverse Effect and LATAM has not fully exercised such right within 30 days after the first date on which LATAM has such right, then each of the holders of the shares of Holdco 1 Voting Stock shall have the right to put its shares to LATAM for an amount equal to its then current tax basis in such shares and any costs that it is required to incur to effect such sale.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01 Term of Agreement. Except as otherwise provided under applicable Law, this Agreement shall continue in effect as to each of the Parties until (i) it is terminated as to any Party by the written consent of all the Parties or (ii) with respect to any Shareholder, the first day on which such Shareholder no longer beneficially owns any shares of Holdco 1 Voting Stock, whichever is sooner to occur. This Agreement shall not terminate solely due to any dissolution, liquidation or winding up of Holdco 1. The termination of this Agreement as to any Shareholder shall not affect any of the rights and obligations of any of the other Parties with respect to each other. In the event that this Agreement terminates as to any Shareholder, thereafter such Shareholder shall have no further liability to the other Parties or to any of their respective shareholders, directors, officers, employees or other Affiliates and such other Parties shall have no further liability to such Shareholder, in each case solely in respect of this Agreement; *provided, however*, that the foregoing shall not apply to any provisions hereof that expressly survive the termination of this Agreement (including Sections 2.04 and 4.02); and *provided, further*, that nothing herein shall relieve any Party of any liability for any breach of this Agreement that occurred prior to such termination.

SECTION 4.02 Fees and Expenses. All fees and expenses incurred in connection with this Agreement shall be paid by the Party incurring such fees or expenses. The provisions of this Section 4.02 shall survive any termination of this Agreement.

SECTION 4.03 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF; *PROVIDED, HOWEVER*, THAT NOTWITHSTANDING THE FOREGOING THE AUTHORIZATION AND EXECUTION OF THIS AGREEMENT BY EACH PARTY SHALL BE GOVERNED BY THE LAW OF ITS JURISDICTION OF INCORPORATION.

SECTION 4.04 Definitions. For the purposes of this Agreement, the following terms shall have the meanings assigned below:

(a) “**Actions**” means any actions, suits, claims, allegations, hearings, proceedings, arbitrations, mediations, audits, inquiries or investigations (whether civil, criminal, administrative or otherwise).

(b) “**Affiliate**” shall have the meaning assigned to such term in Rule 12b-2 under the U.S. Exchange Act; *provided, however*, that (i) no Shareholder shall be deemed to be an Affiliate of any other Shareholder or any of its Affiliates solely by reason of this Agreement and (ii) the restrictions on Transfers in Article III shall apply to the holders of shares of Holdco 1 Voting Stock and their Affiliates, including the ultimate beneficial owners of such holders.

(c) “**beneficial ownership**” (and its correlative phrases) shall have the meanings assigned to such phrases in Rule 13d-3 promulgated under the U.S. Exchange Act (without taking into account any rights of such Person or any of its Affiliates under Section 1.05 hereof) if the references to “within 60 days” in Rule 13d-3(d)(1)(i) were omitted. For all purposes of this Agreement, a Shareholder shall be deemed to beneficially own all shares of LATAM Common Stock and Holdco 1 Voting Stock beneficially owned by it and its Affiliates, including the beneficial owners of such Shareholder.

(d) “**business day**” shall mean any day that is not a Saturday, Sunday or a day on which banking institutions are required or authorized by Law or executive order to be closed in Santiago, Chile or São Paulo, Brazil.

(e) “**contract**” shall mean any loan, credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement or other contract, agreement, obligation, commitment or instrument or other legally binding arrangement or understanding, whether written or oral.

(f) “**Control**” (and its correlative terms) shall have the meanings assigned to such terms in Rule 12b-2 promulgated under the U.S. Exchange Act.

(g) “**Control Group Shareholders Agreement**” means the shareholders agreement, dated as of the date hereof, among the LATAM Controlling Shareholders and TEP Chile.

(h) “**Convertible Securities**” means, with respect to any Person, any securities, options, warrants or other rights of, or granted by, such Person or any of its Affiliates that are, directly or indirectly, convertible into, or exercisable or exchangeable for, any Equity Securities of such Person or any of its Affiliates.

(i) “**Equity Securities**” means, with respect to any Person, any capital stock of, or other equity interests in such Person.

(j) “**Governmental Entity**” means any governmental, quasi-governmental or regulatory authority, body, department, commission, board, bureau, agency, division, court, organized securities exchange or other legislative, executive or judicial governmental entity or instrumentality of any country, nation, republic, federation or similar entity or any state, county, parish or municipality, jurisdiction or other political subdivision thereof.

(k) “**Holdco 1 Non-Voting Stock**” shall mean the non-voting stock, no par value, of Holdco 1, which, pursuant to the Holdco 1 By-Laws, shall have the exclusive right to receive all dividends, distributions or other amounts payable by Holdco 1 in respect of any shares of its capital stock (including a preference to be paid in connection with any liquidation, capital reduction, winding up, recapitalization or reorganization) other than the Dividend Rights and which shall have no right to vote on, approve or consent to any matter that is subject to any vote of, approval by or consent from the shareholders of Holdco 1 under the Law of Chile or otherwise other than the rights to vote on, approve or consent to matters requiring the approval of the holders of shares of Holdco 1 Non-Voting Stock under the Law of Chile or otherwise (collectively, the “**Limited Voting Rights**”).

(l) “**Holdco 1 Voting Stock**” shall mean the voting stock, no par value, of Holdco 1, which, pursuant to the Holdco 1 By-Laws, shall have the exclusive right to vote on, approve or consent to all matters that are subject to any vote of, approval by or consent from the shareholders of Holdco 1 under the Law of Chile or otherwise (other than the Limited Voting Rights) and which shall have no economic rights other than the right to receive a nominal dividend (collectively, “**Dividend Rights**”).

(m) “**Law**” means any statute, common law, ordinance, rule, regulation, agency requirement or Order of, or issued, promulgated or entered into by or with, any Governmental Entity.

(n) “**Order**” means any order, decision, writ, injunction, decree, judgment, legal or arbitration award, stipulation, license, permit or agreement issued, promulgated or entered into by or with (or settlement or consent agreement subject to) any Governmental Entity.

(o) “**Organizational Documents**” shall mean (i) with respect to Holdco 1, this Agreement, the TAM Shareholders Agreement and the Holdco 1 By-Laws and (ii) with respect to TAM and its Subsidiaries, this Agreement and the TAM Shareholders Agreement and the by-laws or other comparable governing documents of such Persons.

(p) “**Person**” means any natural person, firm, corporation, partnership, company, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Entity or other entity.

(q) “**Related Party**” means (a) any Person that, individually or jointly with other(s), directly or indirectly (i) controls Holdco 1 or any of its Subsidiaries; (ii) is controlled by Holdco 1 or any of its Subsidiaries; or (iii) is controlled by any Person that controls, individually or jointly with other(s), Holdco 1 or any of its Subsidiaries; (b) any successor of the controlling shareholder of Holdco 1 or any of its Subsidiaries, in the event of dissolution, capital decrease by the delivery of shares to shareholders, spin-off and any other corporate transaction; and (c) any board member, officer or manager of the companies mentioned above.

(r) “**Representatives**,” with respect to any Person, shall mean the directors, officers, employees, auditors, accountants, legal counsel, financial advisors and other agents or representatives of or to such Person and its Subsidiaries.

(s) “**Subsidiary**” means, with respect to any Person, (i) a corporation in which such Person, together with its Subsidiaries, beneficially owns Voting Securities of such corporation which entitle them, collectively, to cast more than 50% of all the votes entitled to be cast by the holders of all Voting Securities of such corporation then outstanding in a general election of directors of such corporation or (ii) any Person that is not a corporation in which such Person, and/or one or more other Subsidiaries of such Person, directly or indirectly, has a majority equity or voting interest or the power to direct the policies, management and affairs thereof.

(t) “**U.S. Exchange Act**” shall mean the U.S. Securities Exchange Act of 1934.

(u) “**Voting Securities**” means, with respect to any Person, any securities or other equity or ownership interests in such Person which are entitled to vote generally in the election of directors of such Person (or, if such Person is not a corporation, the individuals who perform a similar function for such Person).

SECTION 4.05 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions of this Agreement. If any provision of this Agreement, or the application of such provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

SECTION 4.06 Amendment; Waiver. This Agreement may be amended and any performance, term or condition waived in whole or in part only by a writing signed by all Parties affected by the amendment (in the case of an amendment) or by the Party against whom the waiver is to be effective (in the case of a waiver). No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any singular partial exercise of such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Waiver by any Party of any breach or failure to comply with any provision of this Agreement by another Party shall not be construed as, nor shall constitute, a continuing waiver of such provisions, or a waiver of any other breach of or failure to comply with any other provisions of this Agreement.

SECTION 4.07 Assignment. Subject to the provisions of Section 3.01 and the Control Group Shareholders Agreement, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise by any of the Parties without the prior written consent of the other Parties, and any purported assignment without such consent shall be null and void and of no force or effect. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

SECTION 4.08 No Third-Party Beneficiaries. Except as otherwise expressly stated herein, the Parties hereby agree that the agreements and covenants set forth herein are solely for the benefit of the other Parties in accordance with, and subject to the terms of, this Agreement and that this Agreement is not intended to, and does not, confer upon any Person other than the Parties any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

SECTION 4.09 After-Acquired Holdco 1 Voting Stock. All of the provisions of this Agreement shall apply to all shares of Holdco 1 Voting Stock now owned by any Shareholder and to all shares of Holdco 1 Voting Stock which may be issued or transferred hereafter to any Shareholder in consequence of any additional issuance, purchase, exchange, or reclassification of shares, corporate reorganization, or any other form of recapitalization, or consolidation, merger, amalgamation or share split, or share dividend, or which are acquired by any Shareholder in any other manner.

SECTION 4.10 Notices. All notices, requests, claims, demands, instructions and other communications or documents given hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail (postage prepaid), facsimile or overnight courier to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to LATAM, to:

Claro y Cia.
Apoquindo 3721, piso 13,
Santiago, Chile
Attention: José María Eyzaguirre B.
Fax: +56 2 367 3003
jmeyzaguirre@claro.cl

with copies (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
United States of America
Attention: Sergio Galvis and Duncan McCurrach
Fax: +1 212 558 3588
galviss@sullcrom.com
mccurrachd@sullcrom.com

If to Holdco 1 or TEP to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

with a copy (which shall not constitute notice) to:

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

Any notice, request, claim, instruction or other communication or document given as provided above shall be deemed given to the receiving party (i) if delivered personally, upon actual receipt, (ii) if sent by registered or certified mail, three business days after deposit in the mail, (iii) if sent by facsimile, upon confirmation of successful transmission if within one business day after such facsimile has been sent such notice, request, claim, instruction or other communication or document is also given by one of the other methods described above and (iv) if sent by overnight courier, on the next business day after deposit with the overnight courier.

SECTION 4.11 Specific Enforcement; Consent to Jurisdiction. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at Law or in equity, without the necessity of proving the inadequacy of monetary damages or of posting bond or other undertaking, as a remedy and to obtain injunctive relief against any breach or threatened breach hereof. In the event that any Action is brought in equity to enforce the provisions of this Agreement, no Party shall allege, and each Party waives the defense or counterclaim that there is an adequate remedy at Law. Each of the Parties hereby irrevocably consents and submits itself to the personal jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the Borough of Manhattan, The City of New York (collectively, the “Agreed Courts”) solely in respect of the interpretation and enforcement of the provisions of this Agreement, and the documents referred to herein and the transactions contemplated by this Agreement (collectively, the “Agreed Issues”), waives, and agrees not to assert, as a defense in any Action, suit or proceeding in an Agreed Court with respect to the Agreed Issues that such Party is not subject thereto or that such Action, suit or proceeding may not be brought or is not maintainable in such Agreed Court or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such Agreed Court, and the Parties irrevocably agree that all claims with respect to any Action, suit or proceeding with respect to the Agreed Issues shall be heard and determined only in an Agreed Court. The Parties hereby consent to and grant to each Agreed Court jurisdiction over the Person of such parties and, to the extent permitted by Law, over the subject matter of any dispute with respect to the Agreed Issues and agree that mailing of process or other papers in connection with any such Action or proceeding in the manner provided in Section 4.10 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

SECTION 4.12 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER AND MADE IT VOLUNTARILY AND THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 4.12.

SECTION 4.13 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), each of which shall be considered an original instrument and all of which shall together constitute the same agreement. This Agreement shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

SECTION 4.14 Interpretation. When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any contract, instrument or Law defined or referred to herein or in any contract or instrument that is referred to herein means such contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Law and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Except as otherwise expressly provided herein, all remedies provided herein shall be in addition to any other remedies that the Parties may otherwise have under applicable Law. Any reference in this Agreement to a “day” or a number of “days” (without the explicit qualification of “business”) shall be interpreted as a reference to a calendar day or number of calendar days. This Agreement is the product of negotiation by the Parties having the assistance of counsel and other advisers, and the Parties and their counsel and other advisers having participated jointly in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

SECTION 4.15 Filing Requirement. A copy of this Agreement shall be filed at the headquarters of LATAM and Holdco 1 for all purposes of applicable Law.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

LAN AIRLINES S.A.

By: _____
Name:
Title:

[HOLDCO 1]

By: _____
Name:
Title:

TEP CHILE S.A.

By: _____
Name:
Title:

EXHIBIT A

LATAM Group Ownership Structure and Organizational Structure

EXHIBIT B

By-laws of Holdco 1

SHAREHOLDERS AGREEMENT

Among

LAN AIRLINES S.A.,

TAM S.A.,

TEP CHILE S.A.

and

[HOLDCO 1]

Dated as of _____, 2011

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SHAREHOLDERS AGREEMENT, dated as of _____, 2011 (this “**Agreement**”), among LAN AIRLINES S.A., a company organized under the Law of Chile (“**LATAM**”), [HOLDCO1], a company organized under the Law of Chile (“**Holdco 1**” and, together with LATAM, the “**Shareholders**”), TEP Chile S.A., a company organized under the Law of Chile (“**TEP**”), and TAM S.A., a company organized under the Law of Brazil (“**TAM**” and, together with the Shareholders and TEP, the “**Parties**”).

WITNESSETH

WHEREAS, as of the Effective Time (as defined below), Holdco 1 will own 100% of the shares of ordinary stock, no par value (the “**TAM Ordinary Stock**”), of TAM and LATAM will own 100% of the shares of the non-voting preferred stock, no par value (the “**TAM Preferred Stock**” and, together with the TAM Ordinary Stock, the “**TAM Stock**”), of TAM, which collectively will constitute all of the issued and outstanding shares of capital stock of TAM;

WHEREAS, as of the Effective Time, TEP and LATAM collectively will own 100% of the outstanding voting shares of Holdco 1;

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions upon which they have agreed to hold their shares of TAM Stock, including with respect to the voting thereof, as well as their agreements with respect to governance, management and operation of TAM and its Subsidiaries and certain other matters; and

WHEREAS, each of LATAM and Holdco 1 has determined and declared that the execution and delivery of this Agreement is in its best interests, and the execution, delivery and performance of this Agreement by it have been duly authorized by its board of directors and all other necessary corporate action on the part of it.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I

GOVERNANCE OF TAM

SECTION 1.01 Scope of the Agreement; Effective Time. The Parties desire to set forth in this Agreement certain terms and conditions upon which the shares of TAM Stock will be held, including with respect to the voting thereof, as well as their agreements with respect to governance, management and operation of TAM and its Subsidiaries and certain other matters. In the event of any inconsistency or conflict between the provisions of this Agreement and the other Organizational Documents of TAM or any of its Subsidiaries, this Agreement shall control and the Parties shall use their commercially reasonable efforts to amend any such Organizational Documents to conform to the provisions of this Agreement and to exercise their rights under such Organizational Documents to give effect to such provisions. This Agreement shall become effective only if, and at that time at which, Holdco 1 becomes a holder of at least 80% of the outstanding shares of TAM Ordinary Stock (the “**Effective Time**”). All actions required to be taken or performed under this Agreement shall be taken or performed in accordance with applicable Law.

SECTION 1.02 Role and Composition of the TAM Board. The business and affairs of TAM shall be managed under the direction of the board of directors of TAM (the “**TAM Board**”) in accordance with the applicable provisions of the Organizational Documents of TAM. The TAM Board shall be comprised of six board members to be elected by Holdco 1. Holdco 1 agrees to elect two individuals selected by LATAM and four individuals selected by TEP as the six board members of TAM (each person so selected by LATAM or TEP is referred to herein as one of their “**Board Representatives**”). The term of office for the board members of TAM shall be two years. If at any time LATAM is permitted under applicable Law to select more than two Board Representatives on the TAM Board, then LATAM shall have the right, exercisable in its sole discretion, in whole or in part, at any time or from time to time, to cause Holdco 1 to elect additional Board Representatives to the TAM Board by providing written notice of such election to Holdco 1 (each, a “**Board Representative Election Notice**”); *provided, however*, that notwithstanding the foregoing LATAM shall not have the right to deliver any Board Representative Election Notice that would result in it selecting half or a majority of the members of the TAM Board unless at such time LATAM is permitted under applicable Law in Brazil and other applicable Law to own a majority of the outstanding voting shares of Holdco 1. Promptly following delivery of any Board Representative Election Notice to Holdco 1, Holdco 1 shall cooperate with LATAM and shall take or cause to be taken all actions (including by calling a special meeting of shareholders of TAM to elect the additional individuals selected by LATAM for election to the TAM Board), and do or cause to be done all things reasonably necessary, proper or advisable on its part under the other Organizational Documents of TAM and applicable Law to permit LATAM to increase its representation on the TAM Board pursuant to this Section 1.02. Without limitation of the foregoing, Holdco 1 agrees to cause one or more of TEP’s Board Representatives to resign from the TAM Board promptly following request therefor from LATAM in order to effectuate the purpose of this Section 1.02.

SECTION 1.03 Removal and Vacancies. In the event of any vacancy on the TAM Board resulting from the resignation, incapacity, retirement, death or removal (each, a “**Departure**”) of any Board Representative of LATAM or TEP, such party shall have the right to select another individual to replace such Board Representative on the TAM Board. In such event, Holdco 1 shall cause a special meeting of the shareholders of TAM to be held to elect such replacement to the TAM Board and at such meeting shall elect such replacement to the TAM Board to serve until the next annual meeting of the shareholders of TAM. If at any time any Board Representative of LATAM or TEP ceases to be a board member of Holdco 1, Holdco 1 shall promptly cause him or her to resign or to be removed from the TAM Board and Holdco 1 will replace such Board Representative on the TAM Board pursuant to the foregoing procedures.

(a) Holdco 1 agrees that it shall vote, or cause to be voted or execute written consents for, as the case may be, all shares of TAM Ordinary Stock beneficially owned by it, and shall take all other action reasonably necessary (including by causing TAM to call a special meeting of shareholders or the TAM Chairman to call a special meeting of the TAM Board, as applicable) so as to give effect to the agreements with respect to representation on the TAM Board contained in this Article I and to ensure that the by-laws of TAM (i) facilitate, enable and do not at any time conflict with any provision of this Agreement and (ii) permit each of LATAM and TEP to receive the full benefits to which it is entitled under this Agreement. Holdco 1 further agrees that it shall not take any action directly as a shareholder of TAM, and each of LATAM and TEP agree it shall not take any action indirectly through any of its Board Representatives, or otherwise that would contravene or frustrate the implementation of these agreements. Each of LATAM and TEP shall cause all of its Board Representatives, and Holdco 1 shall cause each board member of TAM, to act at all times in conformity with, and to take such action as may reasonably be required of and available to them to ensure the fulfillment of, the terms of this Agreement and the by-laws of TAM. TAM agrees not to take any action that would conflict with or subvert the operation or enforcement of any provision of this Agreement or that would impede any party's ability to receive the full benefits to which such party is entitled under this Agreement.

(b) Holdco 1 shall cause any and all shares of TAM Ordinary Stock beneficially owned by it and entitled to vote at any meeting of shareholders of TAM to be present in person or represented by proxy at all annual and special meetings of shareholders of TAM to the extent necessary so that all shares of TAM Ordinary Stock beneficially owned by it shall be counted as present for the purpose of determining the presence of a quorum at such meeting. Each party agrees to execute from time to time in the future any document or documents required by Law to keep the agreements contained in this Section 1.04 in full force and effect at all times throughout the term of this Agreement.

SECTION 1.05 TAM Chairman. For so long as TEP is entitled to select at least one individual to be elected as a board member of TAM, TEP shall have the right to designate from time to time one of its Board Representatives to serve as the chairman of the TAM Board (the "**TAM Chairman**"). After any such designation, Holdco 1 shall cause the TAM Board to appoint such Board Representative as the TAM Chairman in accordance with the Organizational Documents of TAM. From and after the Effective Time until the second anniversary of the Effective Time, the TAM Chairman shall be Maria Cláudia Oliveira Amaro. In no event shall the TAM Chairman have a casting vote with respect to any matter before the TAM Board.

SECTION 1.06 Meetings of the TAM Board. Regular meetings of the TAM Board shall be held on a monthly basis. Special meetings of the TAM Board may be called by the TAM Chairman on not less than 48 hours' notice to each board member of TAM, and such meetings shall be called by the TAM Chairman with like notice and like manner promptly after receipt of a written request for a special meeting of the TAM Board by any one board member of TAM; *provided, however*, that notwithstanding the foregoing a special meeting of the TAM Board may be so called on any shorter notice permitted by applicable Law if necessary or desirable in the particular circumstances.

SECTION 1.07 Quorum. The quorum for any meeting of the TAM Board to be validly held shall be five board members of TAM.

SECTION 1.08 TAM Board Voting Requirements. Each board member of TAM shall have one vote on all matters before the TAM Board. Any action by the TAM Board concerning a Board Supermajority Matter as well as any other action required by applicable Law or this Agreement to be approved by board members of TAM constituting more than a simple majority of the board members of TAM must be approved by the affirmative vote of five board members of TAM at a duly called meeting of the TAM Board at which a quorum is present and acting throughout (each, a “**Supermajority Board Vote**”). All actions by the TAM Board other than with respect to Board Supermajority Matters must be approved by the affirmative vote of a simple majority of the board members of TAM at a duly called meeting of the TAM Board at which a quorum is present and acting throughout (each, a “**Majority Board Vote**”).

SECTION 1.09 Board Supermajority Matters. Notwithstanding any provision of this Agreement or the other Organizational Documents of TAM or any of its Subsidiaries to the contrary, neither TAM nor any of its Subsidiaries shall, and TAM shall not permit any of its Subsidiaries to, engage in or take, directly or indirectly, any of the following actions (each, a “**Board Supermajority Matter**”), unless approved by a Supermajority Board Vote:

(i) to approve the Annual Budget and Business Plan and the Multi-Year Business Plan as well as any amendment to any of the foregoing (collectively, to the extent so approved, the “**Approved Plans**”);

(ii) take any action or agree to take any action that, individually or in the aggregate, causes or is reasonably likely to cause any capital, operating or other expense of TAM or any of its Subsidiaries (TAM and each such Subsidiary, a “**TAM Company**”) to be greater than (A) with respect to any action that would affect the profit and loss statement, the lesser of 1% of revenue or 10% of profit as set forth in the Approved Plans then in effect or (B) with respect to any action that affects the cash flow statement, the lesser of 2% of assets or 10% of cash and cash equivalents (as defined by IFRS) as set forth in the Approved Plans then in effect;

(iii) to create (including by the acquisition of shares), dispose of or admit new shareholders to any Subsidiary of any TAM Company, except to the extent expressly contemplated in the Approved Plans then in effect;

(iv) to approve the acquisition, disposal, modification or encumbrance by any TAM Company of (a) any Equity Securities or Convertible Securities of any TAM Company or any other companies, consortia, joint ventures or group of companies, or (b) any other asset with a value greater than US\$15,000,000, in each case except to the extent expressly contemplated in the Approved Plans then in effect;

(v) to approve investments in any assets not related to the corporate purpose of any TAM Company, except to the extent expressly contemplated in the Approved Plans then in effect;

(vi) to execute any kind of agreement or to enter into any kind of transaction in an amount greater than US\$15,000,000, or that may cause a material impact to any TAM Company and/or its results, except to the extent expressly contemplated in the Approved Plans then in effect;

(vii) to execute any kind of agreement or to enter into any kind of transaction, agreement or arrangement related to revenue or profit sharing agreements and any other agreement for the implementation of joint ventures or business collaborations, alliance memberships, codesharing agreements or other arrangements of such nature whatsoever, except to the extent expressly contemplated in the Approved Plans then in effect;

(viii) to terminate, modify or waive any rights or claims of any TAM Company under contracts or other arrangements in any amount greater than US\$15,000,000, or that may cause a material impact to any TAM Company and/or its results, except to the extent expressly contemplated in the Approved Plans then in effect;

(ix) to commence, participate in, compromise or settle any material action with respect to any litigation, judicial, administrative or arbitration proceeding relating to any TAM Company, in an amount greater than US\$15,000,000 or that could reasonably be expected to cause a material impact to any TAM Company and/or its results, except to the extent expressly contemplated in the Approved Plans then in effect;

(x) to approve the execution, amendment, termination or ratification of acts or agreements with Related Parties, except to the extent expressly contemplated in the Approved Plans then in effect;

(xi) to approve the financial statements of any TAM Company or any amendments thereto or any dividend, accounting and tax policy or principles of any TAM Company, as well as the appointment and removal of the Accountants;

(xii) to approve the grant of any kind of security interest or guarantees to secure obligations of third parties (including Related Parties);

(xiii) to appoint any executive other than the TAM *Diretoria* or to re-elect the then current TAM CEO or TAM CFO; and

(xiv) approve any vote to be cast by any TAM Company in the shareholders meetings, quotaholder meetings and board meetings of its Subsidiaries, including approval of any of the matters set forth in Section 1.11 involving any Subsidiary of TAM (being any reference to TAM thereunder applicable to the respective TAM Company).

SECTION 1.10 Shareholder Required Vote. Any action by the shareholders of TAM concerning a Shareholder Supermajority Matter as well as any other action required by applicable Law or this Agreement to be approved by more than a simple majority of the holders of the then issued and outstanding shares of TAM Ordinary Stock or TAM Stock must be approved by the affirmative vote of the holders of shares representing at least 85% of the total number of shares of TAM Ordinary Stock or TAM Stock, as the case may be, then issued and outstanding at a duly called meeting of the shareholders of TAM at which a quorum is present and acting (each, a “**Supermajority Shareholder Vote**”). All actions other than Shareholder Supermajority Matters must be approved by the affirmative vote of the holders of shares constituting a simple majority of the issued and outstanding shares of TAM Ordinary Stock at a duly called meeting of the shareholders of TAM at which a quorum is present and acting throughout.

SECTION 1.11 Shareholder Supermajority Matters. Notwithstanding any provision of this Agreement or the Organizational Documents of TAM or any of its Subsidiaries to the contrary, neither TAM nor any of its Subsidiaries shall, and TAM shall not permit any of its Subsidiaries to, engage in or take, directly or indirectly, any of the following actions unless approved by a Supermajority Shareholder Vote (each, a “**Shareholder Supermajority Matter**”):

(i) to approve any amendments to the by-laws of any TAM Company in respect of the following matters: (A) the corporate purpose, (B) the corporate capital, (C) the rights inherent to each class of shares and to the shareholders of any TAM Company, (D) the attributions of the shareholders regular meetings or any limitation to attributions of the board of directors of any TAM Company, (E) increase or decrease in the number of board members and officers of any TAM Company, (F) the term of any TAM Company, (G) the change of the corporate headquarters of any TAM Company, (H) preemptive rights, (I) the composition, attributions and liabilities of the management of any TAM Company, and (J) dividends and other distributions;

(ii) to approve the dissolution, liquidation and winding up of TAM;

(iii) to approve the transformation, merger, spin-up, or any kind of corporate reorganization of TAM;

(iv) to pay or distribute dividends or any other kind of distributions, including interest on capital, to the shareholders of TAM;

and

(v) to approve the issuance, redemption or amortization of any debt securities, Equity Securities or Convertible Securities into

shares of TAM.

(a) Airline Subsidiaries. With respect to each Subsidiary of TAM that is subject to the Foreign Ownership Control Laws (collectively, “**Airline Subsidiaries**”), all provisions relating to the governance and operations of such Subsidiary shall be identical to the provisions contained herein relating to the governance and operations of TAM, including, in the case of any such Subsidiaries that are managed by a board of directors, the provisions governing the composition and operation of such boards of directors (excluding those provisions relating to the dates for and frequency of meetings and actions requiring a Supermajority Board Vote or a Supermajority Shareholder Vote).

(b) Other Subsidiaries. Except as otherwise specified in this Section 1.12(b), with respect to each Subsidiary of TAM other than an Airline Subsidiary, the provisions relating to the governance and operations of such Subsidiary shall be identical to the provisions contained herein relating to the governance and operations of TAM, including, in the case of any such Subsidiaries that are managed by a board of directors, the provisions governing the composition and operation of such boards of directors (excluding those provisions relating to the dates for and frequency of meetings and actions requiring a Supermajority Board Vote or a Supermajority Shareholder Vote). With respect to any such Subsidiaries that are wholly-owned by TAM, the board of directors of any such Subsidiary shall be comprised of an equal number of board members of such Subsidiary selected by each of LATAM and TEP and all actions of the board of directors of any such Subsidiary must be approved by the affirmative vote of a majority of the board members of such Subsidiary thereof at a duly called meeting of such board of directors at which a quorum is present and acting throughout. With respect to any such Subsidiary that is not wholly owned by TAM, each of LATAM and TEP shall have the right to elect an equal number of board members of any such Subsidiary (unless TAM and/or its Subsidiaries have the right to elect an odd number of board members of such Subsidiary, in which case LATAM shall have the right to select the last board member), and the board members elected to any such Subsidiary shall not take any action unless and until all of such board members selected by LATAM and TEP have been elected and agree to take such action.

(c) Notwithstanding the foregoing provisions of this Section 1.12, if any requirement in clause (a) or (b) in this Section 1.12 would conflict with applicable Law as it applies to any Subsidiary of TAM or materially limit the business or operations of any such Subsidiary, then the Shareholders shall discuss and agree how to modify such requirements in respect of such Subsidiary in order to comply with Law or avoid such material limitation.

SECTION 1.13 Required Actions. Each of TAM and each of its Subsidiaries shall exercise all rights it has as a shareholder of each of its respective Subsidiaries in an effort to cause such Subsidiary to comply with the requirements of this Agreement; *provided, however*, that the foregoing sentence shall not be construed to require TAM or any of its Subsidiaries to take, and in exercising such rights none of them will take, any action that would cause any board member of each such respective Subsidiary to breach his or her fiduciary duties.

ARTICLE II

TAM GROUP DIRETORIA

SECTION 2.01 Role of Management.

(a) Management of TAM. The day-to-day business and affairs of TAM shall be managed by the TAM *Diretoria* (as defined below) under the oversight of the TAM Board. The *Diretoria* of TAM shall be comprised of the TAM CEO, the TAM CFO, the TAM COO and the TAM CCO (collectively, the “**TAM Diretoria**”). The term of office for each of the members of the TAM *Diretoria* shall be two years.

SECTION 2.02 TAM Chief Executive Officer. As of the Effective Time, Marco Bologna will be the chief executive officer (*Diretor Presidente*) of TAM and its Subsidiaries (collectively, the “**TAM Group**”, and such chief executive officer, the “**TAM CEO**”). The TAM CEO shall have general supervision, direction and control of the business and operations of the TAM Group and shall carry out all orders and resolutions of the TAM Board. Without limitation of the foregoing, the TAM CEO shall have the following responsibilities:

- (i) conducting the day-to-day management of the TAM Group;
- (ii) serving as the company officer of the TAM Group and as the representative of the LATAM Group before all Governmental Entities in Brazil, including the Brazilian government and National Civil Aviation Agency of Brazil (Agência Nacional de Aviação, or ANAC);
- (iii) together with the chief executive officer (*Vice Presidente Ejecutivo*) of LATAM and the chief operating officer (*Gerente General*) of LATAM, implementing the integration of LATAM and its Subsidiaries and TAM and its Subsidiaries; and
- (iv) serving as a senior participant in all business unit and function committees of the LATAM Group.

The term of the TAM CEO shall be two years. Subject to Section 1.09(xiii), the TAM CEO shall be reelected at the end of his or her current term unless a Departure of the TAM CEO occurs prior to the end of such current term. In the case of any election other than a re-election of the then current TAM CEO, TEP shall recommend to LATAM in writing three potential candidates for appointment by the TAM Board as the TAM CEO. Any potential candidates for the office of the TAM CEO shall be recommended by, or shall have received a favorable evaluation from, one of the three then-leading executive search companies in Brazil. Prior to the next regular meeting of the TAM Board, LATAM shall notify TEP and Holdco 1 in writing of its selection of one individual from among the list of three potential candidates provided by TEP for appointment as the TAM CEO, and promptly thereafter TEP and LATAM shall each cause their respective Board Representatives, and Holdco 1 shall cause the board members of TAM, to approve the candidate as the next TAM CEO.

SECTION 2.03 TAM Chief Financial Officer. The TAM CFO shall be in charge of all financial matters pertaining to TAM and its Subsidiaries and shall have such other duties as may be determined, from time to time, by the TAM Board or the TAM CEO. The TAM CFO shall report directly to the TAM CEO. Prior to the Effective Time, LATAM and TEP shall agree upon the individual to serve as the initial chief financial officer of TAM (the “**TAM CFO**”). The term of the TAM CFO shall be two years. Subject to Section 1.09(xiii), the TAM CFO shall be reelected at the end of his or her current term unless a Departure of the TAM CFO occurs prior to the end of such current term. In the case of any election other than the re-election of the then current TAM CFO, LATAM shall recommend to TEP in writing three potential candidates for appointment by the TAM Board as the TAM CFO. Any potential candidates for the office of the TAM CFO shall be recommended by, or shall have received a favorable evaluation from, one of the three then-leading executive search companies in Brazil and in selecting such candidates, LATAM shall be guided by the following principles: (a) alignment with the strongest performing leader, *i.e.*, the best of breed; (b) maximization of synergy value capture; (c) conforming to local regulations and culture; and (d) simplest and easiest execution. Prior to the next regular meeting of the TAM Board, TEP shall notify Holdco 1 and LATAM in writing of its selection of one individual from among the list of three potential candidates provided by LATAM for appointment as the TAM CFO, and promptly thereafter each of LATAM and TEP shall each cause their respective Board Representatives, and Holdco 1 shall cause the board members of TAM, to vote to approve the candidate as the next TAM CFO.

SECTION 2.04 Other Members of the TAM Diretoria. Prior to the Effective Time, LATAM and TEP shall agree upon the individuals to serve as the initial chief operating officer of TAM (“**TAM COO**”) and the chief commercial officer of TAM (“**TAM CCO**”). From and after the Effective Time, potential candidates for offices of each of the TAM COO and TAM CCO shall be jointly selected and recommended to the TAM Board by the TAM CEO and the TAM CFO and shall be approved by a Majority Board Vote of the TAM Board. LATAM and TEP each agrees to cause their respective Board Representatives, and Holdco 1 agrees to cause the board members of TAM, to act through the relevant governing body to vote to approve the candidates for the offices of TAM COO and TAM CCO selected jointly by the TAM CEO and the TAM CFO.

SECTION 2.05 TAM Linhas Aereas S.A. The *Diretoria* of TAM Linhas Aereas S.A. shall be comprised of the same individuals who comprise the TAM *Diretoria* and two other officers who shall be selected and appointed in accordance with Section 2.04, *mutatis mutandis*.

ARTICLE III

ACCOUNTING, BOOKS AND RECORDS

SECTION 3.01 Fiscal Year. The fiscal year of TAM and its Subsidiaries shall end on December 31 in each year (the “**Fiscal Year**”).

SECTION 3.02 Accountants. Unless and until removed or changed by Supermajority Board Vote, the independent public accountants for the TAM Group shall be PricewaterhouseCoopers LLP (the “**Accountants**”).

SECTION 3.03 Financial Statements. From and after the Effective Time, TAM shall prepare and deliver (or cause to be prepared and delivered) to each Shareholder the following financial reports with respect to TAM and its Subsidiaries on a consolidated basis and for Multiplus S.A. on a stand-alone basis:

- (i) within five business days after the end of each calendar month, monthly management reports in a format approved by the TAM Board;
- (ii) within ten business days after the end of any of the first three fiscal quarters of each Fiscal Year, an unaudited balance sheet as of the end of such fiscal quarter and the related unaudited statements of operations, changes in stockholders’ equity and cash flows for the fiscal quarter then ended and for the period from the beginning of the then-current Fiscal Year to the end of such fiscal quarter, in each case with comparative statements for the prior Fiscal Year; and
- (iii) within thirty business days after the end of each Fiscal Year, an annual report, including (x) a balance sheet as of the end of such Fiscal Year and the related consolidated statements of operations, changes in stockholders’ equity and cash flows for the Fiscal Year then-ended and audited in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (“**IFRS**”) or such other accounting principles as the TAM Board may approve, in each case with comparative statements for the prior Fiscal Year, and (y) a discussion of the implementation of the Approved Plans as it relates to business strategy, achievement of basic goals, revenues, expenses, executive compensation, capital expenditures, financing, insurance, cash flows, appointment of agents or advisers and strategic alliances.

SECTION 3.04 Books and Records.

- (a) TAM shall keep, and shall cause each of its Subsidiaries to keep, in all material respects, at their respective principal offices, full, complete and accurate books and records with respect to the business and affairs of the TAM Group. The books and records shall be maintained in a manner that provides Shareholders with sufficient information so as to permit (i) the preparation of consolidated financial statements for TAM and its Subsidiaries and financial statements for Multiplus S.A. on a stand-alone basis, in each case in accordance with IFRS, (ii) the Shareholders to account for their interests in TAM and its Subsidiaries in their respective financial statements in accordance with IFRS, and (iii) the preparation of all required tax returns of TAM and its Subsidiaries and of the Shareholders.

(b) TAM shall, as and when reasonably requested by any Shareholder, prepare and furnish (or cause to be prepared and furnished) to such Shareholder, at the expense of TAM, such financial and other data concerning the business and affairs of the TAM Group as may be reasonably required by such Shareholder for tax, accounting, reporting, oversight, or other legitimate business purposes of such Shareholder, such information to be prepared on the basis and in the format that such Shareholder may reasonably request in order to meet the requirements of its accounting, tax and oversight and reporting systems or the requirements of Law.

(c) TAM shall, and shall cause each of its Subsidiaries to, retain for not less than ten years and for such longer period as required by Law, all of their respective books and records (including the books and records of predecessor businesses, including those relating to periods prior to the Effective Time).

SECTION 3.05 Access to Information, Audit and Inspection.

(a) Each Shareholder and its Representatives shall have (and TAM shall cause its Subsidiaries to provide such Shareholder and its Representatives with) full access at reasonable times and during normal business hours to all books and records for the TAM Group and their respective businesses (including those books and records pertaining to periods prior to the Effective Time), including the right to examine and audit any of such books and records and to make copies and extracts therefrom. Each Shareholder shall bear all expenses incurred by it and its Representatives in making any such examination on its behalf. TAM shall, and shall cause each of its Subsidiaries to, make arrangements for each Shareholder and its Representatives to have prompt access at reasonable times and during normal business hours to its officers, board members and employees to discuss the business and affairs of the TAM Group and the books and records pertaining thereto. The provisions of this Section 3.05(a) shall survive any termination of this Agreement and shall continue to apply to TAM and its Subsidiaries and be enforceable by any Shareholder regardless of whether such Shareholder ceases to beneficially own any shares of TAM Stock but only to the extent that such books and records and such access to officers, board members and other employees are reasonably requested by a Shareholder in connection with any pending Action involving such Shareholder or any of its Affiliates insofar as such matter relates to the business or affairs of TAM and its Subsidiaries (including any matters relating to the business and affairs of any predecessor businesses, including matters relating to periods prior to the Effective Time).

(b) TAM shall provide each Shareholder with copies of each completed annual tax return required by Law to be filed by TAM or any of its Subsidiaries (each, a “**Tax Return**”) at least twenty business days prior to the due date (including any extensions of such due date) of the filing of such Tax Return, and each Shareholder may review any such Tax Return prior to its filing with the appropriate Governmental Entity. TAM shall consult with the Shareholders and negotiate in good faith to resolve any issues arising as a result of the Shareholders’ review of any such Tax Return. The Shareholders and TAM and its Subsidiaries shall use all reasonable good faith efforts to resolve any issue in dispute as promptly as practicable but in any event prior to the due date for the filing of any such Tax Return. In the event that an issue resulting from the review by a Shareholder of any such Tax Return remains in dispute as of the due date for the filing of such Tax Return, such Tax Return shall be filed with the appropriate Governmental Entity in accordance with the recommendation of the Accountants.

SECTION 3.06 Annual Budget and Business Plan.

(a) On or prior to October 31st of each calendar year, the TAM CEO and the TAM CFO shall prepare or cause to be prepared, and shall submit for approval of the TAM Board, (i) a proposed annual budget and business plan (each, an “**Annual Budget and Business Plan**”) for the upcoming Fiscal Year and (ii) a proposed five-year business plan for the next five Fiscal Years (each, a “**Multi-Year Business Plan**”), in each case for TAM and its Subsidiaries on a consolidated basis and for Multiplus S.A. on a stand-alone basis. Each of the proposed Annual Budget and Business Plan and Multi-Year Business Plan shall include all of the applicable items set forth in Schedule 3.06 and be in a format acceptable to the TAM Board.

(b) The TAM Board shall convene a meeting within fifteen business days after receipt of the proposed Annual Budget and Business Plan and Multi-Year Business Plan for the upcoming Fiscal Year from the TAM CEO to discuss whether and to what extent to approve each of the foregoing for the upcoming Fiscal Year. If all or any portion of any of the proposed Annual Budget and Business Plan or Multi-Year Business Plan is not approved in all respects by a Supermajority Board Vote of the TAM Board at any such meeting of the TAM Board or any adjournment thereof, the TAM Chairman shall notify the TAM CEO in reasonable detail of the TAM Board’s objections to the proposed Annual Budget and Business Plan and/or Multi-Year Business Plan, as the case may be, and within thirty days following the TAM CEO’s receipt of such notice, the TAM CEO and the TAM CFO shall collaborate with two board members of TAM, one selected by TEP and another selected by LATAM, to modify such Annual Budget and Business Plan and/or Multi-Year Business Plan to address the comments and concerns of the TAM Board. Within ten business days after receipt of any revised Annual Budget and Business Plan and/or Multi-Year Business Plan from the TAM CEO, the TAM Board shall convene a second meeting to discuss whether or not to approve the same. If the TAM Board does not approve the adoption of any such proposed Annual Budget and Business Plan and/or Multi-Year Business Plan in its entirety because of disagreement on one or more line items set forth in the proposed Annual Budget and Business Plan and/or Multi-Year Business Plan, as the case may be, then the Multi-Year Business Plan for the current Fiscal Year shall be deemed adopted as the Annual Budget and Business Plan for the upcoming Fiscal Year.

(c) The TAM Board shall cause TAM and its Subsidiaries to operate in accordance with, and the officers and employees of TAM and its Subsidiaries to implement, any Annual Budget and Business Plan and Multi-Year Business Plan for the then-upcoming Fiscal Year approved by a Supermajority Board Vote of the TAM Board and shall conduct, or cause to be conducted, the business of TAM and its Subsidiaries in accordance with any such Annual Budget and Business Plan and/or Multi-Year Business Plan, as the case may be.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01 Term of Agreement. Except as otherwise provided under applicable Law, this Agreement shall continue in effect as to each of the Parties until (i) it is terminated as to any Party by the written consent of all the Parties or (ii) with respect to any Shareholder, the first day on which such Shareholder no longer beneficially owns any shares of TAM Stock, whichever is sooner to occur. The termination of this Agreement as to any Shareholder shall not affect any of the rights and obligations of any of the other Parties with respect to each other. In the event that this Agreement terminates as to any Shareholder, thereafter such Shareholder shall have no further liability to the other Parties or to any of their respective shareholders, board members, officers, employees or other Affiliates and such other Parties shall have no further liability to such Shareholder, in each case solely in respect of this Agreement; *provided, however*, that the foregoing shall not apply to any provisions hereof that expressly survive the termination of this Agreement (including Sections 3.05 and 4.02); and *provided, further*, that nothing herein shall relieve any Party of any liability for any breach of this Agreement that occurred prior to such termination.

SECTION 4.02 Fees and Expenses. All fees and expenses incurred in connection with this Agreement shall be paid by the Party incurring such fees or expenses. The provisions of this Section 4.02 shall survive any termination of this Agreement.

SECTION 4.03 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF; *PROVIDED, HOWEVER*, THAT NOTWITHSTANDING THE FOREGOING THE AUTHORIZATION AND EXECUTION OF THIS AGREEMENT BY EACH PARTY SHALL BE GOVERNED BY THE LAW OF ITS JURISDICTION OF INCORPORATION.

SECTION 4.04 Definitions. For the purposes of this Agreement, the following terms shall have the meanings assigned below:

(a) “Actions” means any actions, suits, claims, allegations, hearings, proceedings, arbitrations, mediations, audits, inquiries or investigations (whether civil, criminal, administrative or otherwise).

(b) “Affiliate” shall have the meaning assigned to such term in Rule 12b-2 under the U.S. Exchange Act; *provided, however*, that no Shareholder shall be deemed to be an Affiliate of any other Shareholder or any of its Affiliates solely by reason of this Agreement.

(c) “**beneficial ownership**” (and its correlative phrases) shall have the meanings assigned to such phrases in Rule 13d-3 promulgated under the U.S. Exchange Act (without taking into account any rights of such Person or any of its Affiliates under Section 1.04 hereof) if the references to “within 60 days” in Rule 13d-3(d)(1)(i) were omitted.

(d) “**board member**” shall mean, with respect to any Person, any member of the board of directors (or comparable governing body) of such Person.

(e) “**business day**” shall mean any day that is not a Saturday, Sunday or a day on which banking institutions are required or authorized by Law or executive order to be closed in Santiago, Chile or São Paulo, Brazil.

(f) “**contract**” shall mean any loan, credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement or other contract, agreement, obligation, commitment or instrument or other legally binding arrangement or understanding, whether written or oral.

(g) “**Control**” (and its correlative terms) shall have the meanings assigned to such terms in Rule 12b-2 promulgated under the U.S. Exchange Act.

(h) “**Convertible Securities**” means, with respect to any Person, any securities, options, warrants or other rights of, or granted by, such Person or any of its Affiliates that are, directly or indirectly, convertible into, or exercisable or exchangeable for, any Equity Securities of such Person or any of its Affiliates.

(i) “**Equity Securities**” means, with respect to any Person, any capital stock of, or other equity interests in such Person.

(j) “**Foreign Ownership Control Laws**” shall mean any Law of Brazil or of any other applicable jurisdiction that establishes limitations on equity ownership or control by foreign nationals in respect of a Brazilian carrier or a foreign airline which is a subsidiary of a Brazilian carrier.

(k) “**Governmental Entity**” means any governmental, quasi-governmental or regulatory authority, body, department, commission, board, bureau, agency, division, court, organized securities exchange or other legislative, executive or judicial governmental entity or instrumentality of any country, nation, republic, federation or similar entity or any state, county, parish or municipality, jurisdiction or other political subdivision thereof.

(l) “**LATAM Group**” means LATAM, Holdco 1, TAM and their respective Subsidiaries.

(m) “**Law**” means any statute, common law, ordinance, rule, regulation, agency requirement or Order of, or issued, promulgated or entered into by or with, any Governmental Entity.

(n) “**Order**” means any order, decision, writ, injunction, decree, judgment, legal or arbitration award, stipulation, license, permit or agreement issued, promulgated or entered into by or with (or settlement or consent agreement subject to) any Governmental Entity.

(o) “**Organizational Documents**” shall mean, with respect to TAM and its Subsidiaries, this Agreement and the by-laws or other comparable governing documents of such Persons.

(p) “**Person**” means any natural person, firm, corporation, partnership, company, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Entity or other entity.

(q) “**Related Party**” means (a) any Person that, individually or jointly with other(s), directly or indirectly (i) controls TAM or any of its Subsidiaries; (ii) is controlled by TAM or any of its Subsidiaries; or (iii) is controlled by any Person that controls, individually or jointly with other(s), TAM or any of its Subsidiaries; (b) any successor of the controlling shareholder of TAM or any of its Subsidiaries, in the event of dissolution, capital decrease by the delivery of shares to shareholders, spin-off and any other corporate transaction; and (c) any board member, officer or manager of the companies mentioned above.

(r) “**Representatives**,” with respect to any Person, shall mean the board members, officers, employees, auditors, accountants, legal counsel, financial advisors and other agents or representatives of or to such Person and its Subsidiaries.

(s) “**Subsidiary**” means, with respect to any Person, (i) a corporation in which such Person, together with its Subsidiaries, beneficially owns Voting Securities of such corporation which entitle them, collectively, to cast more than 50% of all the votes entitled to be cast by the holders of all Voting Securities of such corporation then outstanding in a general election of board members of such corporation or (ii) any Person that is not a corporation in which such Person, and/or one or more other Subsidiaries of such Person, directly or indirectly, has a majority equity or voting interest or the power to direct the policies, management and affairs thereof.

(t) “**U.S. Exchange Act**” shall mean the U.S. Securities Exchange Act of 1934.

(u) “**Voting Securities**” means, with respect to any Person, any securities or other equity or ownership interests in such Person which are entitled to vote generally in the election of board members of such Person (or, if such Person is not a corporation, the individuals who perform a similar function for such Person).

SECTION 4.05 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions of this Agreement. If any provision of this Agreement, or the application of such provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

SECTION 4.06 Amendment; Waiver. This Agreement may be amended and any performance, term or condition waived in whole or in part only by a writing signed by all Parties affected by the amendment (in the case of an amendment) or by the Party against whom the waiver is to be effective (in the case of a waiver). No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any singular partial exercise of such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Waiver by any Party of any breach or failure to comply with any provision of this Agreement by another Party shall not be construed as, nor shall constitute, a continuing waiver of such provisions, or a waiver of any other breach of or failure to comply with any other provisions of this Agreement.

SECTION 4.07 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise by any of the Parties without the prior written consent of the other Parties, and any purported assignment without such consent shall be null and void and of no force or effect. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

SECTION 4.08 No Third-Party Beneficiaries. Except as otherwise expressly stated herein, the Parties hereby agree that the agreements and covenants set forth herein are solely for the benefit of the other Parties in accordance with, and subject to the terms of, this Agreement and that this Agreement is not intended to, and does not, confer upon any Person other than the Parties any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

SECTION 4.09 Notices. All notices, requests, claims, demands, instructions and other communications or documents given hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail (postage prepaid), facsimile or overnight courier to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to LATAM, to:

Claro y Cia.
Apoquindo 3721, piso 13,
Santiago, Chile
Attention: José María Eyzaguirre B.
Fax: +56 2 367 3003
jmeyzaguirre@claro.cl

with copies (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
United States of America
Attention: Sergio Galvis and Duncan McCurrach
Fax: +1 212 558 3588
galviss@sullcrom.com
mccurrachd@sullcrom.com

If to TAM or Holdco 1 to:

Turci Advogados
Rua Dr. Renato Paes de Barros, 778
-1º andar – cj.12
04530-0001
São Paulo – SP
Brasil
Attention: Flavia Turci
Fax: +55 11 2177 2197
turci@turci.com

with a copy (which shall not constitute notice) to:

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Sarah Jones and Anand Saha
Fax: +1 212 878 8375
Sarah.Jones@CliffordChance.com
Anand.Saha@CliffordChance.com

Any notice, request, claim, instruction or other communication or document given as provided above shall be deemed given to the receiving party (i) if delivered personally, upon actual receipt, (ii) if sent by registered or certified mail, three business days after deposit in the mail, (iii) if sent by facsimile, upon confirmation of successful transmission if within one business day after such facsimile has been sent such notice, request, claim, instruction or other communication or document is also given by one of the other methods described above and (iv) if sent by overnight courier, on the next business day after deposit with the overnight courier.

SECTION 4.10 Specific Enforcement; Consent to Jurisdiction. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at Law or in equity, without the necessity of proving the inadequacy of monetary damages or of posting bond or other undertaking, as a remedy and to obtain injunctive relief against any breach or threatened breach hereof. In the event that any Action is brought in equity to enforce the provisions of this Agreement, no Party shall allege, and each Party waives the defense or counterclaim that there is an adequate remedy at Law. Each of the Parties hereby irrevocably consents and submits itself to the personal jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the Borough of Manhattan, The City of New York (collectively, the “Agreed Courts”) solely in respect of the interpretation and enforcement of the provisions of this Agreement, and the documents referred to herein and the transactions contemplated by this Agreement (collectively, the “Agreed Issues”), waives, and agrees not to assert, as a defense in any Action, suit or proceeding in an Agreed Court with respect to the Agreed Issues that such Party is not subject thereto or that such Action, suit or proceeding may not be brought or is not maintainable in such Agreed Court or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such Agreed Court, and the Parties irrevocably agree that all claims with respect to any Action, suit or proceeding with respect to the Agreed Issues shall be heard and determined only in an Agreed Court. The Parties hereby consent to and grant to each Agreed Court jurisdiction over the Person of such parties and, to the extent permitted by Law, over the subject matter of any dispute with respect to the Agreed Issues and agree that mailing of process or other papers in connection with any such Action or proceeding in the manner provided in Section 4.09 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

SECTION 4.11 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER AND MADE IT VOLUNTARILY AND THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 4.11.

SECTION 4.12 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), each of which shall be considered an original instrument and all of which shall together constitute the same agreement. This Agreement shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

SECTION 4.13 Interpretation. When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any contract, instrument or Law defined or referred to herein or in any contract or instrument that is referred to herein means such contract, instrument or Law as from time to time amended, modified or supplemented, including (in the case of contracts or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Law and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Except as otherwise expressly provided herein, all remedies provided herein shall be in addition to any other remedies that the Parties may otherwise have under applicable Law. Any reference in this Agreement to a “day” or a number of “days” (without the explicit qualification of “business”) shall be interpreted as a reference to a calendar day or number of calendar days. This Agreement is the product of negotiation by the Parties having the assistance of counsel and other advisers, and the Parties and their counsel and other advisers having participated jointly in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

SECTION 4.14 Filing Requirement. A copy of this Agreement shall be filed at the headquarters of TAM for all purposes of applicable Law.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

LAN AIRLINES S.A.

By: _____
Name:
Title:

TAM S.A.

By: _____
Name:
Title:

TEP CHILE S. A.

By: _____
Name:
Title:

[HOLDCO 1]

By: _____
Name:
Title:

ORGANIZATIONAL STRUCTURE CHART

