



# DONATION POLICY AND PROCEDURE



## *Donation Policy and Procedure*

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## Donation Policy and Procedure

### 1. GOAL

Establish general guidelines for donations, sponsorships or contributions, description of the approval process, and provision of donations by SAAM and subsidiaries.

### 2. APPLICATION AND SCOPE

This procedure is applicable to the Companies described in **Attachment 1**.

Hereinafter, these Companies will be referred to as "SAAM and Subsidiaries."

### 3. RELATED DOCUMENTS

- Code of Ethics
- Internal Hygiene, Order and Safety Regulation
- Public Officials Interaction Policy
- Supplier Payment Policy and Procedures
- Crime Prevention Manual

### 4. DEFINITIONS

**Donation:** An act through which an individual or legal entity irrevocably transfers part of its property at no cost.

**Donor:** Individual or legal entity who undertakes the act of donating.

**Beneficiary:** Individual or legal entity who receives the donation.

**Donation Certificate:** Document issued by the beneficiary, stamped by the SII (Chilean Internal Revenue Service) accrediting the donation.

**Black Out:** Period established for the suspension of donations during audits, permit processing, tender participation and other processes with public entities.

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**Bribery:** The following person commits the act of bribery:

- A person who offers or consents to giving a public official an economic incentive, for direct or third-party benefit, to unduly act or omit information in his/her work. (Definition based on the Penal Code Article No. 250).
- A person who offers, promises or gives a foreign public officer an economic or other incentive, for direct or third-party benefit, to act in such a way or omit information for the purpose of obtaining or maintaining, for him/herself or others, any business or undue advantage in the area of any international transaction (Definition based on the Penal Code Article No. 251 bis).

**Money Laundering:** Crime committed by any person who in any way conceals or disguises the illicit origin of certain goods, in the knowledge that they come directly or indirectly from an illegal act; or who acquires, possesses, has or uses such goods, without profit, when at the time of receiving them is aware of their illicit origin. (Article 27, Law No. 19.913).

**Terrorism Financing:** A crime committed by any person who, by any means, solicits, collects or provides funds for an end use in committing any terrorist offense, such as seizing or attacking a means of public transport in service, attempted coup against the President and other authorities, illicit association with the aim of committing terrorist crimes, among others. (Definition based on Law No. 18.314 Article 2).

## 5. RESPONSIBILITIES

**Beneficiary or grantee:**

- Submit a written donation request (letter or email).
- Submit the donation certificate.
- Receive the donation and use it for the stated purposes.
- Provide information necessary for assessment of donation request.



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### **Donor Department:**

- Identification of the goods to donate (money or in kind), beneficiary, use of the donation.
- Ensure that the beneficiary is not associated with money laundering or terrorism financing operations.
- Complete the donation form (Attachment 2) and request signed sworn statement (Attachment 4).
- Request accounting information needed for donation assessment.
- Channel approval of donation request with the Corporate Affairs Department using the donations form.
- Issue invoice for donated goods, if applicable.
- Prepare accounting for the donation, after confirming with the Accounting Department which accounts should be used.
- Physically deliver donated goods (when other than cash).
- Request the donation certificate from the beneficiary and send it to the Tax Department (if the donation is accepted as an expense and therefore covered by the law in force at the time it is made).
- Monitor the final use of the donations made.

### **Corporate Affairs Department:**

- Receptor and channeler of donation request approvals.
- Check availability in donation budget.
- Assess donation, issue recommendation to the CEO and manage final approval, after assessment of the donation request by Accounting and Crime Prevention Officer.
- Give formal response to the applicant on the outcome of the donation request (approved or rejected).

### **Accounting:**

- Determine type of donation (cash, fixed assets, inventory or other).
- Provide information on the registered cash equivalent of assets to be donated, for in kind donations.
- Provide invoicing instructions for donated goods (fixed assets, inventory or other physical assets).
- Send donation information (form and supporting documents) to the Crime Prevention Officer.

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- Require the donation certificate issued by the beneficiary.
- Use tax exemptions for donations.
- Ensure proper accounting procedures for the donation in accounting ledgers.
- Receive and maintain supporting documents for donations in files.

### **Crime Prevention Officer:**

- Analyze background information for donation requests to identify any irregularities that could lead to any criminal activity contemplated in Law No. 20.393 and/or detect any potential conflicts of interest.
- Verify that the donor department has filled in all data required in the Donation Form (**Attachment 2**).
- Send donation form and supporting documents to the Corporate Affairs Department.

### **Controller:**

- Report to the CEO if any irregularity is detected.
- Report annually to the Board of Directors on the outcome of the procedures undertaken, and provide details of donations made during the year, indicating the amount of donations, sums involved, type of assets donated, beneficiaries, tax exemption, rejected expenses and any other relevant information.

### **CEO**

- Final donation approval.



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### 6. Procedure

#### 6.1 General Guidelines:

- The Board will approve an annual donations budget of funds or goods to be donated.
- All donations, whether in cash or in kind, must follow this procedure and be approved by the Executive Management Team of SAAM and Subsidiaries.
- SAAM and Subsidiaries will only make donations to non-profit legal entities (institutions or organizations) that are duly registered with the competent authorities of the country and are covered under the Donations Law.
- Donations to natural persons or legal entities of a political nature (political parties or funders of political campaigns) are prohibited.
- Donations will be channeled or sent to the Corporate Affairs Department, which will issue a recommendation, after an assessment by the Accounting and Crime Prevention Officer, who will also be responsible for managing authorization from SAAM's CEO. Additionally, this department will determine if the donation should be assigned as an expenditure of the applicant area, as is the case with sponsorship or contributions or assigned as a concept covered by the donation budget.
- For subsidiaries, this should be sent to the respective CEO, who in turn will send information to the Department Manager or responsible Manager.
- The donor department will ask the Accounting Department to complete the tax accounting data for the donation request and indicate the necessary documentation for its proper accounting and for use of any corresponding tax exemption. Accounting will send a form with the requested information signed by the Head of Accounting.
- The Accounting Department will send supporting documentation for the donation to the Crime Prevention Officer, who will assess compliance with Law 20.393 and sign the relevant form in approval of this.
- The Controller will review donations and any anomalies will be reported to the CEO. S/he will also report to the Board of Directors on the outcome of the review and donation details.

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- Law No. 20.393 on Criminal Responsibility of Legal Entities instated criminal liability of legal entities in crimes of money laundering, terrorism financing and bribery of national or foreign public officials. In compliance with its directive and supervisory duties, SAAM and Subsidiaries have implemented a "Crime Prevention Model" (CPM). In consideration of the foregoing, the Company expressly prohibits any conduct that may give rise to criminal charges against SAAM and Subsidiaries under Law No. 20.393 on Criminal Responsibility of Legal Entities, for acts committed by Directors, Managers and/or Deputy Managers who engage in administrative or supervisory activities and any employee of the institution or external contractor that represents the Company. This also includes individuals who are under direct supervision and direction of one of the aforementioned subjects and in general all workers of SAAM and Subsidiaries. In this sense, SAAM and Subsidiaries prohibit the donation of goods or money that could be considered a crime under Law No. 20.393.
- Cash donations will be made as stipulated in the Supplier Payment Policy and Procedure and by check or money order.
- Donations will be duly registered in the respective accounting books.
- A "black out" period will be established for donations to public institutions or public officials, during any processes involving audits, permit processing, tender review, among others, and the department subject to any of these processes must opportunely inform the Corporate Affairs Department.

### 6.2 Description of Activities

#### a) Request for donation:

Prior to processing a donation request, the donor department must:

- a) Determine with the Corporate Affairs Department whether there is a donation budget, or will notify that it is a department expense that, due to its nature, must be made through a donation, as is the case with a sponsorship or contribution, for example to a University or other educational foundation.
- b) Undertake complementary activities, to familiarize itself with the beneficiary, in association with a review of the owners, directors and/or main executives on lists associated with money laundering, terrorism, fraud and/or historical databases (**Attachment 3**).

A requirement for donation approval is that the beneficiary issues an affidavit stating that it is familiar with Law No. 20.393 and states that it is not guilty of any of the crimes established in this law (**Attachment 4**).





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The donor department will fill out the Donation Form (Attachment 2), which will include the following information:

Identification of the donation, whether cash or in kind (fixed assets or inventory).

Name, Chilean Taxpayer ID, social purpose of beneficiary agent. Donor department, responsible manager.

Reason or destination of the donation.

Authorizing signature of donor and department manager.

Once this data is completed, the form and supporting documentation (scanned) will be sent to Accounting to fill out the following fields of the donation request form (Attachment 2).

- Amount or equivalent of the donation value.
- Relevant donation law. If the donation does not fall under any law, this should be clearly stated.
- Signature of Accounting Department Supervisor (authorized accounting and tax information)

Define whether the donation, if materialized, will be accounted as an expense for tax purposes, or as a credit against first category tax, notwithstanding the supporting documents that will be subsequently provided to Accounting as proof to the SII of the donation made.

Once Accounting fills out the relevant data, it will send the form to the Crime Prevention Officer along with the supporting documentation (scanned), which will conduct an assessment or review, in compliance with Law 20.393, filling out information regarding its review and signing in proof of this. Subsequently, the Crime Prevention Officer will send the form and documentation to the Corporate Affairs Department for processing.

### b) Donation review and analysis:

The Corporate Affairs Department will assess the donation request, checking the budget, and will revisit the information on the form along with supporting documentation. As an outcome of this review, it will issue a recommendation to the CEO.

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### c) Donation approval:

Based on the supporting documentation (forms, background documentation and corresponding approvals), the CEO will approve or reject the donation.

### d) Provision of donation:

#### Donor department:

- When a cash donation is made, approval will be requested for the expenditure (amount to be donated) based on the Supplier Payment Policy and Procedure, enclosing all supporting documentation for the donation (signed form, donor request, others).
- For donations in kind, the donor department will take necessary actions and coordinate with the beneficiary to physically provide the donation (documenting proof of receipt with the beneficiary).

#### Beneficiary:

- The beneficiary must submit a donation certificate to the donor department (when applicable) and the donor must send it to the Accounting Department.

### e) Accounting and related records:

#### The donor department will:

- Provide an invoice for donations in kind (fixed assets, inventory, etc).
- Record the donation (cash or assets) in the correct accounts based on instructions given by the Accounting Department. Depending on whether the type of assets to be donated are part of fixed assets or inventory, the Accounting Department will provide instructions on how to proceed.



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### f) Monitoring use or destination of the donation:

The donor department will monitor the donation through supporting documentation or visits (e.g., photos, press articles, others). This evidence will be given to the Crime Prevention Officer.

### g) Donation report:

The Accounting Department will send details of donations made on a semiannual basis to the Crime Prevention Officer.

On an annual basis, the Controller Department will:

- Verify donation authorizations through audit procedures, issuing a report to the CEO, which will record any irregularities detected.
- Report annually to the Board of Directors on all donations made during the year, including details on the grantee, the sum involved, date of donations, details of donated goods, use of tax exemptions and/or expenses rejected under donations.

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### **7. ATTACHMENTS**

#### **Attachments 1.**

#### **Companies under this scope:**

- Sociedad Matriz SAAM S.A.
- SAAM S.A.
- SAAM Internacional S.A.
- Inmobiliaria San Marco Ltda.
- Inmobiliaria Marítima Portuaria Ltda.
- Inmobiliaria Placeres Ltda.
- Inmobiliaria Barón Ltda.
- Inmobiliaria Rehue Ltda.
- Inmobiliaria Malvilla Ltda.
- Inversiones San Marco Ltda.
- Servicios de Aviación y Terminales S.A.
- Cosem S.A.
- Servicios de Personal Portales S.A. (SEPSA).
- Terminal Barrancas S.A.
- Terminal Chinchorro S.A.
- Terminal El Colorado S.A.
- Terminal El Caliche S.A.
- Terminal Las Golondrinas S.A.
- Terminal Peñuelas S.A.
- SAAM Contenedores S.A.
- SAAM Extraportuarios S.A.
- Aquasaam S.A.
- SAAM Puertos S.A.
- Iquique Terminal Internacional S.A.



## Donation Policy and Procedure

### Attachment 2. Donation Form

#### DONATION FORM

Name of Donor		
Responsibility / Department		
Responsible Manager		
Name of Beneficiary (Beneficiary of the (Beneficiary of the donation)		
Beneficiary Taxpayer ID		
Type of Donation (In kind or cash)	Cash\$	In kind (Which and how much)
Purpose of Donation / Destination of goods		
Donor	Name:	Signature:
Responsible Manager	Name:	Signature:
Donation Amount in Ch\$ (If donation is in kind, include accounting value)		
Tax Exemption: (Yes/No)	Amount of rejected expense: Ch\$	

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### DONATION FORM

Applicable Donation Law:

Account to use

Head of Accounting  
Department (authorizes tax  
accounting information)

Name:

Signature:

ENSURE THAT BENEFICIARY INSTITUTION  
COMPLIES WITH LAW No. 20.393

Complies

Compliance supporting  
documentation attached

1. Check beneficiary Institution against  
lists associated with money laundering,  
terrorism, fraud, for example judiciary or  
tax fraud, among others.

Attachment 3

2. Obtain a statement from the grantee  
Institution stating that it is aware of Law  
No. 20.393 and is not guilty of the offenses  
specified under this law (money  
laundering, terrorism financing and  
bribery of national or foreign public  
officials).

Attachment 4

Crime Prevention Officer

Name:

Signature:

Final Donation Approval

CEO

Name:

Signature:

Date: \_\_\_\_\_