

## **E. Taxation.**

### **Chilean Tax Considerations**

The following discussion summarizes Chilean material income and withholding tax consequences to foreign holders arising from the ownership and disposition of shares and ADSs. The summary that follows does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of shares or ADSs, if any, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Holders of shares and ADSs are advised to consult their own tax advisors concerning the Chilean and other tax consequences of the ownership of shares or ADSs.

The summary that follows is based on Chilean law, in effect on the date hereof, and is subject to any changes in these or other laws occurring after such date, possibly with retroactive effect. Under Chilean law, provisions in statutes such as tax rates applicable to foreign investors, the computation of taxable income for Chilean purposes, and how Chilean taxes are imposed and collected may be amended only by another law. The Chilean tax authorities also enact rulings and regulations of either general or specific application and interpret the Chilean Income Tax Law provisions. Chilean tax may not be assessed retroactively against taxpayers who act in good faith, relying on such rulings, regulations, and interpretations, but Chilean tax authorities may change their rulings, regulations, and interpretations in the future. The discussion that follows is also based, in part, on representations of the Depositary and assumes that each obligation in the Deposit Agreement and any related agreements will be performed under its terms. As of this date, there is currently no applicable income tax treaty in effect between the United States and Chile. However, in 2010 the United States and Chile signed an income tax treaty that will enter into force once the treaty is ratified by both countries, which has not happened as of the date of this Report. There can be no assurance that either country will ratify the treaty. The following summary assumes that there is no applicable income tax treaty in effect between the United States and Chile.

As used in this Report, the term “foreign holder” means either:

- In the case of an individual holder, a person who is not a resident of Chile. For purposes of Chilean taxation, (a) any person who remains in Chile, uninterrupted or not, for a period or periods that in total exceed 183 days, within any period of twelve months; or (b) an individual is domiciled in Chile if he resides in Chile and has the intention of remaining in Chile (such intention to be evidenced by circumstances such as the acceptance of employment in Chile or the relocation of the individual’s family to Chile), or
- in the case of a legal entity holder, an entity that is not organized under Chile’s laws, unless the shares or ADSs are assigned to a branch, agent, representative, or permanent establishment of such entity in Chile.

### **Taxation of Shares and ADSs**

#### **Taxation of Cash Dividends and Property Distributions**

Cash dividends paid concerning the shares or ADSs held by a foreign holder will be subject to Chilean withholding tax, which is withheld and paid by the company. The amount of the Chilean withholding tax is determined by applying a 35% rate to a “grossed-up” distribution amount (such amount equal to the sum of the actual distribution amount and the correlative Chilean corporate income tax (“CIT”), paid by the issuer), and

then subtracting as a credit 65% of such Chilean CIT paid by the issuer, in case the residence country of the holder of shares or ADSs does not have a tax treaty with Chile. If there is a tax treaty between both countries (in force or signed before January 1, 2021), the Foreign Holder can apply 100% of the CIT as a credit. For 2022, the Chilean CIT applicable to us is a rate of 27%, and depending on the circumstances mentioned above, the Foreign Holder may apply 100% or 65% of the CIT as a credit.

In February 2020, tax reform contemplating only a partially integrated tax regime was enacted. Under the current Chilean Income Tax Law, publicly held limited liability stock corporations, such as our company, are subject to this regime, consisting of a cash basis shareholder taxation.

Under the cash basis regime (or partially integrated regime), a company pays CIT on its annual income tax result. Foreign and local individual shareholders will only pay in Chile the relevant tax on effective profit distributions. They will be allowed to use the CIT paid by the distributing company as credit, with certain limitations. Only 65% of the CIT is creditable against the 35% shareholder-level tax. However, in those cases where tax treaties between Chile and the jurisdiction of the shareholder's residence were signed before January 1, 2020 (even if not yet in effect), the CIT is entirely creditable against the 35% withholding tax. This is the case with the tax treaty signed between Chile and the United States, which was signed before this date, but which is not in effect as of the date of this Report. In the case of treaties signed before January 1, 2020, but not ratified as of December 31, 2026, the shareholder may apply 100% of the CIT as a credit if a dividend distribution is made before December 31, 2026, on a transitional basis. Under the Chilean Tax Law in force at the date of this Report, the transitional treatment of applying the full 100% of the CIT as a credit against withholding tax of the U.S. Holders in case of dividend distributions will terminate on December 31, 2026, if the tax treaty between the United States and Chile is not ratified by that date. In that particular case, effective as of January 1, 2027, only 65% of the CIT will be creditable against the 35% U.S. Holders' tax. On the other hand, if a tax treaty with a foreign jurisdiction is ratified by December 31, 2026, shareholders from that particular jurisdiction can continue to apply 100% of the CIT as a credit beyond such date.

The example below illustrates the effective Chilean withholding tax burden on a cash dividend received by a Foreign Holder, assuming a Chilean withholding tax base rate of 35%, an effective Chilean CIT rate of 27% (the CIT rate for 2022 under cash basis regime) and a distribution of 50% of the net income of the company distributable after payment of the Chilean CIT:

Line	Concept and calculation assumptions	Amount Tax Treaty Resident	Amount Non-Tax Treaty Resident
1	Company taxable income (based on Line 1 = 100)	100	100
2	Chilean corporate income tax: 27% x Line 1	27	27
3	Net distributable income: Line 1 - Line 2	73	73
4	Dividend distributed (50% of net distributable income): 50% of Line 3	36.5	36.5
5	Withholding tax: (35% of (the sum of Line 4 and 50% of Line 2))	17.5	17.5
6	Credit for 50% of Chilean corporate income tax: 50% of Line 2	13.5	13.5
7	CIT partial restitution (Line 6 x 35%) <sup>(1)</sup>	-	4.7
8	Net withholding tax: Line 5 - Line 6 + Line 7	4	8.7
9	Net dividend received: Line 4 - Line 8	32.5	27.8
10	Effective dividend withholding rate: Line 8 / Line 4	11.0	23.9

(1) Only applicable to non-tax treaty jurisdiction residents. From a practical standpoint, the foregoing means that the CIT is only partially creditable (65%) against the withholding tax (i.e., CIT of 8.7%).

However, for purposes of the foregoing, the tax authority has not clarified whether the taxpayer residence will be the ADS holder's address or the depository's address.

***Taxation on Sale or Exchange of ADSs Outside of Chile***

Gains obtained by a foreign holder from the sale or exchange of ADSs outside Chile are not subject to Chilean taxation.

***Taxation on Sale or Exchange of Shares***

In February 2022, a new tax reform eliminated the tax exemption on capital gains obtained from the sale of shares that meet certain requirements detailed below, and established a new tax that applies to sales of shares that are made as of September 1, 2022. For non-residents, the tax will be withheld by the purchaser, stockbroker, or securities agent acting on behalf of the seller.

As a result of the new tax reform, the Chilean Income Tax Law provides for a 10% tax on capital gains from the sale of shares of listed companies traded in stock markets. Although there are certain restrictions, in general terms, the law provides that in order to qualify for the 10% tax: (i) the shares must be of a publicly held limited liability stock corporation with a "sufficient stock market liquidity" status in the Chilean Stock Exchanges; (ii) the sale must be conducted in a Chilean Stock Exchange authorized by the CMF, or in a tender offer subject to Chapter XXV of the Chilean Securities Market Law or as the consequence of a contribution to a fund as regulated in Section 109 of the Chilean Income Tax Law; (iii) the shares which are being sold must have been acquired on a Chilean Stock Exchange, or in a tender offer subject to Chapter XXV of the Chilean Securities Market Law, or in an initial public offering (due to the creation of a company or to a capital increase), or due to the exchange of convertible publicly offered securities, or due to the redemption of a fund's quota as regulated in Section 109 of the Chilean Income Tax Law; and (iv) the shares must have been acquired after April 19, 2001. For purposes of considering the ADSs as convertible publicly offered securities, they should be registered in the Chilean foreign securities registry (unless expressly excluded from such registry by the CMF).

Shares are considered to have a "high presence" in the Chilean Stock Exchanges (i) when they have been traded for a certain number of days at or beyond a volume threshold specified under Chilean law and regulations or (ii) in case the issuer has retained a market maker, under Chilean law and regulations. As of the date of this Report, our shares are considered to have a high presence in the Chilean Stock Exchanges, and we have not retained any market maker. Should our shares cease to have a "high presence" in the Chilean Stock Exchanges, the sale of our shares will be subject to the general tax regime, which will apply at varying levels depending on the time of the sale with respect to the date of loss of sufficient trading volume to qualify as a "high presence" security. If our shares regain a "high presence," the 10% tax will again be available to holders thereof.

If the shares do not qualify for the 10% tax, capital gains on their sale or exchange of shares (as distinguished from sales or exchanges of ADSs representing such shares of common stock) could be subject to the general tax regime, with a 27% Chilean CIT, the rate applicable during 2022, and a 35% Chilean withholding tax, the former being creditable against the latter.

The date of acquisition of the ADSs is the date of purchase of the shares for which the ADSs are exchanged.

***Taxation of Share Rights and ADS Rights***

For Chilean tax purposes and to the extent we issue any share rights or ADS rights, the receipt of share rights or ADS rights by a Foreign Holder of shares or ADSs under a rights offering is a nontaxable event. Also, there are no Chilean income tax consequences to Foreign Holders upon the exercise or the expiration of the share rights or the ADS rights.

Any gain on the sale, exchange, or transfer of any ADS rights by a Foreign Holder is not subject to taxes in Chile.

Any gain on the sale, exchange, or transfer of the share rights by a Foreign Holder is subject to a 35% Chilean withholding tax.

#### ***Other Chilean Taxes***

There is no gift, inheritance, or succession tax applicable to foreign holders' ownership, transfer, or disposition of ADSs. However, such taxes will generally apply to the transfer at death or by a gift of the shares by a foreign holder. There is no Chilean stamp, issue, registration, or similar taxes or duties payable by holders of shares or ADSs.

#### **Material U.S. Federal Income Tax Considerations**

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions, and final, temporary, and proposed Treasury regulations, all as of the date of this Report. These authorities are subject to change, possibly with retroactive effect. This discussion assumes that the depository's activities are clearly and appropriately defined to ensure that the tax treatment of ADSs will be identical to the tax treatment of the underlying shares.

The following are the material U.S. federal income tax consequences to U.S. Holders (as defined herein) of receiving, owning, and disposing of shares or ADSs. However, it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to hold such securities and is based on the assumption stated above under "Chilean Tax Considerations" that there is no applicable income tax treaty in effect between the United States and Chile. The discussion applies only if the beneficial owner holds shares or ADSs as capital assets for U.S. federal income tax purposes. It does not describe all of the tax consequences that may be relevant in light of the beneficial owner's particular circumstances. For instance, it does not describe all the tax consequences that may be relevant to:

- certain financial institutions;
- insurance companies;
- dealers and traders in securities who use a mark-to-market method of tax accounting;
- persons holding shares or ADSs as part of a "straddle" integrated transaction or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes or partners in such partnerships;
- persons liable for the alternative minimum tax;
- tax-exempt organizations;
- persons holding shares or ADSs that own or are deemed to own ten percent or more of our stock; or