

Corporate Governance

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Board of Directors

Board Members	Position	Profession	National ID Number
Jorge Awad Mehech	Chairman	Commercial Engineer	4.756.185-K
Darío Calderón González	Director	Lawyer	5.078.327-8
José Cox Donoso	Director	Commercial Engineer	6.065.868-4
Juan José Cueto Plaza	Director	Commercial Engineer	6.694.240-6
Juan Cueto Sierra	Director	Businessman	3.246.727-K
Ramón Eblen Kadis	Director	Commercial Engineer	4.346.062-5
Bernardo Fontaine Talavera	Director	Economist	6.371.763-0
Ignacio Guerrero Gutiérrez	Director	Commercial Engineer	5.546.791-9
Andrés Navarro Haeussler	Director	Civil Industrial Engineer	5.078.702-8

The Board of Directors was elected in the Annual General Meeting of Shareholders held on April 10th, 2008

Directors Committee

The Directors Committee consists of three members who are elected for a two-year period and may be reelected. The duties of the committee include, but are not limited to, examining the external auditors' reports, the balance sheet and other financial statements; reviewing the compensation of senior executives and managers; supervising operations with related parties; analyzing reports on weaknesses in internal controls and overseeing the implementation of procedures for the reception, and processing of complaints related to accounting and internal accounting controls.

The current members of the Directors Committee are Jorge Awad Mehech, Ramon Eblen Kadis and Committee president Jose Cox Donoso. In 2008 the Committee met on thirteen occasions.

The Committee's operating costs are funded by an annual budget established at the Annual General Meeting of Shareholders. In 2008, the budgeted amount was UF 1,200.

Activities of the Directors Committee during sessions held in 2008, including operations under Articles 44 and 89 of the Chile Corporations Act (Law No. 18,046):

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1) Regular Meeting No. 75, 1/29/08

- review of the 12/31/07 financial statements with PwC (auditors)
- presentation of action plans regarding Andes Airport Services
- presentation of the 2007 audit plan closing

2) Regular Meeting No. 76, 2/26/08

- presentation of the 2007 internal audit plan closing

3) Special Meeting No. 6, 3/13/08

- presentation of the external auditors' opinions on the financial statements according to U.S. GAAP and Certification of Internal Control

4) Regular Meeting No. 77, 3/25/08

- appointment of the new partner in PwC (external auditing firm) to be in charge of the external audit
- review of the progress in the IFRS project
- presentation of the 2008 internal audit plan
- proposal of the external auditors and risk rating agencies to the Board

5) Regular Meeting No. 78, 4/29/08

- review of the financial statements as of March 31, 2008
- presentation of the action plans for the Passenger Revenue Control Area

6) Regular Meeting No. 79, 5/27/08

- installation and election of the Committee's Chairman
- SOX project for 2008
- agenda of business for upcoming Committee meetings
- presentation on the 2008 internal audit plan progress

7) Regular Meeting No. 80, 6/24/08

- managing interest rate risk
- presentation on the 2008 internal audit plan progress
- tax matters
- progress in the IFRS project

8) Regular Meeting No. 81, 7/29/08

- review of the financial statements as of 6/30/08 with PwC (auditors)
- analysis of early financial reporting
- control of transactions with related parties
- sale of Segaer

9) Regular Meeting No. 82, 8/26/08

- sale of Aerosur and Austral
- analysis of early financial reporting
- IT operating risk management

10) Regular Meeting No. 83, 9/30/08

- external auditor fees
- progress in the IFRS project
- presentation on the 2008 internal audit plan progress

11) Regular Meeting No. 84, 10/28/08

- review of the financial statements as of 9/30/08
- presentation on the 2008 internal audit plan progress

12) Regular Meeting No. 85, 11/25/08

- PwC presentation on 2008 audit strategy
- presentation on the 2008 internal audit plan progress
- new Code of Conduct
- executive salary system and compensation plan

13) Regular Meeting No. 86, 12/23/08

- presentation of PwC's internal control report
- presentation on the 2008 internal audit plan progress
- visits to analyze internal auditing and risk management practices

Director's Remuneration

Board Members	Director's Fees (US\$)	Director's Committee Member's Fees (US\$)
Jorge Awad Mehech	25,956.43	11,301.21
Darío Calderón González	11,124.19	
José Cox Donoso	11,124.19	11,301.21
Juan José Cueto Plaza	10,108.79	
Juan Cueto Sierra	4,605.39	
Ramón Eblen Kadis	10,115.46	10,292.49
Bernardo Fontaine Talavera	10,108.79	
Ignacio Guerrero Gutiérrez	6,994.24	
Andrés Navarro Haeussler	9,382.64	
Total	99,520.11	32,894.91
TOTAL FEES	132,415.03	

Notes:

Totals may differ from the sum of individual amounts due to rounding.

The Directors remuneration corresponds to the payment of each session's fee in which the Director participated.

The Board Meetings of subsidiaries are not subject to remuneration.

Senior Management

Principal Executives	Position	Profession	National ID Number
Enrique Cueto Plaza	CEO LAN	Commercial Engineer	6.694.239-2
Ignacio Cueto Plaza	President and COO LAN	Businessman	7.040.324-2
Armando Valdivieso Montes	CEO Passenger	Commercial Engineer	8.321.934-3
Cristián Ureta Larrain	CEO Cargo	Civil Engineer	9.488.819-0
Alejandro de la Fuente Goic	Chief Financial Officer	Commercial Engineer Agronomist Engineer	6.947.715-1
Roberto Alvo Milosawlewitsch	Senior Vice President Strategic Planning and Corporate Development	Civil Engineer	8.823.367-0
Cristián Toro Cañas	General Counsel	Lawyer	10.983.218-9
Enrique Elsaca Hirmas	Senior Vice President Operations	Civil Engineer	8.732.095-2
Emilio del Real Sota	Senior Vice President Human Resources	Psychologist	9.908.112-0
Eduardo Opazo Preller	Senior Vice President Corporate Affairs	Business Administrator	6.338.008-3

Total remuneration paid to company executives in 2008 was US\$53,8 million, plus a further US\$12,0 million in incentive payments. Severance compensation amounted to US\$2,0 million.

Stock option plan

The general characteristics of the stock option plan are:

A total of 2,209,091 shares was allocated to this stock option plan. The Company will sign a stock option agreement with each selected employee. Until the shares are subscribed, the option holder will have no rights and will not be taken into account in calculating the quorums of shareholders meetings.

The options allocated to each employee will accrue in parts, on the following three dates: (1) 30% on July 1, 2009; (2) 30% on July 1, 2010; and (3) 40% on July 1, 2011, subject to remaining in the Company's employ. Employees may exercise all or part of the options. Partial exercises may not be for less than 10% of all options granted to the employee. The option exercise period will expire September 30, 2011. Options may not be assigned, encumbered or transferred by the employee in any way. They may only be waived.

The Company's Board must approve granting the options under this compensation plan. Regardless, around 20 employees will be benefited by this plan. They will be selected, among other criteria, by time of employment with the Company, the position they hold, their importance in earning profits, the responsibility of the position they hold, the amount of equity managed, the ability to work on a team and performance, and the potential for development and importance within the Company.

Share ownership

Main Shareholders	2008		2007	
	Shares	% of the Total	Shares	% of the Total
INV COSTA VERDE LTDA Y CIA EN COMANDITA POR ACCIONES	77,445,407	22.9%	85,083,567	25.1%
AXXION S.A.	64,477,874	19.0%	64,477,874	19.0%
THE BANK OF NEW YORK	37,239,566	11.0%	32,712,367	9.7%
INVERSIONES SANTA CECILIA S.A.	24,767,920	7.3%	24,767,920	7.3%
INVERSIONES ANDES S.A.	22,288,695	6.6%	22,288,695	6.6%
INVERSIONES MINERAS DEL CANTABRICO S.A.	8,554,095	2.5%	1,315,935	0.4%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	7,310,904	2.2%	7,784,508	2.3%
BANCO DE CHILE POR CUENTA DE TERCEROS	7,245,698	2.1%	4,349,569	1.3%
BANCHILE CORREDORES DE BOLSA S.A.	6,030,657	1.8%	6,099,607	1.8%
BOLSA DE COMERCIO DE SANTIAGO BOLSA DE VALORES	5,113,231	1.5%	3,937,684	1.2%
INVERSIONES ALCALA S.A.	4,744,677	1.4%	4,744,677	1.4%
INVERSIONES LOS GUINDOS S.A.	4,744,677	1.4%	4,744,677	1.4%

Under the terms of a shareholders' agreement signed in 2004, LAN is jointly controlled by the Cueto group (represented by Inversiones Costa Verde Ltda. y Cia. en Comandita por Acciones, Inversiones Mineras del Cantábrico S.A. and Zalaquett S.A.) and the Piñera group (acting through Axxion S.A. and Inversiones Santa Cecilia S.A.).

The Piñera Group held shares in LAN as of December 31, 2008 through two companies: Axxion S.A., which owns 19.0%, and Inversiones Santa Cecilia S.A., which owns 7.3%. Santa Cecilia S.A. holds 99.9855% of Axxion S.A. stock. The only shareholders of Inversiones Santa Cecilia S.A., owning their interests indirectly, were Miguel Juan Sebastián Piñera Echenique, National ID No. 5.126.663-3, with 9.72%; Cecilia Morel Montes, National ID No. 7.052.438-4, with 6.75%; Magdalena María Piñera Morel, National ID No. 12.797.919-7, with 20.88%; María Cecilia Piñera Morel, National ID No. 13.434.538-1, with 20.88%; Juan Sebastián Piñera Morel, National ID No. 15.382.284-0, with 20.88% and Cristóbal Piñera Morel, National ID No. 15.960.200-1, with 20.88%.

The Cueto Group was a shareholder in Lan Airlines S.A. on December 31, 2008 through Inversiones Costa Verde Ltda., y Cía. en Comandita por Acciones owning 22.9% of the Company's shares, Inversiones Mineras del Cantábrico S.A. owning 2.5%, and Zalaquett S.A. owning 0.1%. Inversiones Costa Verde Ltda. y Compañía en Comandita por Acciones holds 99.99% of Zalaquett S.A. stock. The natural persons holding indirect interests of Inversiones Costa Verde Ltda. y Compañía en Comandita por Acciones and Inversiones Mineras del Cantábrico S.A. are Enrique Cueto Plaza, National ID No. 6.694.239-2, with 20%; Juan José Cueto Plaza, National ID No. 6.694.240-6, with 20%; Ignacio Cueto Plaza, National ID No. 7.040.324-2, with 20%; Esperanza Cueto Plaza, National ID No. 7.040.325-0, with 20%; Isidora Cueto Cazes, National ID No. 18.391.071-K, with 6.66%; Felipe Cueto Ruiz-Tagle, National ID No. 20.164.894-7, with 6.66% and María Emilia Cueto Ruiz Tagle, National ID No. 20.694.332-7, with 6.66%.

Common Share & ADR Price Trend 2006-2008

LAN Shares, Quarterly Statistics (Santiago Stock Exchange)

	Shares Traded	Average Price (CH\$)	Total Volume (CH\$)
2006			
First quarter	15,305,317	4,083	61,885,378,501
Second quarter	16,368,183	3,774	61,252,658,773
Third quarter	49,388,661	3,645	179,203,034,273
Fourth quarter	86,940,828	4,914	438,775,457,687
2007			
First quarter	62,246,652	7,087	444,818,008,164
Second quarter	64,387,795	8,244	533,827,313,184
Third quarter	56,248,499	8,316	459,086,319,046
Fourth quarter	63,077,558	7,499	472,086,925,941
2008			
First quarter	67,047,941	6,133	412,048,972,358
Second quarter	38,457,285	5,787	223,934,221,471
Third quarter	46,033,129	5,777	267,286,169,635
Fourth quarter	31,871,572	5,657	180,247,458,622

Source: Santiago Stock Exchange, Valparaiso Stock Exchange and the Electronic Stock Exchange of Chile

LAN ADRs, Quarterly Statistics (New York Stock Exchange)

	ADRs Traded	Average Price (US\$)	Total Volume (US\$)
2006			
First quarter	20,886,000	7,77	160,849,875
Second quarter	23,313,500	7,15	164,365,134
Third quarter	34,302,000	6,77	231,747,611
Fourth quarter	40,239,000	9,25	374,198,704
2007			
First quarter	59,348,620	13,14	814,541,785
Second quarter	44,811,105	15,63	706,746,819
Third quarter	42,054,500	16,01	667,143,986
Fourth quarter	42,217,368	14,93	624,770,093
2008			
First quarter	33,130,631	13,20	427,124,640
Second quarter	42,592,394	12,35	510,086,292
Third quarter	38,729,030	11,22	427,636,399
Fourth quarter	31,662,709	8,90	283,420,215

Source: Bloomberg