



2. Corporate Governance

2.1 Organization Description

Metro de Santiago's administration is managed by a Board of Directors comprised of a chairman, vice chairman and five board members. Twenty-six regular board meetings were held in 2016.

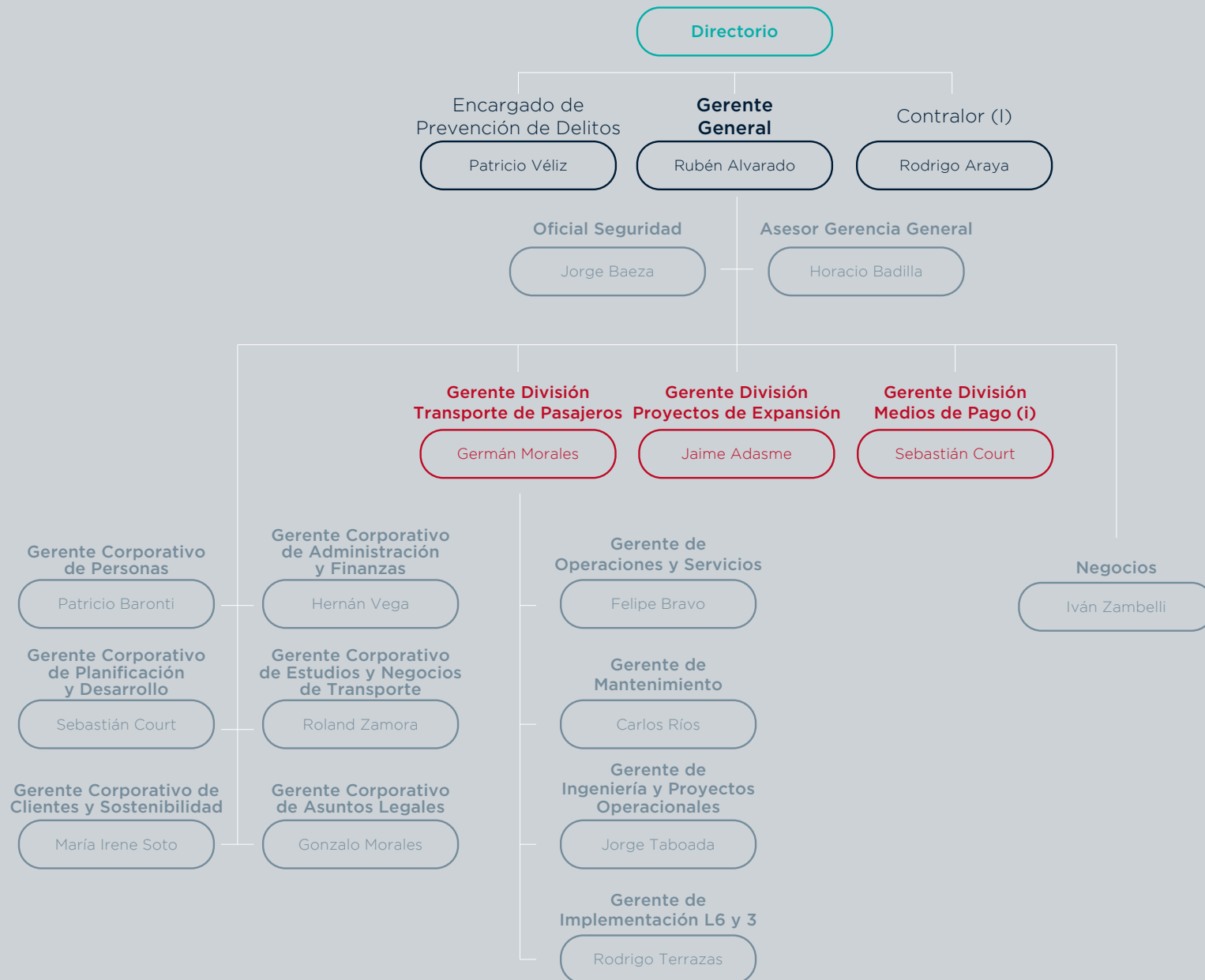
Metro's General Manager, the Office of Internal Comptroller and the Compliance Officer are under the Board of Director's purview.

At year-end 2016, the General Manager was in charge of managing the Company through six Corporate Managements and three Divisions. The following areas are under the purview of the Corporate Managements: People, Administration and Finance, Planning and Development, Studies and Transport Business, and Customers and Sustainability. The following Managements are under the purview of the Divisions: Operations and Services, Maintenance, Engineering and Operational Projects, and Line 6 and 3 Implementation fall under the first division, Division of Passenger Transport; Expansion Projects falls under a second Division, and Methods of Payment falls under a third Division. Moreover, the Business Management, Information Security Officer and Advisor to the General Manager depend directly on the General Manager.



2.2 Organizational Chart

(As of December 31, 2016)



2.3 Board of Directors

Chairman	Rodrigo Azócar Hidalgo	Ingeniero Civil Industrial	6.444.699-1
Vice Chair	Paulina Soriano Fuenzalida	Abogada	8.783.340-2
Director	Karen Poniachik Pollak	Periodista	6.379.415-5
Director	Carlos Mladinic Alonso	Ingeniero Comercial	6.100.558-7
Director	Juan Carlos Muñoz Abogabir	Ingeniero Civil de Industrias	9.005.541-0
Director	Claudio Soto Gamboa	Ingeniero Comercial	7.981.443-1
Director	Vicente Pardo Díaz	Ingeniero Civil	6.317.380-0

Advisor to the Board

Comptroller (i)	Rodrigo Araya Ibáñez	Contador Auditor	9.212.311-1
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Changes to the Board

The Board of Directors did not undergo any changes in 2016.

At the 24th Regular Shareholders' Meeting held on April 28th, 2015, shareholders appointed the following board members: Rodrigo Azócar Hidalgo, Carlos Mladinic Alonso, Juan Carlos Muñoz Abogabir, Claudio Soto Gamboa, Vicente Pardo Díaz, Paulina Soriano Fuenzalida, and Karen Poniachik Pollak. At the 869th Board of Directors' Meeting held on May 11th, 2015, board members agreed to appoint Rodrigo Azócar Hidalgo as Chairman of the Board and Paulina Soriano Fuenzalida as Vice Chair, respectively.



Advisory Services Outsourced to Auditing Firms

During the January 1st, 2016 December 31st, 2016 period, the following auditing firms were paid for services rendered as follows:

Company Name	Services Rendered	Fees (\$)
KPMG Auditores Consultores LTDA	Servicio auditoría de los Estados Financieros año 2015	123.546.557
	Mantención de Certificación Propyme	2.509.869
	TOTAL	126.056.426
Deloitte Auditores y Consultores Limitada.	Servicio de auditoría para el Fondo de Bienestar años 2015	3.898.958
	Soporte y mantención Canal de denuncia Fondo de Bienestar	5.153.801
	TOTAL	9.052.759

Regarding other advisory services, neither the Board of Directors nor Board Committees hired other services directly in 2016.

Director's Committees

There are four Directors' Committees as follows:

- **Project Management Committee:** this committee is in charge of reviewing the status of new expansion and line projects.
- **Operating Committee:** this committee addresses the company's strategic and managerial aspects pertaining to business development, encompassing operational and service-related topics, planning and control, engineering and technology, human resources and commercial affairs.
- **Audit, Finance and Risk Committee:** this committee looks out for the company's financial resources, ensuring they are managed efficiently and in keeping with established procedures. In addition to the latter, this committee is apprised of the company's generally accepted accounting principles and possible changes thereto. It supervises internal auditing and issues opinions regarding the independent auditing of the company's financial statements
- **Technical Committee:** this committee conducts in-depth reviews on complex technical matters related to projects under development.



The abovementioned is merely an example and does not entail a complete description of all functions performed by the committees, which address sundry issues affecting the company as they develop. In 2016, the board committees were made up as follows:

2016 Board of Directors' Committees

Project Management (# of Meetings: 11)	Operating (# of Meetings: 11)	Audit, Finance & Risk (# of Meetings: 13)	Technical (# of Meetings: 9)
Vicente Pardo Díaz (Pdte.)	Juan Carlos Muñoz Abogabir (Pdte.)	Carlos Mladinic Alonso (Pdte.)	Vicente Pardo Díaz (Pdte.)
Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo
Carlos Mladinic Alonso	Vicente Pardo Díaz	Claudio Soto Gamboa	Carlos Mladinic Alonso
Juan Carlos Muñoz Abogabir	Karen Poniachik Pollak	Paulina Soriano Fuenzalida	Juan Carlos Muñoz Abogabir
Karen Poniachik Pollak			Karen Poniachik Pollak
Paulina Soriano Fuenzalida			Paulina Soriano Fuenzalida
Claudio Soto Gamboa			Claudio Soto Gamboa

Mr. Patricio Velez Möller was the Secretary of the Board of Directors and Board Committees.

2015 Directors' Committees

Project Management (# of Meetings: 13)	Operating (# of Meetings: 12)	Audit, Finance & Risk (# of Meetings: 12)	Technical (# of Meetings: 11)
Vicente Pardo Díaz (Pdte.)	Juan Carlos Muñoz Abogabir (Pdte.)	Carlos Mladinic Alonso (Pdte.)	Vicente Pardo Díaz (Pdte.)
Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo	Rodrigo Azócar Hidalgo
Carlos Mladinic Alonso	Vicente Pardo Díaz	Claudio Soto Gamboa	Carlos Mladinic Alonso
Juan Carlos Muñoz Abogabir	Karen Poniachik Pollak	Paulina Soriano Fuenzalida	Juan Carlos Muñoz Abogabir
Karen Poniachik Pollak			Karen Poniachik Pollak
Paulina Soriano Fuenzalida			Paulina Soriano Fuenzalida
Claudio Soto Gamboa			Claudio Soto Gamboa

Cristiano Ruiz Santibáñez was the Secretary of the Board of Directors and Board Committees up until January 26th, 2015, and thereafter it was Patricio Véliz Möller.



2.4 2016 Senior Executives

Position	Name	Profession	I.D. #	Date Appointed
General Manager	Rubén Alvarado Vigar	Civil Chemical Engineer	7.846.224-8	29/09/2014
Expansion Projects Division Manager	Jaime Adasme Araya	Civil Constructor	7.535.688-9	01/06/2012
Passenger Transport Division Manager	Germán Morales Gaarn	Civil Engineer in Mining	5.849.974-9	01/12/2016
Means of Payment Division Manager (i)	Sebastián Court Benvenuto	Civil Engineer in Mathematics	15.779.884-7	01/12/2016
Corporate Administration & Finance Manager	Hernán Vega Molina	Commercial Engineer	6.373.587-6	01/03/1997
People Corporate Manager	Patricio Baronti Correa	Psychologist	12.636.901-8	01/12/2014
Corporate Planning and Development Manager	Sebastián Court Benvenuto	Civil Engineer in Mathematics	15.779.884-7	01/12/2016
Corporate Studies and Transport Business Manager	Roland Zamora Vega	Civil Industrial Engineer	9.395.145-k	05/07/2011
Corporate Customer and Sustainability Manager	María Irene Soto Layseca	Journalist	8.308.174-0	05/10/2015
Corporate Legal Affairs Manager	Gonzalo Morales Moreno	Attorney	8.866.936-3	01/01/2008
Operations and Services Manager	Felipe Bravo Busta	Civil Industrial Engineer	10.567.676-K	01/06/2016
Maintenance Manager	Carlos Ríos Bustamante	Civil Industrial Engineer	15.255.134-7	01/12/2016
Engineering and Operations Project Manager	Jorge Taboada Rodríguez	Civil Industrial Engineer	7.321.976-0	01/12/2016
Line 6 and 3 Implementation Manager	Rodrigo Terrazas Michell	Electronics Engineer	9.516.705-5	01/12/2016
Business Manager	Iván Zambelli Klenner	Commercial Engineer	5.993.203-9	26/10/2015

Metro's senior executives and board members do not hold any shares of company capital since the Chilean State is the company's sole shareholder.

Changes to Managerial Team

On January 1st, 2016 Jorge Taboada was appointed Advisor to the General Manager.

On June 1st, 2016 Rodrigo Terrazas left the Operations and Services Management to take over as Manager of Line 6 and 3 Implementation, and Felipe Bravo, former Maintenance Manager, moved into the Operations and Services Management. On that same day, Juan Quispe joined the Managerial Team as Maintenance Manager; however, he subsequently left the company on September 26, 2016.

In December 2016 the company's organizational structure underwent some changes involving the implementation of a division-based structure with three Divisions supported by Corporate Managements, as follows: the Passenger Transport Division was created with Germán Morales in charge. This Division

presides over the following Management areas: Operations and Services Management, Maintenance Management, Lines 6 and 3 Implementation Management, and the Engineering and Projects Management, with Carlos Ríos as Maintenance Manager. The Project Development Management became the Expansion Projects Division led by Jaime Adasme, and the Sales Channel Management became the Methods of Payment Division led temporarily by Sebastián Court

At that same time a few departments were also shuffled around, after which the Planning and International Relations Management changed names to the Corporate Studies and Transport Business Management, and a new department was created, called the Planning and Development Management head up by Sebastián Court.



2.4.1 Board Compensation

The following tables contains a 2015-2016 comparison of compensation paid to board members for services rendered, in thousands of Chilean pesos:

- 2016 Compensation or Allowances

The following corresponds to allowances and board member compensation for attending each board meeting, and includes lump sum for attending Board Committees..

2016 Compensation or Allowance

2016 Directors	Fixed Compensation	Variable Compensation	Total
Rodrigo Azócar Hidalgo	115.984	0	115.984
Paulina Soriano Fuenzalida	5.665	12.677	18.342
Juan Carlos Muñoz Abogabir	3.776	9.980	13.756
Vicente Pardo Díaz	3.776	9.980	13.756
Karen Poniachik Pollak	3.776	9.980	13.756
Carlos Mladinic Alonso	3.776	9.980	13.756
Claudio Soto Gamboa	3.776	9.980	13.756
TOTAL	140.529	62.577	203.106

Participación o Asignación Año 2015

2015 Directors	Fixed Compensation	Variable Compensation	Total
Rodrigo Azócar Hidalgo	107.619	0	107.619
Paulina Soriano Fuenzalida	5.525	12.366	17.891
Juan Carlos Muñoz Abogabir	3.684	9.735	13.419
Vicente Pardo Díaz	3.684	9.735	13.419
Karen Poniachik Pollak	3.684	9.735	13.419
Carlos Mladinic Alonso	3.683	9.736	13.419
Claudio Soto Gamboa	3.683	9.736	13.419
TOTAL	131.562	61.043	192.605

Travel, Per Diems and other Stipends

In 2016, the company did not disburse any funds for travel expenses but it did disburse M\$5,709 in 2015.

Chairman of the Board Rodrigo Azócar Hidalgo received M\$563 Chilean pesos in per diem in 2016 and M\$913 Chilean pesos in per diem in 2015.

Senior Executives

The General Manager's 2016 compensation amounted to M\$206,858 (M\$169,794 Chilean pesos in 2015) while compensation received by other managers (senior executives) totaled M\$1,672,917 (M\$1,377,887 Chilean pesos in 2015).

During the first quarter of each year, managers are entitled to an individual annual bonus calculated on the basis of company results and an individual performance bonus calculated on the basis of company results and individual performance during the previous calendar year, subject to annual approval by the company's Board of Directors.

2.4.2 Summary of Shareholder and Board Committee Remarks and Proposals

Neither shareholders nor board committees issued requests to submit remarks or proposals to this Annual Report.

