UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

CASE NO. 16-60195-CR-HURLEY

UNITED STATES OF AMERICA

v.

LATAM AIRLINES GROUP S.A.,

Defendant.

_____/

DEFERRED PROSECUTION AGREEMENT

Defendant LATAM AIRLINES GROUP S.A. (the "Company"), pursuant to authority granted by the Company's Board of Directors, and the United States Department of Justice, Criminal Division, Fraud Section (the "Office"), enter into this deferred prosecution agreement (the "Agreement").

Criminal Information and Acceptance of Responsibility

1. The Company acknowledges and agrees that the Office will file the attached two-count criminal Information in the United States District Court for the Southern District of Florida charging the Company with (i) violating the internal controls provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, 15 U.S.C. §§ 78m(b)(2)(B), 78m(b)(5), and 78ff(a); and (ii) violating the FCPA's books and records provisions, 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a). In so doing, the Company: (a) knowingly waives its right to indictment on this charge, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) knowingly waives any objection with respect to venue to any

charges by the United States arising out of the conduct described in the attached Statement of Facts and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Southern District of Florida.

2. The Company admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as charged in the Information, and as set forth in the attached Statement of Facts, and that the allegations described in the Information and the facts described in Attachment A are true and accurate. Should the Office pursue the prosecution that is deferred by this Agreement, the Company stipulates to the admissibility of the Statement of Facts in any proceeding, including any trial, guilty plea, or sentencing proceeding, and will not contradict anything in the Statement of Facts at any such proceeding.

Term of the Agreement

3. This Agreement is effective for a period beginning on the date on which the Information is filed and ending three (3) years from the later of the date on which the Information is filed or the date on which the independent compliance monitor (the "Monitor") is retained by the Company, as described in Paragraphs 11-13 below (the "Term"). The Company agrees, however, that, in the event the Office determines, in its sole discretion, that the Company has knowingly violated any provision of this Agreement, an extension or extensions of the term of the Agreement may be imposed by the Office, in its sole discretion, for up to a total additional time period of one year, without prejudice to the Office's right to proceed as provided in Paragraphs 17–19 below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the monitorship or reporting requirement in Attachment D, for an equivalent period. Conversely, in the event the Office finds, in its sole discretion, that there

exists a change in circumstances sufficient to eliminate the need for the monitorship or reporting requirement in Attachment D, and that the other provisions of this Agreement have been satisfied, the Term of the Agreement may be terminated early. If the Court rejects the Agreement, all the provisions of the Agreement shall be deemed null and void, and the Term shall be deemed to have not begun.

Relevant Considerations

4. The Office enters into this Agreement based on the individual facts and circumstances presented by this case and the Company. Among the factors considered were the following:

(a) the Company did not timely voluntarily disclose the FCPA violations to the Office; it began cooperating with the Office in the investigation of the matter only after the publication of press reports in Argentina appearing approximately four years after the criminal conduct in 2006-07 that stated that both Argentine and Chilean law enforcement officials had commenced investigations of the conduct;

(b) because of the delayed disclosure, potentially relevant evidence was lost or destroyed, including through the routine application of data retention policies;

(c) the Company fully cooperated with the Office's investigation and provided all relevant facts known to the Company, including information about individuals involved in the misconduct;

(d) the Company had an inadequate compliance program at the time of the criminal conduct;

(e) the Company now has designed and is implementing a compliance program and system of internal accounting controls, and has committed to ensuring that these will

continue to be implemented in a manner that satisfies the elements set forth in Attachment C to this Agreement;

(f) the Company has failed to remediate adequately, including significantly by failing to discipline in any way the employees responsible for the criminal conduct recounted in the statement of facts attached hereto as Attachment A, including misconduct by at least one high-level Company executive, and thus the ability of the compliance program to be effective in practice is compromised;

(g) the nature and seriousness of the offense;

(h) the Company's prior history, which includes a guilty plea by its subsidiary LAN Cargo in 2009 for its involvement from 2003 through 2006 in a criminal conspiracy to fix prices in the airline cargo industry;

(i) the Company has agreed to continue to cooperate with the Office as set forth in this Agreement in any investigation of the Company and its officers, directors, employees, agents, business partners, and consultants relating to violations of the FCPA;

(j) accordingly, after considering (a) through (i) above, the Company will enter into a deferred prosecution agreement, pay a criminal penalty of 25% above the low end of United States Sentencing Guidelines range, and an independent compliance monitor will be imposed for a term of twenty-seven (27) months, as set forth in this Agreement.

Future Cooperation and Disclosure Requirements

5. The Company shall cooperate fully with the Office in any and all matters relating to the conduct described in this Agreement and Attachment A and other conduct related to possible corrupt payments, false books, records, and accounts, or the failure to implement

adequate internal accounting controls under investigation by the Office, subject to applicable law and regulations, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded, or the end of the term specified in paragraph 3. At the request of the Office, the Company shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies, as well as the Multilateral Development Banks ("MDBs"), in any investigation of the Company, its affiliates or related entities, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and Attachment A and other conduct related to possible corrupt payments, false books, records, and accounts, or the failure to implement adequate internal accounting controls under investigation by the Office. The Company agrees that its cooperation pursuant to this paragraph shall include, but not be limited to, the following:

a. The Company shall truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities, those of its affiliates and related entities, and those of its present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal or external investigations, about which the Company has any knowledge or about which the Office may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Company to provide to the Office, upon request, any document, record or other tangible evidence about which the Office may inquire of the Company.

b. Upon request of the Office, the Company shall designate knowledgeable employees, agents or attorneys to provide to the Office the information and materials described

in Paragraph 5(a) above on behalf of the Company. It is further understood that the Company must at all times provide complete, truthful, and accurate information.

c. The Company shall use its best efforts to make available for interviews or testimony, as requested by the Office, present or former officers, directors, employees, agents and consultants of the Company. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Company, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Office pursuant to this Agreement, the Company consents to any and all disclosures, subject to applicable law and regulations, to other governmental authorities, including United States authorities and those of a foreign government, as well as the MDBs, of such materials as the Office, in its sole discretion, shall deem appropriate.

6. In addition to the obligations in Paragraph 5, during the Term of the Agreement, should the Company learn of credible evidence or allegations of a violation of U.S. federal law, the Company shall promptly report such evidence or allegations to the Office.

Payment of Monetary Penalty

7. The Office and the Company agree that application of the United States Sentencing Guidelines ("USSG" or "Sentencing Guidelines") to determine the applicable fine range yields the following analysis:

a. The 2015 USSG are applicable to this matter.

b. Offense Level. Based upon USSG § 2B1.1, the total offense level is 27, calculated as follows:

(a)(1)	Base Offense Level	7
(b)(1)(J)	Value of benefit received more than $3,500,000	+18
(b)(10)(B)	Conduct outside the United States	+2
TOTAL		27

c. Base Fine. Based upon USSG § 8C2.4(a)(1), the base fine is $8,500,000 (the fine indicated in the Offense Level Fine Table)

d. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 6, calculated as follows:

(a)	Base Culpability Score	5
(b)(3)	the unit of the organization within which the offense was committed had 200 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the offense	+3
(g)(2)	The organization fully cooperated in the investigation, and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	- 2
TOTAL		6

Calculation of Fine Range:

Base Fine	$8,500,000
Multipliers	1.20 (min)/ 2.40 (max)
Fine Range	$10,200,000 – $20,400,000

The Company agrees to pay a monetary penalty in the amount of $12,750,000 to the United States Treasury within ten (10) days of the filing of the Information. The Company and the Office agree that this penalty is appropriate given the facts and circumstances of this case, as set forth above. The $12,750,000 penalty is final and shall not be refunded. Furthermore, nothing in this Agreement shall be deemed an agreement by the Office that $12,750,000 is the maximum penalty that may be imposed in any future prosecution, and the Office is not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Office agrees that under those circumstances, it will recommend to the Court that any amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment. The Company acknowledges that no tax deduction may be sought in connection with the payment of any part of this $12,750,000 penalty.

Conditional Release from Liability

8. Subject to Paragraph 17–19, the Office agrees, except as provided in this Agreement, that it will not bring any criminal or civil case against the Company relating to any of the conduct described in the attached Statement of Facts or the criminal Information filed pursuant to this Agreement or for any other conduct between 2005 and 2011 relating to furnishing or offering gifts, travel, and entertainment to government officials in Argentina that the Company disclosed to the Office prior to the signing of this Agreement. The Office,

however, may use any information related to the conduct described in the attached Statement of Facts against the Company: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code.

a. This Agreement does not provide any protection against prosecution for any future conduct by the Company.

b. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Company.

Corporate Compliance Program

9. The Company represents that it has implemented and will continue to implement a compliance and ethics program throughout its operations, including those of its affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials or other activities carrying a high risk of corruption, designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws.

10. In order to address any deficiencies in its internal accounting controls, policies, and procedures, the Company represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal accounting controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws. If necessary and appropriate, the Company will adopt new or modify existing internal controls, policies, and procedures in order to ensure that the Company maintains: (a) a system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) rigorous anti–

corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. The internal accounting controls system and compliance code, standards, and procedures will include, but not be limited to, the minimum elements set forth in Attachment C.

Independent Compliance Monitor

11. Promptly after the Office's selection pursuant to Paragraph 12 below, the Company agrees to retain a Monitor for the term specified in Paragraph 13. The Monitor's duties and authority, and the obligations of the Company with respect to the Monitor and the Office, are set forth in Attachment D, which is incorporated by reference into this Agreement. Within thirty (30) calendar days after the execution of this Agreement, and after consultation with the Office, the Company will propose to the Office a pool of three (3) qualified candidates to serve as the Monitor. If the Office determines, in its sole discretion, that any of the candidates are not, in fact, qualified to serve as the Monitor, or if the Office, in its sole discretion, is not satisfied with the candidates proposed, the Office reserves the right to seek additional nominations from the Company. The Monitor candidates or their team members shall have, at a minimum, the following qualifications:

a. demonstrated expertise with respect to the FCPA and other applicable anti-corruption laws, including experience counseling on FCPA issues;

b. experience designing and/or reviewing corporate compliance policies, procedures and internal controls, including FCPA and anti-corruption policies, procedures and internal controls;

c. the ability to access and deploy resources as necessary to discharge the Monitor's duties as described in the Agreement; and

d. sufficient independence from the Company to ensure effective and impartial performance of the Monitor's duties as described in the Agreement.

12. The Office retains the right, in its sole discretion, to choose the Monitor from among the candidates proposed by the Company, though the Company may express its preference(s) among the candidates. In the event the Office rejects all proposed Monitors, the Company shall propose an additional three candidates within thirty (30) calendar days after receiving notice of the rejection. This process shall continue until a Monitor acceptable to both parties is chosen. The Office and the Company will use their best efforts to complete the selection process within sixty (60) calendar days of the filing of the Agreement and the accompanying Information. If the Monitor resigns or is otherwise unable to fulfill his or her obligations as set out herein and in Attachment D, the Company shall within thirty (30) calendar days recommend a pool of three qualified Monitor candidates from which the Office will choose a replacement.

13. The Monitor's term shall be twenty-seven (27) months from the date on which the Monitor is retained by the Company, subject to extension as described in Paragraph 3. The Monitor's powers, duties, and responsibilities, as well as additional circumstances that may support an extension of the Monitor's term, are set forth in Attachment D. The Company agrees that it will not employ or be affiliated with the Monitor or the Monitor's firm for a period of not less than two (2) years from the date on which the Monitor's term expires. Nor will the Company discuss with the Monitor or the Monitor's firm the possibility of further employment or affiliation during the Monitor's term.

14. After the conclusion of the monitorship, provided all requirements set forth in Paragraph 8 of Attachment D are met, the Company will report on its compliance to the Office

once, with such report being due two months prior to the completion of the Term. of this Agreement, regarding remediation and implementation of the enhanced compliance measures set forth by the Monitor as described in Paragraph 8 of Attachment D. The Company shall designate a senior company officer as the person responsible for overseeing the Company's corporate compliance reporting obligations. During this period, the Company shall conduct and prepare the review and report, as described below:

a. The Company shall undertake the review immediately at the end of the monitorship, and shall incorporate the Office's views and comments on the monitor's prior reviews and reports, to determine whether the policies and procedures of the Company are reasonably designed to detect and prevent violations of the FCPA and other applicable anticorruption laws. The report shall be transmitted to the FCPA Chief, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, Washington, D.C. 20005.

b. The review and report shall be completed by no later than two-hundred-ten (210) calendar days after the approval by the Office of the enhanced compliance measures described in Paragraph 8 of Attachment D. That report shall be completed and delivered to the Office no later than sixty (60) days before the end of the Term.

c. The Company may extend the time period for submission of the report with prior written approval of the Office.

Deferred Prosecution

15. In consideration of: (a) the past and future cooperation of the Company described in Paragraphs 4 and 5 above; (b) the Company's payment of a criminal penalty of $12,750,000; and (c) the Company's implementation and maintenance of remedial measures as described in Paragraphs 9 and 10 above, the Office agrees that any prosecution of the Company

for the conduct set forth in the attached Statement of Facts and Information be and hereby is deferred for the Term of this Agreement.

16. The Office further agrees that if the Company fully complies with all of its obligations under this Agreement, the Office will not continue the criminal prosecution against the Company described in Paragraph 1 and, at the conclusion of the Term, this Agreement shall expire. Within six (6) months of the Agreement's expiration, the Office shall seek dismissal with prejudice of the criminal Information filed against the Company described in Paragraph 1, and agrees not to file charges in the future against the Company based on the conduct described in this Agreement and Attachment A or the Information or for other conduct between 2005 and 2011 relating to furnishing or offering gifts, travel, and entertainment to government officials in Argentina that the Company disclosed to the Office prior to the signing of this Agreement.

Breach of the Agreement

17. If, during the Term of this Agreement, the Company (a) commits any felony under U.S. federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (c) fails to cooperate as set forth in Paragraphs 5 and 6 of this Agreement; (d) fails to implement a compliance program as set forth in Paragraphs 9 and 10 of this Agreement and Attachment C; (e) commits any acts that, had they occurred within the jurisdictional reach of the FCPA, would be a violation of the FCPA; or (f) otherwise fails specifically to perform or to fulfill completely each of the Company's obligations under the Agreement, regardless of whether the Office becomes aware of such a breach after the Term of the Agreement is complete, the Company shall thereafter be subject to prosecution for any federal criminal violation of which the Office has knowledge, including, but not limited to, the

charges in the Information described in Paragraph 1, which may be pursued by the Office in the U.S. District Court for the Southern District of Florida or any other appropriate venue. Determination of whether the Company has breached the Agreement and whether to pursue prosecution of the Company shall be in the Office's sole discretion. Any such prosecution may be premised on information provided by the Company or its personnel. Any such prosecution relating to the conduct described in the attached Statement of Facts or relating to conduct known to the Office prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Company, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, the Company agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, the Company agrees that the statute of limitations as to any violation of federal law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Office is made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

18. In the event the Office determines that the Company has breached this Agreement, the Office agrees to provide the Company with written notice prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, the Company shall have the opportunity to respond to the Office in writing to explain the nature and circumstances of the breach, as well as the actions the Company has taken to address and

remediate the situation, which the Office shall consider in determining whether to pursue prosecution of the Company.

19. In the event that the Office determines that the Company has breached this Agreement: (a) all statements made by or on behalf of the Company to the Office or to the Court, including the attached Statement of Facts, and any testimony given by the Company before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Office against the Company; and (b) the Company shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Company prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, the Company, will be imputed to the Company for the purpose of determining whether the Company has violated any provision of this Agreement shall be in the sole discretion of the Office.

20. The Company acknowledges that the Office has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if the Company breaches this Agreement and this matter proceeds to judgment. The Company further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

21. Thirty (30) days after the expiration of the period of deferred prosecution specified in this Agreement, the Company, by the Chief Executive Officer of the Company and

the Chief Financial Officer of the Company, will certify to the Department that the Company has met its disclosure obligations pursuant to Paragraph 6 of this Agreement. Each certification will be deemed a material statement and representation by the Company to the executive branch of the United States for purposes of 18 U.S.C. § 1001, and it will be deemed to have been made in the judicial district in which this Agreement is filed.

Sale, Merger, or Other Change in Corporate Form of Company

22. Except as may otherwise be agreed by the Company and the Office in connection with a particular transaction, the Company agrees that, in the event that, during the Term of the Agreement, it undertakes any change in corporate form, including if it sells, merges, or transfers a substantial portion of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest, to the obligations described in this Agreement. The Company shall obtain approval from the Office at least thirty (30) days prior to it or its Board of Directors proposing to its shareholders the undertaking of any such sale, merger, transfer, or other change in corporate form, including dissolution, in order to give the Office an opportunity to determine if such change in corporate form would affect the terms or obligations of the Agreement. If the Company concludes that in particular circumstances complying with the previous sentence would place it in violation of Chilean law, the Company shall promptly notify the Office of such conclusion, and the Company and the Office will seek to reach agreement on how to proceed; in no event, however, will the Company proceed to close

any transaction that results in a change in corporate form prior to reaching an agreement with the Office.

Public Statements by Company

23. The Company expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for the Company make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights of the Company described below, constitute a breach of this Agreement, and the Company thereafter shall be subject to prosecution as set forth in Paragraphs 17–19 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to the Company for the purpose of determining whether it has breached this Agreement shall be at the sole discretion of the Office. If the Office determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Office shall so notify the Company, and the Company may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after notification. The Company shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of the Company in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Company.

24. The Company agrees that if it or any of its direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Company shall first consult with the Office to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Office and the Company; and (b) whether the Office has any objection to the release.

25. The Office agrees, if requested to do so, to bring to the attention of law enforcement and regulatory authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, including the nature and quality of the Company's cooperation and remediation. By agreeing to provide this information to such authorities, the Office is not agreeing to advocate on behalf of the Company, but rather is agreeing to provide facts to be evaluated independently by such authorities.

Limitations on Binding Effect of Agreement

26. This Agreement is binding on the Company and the Office but specifically does not bind any other component of the Department of Justice, other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the Office will bring the cooperation of the Company and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company.

Notice

27. Any notice to the Office under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to FCPA Chief, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, Washington, D.C. 20005. Any notice to the Company under this Agreement

shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to Claudio Salas, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Notice shall be effective upon actual receipt by the Office or the Company.

Complete Agreement

28. This Agreement, including its attachments, sets forth all the terms of the agreement between the Company and the Office. No amendments, modifications or additions to

this Agreement shall be valid unless they are in writing and signed by the Office, the attorneys for the Company and a duly authorized representative of the Company.

AGREED:

FOR LATAM AIRLINES GROUP S.A.:

Date: 7/25/16

By: _____
Andres Osorio Hermansen
LATAM AIRLINES GROUP S.A.

Date: 7/25/16

By: Roger M. Witten /cs
Roger M. Witten
Wilmer Cutler Pickering Hale and Dorr LLP

FOR THE DEPARTMENT OF JUSTICE:

Andrew Weissmann
Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: 7/25/16

BY: Jason Linder /Jason Linder
Jason Linder
Senior Trial Attorney

COMPANY OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for Latam Airlines Group S.A. (the "Company"). I understand the terms of this Agreement and voluntarily agree, on behalf of the Company, to each of its terms. Before signing this Agreement, I consulted outside counsel for the Company. Counsel fully advised me of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed the terms of this Agreement with the Board of Directors of the Company. I have advised and caused outside counsel for the Company to advise the Board of Directors fully of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of the Company, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am the CFO for the Company and that I have been duly authorized by the Company to execute this Agreement on behalf of the Company.

Date: 7/25/16

LATAM AIRLINES GROUP S.A.

By: _____

Andres Osorio Hermansen
CFO

CERTIFICATE OF COUNSEL

I am counsel for Latam Airlines Group S.A. (the "Company") in the matter covered by this Agreement. In connection with such representation, I have examined relevant Company documents and have discussed the terms of this Agreement with the Company Board of Directors. Based on our review of the foregoing materials and discussions, I am of the opinion that the representative of the Company has been duly authorized to enter into this Agreement on behalf of the Company and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of the Company and is a valid and binding obligation of the Company. Further, I have carefully reviewed the terms of this Agreement with the Board of Directors and the CFO of the Company. I have fully advised them of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To my knowledge, the decision of the Company to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: 7/25/2016

By: Roger M. Witten /cs

Roger M. Witten
Wilmer Cutler Pickering Hale and Dorr LLP
Counsel for Latam Airlines Group S.A.

ATTACHMENT A

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section (the "Office") and Latam Airlines Group S.A. ("LATAM") as successor-in-interest to LAN Airlines S.A. ("LAN"). LATAM hereby agrees and stipulates that the following information is true and accurate. LATAM admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents, as well as for the acts of the officers, directors, employees, and agents of LAN as its predecessor-in-interest, as set forth below. Should the Office pursue the prosecution that is deferred by this Agreement, LATAM agrees that it will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding. The following facts establish beyond a reasonable doubt the charges set forth in the criminal Information attached to this Agreement:

LAN and Other Relevant Entities and Individuals

1. LAN was, until 2012, an airline company incorporated and headquartered in Chile that provided passenger and cargo transportation throughout South and Central America, as well as to the United States, Europe, and Australia. During the relevant period, LAN had annual revenues of approximately $3.5 billion. Until 2012, shares of LAN's stock traded on the New York Stock Exchange ("NYSE") as American depository receipts ("ADRs"), and LAN was required to file periodic reports with the Securities and Exchange Commission under Section 15(d) of the Securities Exchange Act, 15 U.S.C. § 78o(d). Accordingly, LAN was an "issuer" as that term is used in the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Section 78m. In June 2012, LAN became LATAM after merging with TAM S.A. After the

merger, LATAM's shares traded on the NYSE as ADRs, and LATAM was required to file periodic reports with the Securities and Exchange Commission under Section 15(d) of the Securities Exchange Act, 15 U.S.C. § 78o(d). Accordingly, LATAM was an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78m. LATAM was incorporated and headquartered in Chile.

2. Until the 2012 merger, LAN Cargo was a subsidiary of LAN; thereafter, it was a subsidiary of LATAM. LAN Cargo was incorporated in Chile, headquartered in Miami, Florida, and had several other offices in the United States. It provided cargo transportation within South and Central America, and between South and Central America and the rest of the world.

3. Until the 2012 merger, Atlantic Aviation Investments LLC ("AAI") was a subsidiary of LAN; thereafter it was a subsidiary of LATAM. AAI was incorporated in Delaware and headquartered in Chile. AAI's financial statements were consolidated into the financial statements of LAN and later LATAM.

4. "LAN Executive," an individual whose identity is known to the United States, was a high-level executive at LAN.

5. "LAN Cargo Executive," an individual whose identity is known to the United States, was a high-level Executive at LAN Cargo during the relevant period. LAN Cargo Executive was responsible, along with LAN Executive and other LAN executives, for leading LAN's entry into the Argentine airline market during the relevant period. LAN Cargo Executive was based in Miami, Florida, and was a United States citizen.

6. "Consultant,"" an individual whose identify is known to the United States, was an advisor to the Secretary of Argentina's Ministry of Transportation during the relevant period. He was appointed to that position pursuant to an unpublished resolution.

LAN's Entry into the Argentine Market

7. LAN sought entry into the Argentine commercial airline market in the early 2000s. At the time, Argentina prohibited foreign-owned airlines from operating in the country, so LAN looked for a local Argentine company in which it could acquire a minority interest.

8. In 2004 and 2005, LAN engaged in discussions with government officials from Argentina's Ministry of Transportation about a variety of issues surrounding its entry into the market, including: (a) which local airline it could acquire (the government had to approve its acquisition); (b) revising the law to permit LAN to own a majority of that company; (c) granting LAN additional routes within Argentina it could operate once it had established operations in the country; (d) raising the maximum allowable ticket prices, which were set by the government; and (e) labor issues that arose after it entered the market.

9. By early 2005, LAN had agreed with officials from the Argentine Ministry of Transportation that it would acquire the defunct Argentine airline, Aero 2000, which had no active operations. As part of that agreement, LAN also agreed to employ the labor forces from two other defunct airlines, LAFSA and Southern Winds. In return for that commitment, Argentine government officials agreed that the officials would revise the law so that LAN could own a majority of the airline it had acquired, would raise the cap on maximum airfares, and would grant LAN additional domestic routes.

10. However, LAN's relationship with the labor unions representing its inherited workforce began deteriorating during this time frame. The tension focused on the so-called "one function rule," which mandated that each employee could engage in only one, narrowly-defined type of work. Although LAN's labor unions did not strictly enforce the rule in practice, the

unions threatened to do so, which would have had the effect of significantly increasing LAN's labor expenses.

The Fictitious Consulting Agreement

14. In September and October 2006, LAN negotiated and executed a fictitious $1.15 million consulting agreement with Consultant, through a company he owned and operated, in order to funnel bribes to labor union officials. As a result of these corrupt payments, LAN's unions had agreed not to enforce the one function rule for a period of years and had accepted substantially lower wage increases than they had been demanding.

15. LAN Cargo Executive negotiated the fictitious agreement with Consultant on behalf of LAN, while keeping LAN Executive informed of the negotiation's progress. On September 23, 2006, for example, LAN Cargo Executive sent LAN Executive an email with the subject line "Topic closed for the moment." In it, LAN Cargo Executive advised LAN Executive that "[t]he cost would be 1,000 plus 15%," with "1/3 to be paid immediately, another 1/3 in 30 and 60 days. I expect Oct 11/Nov 11 and Dec 11."

16. On October 2, 2006, Consultant emailed LAN Cargo Executive a draft of the agreement, copying a high-level official in the Ministry of Transportation. Among other responsibilities, the high-level official was involved in LAN's negotiations with its labor unions.

17. The draft agreement between LAN and Consultant's company stated that Consultant's company "is specialized and has broad experience in providing advisory services on the subject of transportation in the Argentine Republic and the region . . . ." Under the terms of the draft agreement, the consulting company purportedly was to:

> undertake a study of existing air routes in the Argentine Republic and the regional market, including those being serviced by different airlines, as well as those with no service available at

> present. The study must include, among other data: each of the points to be connected by each of the routes, possible combinations, eventual connections, estimated passenger volumes throughout the year, especially differentiating weekdays from weekends, and particularly those dominated [sic] as long weekends. This study must include an estimate of the potential air cargo demands for each of the routes.

18. Further, the draft agreement contemplated that Consultant's company would perform legal analysis on LAN's behalf: "[w]ithin the framework of the law governing Public-Private Partnerships (PPP) in the Argentine Republic, [LAN] assigns [Consultant's company] the task of studying and analyzing said law and its potential application to the different services provided by [LAN]." The draft agreement gave Consultant's company up to ninety days "to deliver the study with the requested services."

19. In exchange for these purported services, the draft agreement provided that LAN would pay Consultant's company "a fixed sum of US$ 1,150,000" payable in four installments: $300,000 on signing; $300,000 at both thirty and sixty days after signing; and the remaining $250,000 paid ninety days after signing.

20. LAN Cargo Executive forwarded the draft agreement to LAN Executive on October 3, 2006, the day after LAN Cargo Executive had received it. LAN Cargo Executive reached agreement with Consultant and LAN Executive approved it even though they both knew that the draft agreement's description of the services that Consultant's company would provide were false. Rather, both understood that the true purpose of the draft agreement was to use Consultant to intercede on LAN's behalf with the officials of its Argentine labor unions. Further, LAN Cargo Executive knew and intended that Consultant would use some of the money he received under the draft agreement to bribe union officials to accept terms more favorable to

LAN. LAN Executive also understood that Consultant might pass some of the money he would be paid under the draft agreement to union officials.

21. LAN and Consultant's company never fully signed and executed the fictitious consulting agreement, and neither the Consultant nor anyone else affiliated with his company ever performed any of the services specified in the draft agreement. Despite the absence of a fully executed agreement and despite the failure of Consultant's company to perform the services specified in the draft agreement, Consultant's company invoiced LAN for payment under the draft agreement and a LAN affiliate paid those invoices.

22. On October 18, 2006, Consultant emailed LAN Cargo Executive an invoice from his company to LAN for $300,000 "[f]or consulting services provided by and payable to you under contract signed by both parties." It directed that payment be made to a Wachovia account in Roanoke, Virginia, held in the name of Consultant and his wife, not in the name of his company. LAN paid this invoice from its Citibank account in New York, on behalf of AAI, even though (i) the contract had never been signed, (ii) the first invoice had been directed to LAN (not AAI), (iii) the unsigned agreement had been between Consultant's company and LAN, not AAI, and (iv) it was not a company bank account receiving the funds. LAN Cargo Executive directed Consultant to address remaining invoices to AAI, not LAN.

23. On November 21, 2006, and January 16, 2007, Consultant emailed two additional invoices to LAN Cargo Executive, the first for $300,000 and the second for $550,000. Both invoices were addressed to AAI, both directed payment be made to the same Virginia Wachovia account held by Consultant and his wife, and both invoices indicated they were "[f]or consulting services provided by and payable to you under contract signed by both parties." As before, LAN paid both invoices on behalf of AAI from its New York Citibank account.

24. All of the payments to Consultant's company were intentionally mis-recorded as "other debtors" on the books, records, and accounts of LAN's Delaware subsidiary. LAN Executive approved the payments to Consultant's company, knowing that the payments were pursuant to an unsigned fictitious consulting agreement with Consultant's company.

25. On November 7, 2007, LAN also paid an additional $58,000 to a New York Bank of America account in the name of another company, which was jointly owned by Consultant's wife and son. The invoice for that payment, like the three from Consultant's company, falsely indicated that the payment was for "consulting services and studies performed on the different aerial routes in the Argentine Republic and in the regional market." LAN did not have an agreement or arrangement of any kind with this second company.

26. LAN obtained an estimated benefit of $6,743,932 as a result of the improper payments to Consultant's company to resolve LAN's union issues.

LAN's Internal Accounting Controls

27. During the relevant period, LAN knowingly and willfully failed to implement a sufficient system of internal accounting controls. In particular and as relevant here, LAN had deficient internal accounting controls that did not require, among other things, (a) due diligence for the retention of third party consultants; (b) a fully executed contract with a third party before payment could be made to it; (c) invoices issued to the LAN entity that in fact engaged the third party; (d) documentation or other proof that services had been rendered by a third party before payment could be made to it; (e) that payment to third parties retained by LAN or LAN entities be made to bank accounts held in the names of those third parties; or (f) oversight of the payment process to ensure that payments were made pursuant to appropriate controls, including those described above.

28. LAN Executive, LAN Cargo Executive, and one other high-level LAN executive knew that the services described in the unsigned fictitious agreement with Consultant's company were false, and that the true purpose of the payments made under it were to resolve LAN's disputes with its Argentine labor unions. At least LAN Cargo Executive, moreover, knew that Consultant would pay bribes to officials of the labor unions. LAN Executive and the other high-level LAN executive who knew about the false nature of the agreement had the authority and responsibility to ensure that LAN devised and maintained an adequate system of internal accounting controls, knew that LAN's then-existing internal accounting controls failed to prevent LAN from entering into an unsigned fictitious consulting agreement, and knowingly and willfully failed to implement internal accounting controls to address the known weaknesses in part to permit LAN to enter into the contract.

ATTACHMENT B

CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, Latam Airlines Groups S.A. (the "Company") has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section (the "Office") regarding issues arising in relation to certain false booked payments and an intentional failure to implement internal accounting controls; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Office; and

WHEREAS, the Company's SR. Vice President Legal Affairs, Juan Carlos Mencio, together with outside counsel for the Company, have advised the Board of Directors of the Company of its rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Office;

Therefore, the Board of Directors has RESOLVED that:

1. The Company (a) acknowledges the filing of the two-count Information charging the Company with (i) violating the internal controls provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, 15 U.S.C. §§ 78m(b)(2)(B), 78m(b)(5), and 78ff(a); and (ii) violating the FCPA's books and records provisions, 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a); (b) waives indictment on such charges and enters into a deferred prosecution agreement with the Office; and (c) agrees to accept a monetary penalty against Company totaling $12,750,000, and to pay such penalty to the United States Treasury with respect to the conduct described in the Information;

2. The Company accepts the terms and conditions of this Agreement, including, but not limited to, (a) a knowing waiver of its rights to a speedy trial pursuant to the Sixth

Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) a knowing waiver for purposes of this Agreement and any charges by the United States arising out of the conduct described in the attached Statement of Facts of any objection with respect to venue and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Southern District of Florida; and (c) a knowing waiver of any defenses based on the statute of limitations for any prosecution relating to the conduct described in the attached Statement of Facts or relating to conduct known to the Office prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement;

3. The Chief Financial Officer (CFO) of Company, Andres Osorio Hermansen, is hereby authorized, empowered and directed, on behalf of the Company, to execute the Deferred Prosecution Agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as the Chief Financial Officer (CFO) of Company, Andres Osorio Hermansen, may approve;

4. The Chief Financial Officer (CFO) of Company, Andres Osorio Hermansen is hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions; and

5. All of the actions of the Chief Financial Officer (CFO) of Company, Andres Osorio Hermansen, which actions would have been authorized by the foregoing

resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

Date: 7/22/16

By: _____
Corporate Secretary
Latam Airlines Group S.A.

ATTACHMENT C

CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, LATAM Airlines Group S.A. (the "Company") agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to adopt new or to modify existing internal controls, compliance code, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that the Company makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that includes policies and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company's existing internal controls, compliance code, policies, and procedures:

High-Level Commitment

1. The Company will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

Policies and Procedures

2. The Company will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA and other applicable foreign law counterparts (collectively, the "anti-corruption laws,"), which policy shall be memorialized in a written compliance code.

3. The Company will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company's compliance code, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws by personnel at all levels of the Company. These anti-corruption policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"). The Company shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company. Such policies and procedures shall address:

a. gifts;

b. hospitality, entertainment, and expenses;

c. customer travel;

d. political contributions;

e. charitable donations and sponsorships;

f. facilitation payments; and

g. solicitation and extortion.

4. The Company will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that:

a. transactions are executed in accordance with management's general or specific authorization;

b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

c. access to assets is permitted only in accordance with management's general or specific authorization; and

d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Periodic Risk-Based Review

5. The Company will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses

and permits in the Company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. The Company shall review its anti-corruption compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

Proper Oversight and Independence

7. The Company will assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's anti-corruption compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, the Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

8. The Company will implement mechanisms designed to ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk to the Company, and, where necessary and appropriate, agents and business partners; and (b)

corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. The Company will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's anti-corruption compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

Internal Reporting and Investigation

10. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

11. The Company will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

Enforcement and Discipline

12. The Company will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

Third-Party Relationships

14. The Company will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws, and of the Company's anti-corruption compliance code, policies, and procedures; and

c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are

reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance code, policies, or procedures, or the representations and undertakings related to such matters.

Mergers and Acquisitions

16. The Company will develop and implement policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

17. The Company will ensure that the Company's compliance code, policies, and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly:

a. train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anti-corruption laws and the Company's compliance code, policies, and procedures regarding anti-corruption laws; and

b. where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

Monitoring and Testing

18. The Company will conduct periodic reviews and testing of its anti-corruption compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and the Company's anti-corruption code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT D

INDEPENDENT COMPLIANCE MONITOR

The duties and authority of the Independent Compliance Monitor (the "Monitor"), and the obligations of LATAM Airlines Group S.A. (the "Company"), on behalf of itself and its subsidiaries and affiliates, with respect to the Monitor and the Department of Justice (the "Department"), are as described below:

1. The Company will retain the Monitor for a period of not less than twenty-seven (27) months (the "Term of the Monitorship"), unless the early termination provisions of Paragraph 3 of the Deferred Prosecution Agreement (the "Agreement") are triggered. Subject to certain conditions specified below that would, in the sole discretion of the Department, allow for an extension of the Term of the Monitorship, the Monitor shall be retained until the criteria in Paragraphs 19–20 below are satisfied or the Agreement expires, whichever occurs first.

Monitor's Mandate

2. The Monitor's primary responsibility is to assess and monitor the Company's compliance with the terms of the Agreement, including the Corporate Compliance Program in Attachment C, so as to specifically address and reduce the risk of any recurrence of the Company's misconduct. During the Term of the Monitorship, the Monitor will evaluate, in the manner set forth below, the effectiveness of the internal accounting controls, record-keeping, and financial reporting policies and procedures of the Company as they relate to the Company's current and ongoing compliance with the FCPA and other applicable anti-corruption laws (collectively, the "anti-corruption laws") and take such reasonable steps as, in his or her view, may be necessary to fulfill the foregoing mandate (the "Mandate"). This Mandate shall include an assessment of the Board of Directors' and senior management's commitment to, and effective

implementation of, the corporate compliance program described in Attachment C of the Agreement.

Company's Obligations

3. The Company shall cooperate fully with the Monitor, and the Monitor shall have the authority to take such reasonable steps as, in his or her view, may be necessary to be fully informed about the Company's compliance program in accordance with the principles set forth herein and applicable law, including applicable data protection and labor laws and regulations. To that end, the Company shall: facilitate the Monitor's access to the Company's documents and resources; not limit such access, except as provided in Paragraphs 5-6; and provide guidance on applicable local law (such as relevant data protection and labor laws). The Company shall provide the Monitor with access to all information, documents, records, facilities, and employees, as reasonably requested by the Monitor, that fall within the scope of the Mandate of the Monitor under the Agreement. The Company shall use its best efforts to provide the Monitor with access to the Company's former employees and its third-party vendors, agents, and consultants.

4. Any disclosure by the Company to the Monitor concerning corrupt payments, false books and records, and internal accounting control failures shall not relieve the Company of any otherwise applicable obligation to truthfully disclose such matters to the Department, pursuant to the Agreement.

Withholding Access

5. The parties agree that no attorney-client relationship shall be formed between the Company and the Monitor. In the event that the Company seeks to withhold from the Monitor access to information, documents, records, facilities, or current or former employees of the

Company that may be subject to a claim of attorney-client privilege or to the attorney work-product doctrine, or where the Company reasonably believes production would otherwise be inconsistent with applicable law, the Company shall work cooperatively with the Monitor to resolve the matter to the satisfaction of the Monitor.

6. If the matter cannot be resolved, at the request of the Monitor, the Company shall promptly provide written notice to the Monitor and the Department. Such notice shall include a general description of the nature of the information, documents, records, facilities or current or former employees that are being withheld, as well as the legal basis for withholding access. The Department may then consider whether to make a further request for access to such information, documents, records, facilities, or employees.

Monitor's Coordination with the Company and Review Methodology

7. In carrying out the Mandate, to the extent appropriate under the circumstances, the Monitor should coordinate with Company personnel, including in-house counsel, compliance personnel, and internal auditors, on an ongoing basis. The Monitor may rely on the product of the Company's processes, such as the results of studies, reviews, sampling and testing methodologies, audits, and analyses conducted by or on behalf of the Company, as well as the Company's internal resources (e.g., legal, compliance, and internal audit), which can assist the Monitor in carrying out the Mandate through increased efficiency and Company-specific expertise, provided that the Monitor has confidence in the quality of those resources.

8. The Monitor's reviews should use a risk-based approach, and thus, the Monitor is not expected to conduct a comprehensive review of all business lines, all business activities, or all markets. In carrying out the Mandate, the Monitor should consider, for instance, risks presented by: (a) the countries and industries in which the Company operates; (b) current and

future business opportunities and transactions; (c) current and potential business partners, including third parties and joint ventures, and the business rationale for such relationships; (d) the Company's gifts, travel, and entertainment interactions with foreign officials; and (e) the Company's involvement with foreign officials, including the amount of foreign government regulation and oversight of the Company, such as licensing and permitting, and the Company's exposure to customs and immigration issues in conducting its business affairs.

9. In undertaking the reviews to carry out the Mandate, the Monitor shall formulate conclusions based on, among other things: (a) inspection of relevant documents, including the Company's current anti-corruption policies and procedures; (b) on-site observation of selected systems and procedures of the Company at sample sites, including internal accounting controls, record-keeping, and internal audit procedures; (c) meetings with, and interviews of, relevant current and, where appropriate, former directors, officers, employees, business partners, agents, and other persons at mutually convenient times and places; and (d) analyses, studies, and testing of the Company's compliance program.

Monitor's Written Work Plans

10. To carry out the Mandate, during the Term of the Monitorship, the Monitor shall conduct an initial review and prepare an initial report, followed by at least two follow-up reviews and reports as described in Paragraphs 16–18 below. With respect to the initial report, after consultation with the Company and the Department, the Monitor shall prepare the first written work plan within forty-five (45) calendar days of being retained, and the Company and the Department shall provide comments within twenty-five (25) calendar days after receipt of the written work plan. With respect to each follow-up report, after consultation with the Company and the Department, the Monitor shall prepare a written work plan at least thirty (30) calendar

days prior to commencing a review, and the Company and the Department shall provide comments within fifteen (15) calendar days after receipt of the written work plan. Any disputes between the Company and the Monitor with respect to any written work plan shall be decided by the Department in its sole discretion.

11. All written work plans shall identify with reasonable specificity the activities the Monitor plans to undertake in execution of the Mandate, including a written request for documents. The Monitor's work plan for the initial review shall include such steps as are reasonably necessary to conduct an effective initial review in accordance with the Mandate, including by developing an understanding, to the extent the Monitor deems appropriate, of the facts and circumstances surrounding any violations that may have occurred before the date of the Agreement. In developing such understanding the Monitor is to rely to the extent possible on available information and documents provided by the Company. It is not intended that the Monitor will conduct his or her own inquiry into the historical events that gave rise to the Agreement.

Initial Review

12. The initial review shall commence no later than ninety (90) calendar days from the date of the engagement of the Monitor (unless otherwise agreed by the Company, the Monitor, and the Department). The Monitor shall issue a written report within one hundred fifty (150) calendar days of commencing the initial review, setting forth the Monitor's assessment and, if necessary, making recommendations reasonably designed to improve the effectiveness of the Company's program for ensuring compliance with the anti-corruption laws. The Monitor should consult with the Company concerning his or her findings and recommendations on an ongoing basis and should consider the Company's comments and input to the extent the Monitor

deems appropriate. The Monitor may also choose to share a draft of his or her reports with the Company and the Department prior to finalizing them. The Monitor's reports need not recite or describe comprehensively the Company's history or compliance policies, procedures and practices, but rather may focus on those areas with respect to which the Monitor wishes to make recommendations, if any, for improvement or which the Monitor otherwise concludes merit particular attention. The Monitor shall provide the report to the Board of Directors of the Company and contemporaneously transmit copies to the Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, at 1400 New York Avenue N.W., Bond Building, Eleventh Floor, Washington, D.C. 20005. After consultation with the Company, the Monitor may extend the time period for issuance of the initial report for a brief period of time with prior written approval of the Department.

13. Within ninety (90) calendar days after receiving the Monitor's initial report, the Company shall adopt and implement all recommendations in the report, unless, within fifteen (15) calendar days of receiving the report, the Company notifies in writing the Monitor and the Department of any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that recommendation within the ninety (90) calendar days of receiving the report but shall propose in writing to the Monitor and the Department an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within fifteen (15) calendar days after the Company serves the written notice.

14. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult with the Department. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendation(s).

15. With respect to any recommendation that the Monitor determines cannot reasonably be implemented within ninety (90) calendar days after receiving the report, the Monitor may extend the time period for implementation with prior written approval of the Department.

First Follow-Up Review

16. The first follow-up review shall commence no later than ninety (90) calendar days after the issuance of the initial report (unless otherwise agreed by the Company, the Monitor and the Department). The Monitor shall issue a written follow-up report within one hundred twenty (120) calendar days of commencing the first follow-up review, setting forth the Monitor's assessment and, if necessary, making recommendations in the same fashion as set forth in Paragraph 12 with respect to the initial review. The Monitor shall also certify whether the Company's compliance program, including its policies and procedures, is reasonably designed and implemented to prevent and detect violations of the anti-corruption laws. After consultation with the Company, the Monitor may extend the time period for issuance of the first follow-up report for a brief period of time with prior written approval of the Department.

17. Within ninety (90) calendar days after receiving the Monitor's first follow-up report, the Company shall adopt and implement all recommendations in the report, unless, within

fifteen (15) calendar days after receiving the report, the Company notifies in writing the Monitor and the Department concerning any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that recommendation within the ninety (90) calendar days of receiving the report but shall propose in writing to the Monitor and the Department an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within fifteen (15) calendar days after the Company serves the written notice.

18. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult with the Department. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendation(s).

Second Follow-Up Review

16. The second follow-up review shall commence no later than ninety (90) calendar days after the issuance of the first follow-up report (unless otherwise agreed by the Company, the Monitor and the Department). The Monitor shall issue a written second follow-up report within one hundred twenty (120) calendar days of commencing the second follow-up review, setting forth the Monitor's assessment and, if necessary, making recommendations in the same fashion as set forth in Paragraph 12 with respect to the initial review. The Monitor shall also certify whether the Company's compliance program, including its policies and procedures, is reasonably

designed and implemented to prevent and detect violations of the anti-corruption laws. After consultation with the Company, the Monitor may extend the time period for issuance of the follow-up report for a brief period of time with prior written approval of the Department.

17. Within ninety (90) calendar days after receiving the Monitor's second follow-up report, the Company shall adopt and implement all recommendations in the report, unless, within fifteen (15) calendar days after receiving the report, the Company notifies in writing the Monitor and the Department concerning any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that recommendation within the ninety (90) calendar days of receiving the report but shall propose in writing to the Monitor and the Department an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within fifteen (15) calendar days after the Company serves the written notice.

18. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult with the Department. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendation(s).

Certification of Compliance
and Termination of the Monitorship

19. At the conclusion of the ninety (90) calendar day period following the issuance of the second follow-up report, if the Monitor believes that the Company's compliance program is

reasonably designed and implemented to detect and prevent violations of the anti-corruption laws and is functioning effectively, the Monitor shall certify the Company's compliance with its compliance obligations under the Agreement. The Monitor shall then submit to the Department a written report ("Certification Report") within sixty (60) calendar days. The Certification Report shall set forth an overview of the Company's remediation efforts to date, including the implementation status of the Monitor's recommendations, and an assessment of the sustainability of the Company's remediation efforts. The Certification Report should also recommend the scope of the Company's future self-reporting. Also at the conclusion of the ninety (90) calendar day period following the issuance of the second follow-up report, the Company shall certify in writing to the Department, with a copy to the Monitor, that the Company has adopted and implemented all of the Monitor's recommendations in the initial and follow-up report(s), or the agreed-upon alternatives. The Monitor or the Company may extend the time period for issuance of the Certification Report or the Company's certification, respectively, with prior written approval of the Department.

20. At such time as the Department approves the Certification Report and the Company's certification, the monitorship shall be terminated, and the Company will be permitted to self-report to the Department on its enhanced compliance obligations for the remainder of the term of the Agreement. The Department, however, reserves the right to terminate the monitorship absent certification by the Monitor, upon a showing by the Company that termination is, nevertheless, in the interests of justice.

21. If permitted to self-report to the Department, the Company shall thereafter submit to the Department a written report every four (4) months setting forth a complete description of its remediation efforts to date, its proposals to improve the Company's internal accounting

controls, policies, and procedures for ensuring compliance with the anti-corruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to the Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, N.W., Bond Building, Eleventh Floor, Washington, D.C. 20005. The Company may extend the time period for issuance of the self-report with prior written approval of the Department.

Extension of the Term of the Monitorship

22. If, however, at the conclusion of the ninety (90) calendar-day period following the issuance of the second follow-up report, the Department concludes that the Company has not by that time successfully satisfied its compliance obligations under the Agreement, the Term of the Monitorship shall be extended for one year.

23. Under such circumstances, the Monitor shall commence the third follow-up review no later than sixty (60) calendar days after the Department concludes that the Company has not successfully satisfied its compliance obligations under the Agreement (unless otherwise agreed by the Company, the Monitor, and the Department). The Monitor shall issue a written follow-up report within one hundred twenty (120) calendar days of commencing the third follow-up review in the same fashion as set forth in Paragraph 12 with respect to the initial review and in accordance with the procedures for follow-up reports set forth in Paragraphs 16--18. A determination to terminate the monitorship shall then be made in accordance with Paragraphs 19-20.

24. If, after completing the third follow-up review, the Department again concludes that the Company has not successfully satisfied its obligations under the Agreement with respect to the Monitor's Mandate, the Term of the Monitorship shall be extended until expiration of the Agreement, and the Monitor shall commence a fourth follow-up review within sixty (60)

calendar days after the Department concludes that the Company has not successfully satisfied its compliance obligations under the Agreement (unless otherwise agreed by the Company, the Monitor, and the Department). The Monitor shall issue a written follow-up report within one hundred twenty (120) calendar days of commencing the third follow-up review in the same fashion as set forth in Paragraph 12 with respect to the initial review and in accordance with the procedures for follow-up reports set forth in Paragraphs 16-18.

Monitor's Discovery of Misconduct

25. Should the Monitor, during the course of his or her engagement, discover that:

- corrupt or otherwise suspicious payments (or transfers of property or interests) may have been offered, promised, made, or authorized by any entity or person within the Company or any entity or person working, directly or indirectly, for or on behalf of the Company; or
- false books and records may have been maintained by the Company

either (a) after the date on which this Agreement was signed or (b) that have not been adequately dealt with by the Company (collectively "improper activities"), the Monitor shall promptly report such improper activities to the Company's General Counsel, Chief Compliance Officer, and/or Audit Committee for further action. If the Monitor believes that any improper activities may constitute a violation of law, the Monitor also shall report such improper activities to the Department. The Monitor should disclose improper activities in his or her discretion directly to the Department, and not to the Company, only if the Monitor believes that disclosure to the Company would be inappropriate under the circumstances, and in such case should disclose the improper activities to the General Counsel, Chief Compliance Officer, and/or the Audit Committee of the Company as promptly and completely as the Monitor deems appropriate under

the circumstances. The Monitor shall address in his or her reports the appropriateness of the Company's response to all improper activities, whether previously disclosed to the Department or not. Further, in the event that the Company, or any entity or person working directly or indirectly for or on behalf of the Company, withholds information necessary for the performance of the Monitor's responsibilities, if the Monitor believes that such withholding is without just cause, the Monitor shall disclose that fact to the Department. The Company shall not take any action to retaliate against the Monitor for any such disclosures or for any other reason. The Monitor shall report material criminal or regulatory violations by the Company or any other entity discovered in the course of performing his or her duties, in the same manner as described above.

Meetings During Pendency of Monitorship

26. The Monitor shall meet with the Department within thirty (30) calendar days after providing each report to the Department to discuss the report, to be followed by a meeting between the Department, the Monitor, and the Company.

27. At least annually, and more frequently if appropriate, representatives from the Company and the Department will meet together to discuss the monitorship and any suggestions, comments, or improvements the Company may wish to discuss with or propose to the Department, including with respect to the scope or costs of the monitorship.

Contemplated Confidentiality of Monitor's Reports

28. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, or impede pending or potential government investigations and thus undermine the objectives of the monitorship. For these reasons, among others, the reports and the contents thereof are

intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Department determines in its sole discretion that disclosure would be in furtherance of the Department's discharge of its duties and responsibilities or is otherwise required by law.