



**DOCUMENTS RELATED TO THE MATTERS OF THE LATAM AIRLINES  
GROUP S.A. ORDINARY AND EXTRAORDINARY SHAREHOLDERS MEETING  
ON APRIL 20, 2023.**

In relation to the matters that will be submitted for the knowledge and approval of the shareholders at the next Ordinary Shareholders Meeting of LATAM Airlines Group S.A. ("LATAM", the "Society" or the "Company") and the Extraordinary Shareholders' meeting, both to be held next Wednesday, April 20, 2023, in accordance with the agreement of the Board of LATAM at its meeting of March 27, 2023, the following is noted:

**ORDINARY SHAREHOLDERS MEETING**

**1. Annual report, Balance sheet and Financial statements for the year 2022; the Company situation; and respective report of the External Audit Company.**

The full documents of the Annual report, Balance sheet and Financial Statements and the report of the External Audit Company for the year 2022 are published on the website [www.latamairlinesgroup.net](http://www.latamairlinesgroup.net), under the section "Earnings and releases/Annual reports", and on the website of the Commission for the Financial Market.

**2. Remuneration of the Board of Directors for the year 2023.**

2.1. It will be proposed, for the fiscal year 2023 and until the next Ordinary Shareholders Meeting is held, to assign as compensation for each member of the Board of Directors, as follows:

- i. As concept of per diem, for the fiscal year 2023 and until the next Ordinary Shareholders Meeting is held, a fixed annual remuneration for each Director of US\$80,000, payable monthly at the rate of one twelfth of said amount. The President remuneration equal to twice that of any other Director.

The aforementioned remuneration will be payable to the Directors in their capacity as such, regardless of the number of Board meetings they attend, without limit of sessions; and will be payable in dollars of the United States of America; or, in pesos, legal tender, according to the equivalent of the "observed dollar" exchange rate published by the Central Bank of Chile in the Official Gazette on the day of the respective payment.

For purposes of calculating the amount to be paid in each case, which will also be applicable in the event of changes in the composition of the Board of



Directors, this remuneration will be paid pro rata for the time in which each Director and, where appropriate, the Chairman, have performed his position during the respective period.

- ii. For additional compensation for each member of the Board of Directors, for the period of the Ordinary Shareholders' Meeting to be held on April 20, 2023 and until the next Ordinary Shareholders' Meeting to be held in the first four months of the year 2024, an incremental amount to be determined and paid in accordance with the following criteria:
  - a) Each Director shall be entitled to receive an additional amount equal to 9,226,234 remuneration units (hereinafter also referred to as the "ARUs") for the first year after his or her appointment, i.e., until November 15, 2023, provided that the Director serves in office continuously until such date.
  - b) Each Director shall be entitled to receive an additional amount equal to 9,226,234 ARUs for the period from the end of the first anniversary of his or her appointment until November 15, 2024, provided that the Director serves in office continuously until such date. For the avoidance of doubt, the proportional part of the ARUs indicated in this paragraph (b) that correspond to the remuneration of the Board of Directors that, in accordance with the applicable regulations, must be approved by the Ordinary Meeting to be held within the first four months of the year 2024, is subject to what is approved at said Meeting.
  - c) If the Director ceases to hold office before November 15, 2023, he/she shall be entitled to a proportional part of the ARUs referred to in (a) above, and the remainder shall be forfeited. For the calculation of the proportional part of this subparagraph, the period in which the Director has served his office between his appointment on November 15, 2022 and November 15, 2023 shall be considered.
  - d) If the Director ceases to hold office after November 15, 2023 and before November 15, 2024, (i) he/she shall maintain his/her right to receive all the ARUs referred to in (a) above; and (ii) he/she shall be entitled to a proportional part of the ARUs referred to in (b) above, and the remainder shall be forfeited. For the calculation of the proportional part of this paragraph, the period in which the Director has served his position between November 16, 2023 and November 15, 2024 will be considered; in the understanding, however, that the proportional part that, according to the applicable regulations, corresponds to the remuneration of the Board of Directors that must be approved by the Ordinary Meeting to be held within the first four-month period of 2024, is subject to what is approved at said Meeting.



e) Subject to the provisions of (f) below, the additional compensation shall become due and payable, and the Director shall be entitled to receive it, as follows:

(e.i) The ARUs referred to in (a) above shall become due and payable, and the Director shall be entitled to receive them, within the 15-day period beginning on November 15, 2023.

(e.ii) The ARUs referred to in (b) above shall become due and payable, and the Director shall be entitled to receive them, within the 15-day period beginning on November 15, 2024.

f) However, if the Director ceases to hold office prior to November 15, 2024 for a cause other than those indicated in (i) below, then the ARUs to which the Director is entitled shall become due and payable, and the Director shall be entitled to receive them, within a period of 15 days from the date on which the Director ceases to hold office.

g) For purposes of payment, the value of each ARU will be considered by way of reference to be equivalent to the price of one share of the Company. Accordingly, the ARUs will be paid at the weighted average price of the stock market transactions of the Company's shares during the period of 10 trading days prior to the date on which they become effective, i.e., November 15, 2023, November 15, 2024 or the date on which the Director ceases to hold office, as applicable (hereinafter also referred to as the "Weighted Average Price"). For purposes of calculating the Weighted Average Price, transactions on domestic stock exchanges will be considered, as well as on those foreign stock exchanges recognized at the national level on which LATAM's American Depositary Shares may eventually be listed again.

Payment will be made in cash, in dollars of the United States of America, or in pesos, legal tender, according to the equivalent of the "observed dollar" exchange rate published by the Central Bank of Chile in the Official Gazette on the day of the respective payment.

h) If prior to November 15, 2023, the Director ceases to hold office due to a legal inability to serve as a Director or as a result of a supervening conflict or other cause that does not allow him/her to continue to perform his/her fiduciary duties as a Director, all the ARUs referred to in (a) above shall be forfeited and, therefore, he/she shall not be entitled to any additional remuneration.

i) If after November 15, 2023 and before November 15, 2024, the Director ceases to hold office due to a legal inability to serve as a Director or as a result of a supervening conflict or other cause that prevents him/her from continuing to perform his/her fiduciary duties as a Director, he/she shall retain his/her right to receive all the AUMs referred to in (a) above; and shall forfeit all the AUMs referred to in (b) above.

- j) In the event of a change of control of the Company, the Director who maintains his capacity as such at the date of change of control shall be entitled to all the AUMs referred to in (a) and (b) above.
- k) In the event of changes in the composition of the Board of Directors, the additional compensation shall be paid pro rata to the time that each Director (or his replacement, as the case may be) has held office during the respective period.
- l) In view of the provisions of paragraph (g) above, in the event that any change in the capital structure of the Company affects the reference value used for the calculation and payment of the AUMs, the Board shall adjust the reference value corresponding to each AUM in accordance with the then new reality of the Company, so that the adjusted reference value of each AUM preserves the reference rationality established for the AUMs in the same paragraph (g) above.

2.2. Likewise, the following shall be proposed as remuneration for each member of the sub-committees of the Board of Directors for the fiscal year 2023 and until the next Ordinary Shareholders' Meeting to be held in 2024:

For remuneration to be paid for each member of the sub-committees of the Board of Directors for the fiscal year 2023 and until the next Annual Shareholders' Meeting to be held in 2024, a fixed annual amount of US\$20,000 for each of the sub-committees of the Board of Directors of which the Director is a member, payable monthly at the rate of one-twelfth of such amount, with a cap of US\$40,000 per year for all sub-committees of the Board of Directors of which the Director may be a member, payable monthly at the rate of one-twelfth of the latter amount. The Chairman of each sub-committee shall receive, in addition to his remuneration as a Director serving on sub-committees of the Board of which he is a member, a fixed annual amount of US\$14,167 for each such sub-committee he chairs, payable monthly at the rate of one-twelfth of such amount, with a ceiling of US\$28,334 per year for all sub-committees of the Board that the Director may chair, payable monthly at the rate of one-twelfth of the latter amount.

The aforementioned remuneration shall be payable to the Directors in their capacity as members or Chairman of one or more sub-committees of the Board of Directors, regardless of the number of sub-committee meetings of the Board of Directors attended, with no limit on the number of meetings; and shall be payable, in cash, in dollars of the United States of America; or in pesos, legal tender, at the equivalent of the "observed dollar" exchange rate published by the Central Bank of Chile in the Official Gazette on the day of the respective payment.

For purposes of calculating the amount to be paid in each case, which shall also be applicable in the event of changes in the composition of the sub-committee or sub-committees of the Board in question, this remuneration shall be paid pro rata to the time that each Director member of the sub-committee or sub-committees of the Board has held office during the respective period.



It is hereby stated for the record that what the Directors receive in their capacity as members or Chairman of one or more sub-committees of the Board of Directors does not preclude what they may additionally receive in their capacity as members of the Directors' Committee prescribed in Article 50 bis of the Corporations Law, in accordance with the aforementioned.

**Basis:** The proposals referred to in items 2.1 and 2.2 above have been considered reasonable, taking into consideration the Company's current situation.

### **3. Remuneration and budget of the Board of Directors Committee for the year 2023.**

3.1. It will be proposed as remuneration for the Directors' Committee for fiscal year 2023 and until the next Ordinary Shareholders' Meeting to be held in 2024:

- i. As base compensation for Fiscal 2023 and until the next Annual Shareholders' Meeting to be held in 2024, for each Director who becomes a member of the Directors' Committee, a fixed annual per diem of US\$50,000, payable monthly at the rate of one-twelfth of such amount. The Chairman of the Directors' Committee shall be entitled to a fixed annual per diem of US\$85,417, payable in the same manner.

The aforementioned remuneration shall be payable to the Directors in their capacity as members or Chairman of the Directors' Committee, regardless of the number of meetings of the Directors' Committee they attend, with no limit on the number of meetings; and shall be payable in cash, in United States dollars, or in pesos, legal tender, at the equivalent of the "observed dollar" exchange rate published by the Central Bank of Chile in the Official Gazette on the respective payment date.

For purposes of calculating the amount to be paid in each case, which shall also be applicable in the event of changes in the composition of the Directors' Committee, this remuneration shall be paid pro rata to the time that each Director member of the Directors' Committee has held office during the respective period

- ii. For additional remuneration for Fiscal Year 2023 and until the next Ordinary Shareholders' Meeting to be held in 2024, for each Director who becomes a member of the Directors' Committee, a variable amount, equivalent to an additional one-third (1/3) calculated on the incremental remuneration that the respective member of the Committee would be entitled to as a Director in accordance with item ii. above, considering the time that each one would have served as a member of the Directors' Committee; all of the foregoing, in accordance with the provisions of Article 50 bis of the Corporations Law.

3.2. For purposes of the operation of the Committee and its advisors, the Corporations Law establishes that its expense budget must be at least equal to the annual compensation of the members of the Committee, and in this regard an annual budget of US\$185,417 is proposed for fiscal year 2023 and until the next Ordinary Shareholders' Meeting to be held in 2024.



**Basis:** It has been considered that these proposals are reasonable in view of the Company's current situation.

#### **4. Designation of the External Auditing Firm**

During the year 2022, a bidding process was carried out for the external auditing services to be rendered to the Company, subject in any case to the annual appointment made by the Ordinary Shareholders' Meeting, as required by current regulations. Six external auditing firms were invited to participate in this process.

The proposals submitted by the auditing firms that participated in the bidding process were evaluated according to the following main technical and economic variables:

- Experience and quality of the auditing firm, considering mainly, in addition, aspects such as its client portfolio, its agility and technology in the provision of its services and the performance registered before their respective regulators;
- Experience of the company and the audit team in the air transport industry, considering, in addition, aspects such as the added value of the company and the team in that industry, and their agility in the provision of services; and
- Total cost/audit hours to be spent on the review.

From the assessment of the above variables, the two best evaluated auditing firms were, in first place, PwC; and, in second place, KPMG. In addition to the technical and economic evaluations resulting from the bidding process, the Directors' Committee and the Board of Directors of LATAM, in making their decision, also considered their direct experience with the auditing firms; the specific experience required in the air transportation industry; the recommendation of the Company's management; and the evaluation of the work performed by PwC with respect to Fiscal Year 2022, for which they reviewed the main concepts evaluated and their respective ratings, and concluded in this regard a positive evaluation in general.

In view of the foregoing, the Board of Directors of LATAM, in accordance with the recommendation of the Directors' Committee, in compliance with the provisions of the Circular Letters of the Financial Market Commission, agreed to propose to the Ordinary Shareholders' Meeting, as the Company's Audit Firm, the firms PwC and KPMG, in the same order of priority, and ultimately recommending the maintenance of PwC as the External Audit Firm for Fiscal Year 2023.

The recommendation of the LATAM Board of Directors to maintain PwC, in accordance with the recommendation of the Directors' Committee, is based on the following reasons and grounds:

- i. PwC obtained the best technical evaluation; and also obtained the best economic evaluation, presenting the most convenient economic proposal in comparative terms. The above corroborates the good evaluation of PwC as a firm, added to the knowledge and experience of the audit team, PwC's experience in the field, its knowledge of the LATAM Group, and the hours and resources it will allocate.
- ii. The quality of PwC's service to LATAM does not present observations or concerns on the part of the Company's management or its Board of Directors.

- iii. It has been considered positive to have, for the same fiscal year, the same External Audit Firm for the Company, LATAM Airlines Brazil and the Company's Spanish-speaking subsidiaries.
- iv. Finally, although PwC has been LATAM's external audit firm for the last 31 years, the level of independence of this audit firm is guaranteed through the internal control systems it has implemented and the policy observed by PwC at the international level of rotating the partner in charge of the client every 5 years, which is consistent with the provisions of letter f) of Article 243 of the Securities Market Law. Precisely, for the LATAM audit corresponding to the year 2022, Mr. Jonathan Yeomans was appointed as the new PwC partner in charge, since the previous partner had been performing this function for 5 years.

The most relevant factors that were taken into consideration for the purposes of this prioritization were those set forth in numbers (i) to (iii) above.

The proposal to the Ordinary Shareholders' Meeting to appoint KPMG, as an alternative and second option, although it meets most of the criteria set forth above, came in second place in the technical-economic evaluation carried out in the selection process.

## **5. Designation of Risk Rating Companies.**

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

**Basis:** It has been considered that this proposal is reasonable because it considers maintaining a broad list of risk rating agencies, with the purpose of including not only local but also international rating agencies, which allow providing more information to the market.

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

The Board of Directors of LATAM agreed to propose to the Ordinary Shareholders' Meeting the designation of the Santiago newspaper "La Tercera" as the newspaper of the Company's domicile in which, in accordance with Article 59 of the Corporations Law, notices of Shareholders' Meetings shall be published.

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

## **7. Account of transactions with related parties.**

The Ordinary Shareholders' Meeting will be informed of the transactions that the Company has carried out with related parties, which are in accordance with equity conditions similar to those that usually prevail in the market.





Such transactions include those contained in the Annual Report, which is available to the shareholders as indicated in point 1 above.

### EXTRAORDINARY SHAREHOLDERS MEETING

- 1. Agree to a decrease in the Company's capital by absorbing the Company's accumulated losses as of December 31, 2022, once the profits for Fiscal Year 2022 are imputed to such accumulated losses;**

If the Balance Sheet and other Financial Statements of the Company corresponding to Fiscal Year 2022 are approved by the Ordinary Meeting, as well as the imputation of the profit of said Fiscal Year to the accumulated results, the equity of the Company will be as follows:

Share Capital	13,298,486,270.04
Retained Earnings (losses)	(7,501,895,316.23)
Treasury Shares	(178,259.77)
Other equity participations	39,246
Other reserves	(5,754,173,402.11)
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Net Equity	42,278,537.95

It should be noted that, in accordance with Article 78 of the Corporations Law, dividends are paid exclusively from net income for the year, or retained earnings, from balance sheets approved by the Shareholders' Meeting.

The Company has recorded a significant accumulated loss as of Fiscal 2020. Given the amount of this loss, it is foreseeable that it will remain for some time, until it is absorbed with the profits that the Company may generate in future years.

As a way of enabling the Company to distribute dividends to its shareholders if it has profits in the coming years, the Board of Directors, in view of the fact that the Company has sufficient subscribed and paid-in capital, has proposed to the Extraordinary Meeting to agree to absorb the aforementioned accumulated loss, whose amount as of December 31, 2022, as indicated, amounts to US\$7,501,895,316, with a charge to a reduction of the capital stock for the same amount.

It should be noted that the approval of this matter requires the affirmative vote of two thirds of the Company's issued shares with voting rights.

- 2. To agree to a reduction of the Company's capital through the absorption of the equity account of "Treasury Stock in Portfolio", produced on the occasion of the January 2013 reduction of capital stock by operation of law that took place in accordance with the provisions of Article 27 of the Corporations Law.**

Shareholders are reminded that due to the acquisition by the Company of 7,972 own shares, as a result of the right of withdrawal exercised by some shareholders in accordance with Article 69 of the Corporations Law, as a result of the merger agreement of the Company with the companies Sister Holdco S.A. and Holdco II S.A., adopted at the Company's Extraordinary Shareholders' Meeting held on December 21, 2011, and after more than one year had elapsed during the month of January 2013 since the acquisition





by the Company of such own shares without having been disposed of under the terms of Article 27 of the Corporations Law, the Company's capital stock was fully reduced, which generated an equity account called "Treasury Shares".

In view of the foregoing, in order to deduct the aforementioned account "Treasury Shares" (whose amount as of December 31, 2022 amounts, as indicated, to US\$178,259.77) from the Company's equity, since it corresponds to shares that became null and void in accordance with the applicable regulations, the Board of Directors has proposed to the Extraordinary Meeting to decide on the absorption of said account against a reduction of the capital stock for the same amount.

**3. To recognize any modification to the capital stock resulting from the placement of shares and convertible bonds charged to the capital increase approved at the Extraordinary Shareholders' Meeting held on July 5, 2022; and to deduct from the paid-in capital the costs of issuance and placement of such shares and convertible bonds.**

At the Extraordinary Shareholders' Meeting held on July 5, 2022, a capital increase was approved for a total amount of US\$10,293,269,524, represented by 605,801,285,307 new shares, of which (a) US\$9,493,269,524, represented by 531,991,409,513 shares, destined to respond to the conversion of three classes of bonds convertible into shares of the Company (the "Back-Up Shares"), whose issuance was also agreed at said Meeting (the "Convertible Notes"); and (b) US\$800,000,000, represented by 73,809,875,794 shares, destined to be offered preferentially to the shareholders and, the unplaced balance, among the shareholders and/or third parties (the "New Payment Shares").

To date, against the conversion of Convertible Notes, with proceeds of US\$9,419 million, a total of 530,815,864,777 Back-Up Shares have been subscribed and paid. On the other hand, the 73,809,875,794 New Payment Shares were fully subscribed and paid, with proceeds of US\$800,000,000. Since the statutory value of the shares subscribed and paid corresponds to their placement value, there was no increase or decrease in the placement value; and, therefore, this has not generated a change in the capital stock in accordance with the applicable regulations.

Finally, the issuance and placement costs of the shares and convertible notes of the aforementioned capital increase totaled US\$810.3 million, the deduction of which from the Company's paid-in capital will be proposed to the Extraordinary Shareholders' Meeting.

**4. In general, to adopt the amendments to the Company's bylaws and all other resolutions that may be necessary or convenient to carry out the decisions adopted by the Shareholders' Meeting.**

In the event that the foregoing proposals are approved and in order to allow their materialization, the Extraordinary Shareholders' Meeting will be submitted to amend the bylaws in their fifth permanent and first transitory articles, related to the corporate capital, for the sole purpose of keeping them up to date.

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Santiago, April 10, 2023.