

**REGULAR TRANSACTIONS POLICY<sup>1</sup>**  
**OF**  
**LIBERTY MUTUAL SURETY SEGUROS CHILE S.A.**

**1. PRELIMINARY ASPECTS**

This document contains the general habituality policy of LIBERTY MUTUAL SURETY SEGUROS CHILE S.A. (hereinafter, the "Company" or "LMSS Chile") according to Title XVI of Law No. 18,046 on Joint Stock Companies (the "LSA"), the General Standard No. 501 of January 8, 2024, issued by the Commission for the Financial Market (the "NCG 501"), and other applicable regulations issued by the Commission for the Financial Market (the "CMF").

LMSS Chile will be governed by the same legal and regulatory provisions applicable to publicly traded companies, in all matters not contrary to the provisions of Title XIII of the LSA and other special regulations governing insurance companies.

According to Article 147 of the LSA, LMSS Chile may only engage in transactions with related parties when such transactions:

- (i) Aim to contribute to the social interest;
- (ii) Align in price, terms, and conditions with those prevailing in the market at the time of approval; and
- (iii) Comply with the requirements and procedures described in Article 147 of the LSA.

Notwithstanding the above, a transaction with a related party may be executed without fulfilling the requirements and procedures outlined in Article 147 of the LSA, upon prior authorization from the Board of Directors, in the following cases:

- (i) The transaction is not of significant amount, where a significant amount is understood as any act or contract exceeding 1% of the equity, provided that such act or contract exceeds the equivalent of 2,000 Unidades de Fomento ("UF") and, in any case, when it is greater than UF 20,000. It is presumed that all transactions perfected within a consecutive period of 12 months through one or more similar or complementary acts, involving the same parties, including related persons, or the same object, constitute a single transaction;
- (ii) Transactions that, according to the habitual operations policy approved by the Board of Directors, are ordinary considering the corporate purpose; and
- (iii) Transactions between legal entities in which the respective company owns, directly or indirectly, at least 95% of the ownership of the counterparty.

As stated in the previous subsection (ii), at a Board of Directors meeting on [●] of [●] of [●], the Board of the Company approved the following Regular Transactions policy for LMSS Chile (the "Regular Transactions Policy"), in accordance with the requirements of the LSA and NCG 501.

**2. JUSTIFICATION FOR HAVING A REGULAR TRANSACTIONS POLICY**

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<sup>1</sup> Translation made by Artificial Intelligence

According to the bylaws of LMSS Chile, its purpose is to insure and reinsure based on premiums or in the manner authorized by law, both in Chile and abroad, the insurance and reinsurance operations of the risks included in the first group of the classification of Article 8 of the Decree with Force of Law No. 251 of 1931, or in the legal or regulatory provisions that may replace or modify it, as well as any other insurances or reinsurances that the law currently or in the future authorizes. Furthermore, the object of LMSS Chile shall include developing any other activity that the applicable law or the CMF, through general standards, declares related or complementary to the own and exclusive business of first group insurance companies.

LMSS Chile conducts its exclusive business with the support of various entities within the Liberty Group (also referred to as the Liberty Mutual Group), which carry out complementary activities among themselves. The development of such activities involves the Company frequently engaging in various transactions with its related parties, such as entering into insurance and reinsurance contracts, advisory service contracts, professional services, administrative, back-office services, lease or sublease contracts, etc. This enables LMSS Chile to have an efficient structure, leverage synergies with the Liberty Group, optimize its resources, and meet its projected goals.

Consequently, LMSS Chile requires a general regular transactions policy to execute ordinary and recurring operations in consideration of its business with related parties, without needing to adhere to the requirements and procedures of Article 147 of the LSA.

### **3. OBJECTIVE AND SCOPE OF THE REGULAR TRANSACTIONS POLICY**

This document refers to the operations to be carried out by LMSS Chile which, being ordinary according to its business and recurrent in terms of NCG 501, may be conducted, executed, and/or entered into with the related parties indicated below, without being subject to the requirements and procedures of Article 147 of the LSA (the "Ordinary Transactions").

This is without prejudice to the information and/or approval obligations regarding such operations set forth by law, the bylaws, or the Board of Directors of LMSS Chile.

### **4. REGULAR TRANSACTIONS POLICY**

The Ordinary Transactions of LMSS Chile include all operations, acts, contracts, and/or businesses that it performs, executes, and/or enters into periodically with its related parties, provided that such operations are carried out within the framework of its corporate purpose and are necessary for the ordinary development of its activities.

To determine that a transaction is ordinary and, therefore, subject to this Regular Transactions Policy, the following factors must be considered:

- (i) That the transaction has similar terms and conditions to those entered into previously, considering the prevailing market conditions at the time of its execution;
- (ii) That the transaction is recurrent, meaning it has been entered into at least once every 18 months over the past three years, or has been executed under a successive contract, deferred execution, or automatic renewal;
- (iii) That the transaction does not have a significant effect on the economic, financial, or legal situation of LMSS Chile. A significant effect is understood as transactions that occur within the

framework of an asset liquidation that compromises the solvency of LMSS Chile or within a merger, and transactions that may involve more than 30% of the total revenues or expenses of the previous annual period of LMSS Chile.

Furthermore, the transaction, act, contract, or business may not compromise more than 10% of the assets of LMSS Chile, as established in Article 147(b) of the LSA.

Thus, the Ordinary Transactions that may be carried out under this Regular Transactions Policy are as follows:

**4.1 The offering, entering into, and/or contracting of first group insurance contracts and reinsurance contracts with domestic or foreign entities, whether or not intermediated by insurance brokers and reinsurance brokers.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be included in the Regular Transactions Policy as it is part of the Company's own and exclusive business. Such transactions are recurrent for the Company, and their exclusion would severely affect the operational capacity and decision-making in the ordinary course of business.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets. This amount is justified by the Company's business model, considering that it will commence operations in early 2025. In this sense, the business strategy includes, among other things, entering into a reinsurance contract between the Company and a related party with a 100% cession. This will help ensure short-term liquidity and long-term solvency, and protect the Company's financial structure in case of claims.

**4.2 The contracting of professional support services, managerial, executive, administrative, operational, technical, actuarial, internal audit, back-office, and, in general, any complementary support service for the corporate purpose.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be integrated into the Regular Transactions Policy since it involves ordinary and recurrent activities of the Company that contribute to the development of its business. Exclusion would affect, among other aspects, the leveraging of synergies within the Liberty Mutual Group, operational capacity in the ordinary course of business, and service standards to LMSS Chile's clients.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets.

This is justified as the Company is just beginning its operations and thus requires a significant level of support services from its business group. The business plan considers these services essential for proper operation.

#### **4.3 The contracting of services or consultancy in economic, commercial, financial, accounting, tax, legal, investment, portfolio management, marketing, advertising, and human resources matters.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be integrated into the Regular Transactions Policy as it involves ordinary operations of the Company that contribute to the development of its business and allow it to enhance the offering and marketing of insurance products. This is achieved through the creation, development, and implementation of commercial strategies based on best practices in the industry and the Liberty Mutual Group. Exclusion would affect the leveraging of synergies within the Liberty Mutual Group and the operational capacity in the ordinary course of LMSS Chile's business.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets.

This is justified as the Company is just beginning its operations and thus requires the support, knowledge, and experience of its business group through consultancy services. The business plan considers these services essential for proper operation.

#### **4.4 The contracting of support services for the processes of underwriting insurance and reinsurance policies, pricing, premiums and rates determination, collection and collection of premiums, as well as claims settlement processes.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be integrated into the Regular Transactions Policy as it relates to ordinary activities of the Company that contribute to the development of its business and are also recurrent. Exclusion would affect the leveraging of synergies within the Liberty Mutual Group, the operational capacity in the ordinary course of business, the achievement of goals, and the response times to requirements from the CMF and/or LMSS Chile's clients.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets.

This is justified as the Company is just beginning its operations and thus requires a significant level of support services from its business group. The business plan considers these services essential for proper operation.

**4.5 The purchase, acquisition, or lease, and in general any act, contract, business, or operation related to movable or immovable property, tangible and intangible.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be integrated into the Regular Transactions Policy as it refers to ordinary activities of the Company that contribute to the development of its business and are also recurrent. Exclusion would affect the leveraging of synergies within the Liberty Mutual Group and the operational capacity in the ordinary course of LMSS Chile's business.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets.

This is justified as the Company can generate synergies by operating together with other companies in the business group and therefore enter into transactions under more favorable conditions.

**4.6 The contracting of support services for investment portfolio management, financial operations, current account loans, money credit operations, foreign exchange buying and selling operations, and collection and custody of securities operations.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be integrated into the Regular Transactions Policy as it refers to ordinary activities of the Company that contribute to the development of its business and are also recurrent. Exclusion would affect, among other things, the leveraging of synergies within the Liberty Mutual Group, the operational capacity in the ordinary course of business, the safeguarding of solvency requirements, and the financial situation of LMSS Chile.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets.

This is justified as the Company is just beginning its operations and thus requires a significant level of support services from its business group. The business plan considers these services essential for proper operation.

**4.7 The contracting of telecommunications services, data centers, IT services, licenses, software, data transfer, and, in general, any analogous support services for the business.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be integrated into the Regular Transactions Policy, as it involves ordinary activities of the

Company that contribute to the development of its business and allow for the proper execution of the business plan in terms of IT support and maintenance. Additionally, it includes the periodic review and control of cybersecurity measures and technologies, following best industry practices and the standards of LMSS Chile and the Liberty Mutual Group. Its exclusion would negatively impact the leveraging of synergies within the Liberty Mutual Group as well as the operational capacity in the ordinary course of business for LMSS Chile.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets. This is justified as the Company is just beginning its operations and thus still requires a significant level of support services from its business group. The business plan considers these services essential for proper operation.

#### **4.8 The entering into acts and contracts concerning trademarks, trade names, domain names, patents, inventions, processes, drawings, designs, know-how, and other tangible and intangible assets related to the intellectual and industrial property of the insurer.**

**Justification:** The Board of Directors of LMSS Chile considers that this type of transaction should be integrated into the Regular Transactions Policy since it refers to ordinary activities of the Company that contribute to the development of its business and are also recurrent. Its exclusion would affect the leveraging of synergies within the Liberty Mutual Group as well as the operational capacity in the ordinary course of business for LMSS Chile.

**Counterparties:** These transactions may be executed between LMSS Chile and: (i) its parent company, subsidiaries, affiliates, and shareholders, direct or indirect; (ii) other entities of the Liberty Group (or the business group to which LMSS Chile belongs); and (iii) any entities directly or indirectly controlled by the ultimate controller of LMSS Chile.

**Maximum Amount:** Transactions under this section may be carried out for an individual amount equivalent to 10% of the Company's assets. This is justified as the Liberty brand and other intellectual or industrial properties belong to the business group, making it indispensable to enter into transactions with related parties regarding these matters.

## **5. CONTROLS.**

To ensure compliance with the Regular Transactions Policy, and especially to guarantee that the respective operation contributes to the social interest and aligns with the prices, terms, and conditions prevailing in the market at the time of execution, any operation, act, contract, or business that could be classified as an Ordinary Transaction must follow the procedure below:

5.1 The manager or principal executive of the area wishing for the Company to undertake an operation, act, contract, and/or business that could qualify as an Ordinary Transaction must inform the Compliance Officer in writing before execution. Within 5 business days of receiving this communication, the Compliance Officer will verify whether the operation meets the requirements of the Regular Transactions Policy to qualify as an Ordinary Transaction.

5.2 If the Compliance Officer has doubts regarding whether the operation, act, contract, or business is an Ordinary Transaction, they must inform the Governance Committee in writing, briefly referencing the operation and explicitly indicating the reasons why it is considered that the operation could meet the conditions to be classified as an Ordinary Transaction, along with the necessary information for analysis. Within 10 business days from such communication, the Governance Committee will verify whether the operation in question meets the requirements of the Regular Transactions Policy to qualify as an Ordinary Transaction.

5.3 If the Compliance Officer or the Governance Committee, as applicable, confirms that the operation, act, contract, or business is an Ordinary Transaction, the Compliance Officer will communicate this circumstance to the manager or executive of the area as soon as possible, and the operation, act, contract, or business may proceed without further formalities.

5.4 Conversely, if the Compliance Officer or the Governance Committee, as applicable, cannot conclude that the operation, act, contract, or business in question is an Ordinary Transaction, it may only be carried out in accordance with the requirements and procedures outlined in numbers 1) to 7) of Article 147 of the LSA.

5.5 The Compliance Officer will maintain an updated record of all Ordinary Transactions entered into by LMSS Chile, as well as all operations, acts, contracts, and businesses that do not qualify as such, including the information and analysis conducted by the Compliance Officer and/or the Governance Committee regarding them.

## **6. COMPLIANCE OFFICER**

6.1 The person responsible for compliance with the control mechanisms outlined in the previous section 5 will be the Compliance Officer, who must ensure the proper observance of the Regular Transactions Policy, ensuring that operations qualifying as Ordinary Transactions meet the requirements established in this Regular Transactions Policy. The Compliance Officer will have full autonomy and independence from the Company's management, reporting directly to the Board of Directors concerning this Regular Transactions Policy.

6.2 The Compliance Officer must report biannually to the Board of Directors of LMSS Chile on all Ordinary Transactions that have been conducted under this Regular Transactions Policy during the previous period.

Among other things, the Compliance Officer's report must: (i) indicate whether the Ordinary Transactions entered into are still ongoing at the date of the report; (ii) review the effectiveness of the control mechanisms and the disclosure of the Regular Transactions Policy; and (iii) suggest modifications to this Regular Transactions Policy for the Board's consideration.

## **7. DISCLOSURE MECHANISMS.**

According to Article 147(b), second paragraph, of the LSA, this Regular Transactions Policy will be reported to the CMF as an essential fact.

The full and updated text of this Regular Transactions Policy will be available to the Company's shareholders at its offices located at Isidora Goyenechea 2800, Office 503, Las Condes, Santiago, Chile, and will also be available on the LMSS Chile website once it is operational.

## **8. EFFECTIVENESS.**

This Regular Transactions Policy, approved by the Board of Directors of LMSS Chile at a meeting held on January 31, 2025, will come into effect on that same date and will remain in force as long as the Board of the Company does not agree to modify or replace it.