

<b>Banco de Chile</b>	Customary Transactions Policy (Free Translation from Spanish)	September 2024	Code No. D.012
		Version 1.0	

# Customary Transactions Policy

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## Global Compliance Division

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Version 1.0 - September 2024

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## TABLE OF CONTENTS

### Contents

1.	INTRODUCTION. ....	3
2.	PURPOSE. ....	3
3.	RELATED PARTIES. ....	4
4.	CUSTOMARY TRANSACTIONS IN THE SENSE THAT THEY ARE ORDINARY UNDER THE REGISTERED BUSINESS ACTIVITY OF BANCO DE CHILE. ....	6
5.	CONTROL MECHANISMS. ....	10
6.	REPORTING OF TRANSACTIONS WITH RELATED PARTIES. ....	11
7.	POLICY COMPLIANCE OFFICER. ....	11
8.	INFORMATION AND DISCLOSURE OF THE CUSTOMARY TRANSACTIONS POLICY. ....	11
9.	TERM, APPROVAL AND MODIFICATIONS. ....	12
10.	GOVERNANCE OF THE DOCUMENT ....	12
11.	DOCUMENTARY RELATIONSHIP ....	12
12.	VERSION CONTROL ....	12

## 1. INTRODUCTION.

According to the provisions of article 147 of *Law N° 18.046* on Stock Corporations [*sobre Sociedades Anónimas*] (LSA), transactions with related parties may only be carried out when their purpose is to contribute to the corporate interest of the company, their price, terms and conditions are adjusted to those prevailing in the market at the time of approval, and they comply with the requirements and procedures set forth in numbers 1 to 7 of the same article.

Similarly, under the provisions of letters (a), (b), and (c) of article 147 above, transactions with related parties to which said paragraphs refer may be carried out without the requirements and procedures established in numbers 1 to 7 of the same article, and must in all cases have the purpose of contributing to the corporate interest of the company and must be aligned in price, terms and conditions to those prevailing in the market at the time of their approval, to the extent that the Board of Directors of the company adopts the respective agreements. Such transactions correspond to those with related parties that: (i) are not of a material amount (letter a, article 147 of the LSA); (ii) are ordinary in view of the business purpose following the Customary Transactions Policy approved by the Board of Directors (letter b, article 147 of the LSA); or (iii) are agreed upon or executed between the company and legal entities in which it owns, directly or indirectly, at least 95% of the property (letter c, article 147 of the LSA).

In relation to transactions that are ordinary in view of the business purpose under the Customary Transactions Policy approved by the Board of Directors, said policy must contain the minimum provisions established by the Financial Market Commission [*Comisión para el Mercado Financiero*] (CMF or the Commission) through a general rule [*norma de carácter general*], under the provisions of letter (b) of article 147 above. In accordance with the above, and in exercising its powers, the Commission issued the General Rule No. 501 (NCG No. 501), which establishes the minimum content that customary transactions policies must include, in addition to regulating the public disclosure of transactions with related parties that were carried out.

## 2. PURPOSE.

In accordance with the provisions of letter (b) of article 147 of the LSA and Title I of NCG No. 501, this Customary Transactions Policy (the Policy) aims to

establish the transactions with related parties that, being ordinary in consideration of the business purpose of Banco de Chile (the Bank), may be carried out and executed without the requirements and procedures established in numbers 1 to 7 of article 147 above.

The Board of Directors of the Bank has deemed it necessary to approve this Policy taking into account the multiplicity of products and services that the Bank offers to the different customer segments, the significant volume and commonness of the transactions that this Financial Institution regularly carries out, and the number of individuals and legal entities related to the Bank under article 146 of the LSA, so that the establishment of the Policy will facilitate the normal commercial development of the activities of the Bank in consideration of its business purpose, and compliance with the provisions in this regard by Title XVI of the LSA, NCG No. 501 and other regulations governing the matter. Likewise, within the scope of activities that the Bank carries out under its business purpose are included interbank transactions, acts and contracts, and those entered into or executed with banking support companies [*sociedades de apoyo al giro bancario*] and companies in which the latter have a stake on it.

The approval and implementation of this Policy is established without prejudice to, and independently of the approval and implementation of the agreements of the Board of Directors of the Bank adopted, or to be adopted from time to time, in accordance with the provisions of letter (a) of article 147 of the LSA in connection with transactions with related parties that are not of a material amount, as well as in connection to those that are agreed upon or carried out between the Bank and legal entities in which the Bank owns, directly or indirectly, at least 95% of ownership in accordance with the provisions of letter (c) of the same article.

### 3. RELATED PARTIES.

Under the provisions of article 146 of the LSA, the transactions with related parties to a listed corporation [*sociedad anónima abierta*], which, by extension, according to the law, is applicable to Banco de Chile given its status as a special corporation, consist of any negotiation, act, contract or transaction in which the company and also any of the following persons is required to intervene:

a) One or more related parties to the company, under article 100 of Law No. 18.045 of Securities Market Act [*Mercado de Valores*]. According to the latter law, are related to a company the entities of the business group to which such

company belongs; the legal entities that have, with respect to the company, the status of parent, affiliate [*coligante*], subsidiary, or associate [*coligada*], under the definitions in the LSA; those who are board members, managers, administrators, chief executives or liquidators of the company, and their spouses or their relatives up to the second degree of consanguinity, as well as any entity controlled, directly or through other persons, by any of them; and any persons who, by themselves or with others with whom they have a joint action agreement [*“acuerdo de actuación conjunta”*], can appoint at least one member of the management of the company or controls 10% or more of the capital of the company or the capital with voting rights in the case of a limited liability stock corporation [*sociedad por acciones*].

b) A board member, manager, administrator, chief executive or liquidator of the company, acting on his or her own name, or on behalf of persons other than the company, or their respective spouses or relatives up to and including the second degree of consanguinity or affinity.

c) Companies or businesses in which the persons indicated in the previous letter own, directly or through other individuals or legal entities, 10% or more of its capital, or are board members, managers, administrators, or main executives.

d) Those established by the bylaws of the company or those reasonably identified by the committee of board members [*“comité de directores”*], where applicable, even when they are those indicated in the final paragraph of article 147 of the LSA.

e) Those in which such person has performed duties as a board member, manager, administrator, chief executive or liquidator, or as a board member, manager, administrator, chief executive, or liquidator of the company within the last eighteen months.

Additionally, for the purposes of the provisions of NCG No. 501 regarding the designation of persons related to the administration of the Controller, the Board Members and Chief Executives of Quiñenco S.A., as Controller of Banco de Chile, are incorporated in this document. In addition, the Board Members and Chief Executives of LQ Inversiones Financieras S.A. and the Administrators and Chief Executives of Inversiones LQ SM Limitada (both LQIF Group) who hold more than 50% of the shares of the Bank are also incorporated. Likewise, their spouses are included for the same purposes.

<b>Banco de Chile</b>	Customary Transactions Policy (Free Translation from Spanish)	September 2024	Code No. D.012
		Version 1.0	

**4. CUSTOMARY TRANSACTIONS IN THE SENSE THAT THEY ARE ORDINARY UNDER THE REGISTERED BUSINESS ACTIVITY OF BANCO DE CHILE.**

For the purposes of this Policy, the transactions indicated in letters (a) and (b) of section 4.1 below are considered customary, which have an ordinary nature in consideration of the business purpose of the Bank. These transactions may be entered into and executed with the related parties specified in each case in section 4.2 of this Policy.

**4.1 Customary Transactions.**

- a) Contracts of bank current accounts, at sight deposit accounts and savings accounts; deposits payable at sight or at a term; loans or credit operations in any form, with or without securities or guarantees; buying and selling movable or real estate tangible property only to carry out leasing operations, with or without a purchase option; discounting of documents representing payment obligations; factoring; acquiring and transferring commercial papers and credits; buying and selling credits or participating in credits in any form; operations with derivatives; operations with structured investment instruments; buying and selling securities with repurchase agreements; collections, recoveries, payments, cash management and administration services and transfers of funds or information under any mechanism and in any form; foreign exchange operations; issuing, negotiating and confirming letters of credit; issuing bonds or debentures; guarantee bills of exchange and promissory notes, and granting simple and joint guarantees; correspondent agreements, issuing and receiving payment orders from correspondents; issuing bonds and guarantee deposits; deliver and receive securities and effects in custody; accept and execute trust commissions including the exercise of agency agreements or mandates inherent to these activities of custody and/or sub-custody services for securities or instruments; act as a credit and collateral agent; contract and maintain safe deposit boxes; acquire and sell bonds, securities and all types of financial instruments, including leasing obligations; issue credit and debit cards; act as a financial agent and placement agent; financial advisory services; transportation of securities; operating agreements, rates and interbank payments; co-branding or shared brand contracts, and incentive agreements associated with bank cards or electronic means; and, additionally, acts or contracts accessory or complementary to one or more of the aforesaid transactions such as contracts for remote internet services, access to ATMs, telephone banking, mobile banking, agencies or instructions and, in general, other transactions related

<b>Banco de Chile</b>	Customary Transactions Policy (Free Translation from Spanish)	September 2024	Code No. D.012
		Version 1.0	

to the banking business regulated by the General Banking Act or other complementary or accessory legal norms and regulations.

- b) Contracts and operations consisting of cash terminal and point-of-sale operation services; participation and operation with low-value payment clearinghouses; participating and operating with high-value payment clearinghouses; participating and operating with securities deposit companies and in financial instruments clearing and settlement systems; services related to the prevention of electronic or card fraud; and other operational or technological operations or services intended to enable or facilitate the development and provision by the Bank of banking operations and other accessory or complementary acts or contracts, including network services, of systems or other nature, related to information, processing or transfer of data, information or funds, and to collection and payments. The services, operations, and activities indicated in this letter (b) correspond to those provided to the Bank by banking support companies or by entities in which they participate, within the framework of the development of their respective activities, and consequently, they are services, operations, and activities in addition to those indicated in letter (a) above.

#### **4.2 Counterparties to transactions with related parties and their contribution to the corporate interest.**

The transactions indicated in letters (a) and (b) of section 4.1 may be carried out and executed with the related parties listed below, without the requirements and procedures established in numbers 1 to 7 of article 147 of the LSA:

1. The transactions expressed in letter (a) of section 4.1 may be entered into and executed by the Bank, in its capacity as provider and supplier of the services and products referred to in said letter, with any individual or legal entity which qualifies as a related party in accordance with the provisions of article 146 of the LSA and which are indicated in section 3 of this Policy. For its part, in cases where the Bank engages as a customer of the services and products, in letter (a) of section 4.1 above, the related party must be a bank or financial institution established in Chile or abroad; a listed or special corporation that, as part of its business purpose, develops one or more of the activities provided for in the said letter (a); other entities subject to the supervision or oversight of any authority, department or agency of the State of Chile or from abroad; and entities in which any of the above participates directly or indirectly with 10% or more of the ownership, to the extent that within the scope of its

<b>Banco de Chile</b>	Customary Transactions Policy (Free Translation from Spanish)	September 2024	Code No. D.012
		Version 1.0	

business purpose develop one or more of the activities provided for in letter (a) above.


The transactions referred to in this number 1 comprise frequent and customary transactions of the Bank, mainly but not limited to, matters of transactional products, deposits, savings, credit and financial and commercial operations in general, for which reason they are included in this Policy in order to allow the Bank to operate continuously with clients of various segments, in particular in terms of opportunity and response time, attributes especially relevant in transactions between the Bank and its customers, individuals and legal entities, all of this with the purpose to contribute to the corporate interest of the Bank, and must also be adjusted in price, terms and conditions to those prevailing in the market at the time of their execution.

For its part, the inclusion of the same transactions considered for cases in which the Bank contracts them as a customer of the respective services and products with the entities that have been indicated, also aims to contribute to the corporate interest of the company, given that they are comprised in the framework of enabling the development of the business purpose of the Bank, are an inherent part of the payment chain and the financial system and are inherent to banking activity and essential for the proper functioning of the economy.

2. The transactions expressed in letter (b) of section 4.1 may be carried out and executed with related companies that qualify as banking support companies in accordance with articles 74 and 75 of the General Banking Act, and that are subject to the oversight of the CMF, and that must adjust their operations in accordance with its business purpose. In addition, such transactions may be carried out and executed with companies in which either of them has a stake under the regulations in force.

The transactions referred to in this number 2 are an inherent part of the payment chain and the financial system, are intrinsic to the banking activity and essential for the proper functioning of the economy and, consequently, contribute to the corporate interest of the Bank. Due to their nature, volume and frequency, they require specialized technological infrastructure, which is largely carried out by banking support companies or by companies in which they participate, all with the purpose of generating efficiency and satisfying the need for flexibility necessary for the proper operational and contractual relationships of the Bank with said companies, in a context of constant innovation and digitalization of payment systems and means of transfer of



	Customary Transactions Policy (Free Translation from Spanish)	September 2024	Code No. D.012
		Version 1.0	

funds and information in Chile, which are subject to periodic regulatory requirements.

#### **4.3 Limitations on the Maximum Amount per Customary Transaction.**

In relation to the transactions carried out under this Policy, the following limitations are established for the maximum amount for each regular transaction of those referred to in letters (a) and (b) of section 4.1 above:

**Legal Limit:** Pursuant to the provisions of letter (b) of article 147 of the LSA, the execution of acts or contracts that affect more than 10% of the assets of the Bank may not be entered into or executed without having complied with the requirements and procedures set out in numbers 1 to 7 of article 147 of the LSA.

**Additional Limit of this Policy:** In addition to the limitation referred to in the preceding paragraph, operations carried out under this Policy may not exceed 1% of the assets or 10% of the total income of the Bank (on a consolidated basis) of the immediately preceding fiscal year.


It is expressly noted that the limitations referred to in this section 4.3 under the provisions of NCG No. 501, are established without prejudice to other limitations and different prohibitions provided for banks in the General Banking Act and in the regulations issued for this purpose by the CMF.

#### **4.4 Limitations on Customary Transactions due to a Material Effect in accordance with NCG No. 501.**

Transactions that are considered Customary in accordance with the above in this Policy, and that may therefore be agreed upon and executed with related parties without complying with the requirements and procedures mentioned in numbers 1 to 7 of article 147 of the LSA, should not have a material effect on the economic, financial or legal situation of the Bank. For their part, transactions with related parties that have a material effect must comply with the requirements and procedures set forth in numbers 1 to 7 above.

For the above purposes, in accordance with the provisions of NCG No. 501, the following operations will be deemed to have a material effect on the Bank:

- 1) those carried out within in the context of a liquidation of assets that compromises the solvency of the Bank or in the context of a merger of companies;
- 2) those in which the equivalent of more than 30% of the total income or

	Customary Transactions Policy (Free Translation from Spanish)	September 2024	Code No. D.012
		Version 1.0	

expenses of the previous fiscal year may of the Bank are compromised.

**4.5 Conditions, Terms, and Recurrence of Customary Transactions.**

According to NCG No. 501, to be considered customary, transactions must have terms and conditions similar to those entered into in the past, taking into account the market conditions prevailing at the time of their execution, to be recurrent and, consequently, to have been entered into at least once every 18 months in the last three years, or to have been entered into within the in the context of a contract of successive performance [*de tracto sucesivo*], deferred execution or automatic renewal.

**5. CONTROL MECHANISMS.**

The Commercial Divisions of the Bank, formed by the Commercial Division, the Treasury Division, and the Corporate Division, when carrying out an transaction with a related counterparty, in accordance with the terms indicated above, must ensure that said transaction is carried out under market conditions and that it does not exceed the limit amounts mentioned in section 4.3.

The Corporate Risk Division must issue instructions in order to ensure that the transactions indicated in letter (a) of section 4.1 do not exceed the said limit amounts.

The Administration Department of the Bank, together with the Department corresponding to the area user of the respective service, when carrying out an transaction with a related counterparty corresponding to any of the transactions contemplated in letter (b) of section 4.1, must ensure that the transactions are executed under market conditions.

For the transactions described in the preceding paragraph, it will be the responsibility of the Administration Department to adopt measures so that transactions indicated in letter (b) of section 4.1 do not exceed the maximum amounts indicated in section 4.3.

The Technology Area of the Bank will maintain a record and make available periodically to those employees of the Bank as the Compliance Officer determines, a database of transactions with related parties. The mechanisms for identifying transactions, as well as the minimum information required for each one, will be defined by the Regulatory Compliance Area.

<b>Banco de Chile</b>	Customary Transactions Policy (Free Translation from Spanish)	September 2024	Code No. D.012
		Version 1.0	

The Regulatory Compliance Area will periodically verify that the transactions carried out under this Policy meet the criteria mentioned above, for which it will select a representative set of transactions to carry out said analysis. In addition, it will be empowered to issue any additional instructions that may be required for compliance with the controls provided for in this policy.

## 6. REPORTING OF TRANSACTIONS WITH RELATED PARTIES.

The Bank, through the Regulatory Compliance Area, will prepare and disseminate a semi-annual report on transactions with related parties that have effectively been carried out during the respective semiannual period, regardless of whether or not they have been carried out under this Policy, as stated by the provisions of Title II of NCG No. 501, including its annex. Transactions for amounts less than the equivalent of 1,000 UF on the date of their execution may be reported in an aggregate manner.

Its incorporation into the report is not required for those transactions that are subject to secrecy or confidentiality under a legal provision.

Each report will be kept publicly available for at least 24 months from its publication.

## 7. POLICY COMPLIANCE OFFICER.

The Compliance Officer of this Policy is the Manager of the Regulatory Compliance Area of the Bank. To ensure compliance with the standards established in the Policy, the Compliance Officer will periodically verify the control mechanisms defined in section 5 of this Policy, thereby validating that the conditions required for this type of transaction are met. Furthermore, to ensure the independence of the criterion used to determine the market price of the transactions, the compliance officer will prepare a semi-annual report to the Board Members and Audit Committee of the Bank, to account for the main aspects of compliance and reporting of Transactions with Related Parties.

## 8. INFORMATION AND DISCLOSURE OF THE CUSTOMARY TRANSACTIONS POLICY.

This Policy will be available to interested parties and the general public at the corporate offices and on the website [www.bancochile.cl](http://www.bancochile.cl).

9. TERM, APPROVAL AND AMENDMENTS.

This Policy will come into effect as of September 1, 2024.

This Policy has been approved by the Board of Directors of the Bank at its meeting held on August 28, 2024 and has not been amended.

10. GOVERNANCE OF THE DOCUMENT.

Owner of the document:	Luis Lagos L.
Position of the person responsible:	Regulatory Compliance Manager
Person in charge of the Policy:	Luis Lagos L.
Periodicity of review:	Annual
Document internal path:	Regulatory Site/Policies/Global Compliance Division

11. DOCUMENTARY RELATIONSHIP.

<b>Internal Document Relationship</b>
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General Rule [Norma de Caracter General] No. 501 of the CMF

12. VERSION CONTROL.

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V.1	Global Compliance Division	First version of the document	28 August 2024: