

RISK RATING COMMISSION

This is a non-official translation. In case of discrepancies between the Spanish and the English text, the Spanish text shall prevail.

DEROGATES AGREEMENT Nº 10 AND ESTABLISHES EQUIVALENCES AMONG THE CLASSIFICATIONS OF FOREIGN DEBT INSTRUMENTS AND THE CATEGORIES OF RISK DEFINED IN THE LAW AND THE APPROVAL PROCEDURES OF FOREIGN INSTRUMENTS REPRESENTATIVE OF EQUITY SECURITIES AND OF THE COUNTERPART ENTITIES FOR OPERATIONS WITH DERIVATIVE INSTRUMENTS

Num. 32.- ¹ Santiago, December 23, 2008 (Refunded text *)

The CCR, in use of the powers established in article 99 of the D.L. N ° 3.500, of 1980, agreed in its 315th ordinary meeting, held on December 23, 2008, the following:

- 1.- To derogate Agreement Nº 10 of July 27, 1995, published in the Diario Oficial (Official Gazette), on August 3, 1995, modified by the Agreements Nr. 11, 12, 13, 17, 18, 19, 22, 23, 27, 28 and 29 published in the Official Gazette on November 21, 1995, January 27, 1996, October 4, 1996, January 4, 1999, September 6, 2000, March 9, 2001, December 12, 2002, March 24, 2004, June 7, 2007, August 6, 2007 and April 7, 2008, respectively.
- 2.- To dictate an agreement that contains the equivalences between the classifications of the foreign debt instruments and the risk categories defined in the Law, as well as the approval procedures of foreign equity securities and of the counterpart entities for operations with derivative instruments, whose text is as follows:

PRELIMINARY SECTION

Definitions

Article 1.- For the purposes of these procedures, the terms below will be understood as:

- a) Law: Decree-law Nº 3.500 of 1980, and the amendments thereto.
- b) Commission: Comisión Clasificadora de Riesgo (The Risk Rating Commission).
- c) Negotiable certificates: Negotiable certificates representative of equity securities of foreign entities, issued by depository banks abroad.

¹ It contains the modifications introduced by Agreement Nº 33, Agreement Nº 37, Agreement Nº 40, Agreement Nº 41, Agreement Nº 42, Agreement Nº 43, Agreement Nº 45, Agreement Nº 47, Agreement Nº 49, Agreement Nº 51, Agreement Nº 53, Agreement Nº 54, Agreement Nº 55, Agreement Nº 56, Agreement Nº 58, Agreement Nº 59, Agreement Nº 60 and Agreement Nº 61, published in the Diario Oficial (Official Gazette), on December 18, 2009, September 6, 2013, June 6, 2014, August 7, 2014, November 8, 2014, April 6, 2017, September 8, 2017, October 31, 2017, June 12, 2019, September 6, 2019, December 17, 2019, January 30, 2020, August 10, 2020, August 7, 2021, October 19, 2022, June 3, 2023, March 14, 2024 and May 10, 2024, respectively.

- d) Mutual Funds: Foreign open-end investment funds, whose shares may be redeemed directly from the issuer.
- e) Investment Funds: Foreign closed-end investment funds, whose shares may be redeemed directly from the issuer, only on the condition that they are due to expire and the term of the fund is not renewed.
- f) Funds: Mutual Funds or Investment Funds.
- g) Management Company: To the entity in charge, appointed or contracted, responsible for conducting and managing the affairs of the Fund, which generally include the administration of the investment portfolio, the administration of the operations of the Fund and its distribution; functions that in turn can be sub-delegated by the Management Company in other companies designated or contracted for these purposes.
- h) Investment Manager: To the entity in charge, designated or contracted, responsible for managing the Fund's investment portfolio, with respect to investment, disinvestment and reinvestment decisions of its assets.
- i) Titles representative of financial indexes: Financial instruments listed in stock exchanges, backed by a basket of stocks, fixed income, from which they derive their value, and which generally track the performance of a financial index.
- j) Alternative Asset Manager: Management entity involved in specific alternative asset investments, such as advisor, sponsor or general partner of the investment vehicles, or its parent organization.
- k) Specific Alternative Assets: To private equity, private debt, real estate and infrastructure.
- l) Gold Exchange Traded Products: financial instruments listed and traded on exchanges focused on the exposure to gold and whose underlying assets are backed by physical gold.

SECTION I

On the equivalences between the classifications of the foreign debt instruments and the risk categories defined in the Law

Article 2.- The equivalences assigned by the Commission, as provided for in the seventh paragraph of Article 105 of the Law, shall be set between the ratings defined and used by the international rating agencies acknowledged by the Commission, which The Central Bank of Chile considers for the investment of its resources, and those indicated in the first and second paragraphs of the aforementioned article.

For the purposes of the provisions in the preceding paragraph, international ratings shall be understood as those defined and used by Standard & Poor's (S&P), Fitch Rating Service (Fitch), Moody's Investors Service (Moody's) and Dominion Bond Rating Services Ltd. (DBRS).

Article 3.- For instruments maturing in more than one year, the equivalences between the categories indicated in the first paragraph of Article 105 of the Law and the ratings defined and used by the acknowledged international agencies, shall be the following:

<u>Law</u>	<u>S&P</u>	<u>Fitch</u>	<u>Moody's</u>	<u>DBRS</u>
Category AAA	AAA	AAA	Aaa	AAA
Category AA	AA (+,-)	AA (+,-)	Aa (1, 2, 3)	AA (High, Low)
Category A	A (+,-)	A (+,-)	A (1, 2, 3)	A (High, Low)
Category BBB	BBB (+,-)	BBB (+,-)	Baa (1, 2, 3)	BBB (High, Low)
Category BB	BB (+,-)	BB (+,-)	Ba (1, 2, 3)	BB (High, Low)
Category B	B (+,-)	B (+,-)	B (1, 2, 3)	B (High, Low)
Category C	CCC (+,-)	CCC (+,-)	Caa (1, 2, 3)	CCC (High, Low)
Category D	Any other rating not previously defined			



Article 4.- For fixed income securities issued by municipalities of the United States of America and whose maturity date is less than a year, which are classified in risk categories of specific use, the equivalences between the levels mentioned in the second paragraph of Article 105 of the Law, and the ratings defined and used by the acknowledged international rating agencies, shall be the following:

<u>Law</u>	<u>S&P</u>	<u>Moody's</u>
Level 1	SP1+	MIG 1
Level 2	SP1	MIG 2
Level 3	SP2	MIG 3
Level 4	Any other rating not previously defined.	

Likewise, for fixed income securities issued by municipalities of the United States of America and whose maturity date is between one and three years, which are classified in risk categories of specific use, the equivalences between the categories mentioned in the first paragraph of Article 105 of the Law, and the ratings defined and used by the acknowledged international rating agencies, shall be the following:

<u>Law</u>	<u>S&P</u>	<u>Moody's</u>
Category A	SP-1(+)	MIG 1/ MIG 2
Category BBB	SP-2	MIG 3
Category D	Any other rating not previously defined.	

For fixed income securities issued by municipalities of the United States of America, which are classified in general risk categories by the international rating agencies mentioned in preceding article 2, the equivalences established in articles 3 and 5 of this Agreement, as it corresponds, shall be used.

Article 5.- For instruments maturing in one year or less, the equivalences between the levels indicated in the second paragraph of Article 105 of the Law and the ratings defined and used by the acknowledged international agencies, shall be the following:

<u>Law</u>	<u>S&P</u>	<u>Fitch</u>	<u>Moody's</u>	<u>DBRS</u>
Level 1	A-1(+)	F1(+)	P-1	R-1 (High, Middle, Low)
Level 2	A-2	F2	P-2	R-2 (High, Middle, Low)
Level 3	A-3	F3	P-3	R-3
Level 4	Any other rating not previously defined			

SECTION II

On the Approval Procedures of Foreign Equity Securities

1.- Stocks issued by Foreign Companies and Negotiable Certificates

Article 6.- The stocks issued by foreign companies and banking institutions, negotiable certificates representative of foreign equity securities, issued by depositary banks abroad, shall be approved by the Commission, upon the request of a Pension Funds or Unemployment Funds Administrator, considering the country risk, the characteristics of the institutional regulatory framework for controlling and penalizing the issuer and its instruments in



the respective country, the liquidity of the instrument in the relevant secondary markets, and the existence of additional factors.

Article 7.- For the purposes of the preceding article, the country risk will be evaluated according to the risk rating of the country where the stock exchange where the stocks or negotiable certificates are registered and the Pension or Unemployment Funds may trade them is based. The stock exchanges must be located in countries holding a current sovereign risk rating equal to or higher than Category AA established in the first paragraph of article 105 of D.L. 3.500 of 1980, for long-term debt instruments, considering the equivalences established in preceding Article 3.

Notwithstanding the foregoing, those stock exchanges that are located in countries holding a sovereign risk rating equal to or higher than Category BBB, may also be considered in accordance to the equivalences and determination method above mentioned provided that said stock exchange is incorporated in a jurisdiction included within the "Markets Recognized" by the Financial Market Commission (CMF), for the purposes of the list referred to in letter d) of Section III of its General Norm N° 352 or the norm superseding it, and only provided that it remains in that list.

The sovereign risk rating required must be granted by at least two of the international rating agencies herein mentioned in Article 2 of this Agreement. The highest risk rating granted to the corresponding country by any rating entity shall be considered for such purpose.

Article 8.- The institutional regulatory framework for controlling and penalizing the issuer and its instruments in the respective country shall be evaluated taking into consideration the characteristics of the requirements set by the stock exchange for the registration and cancellation of an issuer and its stocks or negotiable certificates.

Likewise, the institutional regulatory framework whereby the relevant regulating authority regulates, controls and penalizes the stock exchange shall be analyzed, as well as the characteristics of the equivalent systems set by the stock exchange for stockbrokers, issuers and their instruments. In addition, the characteristics of the systems for trading and pricing stocks or negotiable certificates in the stock exchange shall be evaluated.

Article 9.- The liquidity of the instrument in the relevant secondary markets shall be approved according to the added equity market value and the degree of liquidity of the stock exchange. Likewise, the stock exchange requirements for registering a stock or negotiable certificate shall be analyzed, as concerns the liquidity of the instrument and the creditworthiness and asset allocation of the issuer's equity.

In qualified cases in which the stock exchange fails to meet the conditions indicated in the preceding paragraph, the analysis shall include a specific evaluation of the liquidity of the instrument.

Article 10.- The additional factors shall be a combination of qualitative and quantitative elements which provide information beyond that included in the rating determined according to the guidelines indicated above.

The additional factors shall be deemed adverse when there is information that allows the conclusion that there are, current or potential negative elements, concerning the issuer or its instruments.

Article 11.- Stocks issued by foreign companies and negotiable certificates shall be approved when as a result of the requirements provided for in this Chapter 1, it may be established that the instruments in question meet those conditions, and there are not adverse additional factors. Otherwise, the instrument will not be approved or it will be rejected.



2.- Shares of Mutual Funds and Investment Funds

Article 12.- The shares of mutual and investment funds shall be approved by the CCR, upon the request of a Pension Funds or Unemployment Funds Administrator, considering the risk rating of the country, the characteristics of the institutional regulatory framework for controlling and penalizing the issuer and its instruments, and on the Management Company, in the respective registration countries; the characteristics of the investment manager of the fund; the policies and the characteristics of the fund, the liquidity of the instrument in the corresponding secondary markets and the existence of additional factors.

Article 13.- For review purposes, the Pension Funds or Unemployment Funds Administrator must adequately identify the shares of the mutual or investment funds, whose approval are requested and must attach all the necessary information. Among them, a letter from the management company of the funds in which it commits with the Commission to submitting permanently all the information necessary for its evaluation. Such information shall be informed by the CCR to the Pension Funds and Unemployment Funds Administrator and to the management companies of foreign mutual and investment funds, through an Application Form for Approval of Shares of Funds.

Article 14.- The management company of a foreign mutual or investment fund, whose shares are already approved, must update annually, all the information and documents delivered, as was established in a commitment letter, during the month in which the shares were approved or on a date defined by common agreement with the CCR. Additionally, the management company shall send a letter requesting the maintenance of the approval of the shares of a foreign mutual or investment fund, signed by a Pension Funds or Unemployment Funds Administrator, when on the last working day of the month previous to the annual update month, no investments have been made by the Chilean Pension or Unemployment Funds in the shares of such funds.

Article 15.- The risk rating of the country where the mutual or investment fund and its Management Company are registered, shall be at least Category A, as established in Article 3 above.

The risk rating of the country to be considered shall be that of higher risk assigned, by at least two of the rating agencies internationally acknowledged, mentioned in previous Article 2.

Notwithstanding the aforementioned, and only in exceptional cases, the CCR shall approve the risk rating of the country where the mutual or investment fund or its manager is registered, when this is lower than Category A, and is equal to or higher than Category BBB, considering for this its country risk rating weighted together with other relevant factors to consider, in particular the strength and stability of its institutional framework.

Article 16.- The institutional regulatory framework for controlling and penalizing to which the mutual or investment fund and the management company, are subjected shall be approved taking into consideration their own characteristics. Notwithstanding the aforementioned, this company and the fund must be registered and controlled by the relevant regulatory authorities of the corresponding country.

Article 17.- The characteristics of the investment manager of the fund shall be approved, provided that this entity or the group to which it belongs, accredits at least US\$ 10,000 million in assets under management of third parties, including in such figure only those which are the result of an investment decision made exclusively by the companies of the group involved in said activity, and a minimum of five complete years of operation in managing such type of assets.

Notwithstanding the foregoing, if the investment manager of the fund is registered in Chile, as a "Sociedad Administradora de Fondos" (Funds Management Company) as referred to in Chapter II of Law N° 20.712, and manages domestic funds approved by this Commission, as provided in Agreement N° 31, the management company of the fund must accredit both: a minimum amount of US\$ 1,000 million in assets under management from third parties, invested



in funds regulated by Chapter III of Law N° 20.712, considering in said amount only those which are the result of an investment decision made exclusively by the management company of the funds; and a minimum of five complete years of operation in managing such types of funds.

The information provided by the investment manager of the fund must allow the Commission to form the conviction that the fund and its group have the experience, solvency and reputation necessary to provide asset management services to institutions such as the Pension or Unemployment Funds. To support its decision, the Commission will ask the investment manager to prove a series of background information, which will be complemented with a case-by-case evaluation.

Article 18.- The policies of a mutual or investment fund shall be approved considering the prospectus of issuance of their shares, their articles of incorporation or another official document, specifying their policies regarding borrowing, pledge of assets and the use of derivative instruments, which must be coherent and consistent with the basic aspects of the fund, such as objectives, policies, and its identification.

From the policies of the investment fund described in its prospectus, the Commission must conclude that at least 80% of its investment portfolio will be invested in instruments which are traded in or dealt on regulated markets, which operates regularly, are recognized and open to the public, and that no more than 5% of its portfolio will be invested in the instruments indicated in Article 25, Section III of this Agreement, referring to Specific Alternative Assets, whose investment managers do not have the approval of this Commission.

The obligations of the fund, including its liabilities and operations with derivatives that do not rely on a suitable coverage, shall not exceed 35% of the value of its assets. It is understood that the operations with derivatives rely on a suitable coverage when the fund has: the security or object asset; an opposite position that allows it to cover the operation; cash; liquid and low-risk securities; and/or other highly liquid assets which present a high correlation with the object asset to the derivative instrument and that are an object of appropriate protections. All the alternatives of coverage mentioned, or a combination of them, must be sufficient to cover in a complete and total way the future obligation associated to operations with derivatives of the fund.

The frequency of valuation of the instruments considered in the coverage requirements, as well as of the opposite position of derivatives, must be consistent with the frequency of valuation of the obligations of the mutual or investment fund for operations with derivatives covered by them.

Likewise, the mentioned securities that are associated to the coverage of operations with derivatives and the opposite position of derivatives must be at the disposal of the fund at the date of maturity, expiration or exercise of the pertinent derivative instrument.

The liens and bans on the assets of the mutual or investment funds shall solely have the purpose of guaranteeing obligations of the fund itself and shall not exceed 35% of the value of its assets.

Article 19.- The characteristics of the mutual or investment fund shall be approved when this entity accredits, with the presentation of its last available annual or semi-annual financial statement, net assets for a minimum amount equivalent to US\$ 100 million, discounted from this figure the contributions done by the investment manager of the fund or related entities. This minimum amount must be proved and maintained at all times, from the date of approval.

Article 20.- In the case of mutual funds, the liquidity of the instrument in the relevant secondary markets shall be approved taking into consideration, among other aspects, the regulation applicable to the fund, regarding its liquidity and property concentration of the shares; the redemption periodicity of the shares, the frequency and characteristics of setting the redemption value of the shares, the liquidity of its investment portfolio, its policy for settling securities, the right of the Manager to suspend the redemption of shares to protect the interests of the shareholders, the property concentration of the shares among the shareholders, the characteristics of the



shareholders, that the fund counts with at least five shareholders not related among them nor to the investment manager of the fund or related entities, their right as investors to exchange shares among funds and the publication in the international media of the unit redemption price.

The property concentration of the shares among the shareholders of a mutual fund shall be evaluated in such a way that no shareholder can concentrate more than 25% of the total shares of the fund. Notwithstanding the foregoing, in exceptional cases and considering the liquidity of the assets in which the fund invests directly, the regulation to which it is subjected and the mechanisms established to protect shareholders from significant shares redemption events, the Commission may approve funds with higher concentrations. For assessment purposes, the funds managed by the same investment manager shall be considered as a single shareholder.

Regarding the shares issued by the investment funds, their liquidity shall be evaluated on the basis of their registration and transaction in a stock exchange complying with the conditions provided for in Chapter 1 of this Section; and considering the property concentration of the shares among the shareholders and the fact that the fund counts with at least five shareholders not related among them nor to the investment manager of the fund or related entities.

The property concentration of the shares among the shareholders of an investment fund shall be evaluated in such a way that no shareholder can concentrate more than 35% of the total of the shares. For assessment purposes, the funds managed by the same investment manager shall be considered as a single shareholder.

Article 21.- The additional factors shall be a combination of qualitative and quantitative elements which provide information beyond that included in the rating determined according to the guidelines indicated above.

The additional factors shall be deemed adverse when there is information that allows the conclusion that there are current or potential negative elements, concerning the fund or its shares.

Article 22.- The shares issued by foreign mutual or investment funds will be approved when as a result of the analysis of the requirements provided for in this Chapter 2, it may be established that the fund and its shares, the management company and the investment manager of the fund meet those conditions, and that there be no adverse additional factors. Otherwise, the instrument will not be approved or it will be delisted.

3.- Other Instruments Authorized by the Chilean Pensions Supervisor

Article 23.- The other instruments of public offer, whose issuers are supervised by the Financial Market Commission (CMF), which are authorized by the Chilean Pensions Supervisor, subject to a favorable report of The Central Bank of Chile, whose risks are similar to those of foreign mutual or investment funds, will be approved by request of the Pensions Supervisor, considering that these meet the requirements established for such instruments in the aforementioned Chapter 2, except the part regarding the minimal amount of assets under management of third parties by the investment manager of the fund or the group to which it belongs, in which case no predetermined amount will be demanded, remaining subject to a case to case evaluation together with the remaining variables.

4.- Titles Representative of Financial Indexes

Article 24.- Titles representative of financial indexes will be considered as shares of foreign investment funds and shall be approved once they meet the requirements demanded for these instruments in the aforementioned Chapter 2, with the exception of the requirements of the property concentration of the shares among the shareholders and the minimum required number of shareholders mentioned in Article 20. Notwithstanding the foregoing, when the



titles seek to obtain returns similar to those of certain financial indexes, the equity and fixed income indexes, as the case may be, must be provided by foreign stock exchanges or entities having a vast experience and recognized prestige in said matters, regulated by a formal supervisory authority and based in countries with a risk rating equal to or higher than Category AA as established in the preceding Article 3, considering the higher risk rating assigned, by at least two of the rating agencies internationally acknowledged, mentioned in Article 2 of this Agreement.

Notwithstanding the aforementioned, and only in exceptional cases, the CCR shall approve the risk rating of the country where the stock exchange or the entity which elaborates the index is settled, when this is lower than Category AA, and is equal to or higher than Category BBB, considering for this its country risk rating weighted together with other relevant factors to consider, in particular the strength and stability of its institutional framework.

SECTION III

On the Approval of instruments, operations and contracts representing foreign specific alternative assets

Article 25.- Vehicles to be invested in foreign private equity assets, including equity associated with, among others, the infrastructure and real estate sectors, as well as the vehicles to invest in foreign private debt, including debt associated with, among others, the infrastructure and real estate sectors, and the co-investment operations in private equity and debt abroad, including equity and debt associated with, among others, the infrastructure and real estate sectors, shall be approved by the Commission upon the request of a Pension Funds or Unemployment Funds Administrator, considering the characteristics of the alternative asset manager. For such purposes, the country risk, characteristics of the institutional systems of regulation, control and sanction, its experience in managing specific alternative assets and the existence of additional factors, shall be taken into consideration.

Article 26.- Managers must be entities regulated and supervised by the relevant securities and/or financial market authorities of a country whose long-term debt securities are classified by at least two international rating companies from those included in Article 2 of this Agreement, and whose highest risk rating in foreign currency is at least equal to Category AA. Notwithstanding the foregoing, countries holding a sovereign risk rating equal or higher than Category BBB and provided that their jurisdiction is included in the listing of "Markets Recognized" by the Financial Market Commission (CMF) as set forth in letter d) Section III from the General Regulation N° 352 or any replacing or substituting regulation and only as long as it stays on that list.

Article 27.- In order to approve a manager as alternative asset manager, the institutional systems of regulation, control and sanction existing in the respective country shall be evaluated to the satisfaction of the Commission.

Article 28.- The experience of the manager shall be approved to the extent that the manager, its parent company or group to which it belongs, has at least ten years of experience managing, on behalf of third parties, the corresponding private equity, private debt, real estate or infrastructure assets. Likewise, the manager must prove, and keep from the date of the approval, a minimum amount of US \$ 2,000 million in assets managed on behalf of third parties in the specific asset, including the committed amounts available.

Article 29.- The additional factors shall be a combination of qualitative and quantitative elements which provide additional information beyond that included in the evaluation determined according to the guidelines indicated above.

The additional factors shall be deemed adverse when there is information that allows the conclusion that there are, current or potential negative elements, concerning the manager.



Article 30.- Vehicles and operations to be invested in foreign alternative assets indicated in Article 25 above, shall be approved once the analysis of the requirements referred to in this Section III determines that their manager meets said conditions, and that no additional adverse factors exist. Otherwise, the manager's vehicles and operations shall be rejected or disapproved.

Article 31.- In order to request the approval of a manager's vehicles and operations, the Pension Funds and Unemployment Funds Administrator must send a letter properly identifying the manager and the specific alternative asset class whose approval is being requested, together with the manager's information which is necessary to evaluate the requirements previously mentioned. Such information shall be collected through an Application Form, which must include a Commitment Statement of the manager to permanently provide all necessary information required for its evaluation.

Article 32.- Once the manager is approved it must annually update the information submitted as set forth in its Commitment Statement, in the month when the manager was approved or at an agreed upon date with the Commission. Additionally, and in order to keep the approved status, the manager must send an application letter signed by a Pension Funds or Unemployment Funds Administrator, provided there is no investment of the Chilean Pension or Unemployment Funds in vehicles or co-investment operations managed by the manager on the last business day of the month prior to the annual update date indicated.

SECTION IV

On the Approval of Counterparty Entities of Operations with Derivative Instruments

Article 33.- The operations with derivative instruments shall consider options, futures, forwards and swaps contracts which must meet the conditions established in the Régimen de Inversión (Investment Regimen) and in the regulations issued by the Pensions Supervisor. The mentioned contracts shall have as a counterpart clearing houses or banks, as applicable, approved by the Commission.

Article 34.- Clearing houses will be approved by virtue of the relevant institutional regulatory framework for controlling and penalizing the clearing house. In addition, the schemes of self-regulation and the requirements demanded by the clearing house from the counterparties, in order to subscribe option contracts and futures contracts, will be evaluated, as well as the clearing house's systems for regulating, controlling and penalizing the counterparties.

Likewise, the clearing house's expertise and creditworthiness shall also be evaluated as a function of its history, property, stockholders, volume of intermediary contracts, types of contracts offered, securities involved in such contracts, types of collateral in the event of contractual non-compliance by the counterparties, and the degree of contractual compliance by the clearing house.

Article 35.- Foreign banks shall be approved as counterparties of the Pension or Unemployment Funds in long-term derivative contracts, on the condition that the issuer's long-term risk rating is equal to or higher than Category A, according to provisions in preceding Article 3.

Long-term risk rating of the issuer is to be understood as the higher risk rating in foreign currency that has been assigned, by at least two of the international rating agencies mentioned in article 2, to its long-term deposits, to its long-term senior debt and as counterparty.



Likewise, the foreign banks shall be approved as counterparties of the Pension or Unemployment Funds in the short-term derivative contracts, when the higher risk rating assigned, by at least two of the international rating agencies mentioned in Article 2, to its short-term deposits in foreign currency is at least equal to Level 1, according to provisions in preceding Article 5.

Notwithstanding the aforementioned, foreign banks shall be exceptionally approved as counterpart of the Pension or Unemployment Funds in short-term derivative contracts, when the highest risk rating assigned, by at least two of the international rating agencies mentioned in Article 2, to its short-term deposits in foreign currency is at least equal to Level 2 and its long-term risk rating is equal to or higher than Category A, according to provisions in preceding Article 3.

Likewise and in cases qualified by the Commission, only one long-term or short-term risk rating will be considered, provided that the foreign bank accredits the following:

- 1) An indicator of capital cover equal to or higher than 12%, according to the International Payment Bank criteria.
- 2) Vast experience, an outstanding participation in the market and a recognized reputation in the options, forwards and swaps market.
- 3) Mechanisms that guarantee the counterparts the fulfillment of the options, forwards and swaps contracts in the form and periods agreed.
- 4) Having implemented and operated procedures, over a long period of time, to select counterparts and to control the fulfillment of their obligations.

Article 36.- The banks legally incorporated in Chile or authorized to operate in the country may act as counterparties of the Pension or Unemployment Funds in long-term and short-term forwards and swaps contracts, when their long-term and short-term deposits have two risk ratings at least equal to or higher than Category AA- and Level 1, respectively, assigned by different risk rating agencies which are referred to in Article 71 of Law N° 18.045 of Securities Market Law, considering the higher risk rating assigned to each type of instrument.

SECTION V

On the Approval of Gold Exchange Traded Products

Article 37.- The Gold Exchange Traded Products shall be approved by the CCR, upon the request of a Pension Funds or Unemployment Funds Administrator, considering the risk rating of the country, the characteristics of the institutional regulatory framework for controlling and penalizing the issuer and its securities as well as the management company of the instrument and the custodian, in their respective registration or incorporation countries; the characteristics of these companies; the policies and the characteristics of the instrument, the liquidity of the instrument in the corresponding secondary markets and the existence of additional factors.

Article 38.- For review purposes, the Pension Funds or Unemployment Funds Administrator must adequately identify the instruments whose approval is being requested and must attach all necessary information, including a letter from the management company of the instrument in which it commits with CCR to permanently submitting all the information necessary for its evaluation Said information shall be made known by the Commission to the Pension Funds and Unemployment Funds Administrators and to the management companies of these instruments, through an Application Form for Approval of Physical Gold Exchange-Traded Products.



Article 39.- The management Company of the instruments that are approved must annually update all the information and documents delivered, as was established in its commitment letter, during the month in which the instruments were approved or on a date defined by common agreement with the CCR. Additionally, the management company must send a request to keep the approved instruments signed by a Pension Funds or Unemployment Funds Administrator when there is no investment by Chilean Pension Funds or Unemployment Funds in them on the last business day of the month prior to the indicated annual update date.

Article 40.- The risk rating of the country where the issuer and its instruments, the manager, the custodian and the stock exchange in which the instruments are registered and traded are incorporated must be at least Category AA following the provisions of Article 3 above.

The risk rating of the country to be considered shall be that of higher risk assigned, by at least two of the rating agencies internationally acknowledged, mentioned in previous Article 2.

Notwithstanding the aforementioned, and only in exceptional cases, the CCR shall approve the risk rating of the country where the issuer and its instruments, the manager, the custodian, and the stock exchange where the instruments are registered and can be traded are incorporated, when this is lower than Category AA, and is equal to or greater than Category BBB, considering for this purpose its country risk rating, weighted together with other relevant factors to consider, in particular the strength and stability of its institutional framework.

Article 41.- The institutional regulatory framework for controlling and penalizing to which the issuer and its titles, the management company and the custodian, are subjected shall be approved taking into consideration their own characteristics.

Article 42.- The characteristics of the management company shall be approved to the extent that this or the group to which it belongs accredits a minimum amount of US\$ 10,000 million in assets managed on behalf of third parties, considering in said value only those which are the result of an investment decision made exclusively by the companies of the group involved in said activity, a minimum of ten full years of operation in the administration of said type of assets and a minimum of five years of experience in the administration of representative gold titles .

The characteristics of the custodian shall be approved in consideration, among other aspects, that the custodian or its parent company has at least five years of experience in the custody of this type of physical asset, compliance with recognized minimum standards in terms of storage space and security of physical assets in vaults, their membership or affiliation with recognized international entities of the Gold Market or Industry and affiliation to their practices and standards, and that the same or its parent company has a risk rating of at least Category A. The rating to be considered shall be the one with the highest risk assigned, by at least two of the rating agencies internationally acknowledged mentioned in article 2 above.

Notwithstanding the foregoing, and only in exceptional cases, the Commission may approve the risk rating of the custodian or its parent company, when this is less than Category A, and is equal to or greater than Category BBB, considering for this purpose its risk rating in conjunction with other factors relevant to the entity.

The information provided by the management company and the custodian must allow the Commission to form the conviction that these entities and their groups have the experience, solvency and reputation necessary to provide administration and custody services, respectively, of assets to institutions such as the Pension or Unemployment Funds. To support their decision, the Commission will request the management company and the custodian to accredit a series of background information, which will be complemented with a case-by-case evaluation.

Article 43.- The policies of the instrument shall be approved considering the prospectus of issuance of their shares, their bylaws or other official document, their compliance with the standards of a relevant regulation and their



approval by an authorized competent entity. These documents must clearly and precisely establish the objective of exposure to gold, the investment in, or the support with, physical gold assets held by the custodian, the adequate segregation of the assets with respect to obligations and other accounts both of the issuer of the instrument and the custodian, the maintenance of the physical asset in the form of a highly recognized and reliable international quality standard, which is adequately maintained in the name of the issuer in assigned custodian accounts, and which is clearly established that the collateral will not be subject to liens or prohibitions, or used in loans, leases, transactions or promises, and that there are adequately, independently, periodically and publicly accessible auditing procedures. Both the issuer and the investor must receive, or have access to, a periodically updated account of the physical assets that support the instrument.

Article 44.- The characteristics of the instrument shall be approved when this accredits, with the presentation of its last available annual or semi-annual financial statement, net assets for a minimum amount equivalent to US\$ 1,000 million, discounted from this figure the contributions done by the management company or related entities. This minimum amount must be proved and maintained at all times, from the date of approval.

Article 45.- The liquidity of the instrument in the corresponding secondary markets shall be approved because of the registration and transaction of the instruments in a stock exchange which must comply with the conditions established in Chapter 1 of Title II of this Agreement.

Article 46.- The additional factors shall be a combination of qualitative and quantitative elements which provide information beyond that included in the rating determined according to the guidelines indicated above. The additional factors shall be deemed adverse when there is information that allows the conclusion that there are current or potential negative elements, concerning the issuer or its instruments.

Article 47.- Gold Exchange Traded Products will be approved when, as a result of the joint analysis of the requirements included in this Chapter, the manager, the custodian and their holding companies, the stock exchange in which the instruments are registered and can be traded, the issuer and its instruments meet said conditions, and that there are no additional adverse factors. Otherwise, the instrument will not be approved, or it will be delisted.

Alejandro Muñoz Valdés
Secretary

Santiago, December 23, 2008

Refunded text: May 10, 2024