

BY-LAWS

TITLE I

Name, Address, Duration, and Purpose.

ARTICLE 1. – An open stock Corporation is constituted under the legal or business name of "SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.", which for advertising or marketing purposes may also act as "SOQUIMICH" or "S.Q.M.". It will be governed by the present By-Laws and by the terms of Law N° 18,046 and its regulations and other applicable regulatory provisions.¹

ARTICLE 1 BIS. – Notwithstanding the foregoing, the Corporation is subject to the provisions contained in the Decree Law No. 3.500 and its amendments as it falls within the conditions foreseen in Title XII of such Decree Law.²

ARTICLE 2. – The Corporation will have its legal domicile in the Santiago Municipality, notwithstanding the special legal domiciles of its agencies or branches, and offices to be established in other locations within the country or abroad.

ARTICLE 3. – The duration of the Corporation will be indefinite.

ARTICLE 4. – The Corporation's specific purposes will be to: **(a)** perform all kinds of chemical or mining activities and businesses, among others, those related to researching, prospecting, extracting, producing, working, processing, purchasing, disposing of, and commercializing properties, as applicable, of all metallic and non-metallic and fossil mining substances and elements of any type or nature, to be obtained from them or from one or more concessions or mining deposits, and in their natural or converted state, or transformed into different raw materials or manufactured or partially manufactured products, and of all rights and properties thereon; **(b)** manufacture, produce, work, purchase, transfer ownership, import, export, distribute, transport, and commercialize in any way, all kinds of fertilizers, components, raw materials, chemical, mining, agricultural, and industrial products, and their by-products; **(c)** generate, produce, distribute, purchase, transfer ownership, and commercialize, in any way, all kinds of electrical, thermal, geothermal, or other type of power, and hydric resources or water rights in general; **(d)** request, manifest, claim, constitute, explore, work, lease, transfer ownership, and purchase, in any way, all kinds of mining concessions; **(e)** purchase, transfer ownership, and administer, in any way, any kind of telecommunications, railroads, ships, ports, and any means of transport, and represent and manage shipping companies, common carriers by water, airlines, and carries in general; **(f)** manufacture, produce, commercialize, maintain, repair, assemble, construct, disassemble, purchase and transfer ownership, and in any way, any kind of electromechanical structure, and substructure in general, components, parts, spares, or parts of equipment, and machines, and execute, develop, advice, and commercialize, any kind of electromechanical or smelting activities; **(g)** purchase, transfer ownership, lease, and commercialize any kind of agribusiness and farm forestry activities, in any way; **(h)** purchase, transfer ownership, lease, and commercialize, in any way, any kind of urban or rural real estate; **(i)** render any kind of health services and manage hospitals, private clinics, or similar facilities; **(j)** construct, maintain, purchase, transfer ownership, and manage, in any way, any kind of roads, tunnels, bridges, water supply systems,

¹ Article 137 states that the provisions of the Law shall prevail over any other regulation of these Statutes that might contradict them.

² Modification of "BIS" Articles requires the vote in favor of the Company's 75% of voting shares issued (Article 121 DL N° 3,500).

and other required infrastructure works, without any limitation, regardless of whether they may be public or private, among others, and participate in bids and enter into any kind of contracts, and to be the legal owner of the applicable concessions; and **(k)** purchase, transfer ownership, and commercialize, in any way, any kind of intangible properties such as shares, bonds, debentures, financial assets, commercial papers, shares or rights in corporations, and any kind of bearer securities or instruments, and to administer such investments, acting always within the Investment and Financing Policies approved by the applicable General Shareholders' Meeting. The Corporation may comply with the foregoing acting by itself or through or with other different legal entities or natural persons, within the country or abroad, with properties of its own or owned by third parties, and additionally, in the ways and territories, and with the aforementioned properties and purposes, it may also construct and operate industrial or agricultural facilities or installations; constitute, administer, purchase, transfer ownership, dissolve, liquidate, transform, modify, or form part of partnerships, institutions, foundations, corporations, or associations of any kind or nature; perform all actions, enter into all contracts, and incur in all obligations convenient or necessary for the foregoing; perform any business or activity related to its properties, assets, or patrimony, or with that of its affiliates, associated companies, or related companies, and render financial, commercial, technical, legal, auditing, administrative, advisory, and other pertinent services.

TITLE II. Capital and Shares.

ARTICLE 5. – The Corporation's share capital amounts to US\$477,385,979 divided into 142,819,552 Series A shares and 120,376,972 Series B shares. All said shares are nominative, they have no nominal value, and they have been fully issued, subscribed, and paid. The Series B shares may in no case exceed 50% of the Corporation's issued, subscribed and paid shares and have a restricted right to vote as they can only elect 1 Director of the Corporation, regardless of its ownership on the total shares of the Corporation and the preferences of **(a)** calling to an Ordinary or Extraordinary Shareholders' Meeting when the shareholders of at least 5% of Series B issued shares request it and **(b)** call an Extraordinary Board of Director's Meeting, without the qualification of the same by the Chairman, when it is requested by the Director elected by the shareholders of said Series B. The restriction and preferences of the Series B shares will be in force for 50 continuous years from June 3, 1993. The Series A shares have the preference to exclude the Director elected by the Series B shares from the voting process in which the Chairman of the Board of Directors and of the Corporation is to be elected, if there is a tie in the first voting process. The preference of the Series A shares will be in force for 50 continuous years from June 3, 1993. The form of the listed securities, their issuance, exchange, disabling, loss, replacement, assignment and other circumstances thereon will be ruled pursuant to the provisions of Law No. 18,046 and its Regulations.

ARTICLE 5 BIS. –No person, may directly or by means of third related persons, concentrate more than 32% of the Corporation's capital with right to vote. Minority shareholders must have at least 10% of the Corporation's capital with right to vote, and at least 15% of such capital must be underwritten by over 100 shareholders not related among them, and each of them must own a minimum equivalent to 100 Unidades de Fomento in shares, according to the value determined in the last balance. The Corporation's administrators must pursue the strict compliance of the foregoing, pursuant to the applicable terms established in the Decree Law No. 3.500, and its amendments. In addition, the Corporation will register under the applicable shareholder's name, only the amount of shares which do not surpass the stock's concentration limit established in these By-Laws, when requested to register some stock transfer. In the event that some shareholder owns an amount of shares greater than the number allowed by these By-Laws, the Corporation, within 15 days, must inform the shareholder about it, in order for him to sell the remnant. This is without detriment of the obligation for both parties to sign a commitment of non concentration of shares, under the terms provided by Decree Law No. 3.500 and its amendments. Shareholders will have no right to underwrite preferred shares, when this implies surpassing the concentration margin established in these By-Laws. The Corporation may request from its shareholders the information required to determine if there are related persons or, in case the shareholders are legal entities, the names of their main partners or shareholders, and those of the natural persons related thereon. The shareholders will be obliged to provide such information. Minority shareholders, and related persons are to be understood as per the definitions stated thereon, in the Decree Law n° 3,500 and its amendments, and in Law N° 18,045.

ARTICLE 6. – The Corporation will keep a record of every one of its shareholders, registering the amount of shares owned by each, and their domiciles.

ARTICLE 7. – The Corporation neither recognizes nor accepts divided shares. In the event two or more persons are sharing one stock, they must appoint a common representative before the Corporation.

ARTICLE 8. – Once the loss, theft, robbery, or disabling of a listed security, or another similar accident, has been verified, the replacement of the listed security will be performed pursuant to the rules in Law No. 18.046, and its Regulations.

TITLE III. Administration.

ARTICLE 9. – The Corporation will be managed by a Board of Directors composed of 8 members. Series A Shareholders will elect 7 Directors, and Series B shareholders will elect 1 Director. The Directors may be shareholders or not. At least one of said 8 Directors must be an independent Director, as defined in Law N° 18,046, and the designation and replacement of such independent Director shall be carried out in accordance with the provisions of said Law.

The Corporation will also designate a Directors' Committee endowed with the powers and obligations set out in Article 50 Bis of Law N° 18,046, and whose membership will be determined in the manner stated in said Article. The deliberations, agreements, and the organization of the Committee shall be governed, in all applicable matters, by the regulations which govern the meetings of the Corporation's Board of Directors.

ARTICLE 10. – Directors will remain 3 years in their posts, and they can be reelected indefinitely. The Directors will stay in their posts after the date of expiration, if the Yearly Shareholders' Meeting has not been held in time, so as to elect the new Directors. In that event, the Board of Directors must call a Meeting, so as to appoint the applicable Directors within the period stipulated by Law.

ARTICLE 11. – In order to elect the Directors in the applicable General Shareholders' Meeting, each Series A stock and each Series B stock will have the right to only one vote. Series A shareholders and Series B shareholders will vote separately, and those persons with the highest majority in each Series will be elected, until the number of posts each Series has the right to elect has been completed.

ARTICLE 12. – The minutes containing the Directors' election performed in the applicable Shareholders' Meetings, will include the names of all Series A and Series B shareholders attending the meeting, specifying the number of shares they voted for themselves or acting for third parties, and stating the general result of the election.

Said minutes shall also state the names of all the candidates who were nominated for election as independent Directors, and whether such candidates did or did not submit to the Corporation's Chief Executive Officer, within the required time period, the sworn statement mentioned in Article 50 Bis of Law N° 18,046.

ARTICLE 13. – Any Director who does not attend 3 consecutive meetings due to reasons not considered as reasonable by the Board of Directors, will as a matter of fact stop performing his functions, and must be replaced without delay and formalities. In these cases, and in those of conflict of duties, resignation, dismissal, death, bankruptcy, or any other inability disabling a Director to perform his duties, the Board of Directors will proceed to appoint the corresponding replacement Director(s), in accordance with the Law, who will stay in his or their duties until the next Meeting, in which, moreover, all the Directors shall be elected.

ARTICLE 14. – In the first meeting to be held by the Board of Directors after the election, a Chairman and, immediately afterwards, a Vice-Chairman will be appointed from among its members. These appointments will be made with the agreeing votes of the absolute majority of Directors attending the meeting, and in the event of a tie, a new voting will be performed, where only the Directors elected by Series A shareholders will participate. Each of them will remain 3 years in his post, and can be reelected indefinitely. If any of these posts becomes vacant due to any reason, before the expiration period stated in the foregoing paragraph, the Directors will appoint someone new for the remaining period. The foregoing will be performed with the same quorum, and restrictions indicated for a tie. In the Board of Directors' Meetings, the duties of Secretary will be performed by the Corporation's Chief Executive Officer or by the person specifically designated for such purpose by the Board of Directors.

ARTICLE 15. – The Board of Directors will meet or be in session at least once a month, and the Directors’ Committee will meet or hold a session at least once every three months. There will be ordinary and extraordinary meetings of the Board of Directors and of the Directors’ Committee. The ordinary meetings will be held on dates previously specified by the same Board of Directors. The extraordinary meetings will be held when specially called for by the Chairman himself or at the request of one or more Directors, subject to the previous judgment of the need thereon by the Chairman, unless the meeting is requested by the absolute majority of the Directors or, (only in the case of the Board), by the Director elected by the Series B shareholders, events in which the meeting is to be held without the previous judgment of its need. In the extraordinary meetings, only the matters specifically indicated in the meeting’s notice can be discussed.

ARTICLE 16. – The transactions between the Corporation and its Directors shall be governed by the terms and provisions of Title XVI of Law N° 18,046. Said terms and provisions shall be applied when one or more Directors intervenes for himself and also when he intervenes in representation of third parties or when there is an intervention on the part of one or more of the remaining persons who are related or linked to said Directors, and who are mentioned in said Title.

ARTICLE 16 BIS. – The Corporation may only execute transactions with Parties related to itself, in accordance with the terms and provisions of Title XVI of Law N° 18,046. All acts and contracts entered into by the Corporation with its majority shareholders, its Directors or Chief Executives, or with persons related to them, must be previously approved by two-thirds of the Board of Directors, and must be recorded in the corresponding Minutes, without detriment to the provisions thereon, in Title XVI of Law No. 18,046, and other applicable provisions of the same body of laws, or its Regulations concerning Directors.

ARTICLE 17. – Directors will be remunerated for their duties. The amount of the remuneration of Directors and of those Directors who make up the Directors’ Committee will be fixed yearly by the Ordinary Shareholders’ Meeting.

ARTICLE 18. – The Board of Directors, in order to comply with the corporate purposes, fact which is not necessary to demonstrate before third parties, will have the Corporation’s court-ordered representation and out-of-court representation, and will be invested of all administrative and disposing powers that can be legally granted to it, including those acts and contracts that require special power, excluding only those issues that the Law or these By-Laws establish as exclusive of the Shareholders’ Meetings. The foregoing is without detriment of the court-ordered representation corresponding to the Chief Executive Officer.

ARTICLE 18 BIS. – While performing the duties indicated in the foregoing article, the Board of Directors must always remain within the limits determined by the Investment and Financing Policies approved by the Ordinary Meeting, pursuant to the provisions of Article 119 of Decree Law number three thousand five hundred, and its amendments.

ARTICLE 19. – The quorum for the Board of Directors’ meetings will be of 5 members, and the agreements will be accepted by the majority of the attending Directors. In the event of a tie, the vote of the presiding party will decide.
The quorum for the Directors’ Committee will be 2 of its members, and the agreements will be accepted by the majority of the Directors in attendance. In the event of a tie, the vote of the presiding Director will decide.

ARTICLE 20. – The Board of Directors may commission part of its authority to the Corporation’s Upper Executives, Executives, or Attorneys, to a Director or a Commission of Directors, and for purposes expressly determined, to third parties.

ARTICLE 21. – The deliberations and agreements of the Board of Directors and of the Directors’ Committee will be recorded in the corresponding minutes book, which must be signed by the members attending the meeting, and by the Secretary. If one of them dies or becomes incapacitated for any reason, the circumstance of this impediment will be recorded in the footer thereof. The Minutes will be considered as approved from the moment it has been signed by the aforementioned persons, and as of such moment onward, the agreements may be put into force. Without prejudice of the above, the Directors attending a Meeting may unanimously decide that the agreements reached in the Meeting shall

be put into force without waiting for the minutes to be approved, and said circumstance shall be recorded in a document signed by said Directors. In any event, the corresponding minutes must be signed before the following Ordinary Board Meeting.

ARTICLE 22. – The Director wishing to exempt his liability for some act or agreement of the Board of Directors, must state his opposition in the Minutes, and the Chairman of the Board of Directors must inform such matter in the next Ordinary Shareholders' Meeting.

TITLE IV.
Chairman and Vice-Chairman
of the Corporation's Board of Directors and Chief Executive Officer

ARTICLE 23. – The Chairman will be the Chairman of the Board of Directors and of the Shareholders' Meetings, and he will be specially entrusted to: **(a)** Act as chairman of the Board of Directors' meetings, and of the Shareholders' Meetings; **(b)** Convene Board of Directors' Meetings and Shareholders' Meetings, in accordance with the present Statutes and with the Law, and **(c)** Exercise all other duties contemplated in these By-Laws or in the Laws or that the Board of Directors entrusts him.

ARTICLE 24. – The Vice-Chairman will replace the Chairman in the event of absence or temporary inability of the latter, and with the same powers and without the need to demonstrate this fact to third parties. In the event of absence or inability of the Vice-Chairman, he will be replaced by the senior Director and, if this is not possible, by the Director appointed by the Board of Directors.

ARTICLE 25. – The Board of Directors will appoint the Corporation's Chief Executive Officer, who will have all the powers and duties applicable to a commercial agent, and those others provided in the Law or in these Bylaws, or specifically assigned to him by the Board of Directors.

The post of Chief Executive Officer is not compatible with the post of Chairman, Director, Auditor, or Accountant of the Corporation.

TITLE V.
Shareholders' Meetings.

ARTICLE 26. – The Shareholders will hold Ordinary and Extraordinary Meetings.

ARTICLE 27. – The Ordinary Meeting will take place within the four month period following the Balance's date, in the place, date, and time determined by the Board of Directors, to address the following matters: **(a)** To approve or reject the Report Statement, the Balance and the Financial Statements submitted by the Corporation's Board of Directors or the Receivers; to review the Corporation's condition and the inspectors' reports; **(b)** To pronounce on the distribution of profits, if any, for each accounting year and, specially, on the distribution of dividends; **(c)** To elect or to revoke, when applicable, the members of the Board of Directors, the Receivers or the Inspectors; **(d)** To designate yearly independent external auditors in order to review the Corporation's accounting, inventory, balance and other financial statements, with the commitment of submitting a written report during the next Ordinary Shareholders' Meeting, about the fulfillment of its mandate at least 15 days in advance of such meeting; **(e)** To set the remuneration of the members of the Board of Directors and of the Directors' Committee, and to determine the budget for operating expenses of the Directors' Committee and its consultants, and **(f)** any other matter concerning the business or the operation of the Corporation and which is not to be examined in an Extraordinary Shareholders' Meeting, in accordance with the Law or with these Statutes. The Ordinary Shareholders' Meeting will also be held when the Superintendence of Securities and Insurance so decides.

ARTICLE 27 BIS. – In addition to the foregoing article, the Ordinary Meeting will approve the Investment and Financing policies proposed by the Administration, in the terms provided in Article 119, of the Decree Law number three thousand five hundred, and its amendments. The Ordinary Meeting will also yearly designate 2 Regular and 2 Alternate Account Inspectors with the authority established in Article 51 of Law No. 18.046.

ARTICLE 28. – The Extraordinary Shareholders’ Meeting will be held when the Board of Directors deems necessary, when requested by shareholders representing at least 10% of the Corporations’ total issued voting shares, or when requested by Series B shareholders representing at least 5% of the issued Series B shares, in order to address the following matters: **(a)** Dissolution of the Corporation; **(b)** Transformation, merger or division of the Corporation and modification of its By-Laws; **(c)** Issuing bonds or debentures that may be converted into shares; **(d)** Transferring assets and preparing or modifying the business plans mentioned in Article 67 N° 9 of Law N° 18,046; **(e)** Approving or ratifying acts or contracts with related parties in accordance with the terms of Article 147 of Law N° 18,046 **(f)** Furnishing collateral securities or personal guarantees to give bail for third party’s liabilities, except if these are subsidiary Corporations, in which case the Board of Directors’ approval will be enough, and **(g)** Other matters which are determined by the Law, by these By-Laws or by the Board of Directors. All matters indicated in letters (a), (b), (c), (d), and (e) above can only be agreed upon in a meeting held in the presence of a Notary Public, who must attest that the written Minutes is a true statement of what happened, and was agreed upon in the meeting. When calling an Extraordinary Shareholders’ Meeting, the notice must indicate its objective, and only those matters included in the notice can be addressed.

ARTICLE 28 BIS. – Notwithstanding the foregoing article, other matters to be addressed in the Extraordinary Meeting are: **(a)** Transferring the ownership of the Corporation’s properties or rights, considered essential for its operation, according to the Financing policy, as well as setting up guaranties thereon, and **(b)** The anticipated modification of the Investment policy or of the Financing policy approved by the Ordinary Meeting.

ARTICLE 29. – The call to a Shareholders’ Meetings, either Ordinary or Extraordinary, will be by means of a highlighted advertising, published at least 3 times, and on different days, in the newspaper of the legal address determined by the Shareholders’ Meeting, and in the way and under those conditions indicated by the Regulations.

Additionally, a notice will be sent by mail to each shareholder with at least 15 days prior to the date of the Meeting, which will also include a reference of the matters to be addressed, and details concerning the manner of obtaining the full copies of the documents which support the various options that will be voted on.. However, those meetings with the attendance of all shares with a right to vote may be legally held, even if the foregoing formal notice requirements are not met.

Any Shareholders’ Meeting must be informed to the Superintendence of Securities and Insurance, with at least 15 days in advance.

ARTICLE 30. – The Shareholders’ Meetings, either Ordinary or Extraordinary, will be constituted in its first notice with shares representing at least the absolute majority of the issued voting shares, and in its second notice, with those that are attending, whichever their number. Agreements will be adopted by the absolute majority of the present or represented shares having right to vote, and without detriment of those special majorities stated by the Law or these By-Laws. The agreements to increase Series B shares’ participation above 50% of the Corporation’s total shares, will require the agreeing vote of two thirds of the shares present or represented with right to vote, in the Corporation’s respective Shareholders’ Meeting³.

ARTICLE 31. – Only record holders of shares that are registered in the Shareholders’ Register 5 business days prior to a General Shareholders’ Meeting will have the right to take part in, and to vote and to speak at such a meeting. Each shareholder will have the right to 1 vote for each share it owns or represents. No holder of Series A or Series B shares will have the right to exercise for himself or on behalf of other holders of Series A or Series B shares the right to vote more than 37.5% of the outstanding shares of each such class entitled to vote. For purposes of calculating such percentage, shares owned by persons related to such shareholder shall be added to shares held by such shareholder. Apart from the aforesaid voting limitations, and the preferences corresponding to the Series A and Series B shares, the holders of both series of shares will have identical rights in the Corporation. Shareholders may be

³ The Extraordinary Shareholders’ Meeting of 3 Jun 93 defined essential assets and established the obligation of 2/3 of the shares present at the Extraordinary Shareholders’ Meeting approving the transfer of shares of subsidiaries, above 20%. Subsequently, Ordinary Shareholders’ Meeting N° 28 of 30 Apr 03 unanimously eliminated the underlined words and agreed on the text that was included in the minutes of said Meeting.

represented in shareholders meetings by third parties, whether or not such third party is also a shareholder, by means of a proxy.

ARTICLE 31 BIS. –Notwithstanding anything contained in the preceding article, no shareholder will have the right to exercise for itself or on behalf of other holders the right to vote more than 32% of the outstanding shares of the Corporation entitled to vote, with any excess of such 32% being deducted from the number of shares such holder may vote. For purposes of calculating such percentage, shares owned by persons related to such shareholder shall be added to shares held by such shareholder. In addition, no person may represent shareholders that collectively have more than 32% of the outstanding shares of the Corporation.

ARTICLE 32. – Parties attending the Meetings must sign an attendance record where, after each signature, the signatory's stock number and Series, and the stock number and Series he is representing, with the name of the represented party, must be indicated.

ARTICLE 33. – Voting in the Meetings will be carried out in accordance with the terms of these Statutes, of Law N° 18,046 and its Regulations. The deliberations, the votes, and agreements reached at the Meetings will be recorded in a special minutes book that will be kept by the Board of Directors' Secretary. The Minutes will be signed by the Chairman or by whom replaces him, by the Secretary and by 3 shareholders elected in the Meeting, or by all shareholders if they were less than 3. The Minutes will be considered as approved from the moment it has been signed by the aforementioned persons, and from that moment on, the agreements taken in it may be put into force.

ARTICLE 34. – The Inspectors elected by the Ordinary Shareholders' Meeting must review the Corporation's Accounting, Inventory, Balance and other Financial Statements, and provide a written report, in the next Ordinary Shareholders' Meeting, about the fulfillment of that mandate.

TITLE VI. Balance and Profit Distribution

ARTICLE 35. – Each year, in December 31, the accounting period will be closed and a General Balance of the Corporation's assets and liabilities will be performed. The Balance must indicate the Corporation's new capital value, and stock value according to the provisions of the Law thereon.

ARTICLE 36. – The Board of Directors must submit a detailed annual report statement to the Ordinary Shareholders' Meeting about the Corporation's condition in the last accounting period, along with the General Balance, the Income Statement, and the report thereon submitted by the Inspectors. All these documents must clearly indicate the condition of the Corporation's patrimony at the closing of the respective accounting period, and the profits earned or losses suffered therein.

On a date not later than the first notice calling the Ordinary Meeting, the Board of Directors must make available to each shareholder registered in the respective register, a copy of the Corporation's Balance and Annual Report, including the report of the Inspectors and their respective notes.

The duly audited General Balance and the Income Statements, and the other information determined by the Superintendence of Securities and Insurances, will be published once in a newspaper of wide circulation, in the location of the legal residence, with no less than 10 days and no more than 20 days in advance to the Meeting which will determine thereon. Additionally, the aforementioned documents must be submitted within the same term to the Superintendence of Securities and Insurances, in the number of copies that the latter determines, and be published in the Corporation's Website.

The Annual Report, Balance, Inventory, Minutes of the Board of Directors and Meetings, books, and reports of the Inspectors, must be at the shareholders' disposal in the Corporation's offices, during 15 days prior to the Meeting. If the General Balance and Income Statement are changed during the Meeting, the pertinent modifications will be made available to the shareholders within 15 days following the Meeting, and will be published in the same newspaper in which those documents were published, and within the same term.

ARTICLE 36 BIS. – Notwithstanding the foregoing article, the Board of Directors must send to each shareholder registered in the respective Register, a copy of the Investment Policy and of the Financing Policy that the Board of Directors will submit to the Ordinary Meeting.

ARTICLE 37. – Dividends will be paid exclusively out of the accounting period's net profits, or out of the profits retained of balances already approved by the Shareholders' Meeting, and will be distributed in accordance with the decisions taken by the corresponding Meeting or with Law N° 18,046 and its regulations. If the Corporation has accrued losses, the profits earned in the accounting period will be assigned in first place, to absorb such losses.

ARTICLE 38. – At least thirty per cent of the accounting period's net profits will be distributed yearly as dividend in money to the shareholders, proportionally to their shares. This shall be done except as otherwise determined unanimously by the issued shares in the respective Meeting.

TITLE VII. Dissolution and Liquidation

ARTICLE 39. – The Corporation will be dissolved by those reasons indicated in Article 103 of Law No. 18.046.

ARTICLE 40. – Once the Corporation has been dissolved, it will be liquidated by a receiver committee constituted of 3 members elected by the Shareholders' Meeting. The Shareholders' Meeting will also determine the powers, obligations, remuneration, and term of the receiver committee.

TITLE VIII. Arbitration

ARTICLE 41. – Any problem arising among the shareholders, or among them and the Corporation or their administrators, during its effective period or its liquidation, will be resolved by an arbitrator appointed by mutual agreement of the parties. If there is no agreement between the parties, the Superintendent of the Superintendence of Securities and Insurance, or the Ordinary Legal Proceedings will make the appointment. The aforementioned arbitration will not restrain the possibility that, when a conflict arises, the claimant may remove his knowledge for the arbitrator's competency and submit it to the decisions of Ordinary Legal Proceedings. This right may not be exercised by those persons mentioned in Article 125 of Law N° 18,046.

TITLE IX. Special Regulations.

ARTICLE 42. – While the Corporation is subject to the provisions contained in Title XII, and other pertinent provisions of the Decree Law number three thousand five hundred and its amendments, any modifications to the regulations established in Articles 1 BIS, 5 BIS, 16 BIS, 18 BIS, 27 BIS, 28 BIS, 31 BIS, and 36 BIS, and in this Article 42,, will require the quorum set forth in Article 121 of the mentioned Decree Law number three thousand five hundred according to its new text or legal regulations replacing or amending it.

TRANSITORY ARTICLE. – The restriction and preferences of the Corporation's shares will extinguish as a matter of course at the term of 50 years, starting June 3, 1993. After this term, all shares in force at such date will be automatically converted in ordinary shares and the Corporation's Board of Directors will call an Extraordinary General Shareholders' Meeting as soon as possible with the purpose of adapting and modifying the pertinent By-Laws.