General Guidelines of Risk Management

As part of its vision, mission, objectives, products and services provided, the Depósito Central de Valores (DCV) and its affiliates are committed and assign a high priority to risk management, which is aligned with the strategic objectives and pillars of the organization.

Risk management is sustained by those who are responsible and executors of the processes, who are the primary risk managers; risk management, which is in charge of management and risk monitoring; the Board and management committees, which approve the establishment of the model; and the comptroller and compliance management, which are responsible for evaluating the effectiveness of the implementation of risk policies.

DEFINITIONS

Risk: The effect of uncertainty on objectives.

An "*effect*" is a deviation from what is expected, whether positive, negative or both.

The objectives may have different aspects (for example, financial, goals, security, among others) and can be applied at different levels (strategic, throughout the organization, in projects, products and processes).

"*Uncertainty*" is the state, even partial, of information deficiency related to the understanding or knowledge of an event, its consequence or probability.

Systemic Risk: The inability of one or more participants to act as planned and that could cause other participants to not fulfill their obligations whenever necessary. In such circumstances, various «indirect» effects could occur, and the inability of an FMI to carrying out settlement could have detrimental consequences for the markets it serves, as well as for the economy as a whole.

Operational risk: Corresponds to the risk where deficiencies in information systems or internal processes, human errors, management failures or disturbances (as a result of external events) cause the reduction, deterioration or interruption of the services provided by the Company.

Legal risk: Corresponds to the risk of a law or regulation of being applied unexpectedly, which usually leads to a loss. Legal risk can also arise when the application of the relevant laws and regulations are unpredictable.

General business risks: General business risk refers to any possible deterioration of the financial situation (as a business) of the Company as a result of a decrease in its income or an increase in its expenses, which results in expenses exceeding income and a loss is generated that must be paid against the capital.

Custody and investment risk: Custody risk is the risk of loss of those assets held in custody in case of insolvency, negligence, fraud, mismanagement or improper maintenance of records by a custodian (or sub-custodian). Investment risk is the risk of loss that an FMI faces when investing its own resources or those of its participants, such as guarantees. These risks may be relevant not only for the maintenance costs and investment of resources, but also for the safety and reliability of an FMI's risk management systems.

Information security risk: Corresponds to the risk of the information systems and the assets that support it and that can generate negative impacts to DCV and the organizations that depend on its services, which includes the associated cybersecurity risk.

Risk management: Corresponds to the identification, measurement, control and monitoring process of the risk dimensions of an entity that may adversely affect the achievement of its objectives and obligations established in the legal framework.

This process is approved and implemented by the general management of DCV, bearing in mind the responsibilities of the Board, the administration, the internal supervisory units and all its employees. This process is an integral part of the risk management policy approved by the board.

Inherent risk: Regards a risk that is incorporated or is intrinsic to the activity that is carried out, encompasses the impact and the probability that a threat can affect the capabilities of an organization to achieve its business strategies and objectives. A threat is an action or event that could potentially expose the Company to a risk.

Residual risk: Corresponds to the remaining risk level that exists without prejudice to having implemented the mitigating control measures.

Live risk: Corresponds to the level of risk that has materialized as a result of an event or incident in a period of time.

Accepted risk: Corresponds to the level of risk that the entity is willing to accept in its search for value generation.

Risk owner: Individual or entity responsible for the accountability and with the authority to manage a risk. For the purposes of DCV, the risk ownership may fall on the process owner, who manages the direct solution of a risk or who must respond for the mitigation plans that must be implemented.

Problems: Weaknesses associated with a process, service or component that generate potential or materialized risk exposure that affects the fulfillment of the organization's objectives.

Mitigation plans: Corresponds to the selection of the most appropriate actions, aimed at reducing the occurrence of the risk or reducing its impact. The risk treatment plans concept will be understood as synonymous with this definition.

OBJECTIVES AND SCOPE

The objectives for applying risk management at DCV are the following:

- Reduce possible unexpected catastrophic losses and minimize expected losses;
- Promote a culture of risk management that increases understanding, awareness and action by individuals, and also includes the promotion of efficiency and effective control;
- Facilitate the identification of new opportunities for the operations of the organization;
- Detect the risks (current and potential) to make decisions on their treatment;

- Continuously improve control processes and systems to minimize the risks that may be incurred;
- Allocate and manage resources to cover the identified risks;
- Comply with the relevant legal and regulatory requirements;
- Establish a reliable basis for decision making and planning.

DCV's risk management will be based on two key principles:

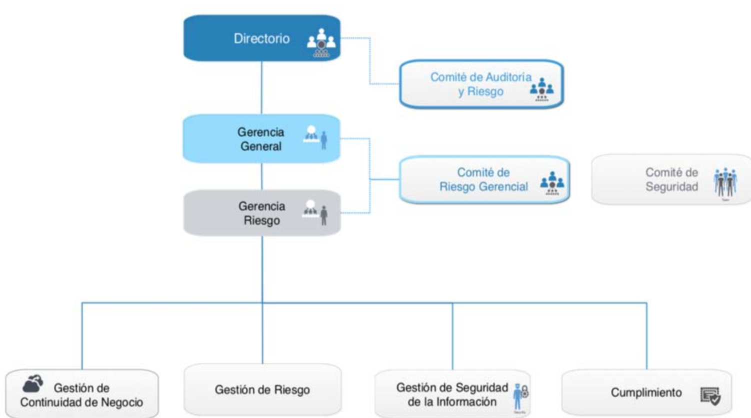
1. <u>It is everyone's responsibility:</u> Everyone has responsibility for risk management; the board, management, sub-management and workers. However, the process owners are responsible for ensuring the application, maintenance and monitoring of the different policies, standards and defined procedures for fulfilling the objectives of each process, in accordance with risk management.

2. <u>It will be integrated into all activities and systems</u>, also forming part of the strategic planning foundations of DCV.

The systematic application of risk management will be based on well-founded analyses, making effective and efficient use of DCV's resources. Those risks that, after being valued, result in an unacceptable risk level will be prioritized for being incorporated into the action plans.

Progress in the management of these risks will be continuously monitored by the Board, its committees, the General Manager and the area managers, as appropriate, based on the methodology adopted by DCV, whose application will be evaluated by the internal audit area.

Corporate Governance



Board: They are ultimately responsible for risk management. They deliver the risk management guidelines by defining the Company's strategic plan.

Audit and Risk Committee: It is made up of Directors and the executive staff of DCV, whose objective is to ensure the implementation The agreements adopted by the Board and are related to the Risk Management Model.

Risk Management Committee: it is comprised of all the management areas of the Company, the deputy management of legal affairs, the legal advisor of the company, staff of the comptroller and compliance management, and risk management and the cybersecurity officer.
Its principal responsibility is to be informed of the management of the indicators and results of the risk matters.

General Management: Responsible for establishing the strategic guidelines for the implementation of the risk management model and its policies, according to the guidelines provided by the board.

Risk Management: Responsible for implementing the risk management model and its policies, according to the guidelines provided by the board, which will be delegated to a specific area for its implementation.

General Operational Risk Management Policy.

DCV has a general risk policy, which was approved by the Board in November 2009 and is revised annually. This policy establishes the general framework of risk management, functions and responsibilities, as well as defining the level of risk that is acceptable for DCV.

Risk Criteria Definitions

Risk Identification: The criteria for identifying risks must consider the sources of risk, the impacts of events and their causes, considering those that have significant consequences for the organization. The risks should be considered, regardless of whether or not the origin is under the control of the organization.

The identification should consider the analysis of the internal and external context, incorporating interconnected entities and third parties.

Risk Analysis: Risk analysis involves the development and understanding of risk, considering the positive and negative consequences, and the probability of their occurrence.

The consequences may be represented in terms of tangible and intangible impacts.

Accepted or Tolerable Risk: The acceptable risk for DCV will correspond to an informed decision for accepting the probability and impacts of a particular category of risks. The risk management methodology will define the elements that will allow the organization to propose the acceptable risk, so that the risks defined as reasonable and/or tolerable by the organization are the result of the balance between accuracy, resources, time, the complexity and valorization of subjective consequences.

In summary, the risk that is accepted is the amount of risk that at a broad level DCV is willing to accept in its search for value generation. It is directly related to its strategy, because the desired performance of the strategy must be aligned with the risk accepted in the Company, which will be proposed by the risk management and later approved by senior management and the audit and operational risk committee. Within this definition, the critical role of DCV's infrastructure in the Chilean market must be considered. Therefore, the impact and risk of contagion to the market must be taken into consideration.

Risk Assessment: The risk criteria must consider the legal requirements, as well as the impact on the services and considering the strategic function that DCV plays in the Chilean capital market.

- All risk assessment must be carried out in accordance with the policies and risk management model defined by DCV.
- Any risk with a residual level higher than the accepted risk must be treated.
- All risk assessment must be based on the techniques defined in the risk management model.
- For those processes associated with critical residual risks, the risk indicators must be determined.

Risk Treatment

Risk treatment involves the selection of one or more options to modify the risks and the implementation of such options.

The options for risk treatment that can be considered without being exclusive are the following:

- Avoid the occurrence of risk, when deciding not to start or continue the activity from which it originates.
- Take or increase the risk, in order to pursue an opportunity.
- Remove the source of risk.
- Change the probability.
- Change the consequences or impact.
- Share the risk with one or more counterparties.
- Retain the risk through an informed decision.
- Maintain or accept the risk.

The selection of risk treatment options should consider balancing the costs and efforts of the implementation against the expected benefits.

Risk treatments and their actions should be governed under the mitigation plan management policy.

Monitoring

The monitoring process must be present at all stages of the risk management model and should be aimed at covering the following:

- The efficiency of control structures.
- Generate a process to improve risk assessment through indicators.
- Learn from problems and incidents, accidents or trends.
- Detect changes in the internal and external context, considering the changes in risk criteria.
- Identifying emerging risks.

Risk Culture at DCV

DCV will develop a culture of risks that stimulates the organization’s learning, continuous improvement and confidence so that any member immediately communicates it to their superior, after they have occurred and have been detected: incidents, errors, failures, problems, and risk events that take place, whether they cause losses or not.

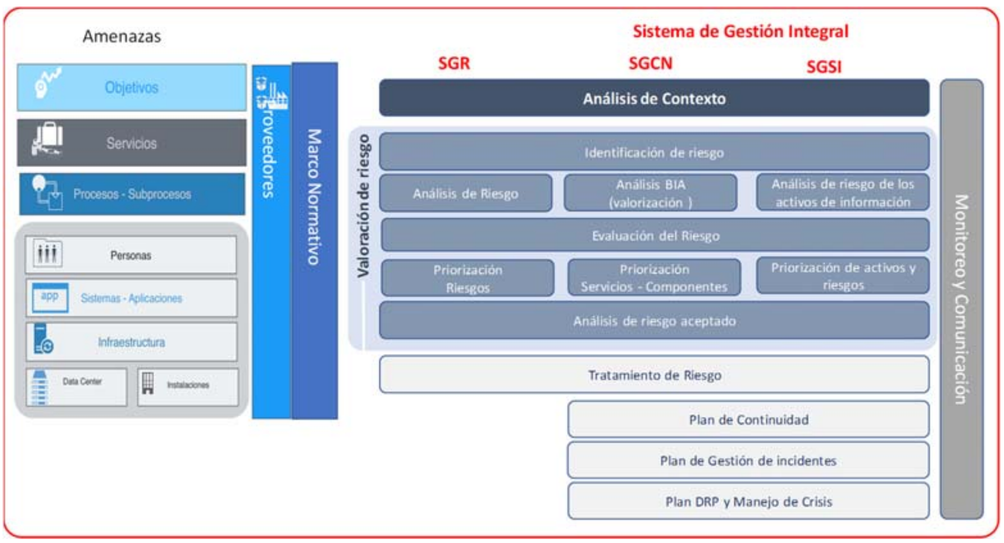
The Board, general management, management and respective areas will identify the requirements and provide as appropriate, after a cost-benefit analysis, the appropriate resources, including the allocation of appropriate staff and/or in its absence, the corresponding training. Thus, incorporating in these topics those related to skills in management activities, job performance and basic knowledge of self-assessment and continuous improvement processes.

The organization will systematically and sequentially follow the steps to implement risk management within DCV. This will enable continuous improvement in the decision-making process. The implementation of risk management is developed in detail in the risk management model document.

Senior management (general management and management areas) will ensure that at least once a year, the risk management system is reviewed, to ensure its continuous improvement, compliance and effectiveness to meet the requirements of the international standards used as a reference, and of the risk management policies and objectives established for DCV, thus, maintaining a record of those reviews (for example, through audits, self-assessments, compliance verification, incident monitoring and risk matrices).

Integrated vision of the risk management model

Considering that DCV uses more than one management system, the risk management model must have an integrated vision that complements the analysis of each of the areas covered. The following table shows the scope and stages of each of them regarding risk management.



Implementation Vision of the Risk Management Model

The following table shows the scope and stages of each of them regarding integrated risk management and their relationships