

## **CORPORATE GOVERNANCE POLICY**

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### **SUMMARY**

Compiles and establishes the set of values, principles, policies, rules, methods, practices and processes used to manage Itaú Corpbanca in order to maximize growth and promote investor confidence through practices that seek transparent, coherent action and uphold commitments to different stakeholders.

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## **Chapter I: Definitions**

### **Corporate Governance**

The term “corporate governance” refers to the system used to manage and control the company as it develops its economic activities. It addresses a series of relationships, primarily between the Board of Directors, managers, shareholders and oversight bodies. Corporate governance focuses on the rights and responsibilities of each member of the organization, decision-making rules, and establishing the structure used to set objectives as well as the means for reaching and monitoring achievement of those objectives.

It has also been defined as “The set of bodies and institutional practices that impact a company's decision-making process and contribute to sustainable value creation in a framework of transparency, proper management, risk control and corporate responsibility.” This definition includes the main elements set forth by the Financial Market Commission, which notes in Chapters 1-13 of its Updated Compilation of Standards that corporate governance is the “set of entities, guidelines and institutional practices that influence the Bank’s decision-making process and contribute to sustainable value creation in a framework of transparency as well as effective risk management and control”.

The policy presented herein has been developed in light of the applicable provisions of the Financial Market Commission standards, the General Banking Law and the Corporations Law. Special consideration is given to the OECD’s principles on corporate governance and the Basel Committee on Banking Supervision’s principles of good governance in financial companies. Finally, we have paid special attention to this policy’s impact on the Bank’s economic value, market integrity and the incentives it creates for market participants as well as for transparency and efficiency.

### **Scope**

This policy applies to the Bank, its domestic and foreign subsidiaries, as well as its branches and representation offices abroad. At foreign subsidiaries and branches, application of guidelines and best practices is also subject to the respective rules and regulations in the country where they operate.

### **Objective**

This policy aims to ensure that Itaú Corpbanca’s corporate actions and decisions related to its shareholders, suppliers, employees and the general public take place in an environment with high corporate governance standards in order to create value for customers and shareholders, promote habits of respect for people, act in a socially responsible manner and, ultimately, contribute to developing the country.

### **Updates**

Following a review and favorable report from the Corporate Governance Committee, this policy has been approved by the Bank’s Board of Directors. The Corporate Governance Committee is responsible for proposing to the Board changes that enable ongoing, necessary updates.

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## **Chapter II: Principles of Corporate Governance**

The following principles of corporate governance regulate the Bank's practices and conduct:

- A long-term corporate social responsibility policy that includes plans related to the environmental impact of the Bank's products and operations, the social impact on the community where it operates, fair labor practices, as well as employee training and development.
- Effective oversight, supervision and control processes for Bank subsidiaries. The Corporate Governance structure includes oversight, supervision and control for Bank subsidiaries to keep them aligned with the corporate strategy as well as to monitor the Bank's investment and rights as a shareholder or partner.

## **Chapter III: Regulatory Framework**

The corporate governance regulatory framework is comprised of this policy; the bylaws for the Bank and local and foreign subsidiaries and branches; as well as guidelines issued by the Board of Directors in consideration of Corporate Governance Committee proposals.

The standards set forth by the Financial Market Commission, the General Banking Law, the Corporations Law and its regulations and the Securities Market Law also complement the framework. With Itaú Unibanco policies and best practices in mind, corporate policies approved by the Itaú Corpbanca Board of Directors have also been considered.

The committees listed in Chapter V herein have their own bylaws. Subsidiaries must also abide by any applicable corporate governance standards set forth by specific regulators to which they are subject, e.g. the Financial Market Commission.

## **Chapter IV: Roles and Responsibilities**

### **a) Shareholders:**

Shareholders' meetings are the Bank's highest decision-making authority. At these periodic meetings, shareholders gather to hear presentations on the Bank's performance and results and reach all the agreements that the General Banking Law, the Corporations Law and the company's bylaws place under the shareholders' jurisdiction.

The Itaú Corpbanca Annual Report discloses the Bank's ownership structure and main shareholders, changes in share capital and reserves, audited financial statements and dividend policy.

The law and the principles for handling market information contained in Chapter VIII herein require the Bank to disclose accurate and symmetrical information to shareholders so that those shareholders may properly exercise their rights.

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## **b) Board of Directors:**

As the Bank's highest corporate governance authority, the Board of Directors is responsible for establishing strategic guidelines and promoting policies that enable it to conduct business properly and to prudently manage the risks facing the Bank.

The responsibilities that correspond to management and the Board of Directors are clearly separated so that each body may act within the realm of its authority. Under Itaú Corpbanca's bylaws, the Board of Directors is comprised of 11 directors and 2 alternates. Article 50 bis of Law 18,046 mandates that at least one of those directors legally qualify as independent.

In accordance with the law, directors are appointed at shareholders' meetings. In the event of vacancy or impediment of one or more directors, the Board shall appoint a replacement to serve until the next Annual General Meeting, at which time a new director shall be appointed to serve until the next board election.

Under Bank bylaws, directors serve three-year terms and are required to perform their position in good faith, while fulfilling their duties of due diligence and loyalty to the Bank, its shareholders and customers. Likewise, in order to fulfill their duty to vote on issues submitted to the Board, directors must exercise their right to information through the Chairman of the Board, the Chief Executive Officer or his/her proxy. To learn about a certain issue, the Board may request that the Chief Executive Officer coordinate external advisory services.

With the exception of the aforementioned right to information, directors may act and make decisions only at legally convened board meetings.

Board compensation in the form of a fixed monthly stipend is approved annually at the Annual General Meeting. Similarly, the Bank's different committees are divided into control committees and business committees. Members receive a set, monthly stipend for each committee they serve on.

Furthermore, the Bank has signed an agreement with the IFC that entitles the entity to appoint a director while it remains a shareholder of the Bank. That director may be classified as independent.

The number of board members is set to reflect the size of the Bank and ensure that minority shareholder interests are protected. The number enables the Board to function efficiently and effectively.

The Board meets once a month. Extraordinary meetings may be called by the Chairman of the Board or at the request of one or more directors.

Each director must attend board meetings, except when the Board deems the reason that prevents them from doing to be valid.

Directors must keep the Bank's dealings and the information of which they become aware strictly confidential.

The Bank's Chief Executive Officer is appointed by the Board and remains in the position until the Board determines otherwise.

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As noted in the principles of corporate governance, the Board leads coordination of the Bank's governance. The Board of Directors created the Corporate Governance Committee to support this role and ensure that the Bank and its subsidiaries have and adopt the best corporate governance practices. To this end, the Committee shall evaluate the current practices and policies, propose and make recommendations to the Board of Directors on the improvements, reforms and adjustments that it deems appropriate and work to ensure proper implementation and application of the corporate governance practices and policies set forth by the Itaú Corpbanca Board of Directors.

## **Chapter V: Committee Structure**

Board functions are supported by different committees, called board committees, on which one or more directors participate. Their role is to guarantee application of governability and transparency practices for the sake of sustainability and benefit of all stakeholders, while ensuring effective, efficient use of resources to guarantee independent, objective decision making.

The Itaú Corpbanca board committees are as follows: Directors' Committee; Audit Committee; Asset Laundering, Terrorism Financing and Bribery Prevention Committee; Compliance Committee; Corporate Governance Committee; Performance and Talent Committee; Executive Loan Committee and Asset and Liability Committee.

To prevent conflicts of interest and ensure that committees function properly, directors may not serve on committees with opposing roles. For these purposes, tasks inherent to management oppose those inherent to oversight or control.

Committee members and attendees may not use the business opportunities they learn about through their position to benefit themselves or related third parties when doing so would be detrimental to the Company. Likewise, committee members must maintain strict confidentiality regarding the Bank's business and the privileged information to which they have access through their position.

Board committee members and individuals attending meetings must abstain from voting on all matters where there could be a conflict of interest, whether as a result of express legal provision or circumstances that in any way limit or restrict their independence and impartiality regarding the matters at hand.

All committees on which directors participate must have bylaws that, at a minimum, contain: committee objectives, roles, authority, operating rules and ties to other committees as well as the Board of Directors. Meeting minutes for committee sessions must record the issues addressed and the agreements adopted.

The rest of the committees are management committees.

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## Chapter VI: Subsidiary Control

The Bank sets good governance policies and guidelines that support control of local and foreign subsidiaries and branches. To do so, boards of directors at subsidiaries must abide by minimum operating standards that include at least the following:

1. Updated bylaws and power of attorney structure.
2. Frequency and duration of board meetings in alignment with duties.
3. Board meeting minutes reflect the activities, issues addressed and agreements adopted, which are closely monitored.
4. The Board has prior access to information on the issues to be submitted for consideration.
5. Directors are provided with ongoing training and new directors participate in an orientation program that addresses the company, its responsibilities, financial statements and accounting practices.
6. The Board of Directors participates in creating the agenda of issues to be addressed at their meetings.
7. The Board approves the strategic plan and risk management policies and also monitors compliance therewith.
8. The Board of Directors remains abreast of management of the different risks and periodically hears presentations by the areas responsible for risk management.
9. The Board meets with internal and external auditors to hear about their work plans, observations and reports.
10. The Board of Directors oversees, examines and approves the financial statements presented by company management.
11. The Board examines the compensation systems and plans for company managers, senior executives and employees.
12. To support their role, the Board of Directors has created committees to address certain matters. These committees regularly report to the Board of Directors.
13. The Board verifies that the company has the appropriate safeguards and contractual relationships in place with its main customers and suppliers.
14. The Board of Directors hears reports on the audits and reports submitted by regulatory bodies and on communications with those regulators.
15. The Board hears reports on relevant risk and fraud incidents.
16. The Board of Directors has mechanisms for periodic self-assessment, through which it identifies gaps and establishes action plans to resolve them.

Considering that the activities, business and services that the Bank and its subsidiaries provide and/or render are based on good faith, trust, transparency and security and that these values are the foundation of the relationship with its customers, Itaú Corpbanca abides by the Code of Conduct and Good Practices for Banks and Financial Institutions, drafted by local banks and the Chilean Association of Banks and Financial Institutions.

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## **Chapter VII: Best Practices**

The Bank's corporate governance abides by this policy, established regulatory standards and international best practices on the matter. These practices, which the Bank has adopted, address the following:

1. Proper operating structure, with sufficient periodic meetings in order to fulfill its duties.
2. Proper recording in the Board of Directors' meeting minutes of the agreements adopted, background information and reasons for adoption. Clarity regarding the issues addressed, the commitments adopted and monitoring of the agreements is also valued.
3. The Board's mechanism for periodic self-assessment, which identifies potential gaps and establishes the required action plans.
4. Formal orientation process for new directors that includes information about the institution, lines of business and risks as well as their responsibilities, duties and disciplinary actions.
5. Plan for ongoing board member training.
6. Direct meetings with external auditors and risk rating agencies to learn about their work plans, progress and topics of interest.
7. Communication mechanisms and channels that enable confidential reporting of irregular situations.
8. Safe, modern mechanisms for managing the Board of Directors' documentation.
9. Main market and credit decisions made in specialized committees.
10. Strict separation of commercial and operating functions.
11. Clear and robust establishment of the three lines of defense for risk management and internal control.

## **Chapter VIII: Investor Information**

The Itaú Corpbanca Market Information Manual contains the policies and internal standards on the type of information made available to investors and the systems that guarantee timely communication of said information as well as its continued availability to the public on the institutional website as well as at its corporate headquarters, offices and branches.

According to that Manual, the information of interest identified by the Board of Directors or Chief Executive Officer shall be made available on the institutional website.

Information published on the Bank's institutional website must remain for the entirety of the respective period. Furthermore, there must be a historical record of information published.

## **Chapter IX: Transparent Market Information**

Itaú Corpbanca is committed to sufficient and timely disclosure of all market information. It does so through formal channels made available for these purposes, in conformity with the law and administrative standards, as well as its own information channels, including the institutional site or webpage. Thus, bylaws, annual reports, shareholders' meeting minutes and supporting information as well as material events are available on the website along with policies, manuals and relevant codes, including the Securities Market Code of Conduct, Rules for Preventing and Combating

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Use of Insider Information and Handling Market Information, General Policies on Customary Transactions for Related Party Transactions, among others.

Itaú Corpbanca constantly ensures that the information provided to the market regarding its financial products allows customers and users to acquire comprehensive knowledge of these products, empowering them to make decisions with the best and most complete information available. The Bank's internal standards require that the information on interest, commissions, premiums or any other relevant characteristic of a given product or service be provided in a clear, sufficient and timely manner. This enables customers to completely understand each charge associated with the products of interest. Likewise, customers must be informed regarding products that may or may not be granted independently and, furthermore, which of those require a statement of express consent from the customer.

Itaú Corpbanca abides by the Association of Banks and Financial Institutions' Code of Conduct and Best Practices for Banks and Financial Institutions as well as the Financial Market Commission's Guide for Banking Customers.

Itaú Corpbanca provides customers with a means of filing complaints related to the products or services provided. Customers may ask questions and file complaints in writing or remotely through direct access available on the Bank's institutional webpage. In the event that the response is unsatisfactory or is not received within 30 days, the customer may access independent lawyers that take the case at no charge to the customer, through the Customer Ombudsman System established by the Chilean Association of Banks and Financial Institutions (ABIF), in conjunction with local banks and available at [www.defensoriadelclientedeabif.cl](http://www.defensoriadelclientedeabif.cl).

Similarly, stakeholders have internal and external communication channels for direct or anonymous complaints related to the standards of Ethical Conduct, Conflicts of Interest or any other topic related to legal regulatory compliance, internal control, financial statements and situations or events that require the attention of Management and/or the Board of Directors. Each complaint is analyzed and processed rigorously and confidentially by professionals who are independent of those implicated in the complaint.

## **Chapter X: Internal Control**

Itaú Corpbanca has a two-prong internal control structure:

### **1.- Controller**

Independently and objectively performs internal control of Itaú Corpbanca and subsidiaries, covering all lines of business and operations, applying modern, commonly accepted auditing methods in a standard manner. The Audit Committee also collaborates in this role. As previously indicated, it addresses matters related to local and foreign banking regulations. This first area of internal control includes:

- (i) Assessing risk management processes; financial, operating and management controls; adhering to laws and regulations; and corporate governance.
  - (ii) Reporting to the Board of Directors on audit observations and the status of corrective actions committed to by management in order to ensure monitoring and timely resolution.
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(iii) Contributing to effective risk management and control and promoting ongoing learning through observations and control incidents in the industry, business in general or at the Bank or its subsidiaries.

## 2.- Compliance Division

Responsible for ensuring compliance with standards contained in the codes of conduct established by the Board of Directors, improving these standards and investigating potential code violations. The division is also responsible for overseeing compliance with regulations that impact Itaú Corpbanca in general and particularly regulations related to prevention of money laundering, terrorism financing and bribery. It performs these functions through periodic reports to the Asset Laundering and Terrorism Finance Prevention, Compliance and Audit committees as well as the Board of Directors.

## **Chapter XI: Social and Environmental Commitment**

Itaú Corpbanca subscribes to the Equator Principles. This is an official commitment—both national and international—to continue growing on the path to sustainability, doing everything in our power to improve quality of life; interact with the community; respect the environment and operate within the framework of responsible marketing and business ethics.

Itaú Corpbanca is the first bank in Chile to subscribe to the EQUATOR PRINCIPLES, created and developed by a group of more than fifty banks and international entities that subscribe voluntarily. These principles include a credit risk management framework and a set of guidelines for managing social and environmental risks in project finance.

In 2013, International Finance Corporation, a member of the World Bank Group, purchased a 5% stake in Itaú Corpbanca.

The IFC aims to help companies and financial institutions in emerging markets create jobs, generate tax revenue, contribute to their local communities and improve corporate governance and environmental performance. The Corporation encourages environmental and social sustainability and development of local financial markets.

This serious, challenging commitment has placed Itaú Corpbanca at the cutting edge of Chile's financial industry in terms of meeting social and environmental standards.

In light of this commitment, Itaú Corpbanca drafted a Social and Environmental Impact Risk Policy to verify application of the IFC performance standards on issues regarding the Bank's customers and project financing.

## **Chapter XII: Selection, Evaluation, Removal and Succession of Senior Management**

The Senior Management team is led by the Chief Executive Officer, who reports directly to the Bank's Board of Directors. The team is comprised of all executives who are part of management, division managers, commercial unit managers and managers in strategic roles at the Bank.

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The Board of Directors is responsible for appointing the Bank's Chief Executive Officer, who, in turn, selects the members of his/her direct team. In this process, the Chief Executive Officer may consult with or request opinions from several entities, including members of the Board of Directors and external senior executive selection experts.

### **Senior management candidates must:**

- Possess the work and leadership skills, professional training and work experience required to properly perform the duties and meet strategic business objectives.
- Not have legal or court records that are inconsistent with the position to be held at the Bank.
- Abide by the Bank's declared purpose, principles and standards.
- Not have any conflict of interest that interferes with proper exercise of the position. This includes personal related business, family ties with an employee at the Bank or subsidiaries, or others that could be an impediment to pressure-free, transparent decision-making.
- Have the trust of the Board of Directors and/or the Chief Executive Officer, as appropriate.

### **Candidate Assessment**

Candidates for senior management positions are evaluated through personal interviews that seek to confirm that the candidate meets the aforementioned selection criteria as well as the other requirements for the position.

Personal interviews for senior management positions, with the exception of Chief Executive Officer, are always conducted by the current Chief Executive Officer, who at his/her discretion may select another person to participate. This other participant may be one or more board member, members of the senior management team and/or external senior executive selection experts.

### **Performance Evaluation**

The Chief Executive Officer is responsible for periodically reporting to the Board of Directors on his/her performance and progress on meeting the Bank's proposed objectives. Likewise, the Chief Executive Officer uses the performance and skills evaluation instruments designed for all Bank employees to evaluate the performance of his/her direct team at least annually.

### **Removal of Senior Management Team Members**

The Board of Directors is responsible for providing performance feedback to the Chief Executive Officer and has the authority to remove him/her from the position. The Chief Executive Officer holds the same responsibility and authority in relation to his/her team.

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## **Succession Process**

To ensure business continuity and given the strategic nature of these positions, the Board of Directors and the Chief Executive Officer must identify and train potential successors.

When a position on the senior management team becomes available, applicants, including those being trained as successors for the position, must meet the aforementioned selection criteria and participate in the selection and consultation process established for filling senior management positions.

The individuals that comprise the senior management team are key to achieving the Bank's strategic objectives. Thus, it is critical that this process be performed with excellence, ensuring that personnel selection always preserves the Bank's identity and that these executives are able to lead the Bank's entire team toward meeting challenges, building trust and adding value for the customers.

## **Temporary and Permanent Replacement of the Chief Executive Officer**

The Board of Directors is responsible for appointing the Chief Executive Officer, who, according to the law, is responsible for legally representing the company in accordance with the provisions of current law and regulations. The Chief Executive Officer also represents the company out-of-court as instructed by the Board.

Such appointments must be explicitly recorded in the respective minutes along with an indication or reference to the authority granted.

Furthermore, the Board of Directors must appoint one or more person(s) to individually act in the absence or temporary impediment of the Chief Executive Officer.

If more than one person is appointed, the others will act as substitutes. In other words, in the absence or impediment of the Chief Executive Officer, the first appointee will act and only in the absence or impediment of this proxy will the second appointee assume the responsibilities. This pattern continues when more than three individuals are designated.

When the Board of Directors appoints an acting Chief Executive Officer, it must also define the individual's powers and limitations at the same meeting.

The acting Chief Executive Officer will validly represent the Bank, in and out of court, using all the powers bestowed by the Board of Directors. Third-party accreditation is not required.

The Board of Directors will be responsible for ensuring that individuals are designated for the purposes noted in this section and that those designations are up to date.

The Chairman of the Board, or in his/her absence, the Vice Chairman of the Board, is responsible for communicating the temporary or permanent replacement should the Chief Executive Officer be unable to do so.

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