

GOOD PRACTICES AND PROMOTION OF FREE
COMPETITION FOR
BANCOESTADO, SUBSIDIARIES AND SUPPORTING
COMPANIES



BancoEstado[®]



GUIDELINES

BancoEstado, as a company created by law, is subject to the same rules that apply to any banking or financial institution in the country in matters of free competition. This follows from Article 2 of its Organic Law that states that "the Bank shall be governed by the rules of this Organic Law and, in matters not provided for therein, by the applicable legislation to banking companies and other provisions that govern the private sector".

Therefore, we understand as relevant the implementation of policies and regulations that allow the diffusion of principles and rules of free competition to all those who work in the Bank and its subsidiary and support companies, in order to avoid the occurrence of behaviors that could constitute a risk of infringement of said principles and norms, in order to guide their operations within a framework of promotion of competition in the markets, and to foresee possible conflicts in matters of free competition, in order to protect the Bank's interests and of its subsidiaries and support companies.





BancoEstado

COMPLIANCE COMPROMISE

The Bank, through its Directors and senior executives, is committed to collaborate and support the different business areas and their respective employees, in relation to the way to comply with the Free Competition regulations. For it:

- Will deliver criteria for execution, providing guidelines about the necessary practices to ensure the required compliance.
- Will grant assistance and legal support, for which in addition to designate and maintain a Compliance Officer within the Bank, it will have the advice of the Prosecutor Office, so that all employees permanently stay updated on the matter.
- There must be a permanent and continuous interaction between the Compliance Officer and the Prosecutor Office, with at least two meetings per year being managed for such purposes.

- The Bank will provide a constant program of training and updating.
- Likewise, the Bank will be responsible for auditing, through its Comptroller's Office, compliance with the respective legislation and this Manual.

The proper compliance with the rules of free competition is the obligations essence of each and every employee of BancoEstado and its subsidiaries and support companies. In relation with the duties, obligations, actions and administrative sanctions applicable to all employees, as well as procedures for reporting or pursuing responsibilities against persons who violate this law, those indicated in the Internal Regulation of Order, Hygiene and Security shall apply.



BancoEstado

GOOD PRACTICES OF
FREE COMPETITION
FOR BANCOESTADO

FREE COMPETITION
COMPLIANCE
PROGRAM

FREE COMPETITION COMPLIANCE PROGRAM

BancoEstado has developed a Free Competition Compliance Program to facilitate regulatory standards compliance and especially strengthen corporate governance. This program seeks to complement the instruments that already exist within the company in relation to the duties, obligations, actions and administrative sanctions applicable to all employees, as well as procedures for reporting or pursuing responsibilities against persons who fail to comply with the law.

PREVENTION GUIDELINES AND RECOMMENDATIONS

Based on the general behaviors defined by the law as contrary to free competition, and in order to facilitate the due compliance with such standards, a series of conducts and guidelines are established that must be fulfilled by the employees of BancoEstado and of its subsidiaries and support companies in the exercise of their functions in their relationship with **competitors, suppliers, customers and trade associations.**

As a general principle, in the event of doubt as to whether a certain conduct represents a risk of non-compliance with the rules of Free Competition, employees have the duty to refrain from carrying out such conduct and consult to the Compliance Director or to the BancoEstado Prosecutor Office. Remember that not only written contracts can be contrary to free competition, but also acts, facts or informal agreements, such as face-to-face conversations, telephone calls, emails, tacit and even by omission agreements.

Then, and merely exemplary, some behaviors that should be avoided in the relationship with competitors, suppliers, customers, regulators or trade associations are indicated, with the purpose that the collaborators who participate in activities or business or support processes can program and execute their tasks in a way that prevents the commission of anti-competitive acts:

COMPETITORS RELATIONSHIP

BancoEstado will not establish agreements of any kind nor will it exchange information that relates to competition variables with current or potential competitors or with those who can be linked to them.

In the event that BancoEstado or any of its subsidiaries requires to establish collaboration agreements with competitors, these must be communicated in advance to the Compliance Director, to adopt the necessary measures in order to avoid such agreements implying the transfer, exchange or communication of competition variables.





BancoEstado

COMPETITORS RELATIONSHIP

EVERY COLLABORATOR THAT INTERACTS WITH COMPETITORS MUST TAKE INTO ACCOUNT:

- Refrain from any exchange of price lists with competitors.
- Do not send notices of price increases to competitors and not accept the receipt of lists with increases in prices of competitors.
- Do not establish agreements or exchange information with competitors on the volume of sales or percentages of market share (territory, products, customers, business lines, among others).
- Do not establish agreements with competitors to limit the supply of products or services in order to increase prices or stabilize the market.
- Do not coordinate, converse or expressly or tacitly agree with the competitors about the exclusion of other companies in the same market or in the maximum production volume allowed.
- Do not establish agreements, exchange information or perform acts that allow competitors to know or obtain from competitors information about the opening or closing of service points or limit their existing sales capabilities.
- Do not share confidential information with current or potential competitors, either verbally or in writing.
- Obtain information related to prices and sales conditions of third parties only from public sources or market intelligence that can be accessed by electronic means.
- Do not use information obtained from former employees of the competitor.
- It must avoid participating in behaviors that can be classified as unfair competition, that is, contrary to good faith or good behavior and that attempt to deflect by fraud or illegitimately the client of another market agent (for example, advertising that negatively alludes to the competition).
- In the context of the public or private bidding processes in which BancoEstado is a party, do not exchange information of any kind or nature that is not public with competitors.
- Report any conduct that constitutes an infraction to these guidelines, or for which there are doubts, committed by competitors or collaborators.

SUPPLIERS RELATIONSHIP

The goods purchase or the services contracting will be carried out with objectivity and transparency, avoiding situations that could affect the objectivity of the people who participate in them (family, economic or friendly relationship with the provider).

The suppliers choice should always be made independently, never on the basis of unlawful agreements with competitors or with any supplier or group of suppliers to the detriment of others.





BancoEstado

SUPLIERS RELATIONSHIP

EVERY EMPLOYEE THAT INTERACTS WITH SUPPLIERS SHOULD KEEP IN MIND:

- Must not limit or attempt to limit the rights of suppliers to sell to competitors.
- Must not request or try to obtain, through suppliers, information on competitive variables of competitors,
- Must not use clauses that may be considered abusive or discriminatory in contracts with suppliers. Objective and transparent criteria and conditions for contracting with suppliers must be maintained
- In the event that the behavior of a supplier deviates from the rules and guidelines of Free Competition, such situation must be brought to the attention of the executives and the Compliance Director in order to analyze the situation and the measures to be adopted.

CUSTOMERS RELATIONSHIP

EVERY EMPLOYEE THAT INTERACTS WITH CUSTOMERS SHOULD KEEP IN MIND:

- Do not offer prices, discounts or other terms different to customers that present similar characteristics and conditions.
- Do not require a client to hire other products or services as a requirement to contract a product.
- Do not unjustifiably deny the sale of products or services that are normally sold to other customers.
- The choice of clients should always be made independently, never based on illicit agreements with competitors.

GOOD PRACTICES OF
FREE COMPETITION
FOR BANCOESTADO

CUSTOMER
RELATIONSHIP



TRADE ASSOCIATIONS RELATIONSHIP

In view that the nature of the functions and activities of Trade Associations are exposed to a certain risk of transgressing the rules of free competition, because the result of cooperation, communication or collaboration between competitors is not always positive for the competition, being able to facilitate or give rise to anti-competitive behavior, it is recommended to the employees that, in case of developing cooperative actions within the framework of a Trade Association, keep in mind:

- The purpose of the proposed collaboration and its current and potential effects;
- When possible, the agreements reached must be documented, as well as the improvements that the parties expect to achieve; and
- The joint activity must be limited exclusively to what is strictly necessary to achieve the (lawful) objective of the agreement.
- Communicate to the Compliance Director any sensitive situation to free competition that has been witnessed in meetings where competitors have attended.

GOOD PRACTICES OF
FREE COMPETITION
FOR BANCOESTADO

TRADE
ASSOCIATIONS
RELATIONSHIP





BancoEstado

PROGRAM RESPONSIBLE

The Compliance Director as responsible for the Free Competition Compliance Program has the mission to implement, manage and monitor the establishment of specific protocols and procedures that allow workers that intervene or participate in business or support activities or processes, to schedule and execute their tasks or labors in a way that prevents the commission of crimes. The main characteristics of this role correspond to:

- Establish, together with the administration, the Compliance Program of Free Competition, as well as worry about its effective implementation and application.
- Represent risk behaviors to senior management.
- Keep communication channels and complaints available.
- Analyze and resolve with respect to the complaints related to the conducts sanctioned by DL No. 211 and those indicated in this Manual.
- Prepare and provide training for Bank and subsidiary companies employees.

WHISTLEBLOWING AND CONSULTATION CHANNELS

All Bank or subsidiaries or support companies employees, customers or suppliers may voice complaints, report possible noncompliance or eventual commission of crimes using the Whistleblower Channel enabled on the Bank's intranet and on the intranet of the subsidiary companies or through the Bank's website.

It is the employee obligation under any type of contract (permanent contract, temporary or subcontractor), to report any fact, act or circumstance of which it has taken knowledge and that corresponds or could correspond to an infringement of free competition.

The Compliance Director or whoever he designates, reviews and analyzes each time an event occurs, consultation or denunciation associated with the crimes of the law. All inquiries or complaints receive treatment and / or legal consideration, according to their context, through specific advice.

The established procedures for the complaints treatment ensure the confidentiality of the complainant and guarantee that there will be no reprisals or discriminatory measures against the worker who makes the complaint.

GOOD PRACTICES OF
FREE COMPETITION
FOR BANCOESTADO

PROGRAM
RESPONSIBLE





BancoEstado

WHISTLEBLOWING AND CONSULTATION CHANNELS

The Complaint Channels enabled are:

Bank's and the subsidiaries or support companies Intranet

Website www.bancoestado.cl

By written letter addressed to the Compliance Director located at Morandé 25 piso 9, Santiago.

TRAINING AND DISSEMINATION

BancoEstado and its subsidiaries must include in their annual training plan, through the Compliance Department, aspects related to the Law of Free Competition and prevention strategies.

It must be part of the induction training that new employees receive.

The Compliance Department will provide courses on a regular basis (at least annually), prioritizing those areas of greatest risk.

The attendance to the training that is given, either in person or through E-learning, is obligatory for all the employees and their results will be in their personal folder.

The Manual of Promotion of Free Competition is part of the Internal Regulation of Order, Hygiene and Safety and should be known by all employees.



GOOD PRACTICES AND PROMOTION OF FREE COMPETITION FORBANCOESTADO, SUBSIDIARIES AND SUPPORTING COMPANIES

www.bancoestado.cl