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CHILEAN FINANCIAL MARKET COMMISSION PUBLISHES A REGULATORY PROPOSAL FOR INDEPENDENT DIRECTORS OF PUBLIC LIMITED COMPANIES FOR CONSULTATION

On October 9, 2024, the Financial Market Commission (" **CMF** ") launched a public consultation on a regulatory proposal aimed at refining the requirements and conditions to be considered an independent director of publicly held corporations, and to regulate the content of the general policy on the election of directors in their subsidiaries under CMF supervision (the " **Regulatory Proposal** ").

The Regulatory Proposal contemplates: (i) conditions under which an individual will not be deemed an independent director by reason of a significant economic, professional, credit or commercial relationship, interest or dependency.; and (ii) The minimum requirements for the general policy on the election of directors that parent companies of CMF-supervised subsidiaries are required to establish and disclose.

The Regulatory Proposal includes the following instructions that the CMF deems relevant to issue:

Independent directors

Article 50bis of Law No. 18.046 on Corporations delegates to the CMF the determination of additional requirements that individuals must meet to be appointed as independent directors. The CMF's Regulatory Proposal is based on the OECD Principles of Corporate Governance (OECD PCG), which, in this matter, establishes that the board of directors must be able to pronounce itself objectively on the company's affairs, in order to adequately fulfill its oversight duties over the performance of management (referring to the role of management or senior executives), avoid conflicts of interest and balance the different competing demands within a company.

Based on this, the CMF proposes to expand the independence requirements that candidates for independent directors must meet and establishes that individuals who have maintained, during the last

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18 months, a relevant economic, professional, credit or commercial relationship, interest or dependency with the respective company will not be considered independent directors, if they meet or are in any of the following conditions or circumstances:

• If they entered into transactions or agreements, or have outstanding loans with the listed corporation, other companies of the group or its controlling entity, for amounts equal to or exceeding 25% of their average annual gross income, calculated based on the last 3 annual tax years. For these purposes, a loan intended to finance the purchase of the candidate's primary residence will not be considered.
• If they hold a stake of more than 10% of the capital of another entity in which the listed corporation, other companies of the group or its controlling entity also hold a stake of more than 10% of the capital.
• If they are founders or directors of a foundation or a corporation in which the listed corporation, other companies of the group or its controlling entity provide annual contributions equal to or exceeding 5% of the total annual income received by that foundation or corporation, calculated based on the average of the last three calendar years.
• If they hold a stake of 10% or more in a corporation in which the listed corporation, other companies of the group or its controlling entity also hold a stake of 10% or more.
• If they have served as directors, managers, administrators or main executives of a company of which the listed corporation is its legal successor (g., merged into or absorbed by the listed corporation).

Regarding the policy for the election of directors in subsidiary companies

Article 92 bis of Law No. 18,046 on Corporations stipulates that the board of directors of the parent company of a company under CMF supervision must establish and disseminate a general policy for the election of directors in its subsidiary companies, which must include the minimum details that the CMF establishes by regulation. In this context, the Regulatory Proposal establishes that the general policy for the election of directors in its subsidiary companies must at least indicate:

• The date of its approval and its last update;
• The criteria of professional suitability that candidates must meet to be elected;
• The degree of connection that has been deemed appropriate

between the candidate, the company to which he/she is applying and the parent company or other companies of the group;
• The process for directors' election; and
• The policy dissemination mechanisms.

As soon as the company under CMF supervision becomes aware that the board of directors of its parent company has approved the policy, or any amendments thereto, it must be disclosed as a material fact (hecho esencial).

Validity

The CMF acknowledges that, with this Regulatory Proposal, certain individuals who are currently considered independent directors will cease to be so. For this reason and considering that companies need time to reconfigure their boards of directors, it is proposed that the instructions regarding the conditions to be considered an independent director come into force as of January 1, 2026.

Regarding the policies for the election of directors in subsidiaries, it is proposed that these shall be made available to the public within 6 months of the date on which the Regulatory Proposal is issued

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