

**GRUPO SECURITY S.A.**

**MANUAL FOR HANDLING INFORMATION OF INTEREST TO THE MARKET**

**March, 2010**

## Introduction

This Manual for Handling Information of Interest to the Market has been prepared by Grupo Security S.A. hereinafter "the Company" and is intended to provide the market with: (a) the type of information available to investors; (b) the Company's control procedures and responsibilities, to ensure the correct, sufficient and timely disclosure of any essential event or information regarding the Company and its business as soon as it happens or the Company becomes aware of it; and (c) the control procedures and responsibilities for directors, managers, administrators, senior executives and any entity directly controlled by them or through third parties, to buy or sell securities in the Company, or securities whose price fully or partly depends on variations in the price of those securities.

This Manual was approved by the board at an ordinary meeting on March 25, 2010, in order to comply with Law 18,045 on the Stock Market (LMV), which has been regulated by the Securities and Insurance Supervisor (SVS) through General Standard (NCG) 270 dated December 31, 2009.

If any discrepancy or uncertainty arises between the provisions of this Manual, Law 18,045 on the Stock Market, and the rules established by the SVS, the latter shall prevail.

The liability for transactions in publicly traded securities issued by Grupo Security S.A. is personal. Consequently, the final responsibility for understanding and complying with the applicable legal provisions rests on those who perform such transactions and not on Grupo Security S.A and its subsidiaries.

This Manual for Handling Information of Interest to the Market completely replaces the previous Manual that was approved by the board on May 29, 2008.

## Definitions Used in this Manual

The following terms shall have the meanings indicated below, notwithstanding other terms that are defined in other parts of this document in the same manner and with equal effect:

**"Managers with a Duty to Notify"**: means directors, managers, administrators and senior executives of the Company, and the entities directly controlled by them or through third parties.

**"Derived Securities"**: means contracts or securities whose price fully or partly depends on variations in the price of other securities. The price of a security shall fully or partly depend on variations in the price of other securities if it meets the conditions specified in NCG 269, which may be amended or replaced by the SVS.

**"Subsidiary"**: means a company controlled by a Holding Company, where control is defined as the Holding Company owning directly, or through another individual or legal entity, over 50% of its voting share capital, or its capital if it does not have shares, or having the ability to appoint or have appointed the majority of its directors or managers. (Article 86 LSA).

"**Grupo Security Companies**": means Grupo Security S.A. and all its Subsidiaries.

"**Confidential Information**": means (a) Essential Information prior to being communicated to the SVS; (b) Secret Information; (c) Inside Information; (d) Information of Interest that has not been disclosed to the market; and (e) Information concerning the legal, economic and financial situation of the Company that has not been disclosed to shareholders and the public.

"**Essential Information**": means information that a wise man would consider important for his investment decisions, in accordance with Article 9, paragraph 2 of LMV.

"**Information of Interest**": means any information that doesn't fall within the definition of Essential Information, but is useful for an adequate financial analysis of the Company or its securities. This concept includes, for example, all the information of a legal, economic and financial nature that relates to business progress, or may have a significant impact upon it.<sup>1</sup>

"**Secret Information**": means information approved as such by at least three quarters of the directors, and which meets both the following conditions, in accordance with Article 10 of LMV:

- It refers to pending negotiations.
- The disclosure of such information could damage corporate interests. The fact that disclosure of such negotiations may affect the share price of the Company is not a sufficiently strong argument to assert that corporate interests may be damaged.

"**LMV**": means Law 18,045 on the Stock Market.

"**LSA**": means Law 18,046 on Corporations.

"**Manual**": means this Manual for Handling Information of Interest to the Market.

"**Holding Company**": means a company defined as such in the definition of a Subsidiary.

"**NCG 30**": means General Standard 30 issued by the SVS on November 10, 1989, as amended or replaced by the SVS in the past or the future.

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<sup>1</sup> Letter C of Number 2.2 of Section II of NCG 30 dated 1989 issued by the SVS, and amended by NCG 210.

"**NCG 269**": means General Standard 269 issued by the SVS on December 31, 2009, as amended or replaced by the SVS in the future.

"**NCG 270**": means General Standard 270 issued by the SVS on December 31, 2009, as amended or replaced by the SVS in the future.

"**NCG 277**": means General Standard 277 issued by the SVS on December 19, 2009, as amended or replaced by the SVS in the future.

"**Web Page**": means the web page or Internet site of the Company: [www.security.cl](http://www.security.cl)

"**Company**" means Grupo Security S.A.

"**SVS**": means the Chilean Securities and Insurance Supervisor.

"**Securities**": means any publicly traded securities, except for: (a) fund units controlled by the SVS or by the Superintendency of Pensions; and (b) bank term deposits.

**1. Responsibility for preparing this Manual**

The board is responsible for establishing and approving the provisions of this Manual. Furthermore, this Manual may be amended or replaced if approved by the board, in accordance with the law.

**2. Responsibility for ensuring compliance with this Manual**

The board is responsible for ensuring compliance with this Manual, and may apply the penalties described in Section 11.1 to any violations detected. The Corporate Internal Control Division shall be responsible for monitoring compliance with this Manual, and as soon as it detects a violation this shall be reported to the CEO, who shall report the relevant details to the board.

**3. Transaction policy for Company Securities or Derived Securities**

The purchase and sale of Company Securities and Derived Securities by senior executives shall be subject to the rules, procedures, controls and responsibilities established in this Manual.

**4. Criteria and procedures for disclosing such transactions and those relating to other group companies and relating to holdings of such securities**

(a) Managers with a Duty to Notify should carefully and promptly comply with their reporting obligations under Article 17 of the LMV, subject to the provisions of NCG 277. They should communicate the fulfilment of this obligation to the Corporate Internal Control Division by e-mail, attaching in pdf format or similar copies of the communications sent to stock exchanges, to prove compliance. This e-mail should be sent on the same date that the communications were sent to those stock exchanges.

(b) Notwithstanding the obligation above, Managers with a Duty to Notify should communicate in writing via e-mail to the Corporate Internal Control Division any transactions involving Securities or Derived Securities in Grupo Security Companies. This communication shall take place immediately and no later than 1 business day after the transaction date.

(c) Managers with a Duty to Notify should communicate to the Corporate Internal Control Division their direct and indirect positions in Securities and Derived Securities in Grupo Security Companies no later than the third business day after the date on which they became Managers with a Duty to Notify following this Manual coming into effect. This obligation shall be notwithstanding fulfilment of the obligations referred to in point 4 (a) above.

The communications referred to in letters (b) and (c) above shall be confidentially filed by the Corporate Internal Control Division, and reported quarterly to the CEO.

## **5. Periods during which directors, managers, administrators, senior executives, and anyone related to them, are prohibited from carrying out transactions in Securities issued by Grupo Security Companies**

Notwithstanding anyone with Inside Information being prohibited from carrying out transactions in publicly traded securities in accordance with LMV, prohibited periods also apply in the following circumstances.

### **5.1 Prohibited Periods**

Managers with a Duty to Notify may not buy or sell Securities or Derived Securities in Grupo Security Companies during the periods indicated below "Prohibited Periods".

(i) **General Prohibited Period:** Managers with a Duty to Notify may not buy or sell Securities or Derived Securities in Grupo Security Companies during a "General Prohibited Period", in order to avoid the use of Inside Information. This period starts from the conclusion of the board meeting, or Directors' Committee meeting if applicable, that approves the quarterly or annual financial statements and ends when these are disclosed to the public and the SVS. If the summons to the board meeting or Directors' Committee meeting mentioned above includes information on the quarterly and annual financial statements, the General Prohibited Period shall commence on the date of that summons.

(ii) **Special Prohibited Period:** Furthermore, anyone who participates in the process of preparing the quarterly and annual financial statements should not carry out transactions in Securities or Derived Securities in Grupo Security Companies from each quarterly closing date to the date when the quarterly or annual statements are disclosed to the public and the SVS.

Exception: The exercise of preferential subscription rights for any shares in Grupo Security Companies is permitted during a Prohibited Period, whether these rights arise from a single preferential option period or from two or more successive periods.

## **6. Procedures for the continuous disclosure of information**

### **6.1 Essential Information and Secret Information**

(a) **Obligation:** The Company is required to disclose all Essential Information with respect to itself, its business and its Securities in a correct, sufficient and timely manner, when these occur or it becomes aware of them.

(b) **Responsibility and Procedure to Ensure Compliance:** The board is responsible for ensuring that this obligation is fulfilled. Notwithstanding the foregoing, in order to ensure prompt compliance with this obligation, the board agreed at a meeting held on March 25, 2010, to authorize either the CEO or the Chairman to decide whether a specific fact is deemed Essential Information and report it.

(c) Procedure: All Essential Information should be communicated to the SVS in accordance with NCG 30.

(d) Secret Information: If the board had agreed to deem particular information as Secret Information, the Company should communicate that fact to the SVS and comply with the rules and procedures for communicating and updating Secret Information contained in NCG 30. Moreover, as soon as the reasons for keeping that information secret cease to apply, this should be reported to the SVS, and if the negotiations have been successful, this Essential Information should be communicated to the respective market.

## 6.2. Continuous Information

The Company is obliged to provide the SVS and the general public with financial, legal and commercial information on a continuous basis, with the frequency and in the manner established by the SVS in its General Standards. The Company has the human and technological resources to faithfully comply with its obligation to provide continuous information.

## 6.3. Information of Interest

(a) Disclosure of Information of Interest: The Company shall disclose all Company Information of Interest to the market, to the extent that such disclosure would not damage any pending negotiations.

(b) Obligation: If particular Information of Interest has not been formally disclosed and the Company intends to directly or indirectly provide it to a particular group within the market, the Company is obliged to disclose it to the market in general at the same time that it is provided to the specific group.

(c) Exception: Information of Interest that has not been disclosed to the market may be provided to a third party in order to comply with a legal regulation or a contractual commitment, provided that the receiver of the Information of Interest is legally or contractually obliged to keep such information confidential.

(d) Responsibility and Procedure to Ensure Compliance:

(i) The board or the CEO of each company is responsible for deciding whether specific information is deemed Information of Interest.

(ii) Every Manager with a Duty to Notify who becomes aware that Information of Interest to a particular market group or to any third party is about to be disclosed, should ensure that the disclosure is suspended and immediately report these circumstances to the CEO, in order to avoid any failure to comply with the obligations mentioned in letters (b) and (c) above. The CEO shall: (ia) forbid the disclosure; or (ib) authorize the disclosure, while ensuring that the provisions established in this Manual regarding these circumstances are fulfilled.

(iii) Every Manager with a Duty to Notify is obliged to communicate in writing or via e-mail to the CEO any Information of Interest as soon as it has become known, detailing the features and content of the information and the reasons why, in his view, such information should be deemed Information of Interest, to ensure that there is a continuous flow of Company Information of Interest.

(e) Disclosure Procedure: It is understood that the Company provides information to the entire market, when it is published in a visible place on its Web Page.

## **7. Procedures for Safeguarding Confidential Information.**

### **7.1 Custody and Safeguarding of Confidential Information**

Confidential Information shall be kept separately and protected from remaining information at Grupo Security Companies.

Therefore, technological measures shall be adopted to ensure that access to Confidential Information is limited to only those employees who need it to fulfill their duties. These shall be the only people authorized to handle this information. Procedures shall be adopted to monitor access to the databases where Confidential Information is stored, in order to ensure compliance with this limitation.

## **8. Communication Procedures for Internal Information**

The CEO or the senior executive leading the negotiating process or creating the Confidential Information should communicate the following to the people listed in Section 8.1 below: (a) The fact that the respective transaction and the information relating to it are confidential. (b) The classification of this Confidential Information, whether it is Secret Information, Inside Information or Information of Interest, so each person on the list is aware of their obligations with respect to the LMV, the rules issued by the SVS and this Manual. (c) The obligation of each recipient to avoid disclosing this Confidential Information, and to comply with the obligations of the law and this Manual.

Relevant technological measures shall also be taken to protect internal communications.

People with authorized access to this information may not:

- a. Copy this information without authorization from the board, the CEO or the senior executive leading the negotiating process or creating the Confidential Information.
- b. Take this information away from their place of work.

### **8.1. List of People with access to Confidential Information**

The board, the CEO or the senior executive leading the negotiating process or creating the Confidential Information, shall create a list of the people who should have access to this



Confidential Information, at the beginning of the process. This list should be kept up to date at all times.

## **8.2 Those bound by this Manual**

Confidential Information may not only be accessible by Managers with a Duty to Notify, but also any other executive or Company employee. Therefore, all directors, managers, administrators, executives, employees and workers at Grupo Security Companies with access to Confidential Information shall be subject to the obligations of this Manual. Accordingly, they are all required to read and understand this Manual, which shall form part of their contractual obligations, in accordance with their responsibilities.

## **8.3 Confidentiality clause for people receiving Confidential Information.**

The following measures have been introduced, to ensure compliance with the obligations under this Manual and to avoid the disclosure of Confidential Information:

(a) The following clause shall be included in all employment contracts for managers, administrators, executives, employees and workers at Grupo Security Companies:

*"Confidential Information: The disclosure of any corporate information deemed confidential and received while carrying out your duties is prohibited. Any such disclosure shall be considered a violation of the Manual for Handling Information of Interest to the Market, unless the receiver is already aware of it, or its disclosure has been authorized or is required by appropriate legal authorities".*

(b) The CEO or the senior executive leading a negotiating process that creates Confidential Information should try to obtain the signature of the counterparty to a confidentiality clause or agreement.

## **9. Appointment of official spokespersons for communications with third parties and especially the media.**

The board has delegated responsibility for communications with the media to the Chairman and the CEO. For these purposes, they may appoint spokespersons for Grupo Security Companies, who do not need to authenticate themselves to third parties.

## **10. Disclosure procedures and training on the rules contained in this Manual**

This Manual has been approved by the board. It shall be published on the Web Page and incorporated into the Code of Conduct for all employees at Grupo Security Companies.

Furthermore, Managers with a Duty to Notify shall receive training and a copy of this Manual, together with a formal receipt acknowledgement form.

## **11. Rules on penalties and the resolution of conflicts**

## 11.1 Company penalties

All directors, managers, administrators, executives, employees and workers at Grupo Security Companies are obliged to inform the CEO or the board of any violation of the obligations of this Manual, as soon as they are aware it. The CEO shall gather all the corresponding background information, and report it at the next board meeting.

Not all the recipients of this Manual are employees at Grupo Security Companies. Therefore, Grupo Security Companies are restricted to imposing disciplinary measures on those people under their contractual authority. However, where possible the board shall apply various sanctions, including a reprimand, noting the details on the offending employee's employment record for inclusion in subsequent professional development assessments, dismissing the offender, reporting the facts to the relevant authorities, and others deemed relevant. These depend on the nature and severity of the facts and their implications for the Company, its shareholders and the market in general.

## 11.2 Administrative or criminal penalties

The law penalizes violations of Stock Market Law as administrative offenses or crimes.

Any violation of the LMV that does not carry a special penalty may be administratively penalized by the SVS using written warnings or fines. Such penalties may also be imposed for violations of the rules issued by the SVS.

Nevertheless, specific behavior detailed below, which involves Inside Information belonging to Grupo Security Companies, is considered a crime and can be penalized with fines, prison and a prohibition from holding positions such as director, administrator, manager or liquidator of a publicly-held company or any other company or entity that issues publicly-traded securities or that is supervised by the Securities and Insurance Supervisor, the Superintendency of Banks and Financial Institutions or the Superintendency of Pension Fund Administrators. The specific behaviors considered a crime are the following:

- a) To use Inside Information individually or through other persons, to obtain a financial gain or avoid a loss for themselves or for third parties, using transactions in publicly traded securities.
- b) To disclose Inside Information, to obtain a financial gain or avoid a loss for themselves or for third parties, using transactions in publicly traded securities.

Reporting false information to the SVS is also considered a crime.

### **11.3 Civil penalties, including compensation for damages**

Civil liability can be applied to violations of the LMV. Civil liability is the obligation to provide compensation for any damage suffered by those affected by the violation. Normally, those affected may include the publicly traded securities issuer, its directors, senior executives and shareholders, and any contractual counterparties.

## **12 Validity of Manual**

This Manual takes effect from March 31, 2010.